TOWN OF OPHIR, COLORADO

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2023

TOWN OF OPHIR, COLORADO

TABLE OF CONTENTS

Year Ended December 31, 2023

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and General Assembly
Town of Ophir, Colorado

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 Ophir, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Ophir, Colorado'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 of Ophir, Colorado, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Ophir, Colorado, 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 of Ophir, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Certified Public Accountants

105 S.E. Frontier Ave, Suite A Cedaredge, CO 81413 | 970-856-7550 | 970-856-2122 | www.bandacpas.com

- 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 of Ophir, Colorado'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 of Ophir, Colorado'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

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require budgetary comparison information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ophir's financial statements as a whole. The budgetary comparison schedules of the capital projects fund and enterprise fund and the Local Highway Finance Report are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The budgetary comparison schedules of the capital project fund and enterprise fund and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
December 2, 2024

Basic Financial Statements

TOWN OF OPHIR
Statement of Net Position
December 31, 2023

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 876,598	$ 75,699	$ 952,297
Property taxes receivable	179,495	20,271	199,766
Due from state	7,149	4,250	11,399
Total Current Assets	1,063,242	100,220	1,163,462
Property and Equipment			
Water system	-	1,084,025	1,084,025
Construction in progress	31,069	-	31,069
Building and improvement	545,375	-	545,375
Equipment	51,751	25,897	77,648
Land	209,639	-	209,639
Less: Accumulated depreciation	(174,638)	(439,003)	(613,641)
Net Property and Equipment	663,196	670,919	1,334,115
Total Assets	1,726,438	771,139	2,497,577
LIABILITIES			
Current Liabilities			
Accounts payable	10,895	2,771	13,666
Deposits	2,250	-	2,250
Current portion - loans	-	25,000	25,000
Total current liabilities	13,145	27,771	40,916
Long Term Liabilities			
Loans	-	137,500	
Total Liabilities	13,145	165,271	40,916
DEFERRED INFLOWS OF RESOURCES			
Property taxes revenues	179,495	-	179,495
NET POSITION			
Invested in capital assets,	663,196	508,419	1,171,615
Restricted for emergencies	8,850	-	8,850
Restricted for capital projects	247,322	-	247,322
Committed for parks and recreation	92,249	-	92,249
Unassigned	522,181	77,178	599,359
Total net position	$ 1,533,798	$ 585,597	$ 2,119,395

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Statement of Activities
For the Year Ended December 31, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs **Primary government:**	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental activities:							
General government	$ 178,302	$ -	$ -	$ -	$ (178,302)	$ -	$ (178,302)
Public works	59,216	16,115	15,383	-	(27,718)	-	(27,718)
Culture and recreation	19,558	-	2,784	-	(16,774)	-	(16,774)
Total governmental activities	257,076	16,115	18,167	-	(222,794)	-	(222,794)
Business-type activities:							
Water	121,957	85,501	-	-	-	(36,456)	(36,456)
Total business- type activities	121,957	85,501	-	-	-	(36,456)	(36,456)
Total primary government	$ 379,033	$ 101,616	$ 18,167	$ -	(222,794)	(36,456)	(259,250)
		General Revenues					
		Taxes:					
		Property taxes			136,352	16,894	153,246
		Real estate transfer			124,400	-	124,400
		Sales and use taxes			33,339	-	33,339
		Specific ownership			6,325	-	6,325
		Road and bridge			5,225	-	5,225
		Highway users			7,041	-	7,041
		Other			4,554	-	4,554
		Total General Revenues			317,236	16,894	334,130
		Changes in Net Position			94,442	(19,562)	74,880
		Net Position-January 1			1,439,357	605,159	2,044,516
		Net Position-December 31			$ 1,533,799	$ 585,597	$ 2,119,396

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Governmental Funds
Balance Sheet
December 31, 2023

	General	Open Space	Conservation Trust	Capital Projects	Broadband	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 512,639	$ 79,275	$ 12,163	$ 254,465	$ 18,056	$ 876,598
Due from state	6,338	-	811	-	-	7,149
Taxes receivable	179,495	-	-	-	-	179,495
Total assets	$ 698,472	$ 79,275	$ 12,974	$ 254,465	$ 18,056	$ 1,063,242
Liabilities						
Accounts payable	$ 3,752	$ -	$ -	$ 7,143	$ -	$ 10,895
Deposits	2,250	-	-	-	-	2,250
Total liabilities	6,002	-	-	7,143	-	13,145
Deferred inflows of resources						
Deferred property taxes	179,495	-	-	-	-	179,495
Fund balance						
Restricted for emergencies	8,850	-	-	-	-	8,850
Restricted for capital projects	-	-	-	247,322	-	247,322
Committed for parks and recreation	-	79,275	12,974	-	-	92,249
Unassigned	504,125	-	-	-	18,056	522,181
Total fund balance	512,975	79,275	12,974	247,322	18,056	870,602
Total Liabilities and Fund Balances	$ 698,472	$ 79,275	$ 12,974	$ 254,465	$ 18,056	$ 1,063,242

The accompanying notes are an integral part of this statement.

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

Total Fund Balance, Governmental Funds		$ 870,602
Amounts reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of capital assets	$ 837,834	
Less accumulated depreciation	(174,638)	
		663,196
Net Position - Governmental Activities		$ 1,533,798

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2023

	General	Open Space	Conservation Trust	Capital Projects	Broadband	Total Governmental Funds
Revenues						
Taxes	$ 295,440	$ 4,976	$ -	$ -	$ -	$ 300,416
Intergovernmental	12,989	-	2,784	15,383	-	31,156
Licenses and permits	16,115	-	-	-	-	16,115
Charges for services	940	-	-	-	-	940
Miscellaneous	2,871	20	-	-	-	2,891
Total revenues	328,355	4,996	2,784	15,383	-	351,518
Expenditures						
Current:						
General government	172,501	-	-	-	1,054	173,555
Public works	45,635	-	-	-	-	45,635
Culture and recreation	-	12,560	680	-	-	13,240
Capital outlay	-	-	-	31,069	-	31,069
Debt service payments	110,932	-	-	-	12,578	123,510
Total expenditures	329,068	12,560	680	31,069	13,632	387,009
Excess of revenues over expenditures	(713)	(7,564) -	2,104	(15,686)	(13,632)	(35,491)
OTHER FINANCING (USES)						
Transfers in (out)	(10,500)	-	-	-	10,500	-
Total other financing (uses)	(10,500)	-	-	-	10,500	-
Net change to fund balance	(11,213)	(7,564)	2,104	(15,686)	(3,132)	(35,491)
Fund balance, January 1	524,188	86,839	10,870	263,008	21,188	906,093
Fund balance, December 31	$ 512,975	$ 79,275	$ 12,974	$247,322	$ 18,056	$ 870,602

The accompanying notes are an integral part of this statement.

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

Net Change in Fund Balances - Total Governmental Funds		$ (35,491)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as deprecation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay	$ 31,069	
Depreciation expense	(19,226)	
Excess of capital outlay over depreciation		11,843
Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.		
Loans and notes payable		118,090
Change in Net Position of Governmental Funds		$ 94,442

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Statement of Net Position
Enterprise Funds
December 31, 2023

	Water Fund
ASSETS	
Current Assets	
Cash and cash equivalents	$ 75,699
Accounts receivable	4,250
Property tax receivable	20,271
Total Current Assets	100,220
Noncurrent Assets	
Capital assets	
Water system	1,084,025
Equipment	25,897
Less accumulated depreciation	(439,003)
Total Noncurrent Assets	670,919
Total Assets	$ 771,139
LIABILITIES	
Current Liabilities	
Accounts payable	$ 2,771
Current portion on long-term debt	25,000
Total Current Liabilities	27,771
Deferred inflows of resources	
Deferred property taxes	20,271
Long-Term Debt	
Loans payable	137,500
Total Long-Term Debt	137,500
Net Position	
Invested in capital assets, net of related debt	508,419
Unrestricted	77,178
Total Net Position	$ 585,597

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Fund
Year Ended December 31, 2023

	Enterprise Funds
	Water Fund
Operating revenues:	
Charges for services	$ 78,195
Tap fees	7,000
Taxes	16,894
Other	306
Total operating revenues	102,395
Operating expenses:	
Trash service	18,375
Legal	2,145
Miscellaneous	6,927
Postage and office	50
Repairs and maintenance	30,752
Utilities	6,569
Water testing	8,816
Forest permit use fee	175
Payroll	15,708
Depreciation	32,440
Total operating expenses	121,957
Change in net position	(19,562)
Total net position, January 1	605,159
Total net position, December 31	$ 585,597

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2023

	Water Fund
Cash Flows From Operating Activities	
Cash received from customers and other sources	$ 94,709
Cash paid for expenses and employees	(86,746)
Net cash provided (used) by operating activities	7,963
Cash Flows from Capital and Related Financing Activities	
Principal payment	(25,000)
Net increase (decrease) in cash and equivalents	(17,037)
Cash balances, January 1	92,736
Cash balances, December 31	$ 75,699
Reconciling of operating income (loss) to net cash provided (used) by operating activities:	
Change in net position	$ (19,562)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	32,440
Assets (increase) decrease:	
Accounts receivables	(7,686)
Liabilities increase (decrease):	
Accounts payable	2,771
Total adjustments	27,525
Net cash provided (used) by operating activities	$ 7,963

The accompanying notes are an integral part of this statement.

Town of Ophir
Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2023

	Trust and Agency Fund
Assets	
Cash and cash equivalents	$ 20,444
Liabilities	
Held in trust for benefits and other purposes	$ 20,444

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Ophir, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Town's significant accounting policies are described below:

A. Financial Reporting Entity

The Town is a home rule municipality with a mayor and general assembly members. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Ophir (the primary government) financial position. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

B. Government-wide 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 inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 those 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.

C. Fund Financial Statements

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

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

C. **Fund Financial Statements** (continued)

The Town reports on 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 Open Space Fund, which accounts for the acquisition and maintenance of open space. Reserves are developed over time and are then used to acquire real properties to be dedicated as open space.
- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.
- The Broadband Fund, which accounts for acquisition and maintenance of broadband costs.
- The Capital Projects Fund, which accounts for acquisition and construction of major facilities, except for those financed by proprietary funds.

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

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for water, sewer and garbage fees. Operating expenses for the enterprise funds include purchased services, utilities, repairs and maintenance, supplies, insurance, and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

The Town reports the following major enterprise fund business-type activities:

- Water Fund, which accounts for all operations of the Town's water and trash services. They are primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned, and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days at the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual, because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of 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 will not recognize as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of 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 will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (continued)

G. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources in the governmental and enterprise funds.

H. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds $ 5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Useful Life
Building and Other Improvements	25-40 years
Utility Plant and System	25 years
Playground Equipment	10-15 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

I. Long-Term Liabilities

In the government-wide financial statements, and enterprise 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 enterprise fund type statement of net position. No interest cost was capitalized in 2023.

J. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets.

Note 1 - Summary of Significant Accounting Policies (continued)

J. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. All other net position is reported as unrestricted. The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

K. Encumbrances

The Town does not use an encumbrance system for budgetary control.

L. Accounts Receivable

The Town considers accounts receivable for water and sewer to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

M. Fund Balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

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 Town has provided otherwise in its commitment or assignment actions.

Note 1 - Summary of Significant Accounting Policies (continued)

N. Fair Value Measurement

The Town adopted GASB Statement No. 72, Fair Value Measurement and Application, which generally requires state and local governments to measure assets and liabilities at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosure to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The Town's investments consist of external investment pools and money market accounts.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources' measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding "enterprises." The Town's voters on November 8, 1994, approved a ballot measure to permit the Town to collect, retain and expend the full proceeds of the Town's sales tax, and state and federal grants.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund's fund balance is classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2023, was. $8,850.

Note 4 - Budgets

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

A. By September of each year, the Town Clerk gives public notice of the budget calendar for the next fiscal year. The Town Clerk asks that all Town departments, boards, commissions, or citizens submit within thirty days from the notice, any request for funds under the budget being prepared. The Town Clerk then prepares a proposed budget for the ensuing fiscal year and submits it to the General Assembly no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.

B. The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.

C. A public hearing on the proposed budget is being held by the Town in early December.

   The Town General Assembly adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Town General Assembly shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

D. If during the fiscal year the Town Clerk determines that there are expenses in excess of those estimated in the budget, the Town General Assembly by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Town General Assembly may make emergency appropriations. If at any time during the fiscal year it appears probable to the Town Clerk that the revenues available will be insufficient to meet the amount appropriated, the Town Clerk reports to the Town General Assembly, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. At any time during the fiscal year the Town Clerk may transfer part or all of any unencumbered appropriation balance within a department.

E. Budget appropriations lapse at the end of each year.

F. Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. There were no revisions made to the original budgeted expenditures for the year. The town could be in violation of Colorado Budget Law because expenses exceed budgetary amounts in the General, Open Space and Water Funds.

G. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Note 5 - Deposits and Investments

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local governments deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40.

At December 31, 2023, the bank balance of the Town's deposits was $ 984,353 of which $ 250,000 was covered by federal depository insurance and $ 734,353 was collateralized under PDPA.

Interest rate risk-The town does not have a formal policy limiting investment maturities, other than that established by the state statue of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town’s policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

Custodial Credit Risk- 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 investment or collateral securities that are in the possession of an outside party.

Note 6 - Interfund Transactions

The following are the interfund transfers that occurred in 2023:

	Transfers	
Funds	In	Out
General Fund	-	10,500
Broadband Fund	10,500	-
Totals	$ 10,500	$ 10,500

Note 7 - Long-Term Liabilities

Governmental Activities	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due within one year
Loan payable	$ 118,090	$ -	$ (118,090)	$ -	$ -
Total	$ 118,090	$ -	$ (118,090)	$ -	$ -
Enterprise Activities					
Loans payable	$ 187,500	$ -	$ (25,000)	$ 162,500	$ 25,000
Total	$ 187,500	$ -	$ (25,000)	$ 162,500	$ 25,000

A. Colorado Water Resources and Power Development Authority:

The total amount owed at December 31, 2023, was $162,500. This loan is interest free. Semiannual payments of $12,500.

	Principal
2024	$ 25,000
2025	25,000
2026	25,000
2027	25,000
2028	25,000
2029-2030	37,500
Total	$ 162,500

Note 8 - Contingent liabilities

Risk management

The Town is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town pays an annual premium to Colorado State Compensation for its workmen's compensation insurance coverage and has purchased general liability and property insurance through commercial insurers. There were no settlements exceeding insurance coverage over the last three years.

Note 9 - Capital Assets

Governmental Activities	Balance January 1, 2023	Additions	Dispositions	Balance December 31, 2023
Capital assets not being depreciated				
Land	$ 209,639	$ -	$ -	$ 209,639
Construction in progress	-	31,069	-	31,069
	209,639	31,069	-	240,708
Capital assets being depreciated				
Buildings	545,375	-	-	545,375
Parks and equipment	51,751	-	-	51,751
	597,126	-	-	597,126
Less accumulated depreciation				
Buildings	(125,123)	(15,479)	-	(140,602)
Parks and equipment	(30,289)	(3,747)	-	(34,036)
	(155,412)	(19,226)	-	(174,638)
Capital asset being depreciated, net	441,714	(19,226)	-	422,488
Total Governmental Activities Capital Assets	$ 651,353	$ 11,843	$ -	$ 663,196

Business - Type Activities	Balance January 1, 2023	Additions	Dispositions	Balance December 31, 2023
Capital assets being depreciated				
Utility systems	$ 1,046,239	$ -	$ -	$ 1,046,239
Building Improvements	37,786	-	-	37,786
Equipment	25,897	-	-	25,897
Less accumulated depreciation	(406,563)	(32,440)	-	(439,003)
Total	$ 703,359	$ (32,440)	$ -	$ 670,919

Depreciation was charged to governmental activity functions/programs as follows:

General government	$ 4,747
Public works	8,161
Culture and recreation	6,318
Total	$ 19,226

The depreciation charged to the Enterprise Funds is as follows:

Water Fund	$ 32,440

TOWN OF OPHIR
General Fund
Budget and Actual
For the Year Ended December 31, 2023

	Budgeted			Favorable
Revenues	**Original**	**Final**	**Actual**	**(Unfavorable)**
Licenses and permits	$ -	$ -	**$ 16,115**	$ 16,115
Sales and use tax	-	-	**33,339**	33,339
Real estate transfer tax	123,517	123,517	**119,424**	(4,093)
Property tax	135,941	135,941	**136,352**	411
Specific ownership tax	-	-	**6,325**	6,325
Current interest	-	-	**192**	192
Auto registration	-	-	**940**	940
Road and bridge apportionment	-	-	**5,225**	5,225
Highway users rebate	-	-	**7,041**	7,041
Mineral lease	-	-	**618**	618
Cigarette tax	-	-	**105**	105
Other	-	-	**2,679**	2,679
Total revenues	259,458	259,458	**328,355**	68,897
Expenditures				
Administration	242,667	242,667	**162,348**	80,319
Building and code enforcement	-	-	**8,783**	(8,783)
Public works	-	-	**45,635**	(45,635)
Other	-	-	**1,370**	(1,370)
Debt Service	-	-	**110,932**	(110,932)
Total Expenditures	242,667	242,667	**329,068**	(86,401)
Excess of revenues over (under) expenditures	16,791	16,791	**(713)**	(17,504)
Other financing sources				
Transfers in	(10,500)	(10,500)	**(10,500)**	-
Excess of revenues and sources over (under) expenditures and other (uses)	6,291	6,291	**(11,213)**	(17,504)
Fund balance, January 1	250,000	250,000	**524,188**	274,188
Fund balance, December 31	$ 256,291	$ 256,291	**$ 512,975**	$ 256,684

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Open Space Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Real estate transfer tax	$ 2,000	$ 2,000	**$ 4,976**	$ 2,976
Other	-	-	**20**	20
Total revenues	2,000	2,000	**4,996**	2,996
Expenditures				
Culture and recreation	11,000	11,000	**12,560**	(1,560)
Excess of revenues over (under) expenditures	(9,000)	(9,000)	**(7,564)**	1,436
Fund balance, January 1	85,000	85,000	**86,839**	1,839
Fund balance, December 31	$ 76,000	$ 76,000	**$ 79,275**	$ 3,275

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Lottery	$ 2,000	$ 2,000	**$ 2,784**	$ 784
Total revenues	2,000	2,000	**2,784**	784
Expenditures				
Parks and recreation	5,000	5,000	**680**	4,320
Excess of revenues over (under) expenditures	(3,000)	(3,000)	**2,104**	5,104
Fund balance, January 1	10,600	10,600	**10,870**	270
Fund balance, December 31	$ 7,600	$ 7,600	**$ 12,974**	$ 5,374

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Broadband Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Broadband revenues	$ -	$ -	**$ -**	$ -
Total revenues	-	-	**-**	-
Expenditures				
Administration	16,150	16,150	**-**	16,150
Utilities	**-**	**-**	**1,054**	(1,054)
Debt service payments	**-**	**-**	**12,578**	(12,578)
Total Expenditures	16,150	16,150	**13,632**	2,518
Excess of revenues over (under) expenditures	(16,150)	(16,150)	**(13,632)**	2,518
Other financing sources				
Transfers in (out)	10,500	10,500	**10,500**	-
Excess of revenues and sources over (under) expenditures and other (uses)	(5,650)	(5,650)	**(3,132)**	2,518
Fund balance, January 1	21,000	21,000	**21,188**	188
Fund balance, December 31	$ 15,350	$ 15,350	**$ 18,056**	$ 2,706

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Capital Projects Fund
Schedule of Revenues, Expenses and Changes in Fund Net Position
Budget and Actual
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Taxes	$ 10,500	$ 10,500	**$ -**	$ (10,500)
Grant revenue	-	-	**15,383**	15,383
Total revenues	10,500	10,500	**15,383**	4,883
Expenditures				
Capital outlay	40,000	40,000	**31,069**	8,931
Excess of revenues over (under) expenditures	(29,500)	(29,500)	**(15,686)**	13,814
Fund balance, January 1	265,000	265,000	**263,008**	(1,992)
Fund balance, December 31	$ 235,500	$ 235,500	**$ 247,322**	$ 11,822

The accompanying notes are an integral part of this statement.

TOWN OF OPHIR
Water Fund
Schedule of Revenues, Expenses and Changes in Fund Net Position
Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Water sales	$ 57,000	$ 57,000	**$ 60,060**	$ 3,060
Trash service revenue	13,680	13,680	**18,135**	4,455
Late fees	250	250	**100**	(150)
Taxes	16,153	16,153	**16,894**	741
Tap fees	14,000	14,000	**7,000**	(7,000)
Miscellaneous	-	-	**206**	206
Total revenues	101,083	101,083	**102,395**	1,312
Expenditures				
Trash service	-	-	**18,375**	(18,375)
Legal	-	-	**2,145**	(2,145)
Miscellaneous	-	-	**6,927**	(6,927)
Postage and office	-	-	**50**	(50)
Repairs and maintenance	96,561	96,561	**30,752**	65,809
Utilities	-	-	**6,569**	(6,569)
Water testing	-	-	**8,816**	(8,816)
Forest permit use fee	-	-	**175**	(175)
Payroll	-	-	**15,708**	(15,708)
Debt service	-	-	**25,000**	(25,000)
Total expenditures	96,561	96,561	**114,517**	(17,956)
Excess of revenues over (under) expenditures	4,522	4,522	**(12,122)**	(16,644)
Adjustments to GAPP basis				
Add:				
Principal payment of debt	-	-	**25,000**	25,000
Less:				
Depreciation	-	-	**(32,440)**	(32,440)
Net Income (Loss) GAAP basis	4,522	4,522	**(19,562)**	(24,084)
Net Position, January 1	80,000	80,000	**605,159**	525,159
Net Position, December 31	$ 84,522	$ 84,522	**$ 585,597**	$ 501,075

LOCAL HIGHWAY FINANCE REPORT		City or County: San Miguel
		YEAR ENDING : December 2023
This Information From The Records Of (example - City of _ or County of _ Town of Ophir	Prepared By: Phone:	Cynthia Wyszynski (970) 728-4943

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	16,692
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	16,692
B. Private Contributions	
C. Receipts from State government (from page 2)	12,508
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	29,200

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	25,792
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	14,025
c. Other	
d. Total (a. through c.)	14,025
4. General administration & miscellaneous	
5. Highway law enforcement and safety	470
6. Total (1 through 5)	40,287
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
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)	40,287

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	E. Reconciliation
(120,444)	29,200	40,287	(131,531)	0

Notes and Comments:

There is a significant negative ending balance, primarily due to an approximatly equal negative beginning balance from a previously reported above average snow fall and unforseed road repairs in 2008 & 2009, as well as tending to long-overdue repairs in 2020. Negative balances were paid for through General Fund contingency monies.

Item A.3.a & A.3.b.5 on page 2 regarding Property Taxes and assesments represents only the portion (2.9 mils) of the total town mill (27.665 mils) related to expenses discussed in this report.

Includes withheld Highway Users Fund payments from Aug-Dec 2022 that were deposited in January 2023

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	15,951	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		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	741	g. Other Misc. Receipts	
6. Total (1. through 5.)	741	h. Other	
c. Total (a. + b.)	16,692	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	11,568	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	940	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	940	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	12,508	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: