

**TOWN OF YAMPA,
COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

**TOWN OF YAMPA, COLORADO
BOARD OF TRUSTEES
December 31, 2023**

The Board of Trustees

Stacey Geilert, Mayor
Mike Lewis, Mayor ProTem
Michael Geanious, Trustee
Johnathan Cave, Trustee
Stephen Williams, Trustee

Table of Contents

INDEPENDENT AUDITORS’ REPORT 1
 Independent Auditors’ Report 5

Excel Tax and Accounting 5
 Independent Auditors’ Report 5

BASIC FINANCIAL STATEMENTS 8

INTENTIONALLY LEFT BLANK 9

TOWN OF YAMPA, COLORADO 22

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES HISTORY AND FUNCTION OF ORGANIZATION 22

REPORTING ENTITY 22

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS 22
 General Fund 23
 Proprietary Funds 24
 Water and Sewer Funds 24

CASH AND EQUIVALENTS 24

CAPITAL ASSETS 25

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES 25

NET POSITION/FUND BALANCES 25

TOWN OF YAMPA, COLORADO 27

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS..... 27

COMPARATIVE DATA 27

NOTE 2: CASH AND INVESTMENTS 27

DEPOSITS 27

TOWN OF YAMPA, COLORADO 33

Note 5: Long-Term Liabilities (continued) 33

NOTE 5: RISK MANAGEMENT 34

TOWN OF YAMPA, COLORADO 35

Note 6: Interfund Transactions 35

Note 7: Governmental Fund Balances 35

Note 8: Commitments 35

Note 9: Risk Management 35

Note 10: Subsequent Events 35

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES Error! Bookmark not defined.
Request for Information Error! Bookmark not defined.

INTENTIONALLY LEFT BLANK 39

FINANCIAL SECTION

Independent Auditors' Report



BAKER

CERTIFIED PUBLIC ACCOUNTANTS, LLC

Board of Trustees
Town of Yampa,
Colorado

Independent Auditors' Report

Opinion

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 Town of Yampa, as of and for the year ended December 31, 2023, and the related notes to the financial statements which collectively comprise Town of Yampa'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 Yampa 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 Opinion

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 Financial Statements section of our report. We are required to be independent of the Town of Yampa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Town of Yampa'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' Responsibility 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 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.
- 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 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 Town of Yampa'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 Town of Yampa'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.

Report on Summarized Comparative Information

We reviewed the previously audited 2022 financial statements for the Town of Yampa. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is NOT consistent, in all material respects, with the audited financial statements from which it has been derived.

During our risk assessment we identified several significant concerns that indicate a high risk of material misstatement, including:

- Inadequate record-keeping practices, which have resulted in multiple errors in the financial statements.
- Instances of gross misstatements in key financial statements balances and disclosures.
- Non-Compliance with U.S. Generally Accepted Accounting Principles (US GAAP) in several material areas.
- A general lack of effective internal controls over financial reporting.

These issues increase the susceptibility of the financial statements to both unintentional errors and potential fraudulent reporting. As a result, we have designed and implemented enhanced audit procedures including expanded substantive testing and in-depth analytical procedures, to address these elevated risks.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Yampa's basic financial statements. The combining and individual nonmajor fund financial statements are presented for the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local Highway Finance Report is presented for purposes of legal compliance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Seth G. Baker, CPA

Castle Pines, CO
September 17, 2025

BASIC FINANCIAL STATEMENTS

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

The discussion and analysis of the Town of Yampa's financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Town's financial performance. Readers should also review the financial statements and notes to the financial statements to broaden their understanding of the Town's financial performance.

Financial Highlights

The Town of Yampa's government net position decreased by \$214,147 and the business-type net position increased by \$236,730 for the year.

- The assets for the Town exceeded its liabilities at the close of the fiscal year 2023 by \$6,098,104 (net position). Of this amounts, \$528,110 (unrestricted net position) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- As of the close of fiscal year 2023, the Town's General Fund reported an ending fund balance of \$732,263 compared to the fiscal year 2022 balance of \$876,177.
- General Fund 2023 revenues increased by \$29,737 to \$436,500.
- General Fund expenditures increased in 2023 by \$181,893 to \$580,415.
- At the end of 2023 unrestricted net position for the Enterprise Fund (business-type activities) was in a position of (\$0) compared to the fiscal year 2022 balance of (\$280,930).
- Enterprise Fund 2023 operating revenues increased by \$57,997 to \$401,627 compared to fiscal year 2022 of 343,630
- Enterprise Fund operating expenses increased in 2023 by \$52,208 to \$481,543.
- At the close of fiscal year 2023, the Town's Enterprise Fund reported Income of \$188,129 compared to an income of \$60,594.00 in fiscal year 2022. Net Operating revenues netted \$77,784 in 2023, compared to the fiscal year 2022. NOTE: This discrepancy is one purpose of leaving out comparisons in this audit due to the discrepancies.
- NOTE: Due to not having access to the 2022 working files, the previous year comparisons will not be available in the 2023 audit report. Upon the compilation of the 2024 audit, the comparisons will be active again in the audited report. (Although we recognize that this may pose some difficulty in reviewing the comparisons from 2022 to 2023, the 2024 will be a more in-depth view).

Using the Basic Financial Statements

The Basic Financial Statements consists of the management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Yampa as an entire operating entity. The Statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are fund financial statement that focus on individual parts of the Town's operations in more detail. The governmental fund statement tells how the general Town services were financed in the short term as well as what remains for future spending. There is a single proprietary (enterprise) fund statement that offers short and long-term financial information about the water and sewer systems operations that the Town operates as a business.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the Town as a Whole

The Town's total net position was \$6,068,578 as of December 31, 2023, and \$6,075,521 as of December 31, 2022. This represents a decrease of \$6,943.

Government-Wide Financial Statements

The government-wide statements report information about the Town using accounting methods like those used by private businesses. The statements include all the government's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from the other functions that are intended to recover 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 and public works including parks. The Business-type Activities of the Town of Yampa consist of water and sewer services.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

- The Town of Yampa's economic drivers continue to be regional recreation and tourism, agriculture and energy. Both Stagecoach State Park/Reservoir and businesses related to the Steamboat Ski Area provide employment opportunities. Agricultural products such as hay, grain, sheep, horses and cattle from the region are local exports. Significant low-sulfur coal reserves located in Routt and Moffat Counties provide some well-paying jobs and another high-value export, though the current transition from coal-powered energy will have local and regional employment impacts and, in particular for Yampa, on related railroad jobs.
- The estimated population for Yampa is 477 according to the State Demography Office. While this number reflects a steady rate of growth, Yampa now holds its largest historical population since incorporation. There are signs, particularly evidenced by a significantly tightening and costly housing market, that the expected +/-1% increase/decrease growth forecasts may no longer be reliable and 2-3% is more relevant.
- In 2013, the Town undertook a major capital project with the construction of a new water treatment facility and associated transmission line and access road work. Due to funding constraints, only 75% of the transmission line work was completed at that time, and the remaining work will be finished as funding allows.
- The Town contracted with a consulting engineer to evaluate and plan work related to the Town's wastewater collection and treatment facilities. Funding for this work is supplied by a \$130,000 Energy Impact Assistance Fund (EIAF) program grant, matched with \$41,000 of Town funds. The current system has not been updated or improved, other than limited maintenance work, since the 1980s and current and pending regulatory requirements have created compliance issues. The Town is seeking outside funding from various sources as well as considering a sales tax increase ballot question in anticipation of a significant engineering and construction project beginning sometime in 2024.
- In 2023, Yampa saw sales tax revenues remain relatively stable over 2022 collections. It is expected that sales tax revenues will continue to increase as the Town is seeing increased economic activity and supporting related incentives.

- While 2022 was a property tax reassessment year, the County Assessor is required to look at the period ending June, 2022. There has been very limited commercial growth in the last couple years; the major rise in housing sales prices seen in this timeframe will be reflected in the Town's assessed valuation going forward.
- The Town is finishing up work on the Yampa Comprehensive Plan. Work included an update to the 1997 Yampa Master Plan and the creation of a Yampa Economic Development Plan and Capital Improvements Plan (CIP). These Plans will provide Yampa with a roadmap in addressing issues related to updating existing systems and properly managing growth in and around Town. Funding for the work was provided by the Colorado Office of Just Transition (\$100,000), an EIAF grant (\$25,000) and Town matching funds (\$25,000).
- A rate study to assess the proper levels for water and sewer rates is underway in conjunction with the CIP and wastewater treatment facility upgrades planning. Current rates cannot sustain the water and sewer enterprise operations, and rate increases are likely going to be needed annually to bring things into alignment.
- Unknowns that may impact Town operations or revenues that bear watching include the regulatory environment concerning air, water and energy resources and the uncertain political environments.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information.

Net Position

The Net position might serve over time as a useful indicator of a governments financial position. In the case of the Town of Yampa, assets exceeded liabilities by approximately \$7 million at the close of 2023. Net position of the Town on December 31, 2023, was as follows:

TOWN OF YAMPA, COLORADO

STATEMENT OF NET POSITION DECEMBER 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE	TOTALS 2023
ASSETS			
CURRENT ASSET			
Cash and Investments	308,052	419,448	727,500
Due from Government	-	-	-
Account Receivables	-	4,715	4,715
Property Taxes Receivables	81,528	-	81,528
Undeposited Funds	-	5,480	5,480
Interfund Balances	435,000	(435,000)	-
TOTAL CURRENT ASSET	824,580	(5,357)	819,223
NONCURRENT ASSETS			
Capital Assets, not Depreciated	253,967	159,504	413,471
Capital Assets, Depreciated, Net of Accumulated Depreciation	1,653,059	6,619,124	8,272,183
	(686,437)	(2,004,374)	(2,690,811)
TOTAL NONCURRENT ASSETS	1,220,589	4,774,255	5,994,844
TOTAL ASSETS	2,045,169	4,768,898	6,814,067
LIABILITIES			
Accounts Payable	8,594	29,133	37,727
Unearned Revenue	-	3,494	3,494
Escrow Deposit Payable	-	(500)	(500)
Interfund Balances	-	-	-
Accrued Interest Payable	-	-	-
Payable Deposits	-	-	-
TOTAL CURRENT LIABILITIES	8,594	32,127	40,721
Noncurrent Liabilities			
Due Within One Year	1,550	16,536	18,086
Due in More Than One Year	15,412	378,021	393,433
TOTAL NONCURRENT LIABILITIES	16,962	394,557	411,519
TOTAL LIABILITIES	25,556	426,684	452,240
DEFERRED INFLOWS			
Deferred Property Tax Revenue	81,528	-	81,528
Deferred Revenue - Other	2,195	180,000	182,195
TOTAL DEFERRED INFLOWS	83,723	180,000	263,723
NET POSITION			
Net Investment in Capital Assets	1,203,627	4,130,865	5,334,492
Restricted for Emergencies	159,953	75,548	235,501
Unrestricted	572,309	(44,199)	528,110
TOTAL NET POSITION	1,935,890	4,162,214	6,098,104
Total Liabilities, Deferred Inflows and Total Net Position	2,045,169	4,768,898	6,814,066

The Statement of net position reflects a cash position totaling \$727,500 of total assets. The bulk of the Town's resources, \$6.8million of total assets, are invested in capital assets. These assets consist of land and improvements, buildings, equipment, and utility system assets.

The Town of Yampa uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Town of Yampa's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since, in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position

As of the previous year, 2022, the Governmental Activities decreased the Town of Yampa's net position by \$7,9701. Business activities increased the Towns net position by \$236,730.

The Summary of Changes from 2022 to 2023 is not included due to the inability to access the working papers for the 2022 audit. The activities are however broken out as below for year 2023 and will carry over in 2024 with a conclusive comparison.

FINANCIAL CHANGES IN NET POSITION ARE OFFICIALLY OMITTED DUE TO PREVIOUS YEAR COMPARISONS BEING UNAVAILABLE.

DUE TO THIS, THIS FINANCIAL STATEMENT WILL RESUME BEGINNING AUDIT YEAR 2024.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		TOTALS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL	TYPE	2023	2022
					ACTIVITIES	ACTIVITIES		
PRIMARY GOVERNMENT								
Governmental Activities								
Administrative	365,637	45,851	25,748		(345,535)	-	(345,535)	(92,569)
Legislative	8,840				(8,840)	-	(8,840)	(15,986)
Public Works	188,300		117,987		(70,313)	-	(70,313)	(141,122)
Parks and Recreation	32,550			2,424	(30,126)	-	(30,126)	(12,069)
Unallocated Depreciation	42,355	-	-	-	(42,355)		(42,355)	(40,651)
	-	-	-	-	-		-	(346)
Total Governmental Activities	\$ 637,682	\$ 45,851	\$ 143,735	\$ 2,424	\$ (497,169)	\$ -	\$ (497,169)	\$ (302,743)
Business-Type Activities								
Water	327,318	227,771		42,400	-	(57,147)	(57,147)	30,457
Sewer	158,294	180,058		265,913	-	287,676	287,676	27,252
Total Primary Government	\$ 485,612	\$ 407,829	\$ -	\$ 308,313	\$ -	\$ 230,529	\$ 230,529	\$ 57,709
				\$ 310,737	\$ (497,169)	\$ 230,529	\$ (266,640)	\$ (245,034)
GENERAL REVENUE								
Sales Taxes					\$ 128,744	\$ -	\$ 128,744	\$ 156,032
Property Taxes					\$ 75,673	\$ -	\$ 75,673	\$ 72,332
Specific Ownership Taxes					\$ 4,963	\$ -	\$ 4,963	\$ 4,994
Intergovernmental					17,606	-	17,606	32,911
Franchise Taxes					12,985	-	12,985	15,222
Other Taxes					29,302	-	29,302	-
Other/Interest					13,749	6,201	19,950	6,619
TOTAL GENERAL REVENUES and TRANSFERS					\$ 283,022	\$ 6,201	\$ 289,223	\$ 288,110
CHANGE IN NET POSITION					(214,147)	236,730	22,583	43,076
NET POSITION, Beginning, as previously reported					<u>2,150,037</u>	<u>3,925,484</u>	<u>6,075,521</u>	<u>6,032,445</u>
Prior Period Adjustment								
NET POSITION, Beginning, as restated					<u>2,150,037</u>	<u>3,925,484</u>	<u>6,075,521</u>	<u>6,032,445</u>
NET POSITION, Ending					<u>\$ 1,935,890</u>	<u>\$ 4,162,214</u>	<u>\$ 6,098,104</u>	<u>\$ 6,075,521</u>

TOWN OF YAMPA, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS

	GENERAL FUND	
	2023	2022
REVENUES		
Taxes	218,953	233,358
Licenses and Permits	1,266	15,222
Intergovernmental	36,270	32,911
Charges for Services	45,851	45,381
Parks and Recreation	2,424	-
Miscellaneous	131,736	79,891
TOTAL REVENUES	\$ 436,500	\$ 406,763
EXPENDITURES		
Administrative	365,637	214,207
Legislative	8,840	15,986
Public Works	173,387	141,122
Parks and Recreation	32,550	12,069
Capital Outlay		13,194
Debt Service		1,944
TOTAL EXPENDITURES	\$ 580,414	\$ 398,522
NET CHANGE IN FUND BALANCES	\$ (143,914)	\$ 8,241
FUND BALANCE, Beginning, as previous reported	876,177	867,936
Prior Period Adjustment		-
NET POSITION Beginning, as Restated	876,177	867,936
FUND BALANCES, Ending	\$ 732,263	\$ 876,177

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

TOWN OF YAMPA, COLORADO

**RECONCILIATION OF GENERAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
As At Year Ended December 31, 2023**

GENERAL FUND BALANCE	732,263
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Asset used in governmental activities are not financial resources and are therefore not reported in the funds	1,220,589
Long-Term liabilities are not due and payable in the current period and are not reported as liabilities in the general fund.	(16,962)
Governmental activities net position:	<u>1,935,890</u>

The accompanying notes are an integral part of these financial statements

TOWN OF YAMPA, COLORADO
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 GENERAL FUND
 DECEMBER 31, 2023

	<u>GENERAL FUND</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Investments	308,052	476,656
Account Receivable	-	3,755
Property Tax Receivable	81,528	75,500
Due from other governments	-	35,277
Due From Other Fund	435,000	435,000
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 824,580</u>	<u>\$ 1,026,188</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts Payable	8,594	18,503
Deposit and escrows		
Unearned Revenue	-	
TOTAL LIABILITIES	<u>8,594</u>	<u>18,503</u>
DEFERRED INFLOWS		
Deferred Property Tax Revenues	81,528	75,500
Deferred Grants Revenues	2,195	56,008
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>83,723</u>	<u>131,508</u>
Fund Balance		
Restricted for Emergencies	159,953	158,600
Unassigned		717,577
Unrestricted	572,309	
TOTAL FUND BALANCE	<u>\$ 732,263</u>	<u>\$ 876,177</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 824,580</u>	<u>\$ 1,026,188</u>

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

TOWN OF YAMPA, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND TO THE STATEMENT OF ACTIVITIES CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2023

Changes in fund balance-general fund	<u>(143,914)</u>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capitalized expenditures	10,604
Depreciation	(42,355)
Repayment of debt principal is an expenditure in the general fund, but the repayment reduces long term liabilities in the statement of net position.	<u>183,635</u>
Change in Net Position of Governmental Activities	<u>7,970</u>

NOTE: UNABLE TO PREPARE A DETAILED CHANGES RECONCILIATION DUE TO NOT HAVING ACCESS TO THE 2022 WORKING PAPERS FROM THE PREVIOUS ACCOUNTING FIRM. TO NOTE, THE 2024 MUNICIPAL AUDIT WILL INCLUDE THE DETAILED FINANCIALS AND RECONCILIATIONS DUE TO THE 2023 AUDIT BEING SUCCESSFULLY AUDITED.

**TOWN OF YAMPA, COLORADO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPES
DECEMBER 31, 2023**

	WATER FUND	SEWER FUND	TOTALS	
			2023	2022
OPERATING REVENUES				
Charges for Services	213,392	169,607	382,999	332,125
Other Income	10,503	(475)	10,028	11,505
TOTAL OPERATING REVENUES	\$ 223,895	\$ 169,133	\$ 393,028	\$ 343,630
OPERATING EXPENSES				
Legislative				
Wages and Benefits	74,914	81,115	156,029	98,353
Public Works			-	
Repairs and Maintenance	33,466	10,760	44,226	43,107
Utilities	10,566	14,264	24,831	26,721
Water Storage/Sewer	53,769	7,590	61,359	28,550
Depreciation	118,353	3,160	121,513	105,461
Other Operating Expenses	26,397	32,388	58,786	127,143
TOTAL OPERATING EXPENSES	317,465	149,277	466,743	429,335
OPERATING INCOME (LOSS)	(93,570)	19,855	(73,715)	(85,705)
NON-OPERATING REVENUE (EXPENSES)				
Capital Grants		308,313	308,313	147,645
Interest Income	3,876	2,326	6,201	2,885
Interest Expenses	(4,068)	-	(4,068)	(4,231)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(193)	310,638	310,445	146,299
NET INCOME	\$ (93,763)	\$ 330,493	\$ 236,730	\$ 60,594
Net Non-Operating Revenue(Expenses)				
Tap Fees	-	-	-	-
Change In Net position	(93,763)	330,493	236,730	60,594
NET POSITION, Beginning, as restated			3,925,484	3,864,790
NET POSITION, Ending	\$ (93,763)	\$ 330,493	\$ 4,162,214	\$ 3,925,384

TOWN OF YAMPA, COLORADO

STATEMENT OF CASH FLOWS
 ENTERRISE FUND
 DECEMBER 31, 2023
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	WATER FUND	SEWER FUND	TOTALS	
			2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	227,771	180,058	407,829	328,516
Cash Paid to Suppliers	(246,203)	(77,179)	(323,382)	(218,496)
Cash Paid to Employees	(81,115)	(81,115)	(162,229)	(85,199)
Net Cash Provided (Used) by Operating Activities	\$ (18,432.44)	\$ 21,763.79	\$ (77,783.39)	\$ 24,821.00
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Note Principal Payments	-	265,913	-	327,428
Interest Payments	(4,068)	-	(4,068)	(16,210)
Net Cash Used by Capital and Related Financing Activities	\$ (4,068.47)	\$ -	\$ (4,068.47)	\$ (20,441.00)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	-	-	2,985
Net Increase (Decrease) in Cash and Cash Equivalents	(22,501)	21,764	(81,852)	7,365
CASH AND CASH EQUIVALENTS, Beginning, as previously reported	110,061	314,868	424,928	(221,943)
Prior Period Adjustment				-
CASH AND CASH EQUIVALENTS, Beginning, as restated	110,061	314,868	424,928	(221,943)
CASH AND CASH EQUIVALENTS, Ending	87,560	336,631	343,076	(214,578)
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	(57,147)	287,676	230,529	(85,705)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	117,936	12,177	130,113	127,143
Changes in Assets and Liabilities				
Interfund Balances	217,500	217,500	435,000	435,000
Accounts Payable	(63)	(29,070)	(29,133)	2,755
Accrued Expenses	-	-	-	-
Deposits	(265)	(235)	(500)	-
Total Adjustments	335,108	200,372	535,480	564,898
Net Cash Provided by Operating Activities	\$ 277,960.63	\$ 488,048.07	\$ 766,008.70	\$ 479,193.00

TOWN OF YAMPA, COLORADO
Notes to the Financial Statements
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

HISTORY AND FUNCTION OF ORGANIZATION

The Town of Yampa, Colorado is a political subdivision of the State of Colorado governed by a five-member board of trustees. The Town was incorporated on April 17, 1906 in Routt County, Colorado. The Town provides general government, public works, water and sewer services for the Town's residents.

REPORTING ENTITY

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

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 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 to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it. Based on the application of these criteria, the Town has not included any other organizations within its reporting entity.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the Town as a whole. The reporting information includes all of the non-fiduciary activities of the Town. These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. Internal activity has been eliminated within the function for the statement of activities presentation.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes

Note: 1 (Continued)

are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considered 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 and use taxes, franchise fees, state shared revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable only when cash is received by the Town.

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

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 the fund's principal ongoing operations. Operating expenses 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.

In the fund financial statements, the Town reports the following major governmental fund:

General Fund

The general fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for administrative services and public works.

Note 1: (Continued)**Proprietary Funds**

The Town also reports the following major proprietary funds

Water and Sewer Funds

These funds account for the activities related to the offering of the respective services to the Town's residents.

BUDGETS AND BUDGETARY ACCOUNTING

Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- Certification of mill levies to the County Commissioners by December 15 of each year.
- Final adoption of the budget and appropriations by December 31 of each year.

The Town does not utilize encumbrance accounting and all appropriations lapse at year end. The budgets presented are as originally adopted or supplemented during the year.

CASH AND EQUIVALENTS

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

PROPERTY TAXES

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue, and the receivable is reduced. The deferred revenue is shown as a deferred inflow of financial resources in the financial statements.

Based upon a review of the existing accounts receivable and the fact that any uncollectible water and sewer receivables can be certified to the County Treasurer as such and attached to the tax rolls, no allowance for doubtful accounts is provided.

Note 1: (Continued)

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets 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 cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The Town did a retroactively report on infrastructure and had some additions to its infrastructure for the year. Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

Buildings	20 - 40 years
Vehicles and Equipment	10 - 20 years
Utility Systems	5 - 50 years

ACCUMULATED UNPAID LEAVE (COMPENSATED ABSENCES)

The Town permits an employee to carry over up to 80 hours of unused vacation pay to the next calendar year upon approval by the town administrator with amounts above that requiring board approval. The Town assumes that the employee will use all carryover vacation as well as any current vacation earned in the same year. Sick leave accumulates up to 12 days annually with no limitation on the maximum amount that can be accumulated. An employee will not be paid upon termination for sick leave. The Town has accrued \$7,963.17 in the governmental activities presentation for accrued compensated absences at December 31, 2023.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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 reports a separate section for deferred inflow of resources. This separate financial statement element 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. The Town is reporting two items, the first is at the governmental activity and governmental fund level related to property taxes that were milled in 2023 for collection in 2024.

NET POSITION/FUND BALANCES

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially

Note: 1 (Continued)

being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "non-spendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the Town Board, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund is \$732,262.55 and in the other governmental funds are presented as unassigned.

TOWN OF YAMPA, COLORADO
Notes to the Financial Statements
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCE FLOW ASSUMPTIONS

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

COMPARATIVE DATA

Comparative total data for the prior year has NOT been presented in the accompanying basic financial statements due to no access to the previous years working papers. It is acknowledged that this poses some difficulty in understanding the changes in the Town’s financial position and operations. However, not due to the above issue, the comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

DEPOSITS

The Town's cash and investment balances as of December 31, 2023 are comprised of and allocated in the financial statements as follows:

Cash and Investments Governmental	\$	308,052
Cash and Investments Business Type		419,448
Total Cash and Investments		<u>\$ 727,500</u>
Cash and Investments	\$	727,500
Restricted Cash and Investments		
Total Cash and Investments		<u>\$ 727,500</u>

TOWN OF YAMPA, COLORADO
Notes to Financial Statements
December 31, 2023

Note 2: Stewardship, Compliance and Accountability (continued)

Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue more than the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans. TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has reserved \$17,414 of the December 31, 2023, fund balance in the General Fund for this purpose.

The Town's voters passed a ballot question in April 1998, permitting the Town to collect, retain and expend all revenues and other funds collected during 1997 and each subsequent year. The ballot question also stipulated that no property tax mill levy shall be increased at any time, nor shall any new tax be imposed without the prior approval of the Town's voters.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

Note 3: Cash and Investments

Deposits

The PDPA requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The collateral 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 equal or exceed 102% of the aggregate uninsured deposits.

Investments

As of December 31, 2023 and 2022, the Town had \$308,052 and \$419,448, respectively, invested in the COLOTRUST PLUS+ fund. COLOTRUST PLUS+ is a short-term money market fund organized in conformity with Part 7 of Article 75 of Title 24, CRS. The portfolio offers Colorado governmental entities a convenient and efficient means to pool their funds to take advantage of short-term investments and maximize net interest earnings. COLOTRUST PLUS+'s investment objective is to obtain as high a level of current income as is consistent with the preservation of capital and liquidity. The investment adviser for COLOTRUST PLUS+ is

Note: 3 (Continued)

Public Trust Advisors LLC, a Colorado-based investment adviser, registered with the SEC. The portfolio manager is responsible for making all of the investment decisions for the portfolio. Wells Fargo Bank, N.A. is custodian of the portfolio's securities and cash. COLOTRUST PLUS+ portfolio invests in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements, tri-party repurchase agreements,

collateralized bank deposits, the highest rated commercial paper, and highly-rated corporate bonds. The portfolio's weighted average maturity to reset is kept under 60 days, which helps to enhance liquidity and limits market price exposure. The COLOTRUST PLUS+ fund holds a 'AAAm' rating by Standard and Poor's.

TOWN OF YAMPA, COLORADO

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

CAPITAL ASSETS

	Balances 12/31/22	Additions	Deletions	Balances 12/31/23
GOVERNMENTAL ACTIVITIES				
Capital Assets, not depreciated				
Land	293,966	-	(39,999)	253,967
Capital Assets, Depreciated				
Buildings and improvements	1,285,949	10,604	-	1,296,553
Streets	130,167			130,167
Vehicles and Equipment	226,339	-	-	226,339
Total Capital Assets, Depreciated	1,642,455	10,604	-	1,653,059
Total Capital Asset	1,936,421	10,604	(39,999)	1,907,026
Less Accumulated Depreciation				
Buildings and improvements	418,333	34,038	-	452,371
Streets	89,829	2,482	-	92,311
Vehicles and Equipment	135,920	5,835	-	141,755
Total Accumulated Depreciation	644,082	42,355	-	686,437
Total Capital Assets, Depreciated, Net	998,373	(31,751)	-	966,622
Governmental Activities, Capital Assets, Net	\$ 1,292,339	\$ (31,751)	\$ (39,999)	\$ 1,220,589

TOWN OF YAMPA, COLORADO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

CAPITAL ASSETS

	Balances 12/31/22	Additions	Deductions	Balances 12/31/23
BUSINESS - TYPE ACTIVITIES				
Capital Assets, not depreciated				-
Land (Sewer)		39,999	-	39,999
Land (Water)	119,505.31	-	-	119,505
Capital Assets, Depreciated	119,505	39,999	-	159,504
Water System	5,537,322	30,145		5,567,466
Sewer Facility	699,229	283,827		983,057
Sewer Plants Access	1,080			1,080
Sewer Equipment	27,074			27,074
Machinery and Equipment (water)	40,447			40,447
Total Capital Assets, Depreciated	6,305,152	313,972	-	6,619,124
Total Assets	6,424,657	353,971	-	6,778,629
				-
Less Accumulated Depreciation				
Water System	1,412,203	116,986		1,529,189
Sewer Facility	421,255	1,793		423,049
Sewer Plants Access	1,080	-		1,080
Sewer Equipment	17,474	1,367		18,841
Machinery and Equipment (water)	30,847	1,367		32,214
Total Accumulated Depreciation	1,882,860	121,513	-	2,004,374
Total Capital Assets, Depreciated, Net	4,422,292	192,459	-	4,614,751
Business-Type Activities,	4,541,797	232,458	-	4,774,255
Capital Assets, Net				-

Depreciation expense was charged to functions/programs of the town as follows:

Governmental Activities

General Government	5,835.00
Highways and Streets	2,482.00
Parks and Recreation	34,038.00
Total	42,355.00

Business-Type Activities

Water	118,353
Sewer	3,160
Total	121,513

TOWN OF YAMPA, COLORADO
Notes to Financial Statements
December 31, 2023

(with summarized financial information as of and for the year ended December 31, 2021)

Note 4: Capital Assets (continued)

Depreciation expense was charged to functions of the Town as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Governmental activities:		
Unallocated	\$42,335	\$40,651
Total Governmental activities	<u>\$42,335</u>	<u>\$40,651</u>
Business-type activities:		
Water	\$118,353	\$121,605
Sewer	<u>3,160</u>	<u>5,538</u>
Total Business-type activities	<u>\$121,513</u>	<u>\$127,153</u>

Note 5: Long-Term Liabilities

Note Payable

The Town entered into a \$1,370,241 loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) on May 6, 2014. Terms of the loan agreement include principal forgiveness of \$847,920 by CWRPDA to a reduced principal amount of \$522,321 and the loan carries a 1.0% interest rate. Proceeds of the loan were used for water treatment plant improvements that included filtration and chlorination upgrades, an additional finished water storage tank, source protection of infiltration gallery, and replacement of transmission lines.

The first loan payment of \$1,683, including principal and interest, was paid on November 1, 2015. Remaining principal and interest payments of \$10,220 are due semi-annually on May 1 and November 1 until maturity on May 1, 2045

The loan agreement requires the Town to maintain an operations and maintenance reserve fund equal to three months of system operation and maintenance expenses.

Lease-Purchase Agreement

On July 15, 2021, the Town entered into a \$20,330 governmental lease-purchase agreement with Bank of Colorado. Proceeds totaling \$20,076 from the lease were used to purchase solar equipment as of December 31, 2021. The lease term is twelve years, subject to annual appropriation of lease expenditure by the Town. The lease requires annual payments of \$1,944 including interest at 2.27% beginning April 15, 2022 through maturity on April 15, 2033. The interest rate is subject to adjustment every five years to the 5 Year Treasury Rate plus 0.75%, subject to an interest rate floor of 2.00%.

Long-term liabilities' activity for the year ended December 31, 2023 was as follows:

Long-Term Liabilities' Activity For The Year Ended December 31, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
Government Activities					
BOC lease	18,478	-	(1,516)	16,962	1,550
Business activities					
CWRPDA Note Payable	410,929	-	(16,372)	394,557	16,536

TOWN OF YAMPA, COLORADO
Notes to Financial Statements December 31,
2022

(with summarized financial information as of and for the year ended December 31, 2021)

Note 5: Long-Term Liabilities (continued)

The CWRPDA loan agreement also includes a rate covenant whereby the Town's Enterprise Fund's water and sewer system net revenue, after meeting operation and maintenance expenses, is required to be sufficient to cover 110% of the debt service coming due. The following is the Town's calculation of the rate covenant for the year ended December 31, 2023:

Gross System Revenue:	
Charges for Services:	
Water	213,392
Sewer	169,607
Tap Fees	0
Gross System Revenues	382,999
 System Operating Expenses:	
Water	317,465
Sewer	149,277
Less Depreciation	(121,513)
Total System Operating Expenses	345,230
Net System Revenues	37,770
Annual Debt Service Payment	20,441
Net System Revenues/ Annual Debt Service Payment	185%

Gross system revenues: Charges for services.

The Town's net system revenues were sufficient to meet the rate covenant requirements for the year ended December 31, 2023.

Debt service requirements as of December 31, 2023 were as follows:

Year Ending December 31,	Government Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	1,550	397	1,947	16,536	3,904	20,440
2025	1,587	361	1,948	16,702	3,739	20,441
2026	1,623	324	1,947	16,869	3,571	20,440
2027	1,674	253	1,927	17,039	3,402	20,441
2028-2032	8,894	741	9,635	87,790	14,413	102,203
2033-2037	1,634	38	1,672	92,279	9,924	102,203
2038-2042	-	-	-	96,998	5,205	102,203
2043-2045				50,344	757	51,101
Total Debt Service	16,962	2,114	19,076	394,557	44,915	439,472

NOTE 5: RISK MANAGEMENT

The Town of Yampa, Colorado carries commercial insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation. The Town's risk of loss transfers to those carriers.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2023.

The Town is involved with 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 coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons and property which might result in claims being made against members of CIRSA, their employees and 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. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages 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 has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims on December 31, 2023.

TOWN OF YAMPA, COLORADO
Notes to Financial Statements
December 31, 2023

(with summarized financial information as of and for the year ended December 31, 2023)

Note 6: Interfund Transactions

Advances to/from as of December 31, 2023 are as follows:

Funds	Advance to Other Fund	Advance from Other Fund
General Fund	\$435,000	\$ -
Enterprise Fund	-	\$ 435,000
Total	\$435,000	\$ 435,000

The purpose of this advance was primarily for the establishment of a loan that is not due within one year. The loan is to improve the Enterprise Fund's operational liquidity.

Note 7: Governmental Fund Balances

The Town has restricted fund balances as of December 31, 2023 for the following:

- i Emergency reserve required by TABOR
- i Accumulated conservation trust funds from net proceeds of the Colorado Lottery to be used for parks, recreation facilities, open space, environmental education, and wildlife habitat.

When expenditures are incurred and both restricted and unrestricted resources are available, it is the Town's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

Note 8: Commitments

Yamcolo Reservoir Storage Agreement

The Town entered into an extension and amendment agreement with the Upper Yampa Water Conservancy District effective July 15, 2011 for 300-acre feet of storage water in the Yamcolo Reservoir for thirty years terminating July 15, 2041. The purchase price for the storage water is subject to an annual CPI increase. The Town paid \$98.24 per acre foot of storage water for the year ended December 31, 2023.

Water Tank Access Road

The Town purchased land for its water tank improvement project in 2015 and agreed to pay the seller an annual access road user fee over the life of the use of the access road. The annual fee, due January 1st, was \$1,639 in 2017 and increases 3% compounded annually until January 1, 2065 when the annual fee will remain at \$6,575.

Note 9: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Town maintains commercial insurance for these risks of loss, including workers compensation. Settled claims have not exceeded coverage in the past three fiscal years.

Note 10: Subsequent Events

The Town has evaluated subsequent events through January 9, 2024, the date these financial statements were available to be issued.

TOWN OF YAMPA, COLORADO

GENERAL FUND BUDGETARY
 COPARISON SCHEDULE
 DECEMBER 31, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>2023 ACTUAL</u>	<u>VARIANCE POSTIVE (NEGATIVE)</u>	<u>2022 ACTUAL</u>
REVENUES				
Taxes	232,535	218,953	(13,582)	233,358
Licenses and Permits	950	1,266	316	15,222
Intergovernmental	34,567	36,270	1,703	32,911
Charges for Services	44,296	45,851	1,555	45,381
Parks and Recreation	-	2,424	2,424	-
Miscellaneous	381,338	131,736	(249,602)	79,891
	<u>\$ 693,686</u>	<u>\$ 436,500</u>	<u>\$ (257,186)</u>	<u>\$ 406,763</u>
EXPENDITURES				
Adminstrative	483,414	365,637	(117,777)	214,207
Legislative	10,005	8,840	(1,165)	15,986
Public Works	1	173,387	173,386	141,122
Parks and Recreation	34,396	32,550	(1,846)	12,069
Capital Outlay	10,025	-	(10,025)	13,194
Principal	-	-	-	1,598
Interest	-	-	-	346
TOTAL EXPENDITURES	<u>\$ 537,841</u>	<u>\$ 580,414</u>	<u>\$ 42,573</u>	<u>\$ 398,522</u>
NET CHANGE IN FUND BALANCE	155,845	(143,914)	(299,759)	8,241
FUND BALANCE, Beginning as previously reported		876,177		867,936
Prior Period Adjustment				
NET POSITION Beginning as restated		876,177		867,936
FUND BALANCE, Ending		<u>\$ 732,263</u>		<u>\$ 876,177</u>

**TOWN OF YAMPA, COLORADO
 WATER FUND BUDGETARY
 COMPARISON SCHEDULE**

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES			
Interest	9,413	-	(9,413)
Water Rent	209,350	213,392	4,042
Water Penalties/Other Charges	12,683	3,876	(8,807)
Water Tap Fees	-	-	-
Water Improvement Transfer	7,002	10,503	3,501
Misc. Income - Water	-	-	-
Grant Revenue - Water	-	-	-
Loan Income - Water	-	-	-
TOTAL REVENUES	<u>\$ 238,448</u>	<u>\$ 227,771</u>	<u>\$ (10,677)</u>
EXPENDITURES			
Operations	542,660	242,026	(300,635)
Administration	152,873	75,440	(77,433)
Debt Service	20,440	4,068	(16,372)
Contingency	-	-	-
TOTAL EXPENDITURES	<u>715,973</u>	<u>321,534</u>	<u>(394,439)</u>
NET CHANGE IN FUND Net Position	<u>\$ (477,525)</u>	<u>\$ (93,763)</u>	<u>\$ 383,762</u>

TOWN OF YAMPA,
COLORADO

SEWER FUND BUDGETARY
COMPARISON SCHEDULE

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSTIVE (NEGATIVE)</u>
REVENUES			
Sewer Rent	176,500	169,607	(6,893)
Sewer Penalties/Other Charges	2,602	2,326	(276)
Sewer Tap Fees	-	-	-
Sewer Improvement Transfer	-	7,590	7,590
Misc Income - Sewer	1,000	35	(965)
Grant Revenue - Sewer	236,482	300,688	64,206
Loan Income - Sewer	-	-	-
Escrow Holding	1,000	(475)	(1,475)
TOTAL REVENUE	\$ 417,584	\$ 479,771	\$ 62,731
EXPENDITURES			
Operations	355,579	73,838	(281,741)
Administration	75,439	75,440	1
Contingency	-	-	-
TOTAL EXPENDITURES	431,018	149,277	(281,741)
NET CHANGE IN FUND Net Position	(13,434)	330,493	344,471
GAAP BASIS ADJUSTMENTS			
Water Change in Net Position		(93,763)	
Depreciation	\$ (13,434)	\$ 236,730	\$ 344,471
NET POSITION Beginning as restated		3,925,484	
NET POSITION Ending	\$ (13,434)	\$ 4,162,214	\$ 344,471

INTENTIONALLY LEFT BLANK