

**TOWN OF YAMPA, COLORADO**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**TOWN OF YAMPA, COLORADO**

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## Independent Auditors' Report

The Honorable Mayor and Board  
Yampa, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the accompanying financial statements 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, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Yampa, 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*

The Town of Yampa, Colorado's 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 Yampa, Colorado's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

### ***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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Yampa, 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 Yampa, 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***

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

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Yampa, Colorado’s basic financial statements. The budgetary comparison schedules and loan requirement disclosures are presented for purposes of additional analysis as required by the State of Colorado 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 budgetary comparison schedules and loan requirement disclosures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the Local Highway Finance Report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2026, on our consideration of the Town of Yampa, Colorado’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Yampa, Colorado’s internal control over financial reporting and compliance.

*Squire & Company, PC*  
St. George, Utah  
February 5, 2026

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**TOWN OF YAMPA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2023**

As management of the Town of Yampa (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2023. Please read it in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- Total combined governmental and business-type net position increased from \$6.08 million to \$6.13 million during 2023.
- The general fund unassigned fund balance at the end of 2023 was \$564,887, which is 100% of total General fund expenditures.
- General fund revenues increased by \$54,812 in 2023 mostly related to an increase in intergovernmental revenues.
- General fund expenditures increased by \$166,392 in 2023 mostly related to increased wages and economic development activities.
- Total business-type net position increased by \$248,360 to an ending net position of \$4.17 million.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Town as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. (3) Notes to the financial statements.

**Reporting the Town as a Whole**

**The Statement of Net Position and the Statement of Activities (Government-wide)**

A frequently asked question regarding the Town's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in net position. Net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in net assets are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the condition of the Town's roads to accurately assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the Town's basic services are considered to be governmental activities, including general government, public safety, public works/streets, parks and recreation, and interest on long-term debt. Sales taxes, property taxes, franchise taxes, intergovernmental revenues and charges for services finance most of these activities.
- Proprietary activities/Business type activities – The Town charges a fee to customers to cover most of the cost of the services provided.

### **Reporting the Town's Most Significant Funds**

#### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The Town's two major kinds of funds, governmental and proprietary, use different accounting approaches as explained below.

- Governmental funds – Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the Basic Financial Statements and in footnote 2.
- Proprietary funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Town's financial position. The Town's combined assets exceed liabilities by \$6.13 million as of December 31, 2023 as shown in the following condensed statement of net position. Of this amount, \$306,435 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$5,583,779 (91.03% of total net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The Town has chosen to account for its water and sewer operations in enterprise funds which are shown as Business Activities.

The following table summarizes the Town's governmental and business-type net assets as of December 31, 2023 and 2022:

### TOWN OF YAMPA, COLORADO Statement of Net Position

	Governmental activities		Business-type activities		Combined Total	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Current and other assets	\$ 866,828	\$ 1,026,188	\$ 5,857	\$ (10,570)	\$ 872,685	\$ 1,015,618
Capital assets	1,220,589	1,292,338	4,774,671	4,541,795	5,995,260	5,834,133
Total assets	<u>2,087,417</u>	<u>2,318,526</u>	<u>4,780,528</u>	<u>4,531,225</u>	<u>6,867,945</u>	<u>6,849,751</u>
Long-term liabilities outstanding	24,617	18,478	394,557	410,929	419,174	429,407
Other liabilities	21,176	18,503	212,127	11,029	233,303	29,532
Total liabilities	<u>45,793</u>	<u>36,981</u>	<u>606,684</u>	<u>421,958</u>	<u>652,477</u>	<u>458,939</u>
Deferred inflows of resources	81,528	131,508	-	183,783	81,528	315,291
Net position:						
Net investment in capital assets	1,203,665	1,273,860	4,380,114	4,130,866	5,583,779	5,404,726
Restricted	159,953	158,600	83,773	75,548	243,726	234,148
Unrestricted	596,478	717,577	(290,043)	(280,930)	306,435	436,647
Total net position	<u>\$ 1,960,096</u>	<u>\$ 2,150,037</u>	<u>\$ 4,173,844</u>	<u>\$ 3,925,484</u>	<u>\$ 6,133,940</u>	<u>\$ 6,075,521</u>

An additional portion of net position, \$243,726, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$306,435 (5.00% of total net position), may be used to meet the government's ongoing obligations to citizens and creditors.

## Governmental Activities

The cost of all Governmental activities this year was \$611,516. As shown in the Changes in Net Position statement below. \$18,855 of this cost was paid for by those who directly benefited from the programs. \$180,506 was subsidized by grants received from other governmental organizations for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid and fees for services were \$199,361. General taxes, investment earnings, and other revenues totaled \$262,214.

The Town's programs include: General Government, Public Works/Streets, and Parks & Recreation. Each program's revenues and expenses are presented below.

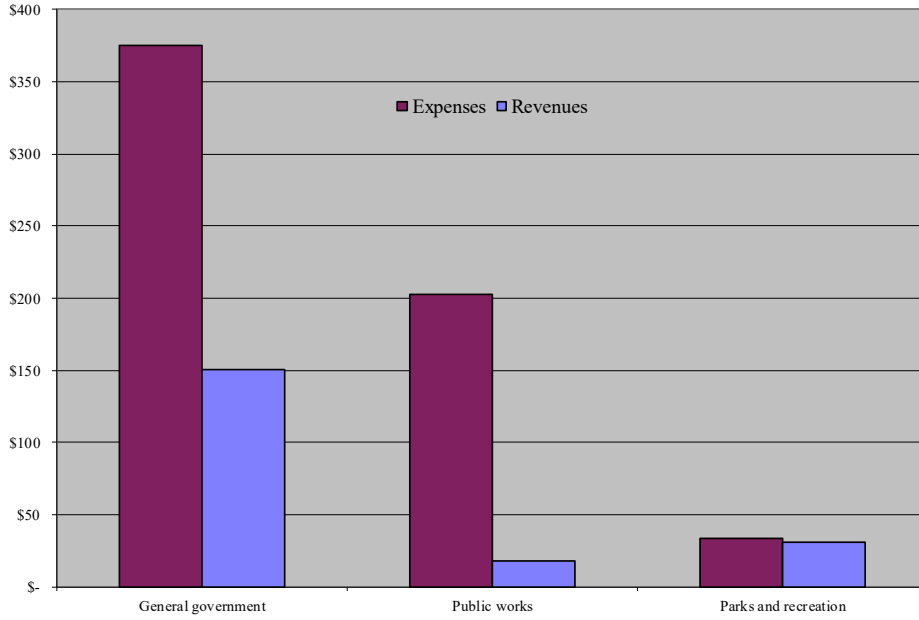
### TOWN OF YAMPA, COLORADO Changes in Net Position

	Governmental activities		Business-type activities		Combined Total	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Revenues:						
Program revenues:						
Charges for services	\$ 18,855	\$ 45,381	\$ 399,696	\$ 343,630	\$ 418,551	\$ 389,011
Operating grants and contributions	180,506	76,257	-	-	180,506	76,257
Capital grants and contributions	-	-	265,913	147,645	265,913	147,645
General revenues:						
Taxes	248,454	233,358	-	-	248,454	233,358
Investment earnings	13,760	3,634	3,008	2,985	16,768	6,619
Other revenue/(expense)	-	48,133	-	-	-	48,133
Total revenues	<u>461,575</u>	<u>406,763</u>	<u>668,617</u>	<u>494,260</u>	<u>1,130,192</u>	<u>901,023</u>
Expenses:						
General government	374,821	270,844	-	-	374,821	270,844
Public works/Streets	202,425	141,122	-	-	202,425	141,122
Parks and recreation	33,880	12,069	-	-	33,880	12,069
Interest on long-term debt	390	346	-	-	390	346
Water	-	-	317,935	310,405	317,935	310,405
Sewer	-	-	142,321	123,161	142,321	123,161
Total expenses	<u>611,516</u>	<u>424,381</u>	<u>460,256</u>	<u>433,566</u>	<u>1,071,772</u>	<u>857,947</u>
Increase (Decrease) in net position before transfers	(149,941)	(17,618)	208,361	60,694	58,420	43,076
Transfers	(39,999)	-	39,999	-	-	-
Net position, beginning	<u>2,150,036</u>	<u>2,167,655</u>	<u>3,925,484</u>	<u>3,864,790</u>	<u>6,075,520</u>	<u>6,032,445</u>
Net position, ending	<u>\$ 1,960,096</u>	<u>\$ 2,150,037</u>	<u>\$ 4,173,844</u>	<u>\$ 3,925,484</u>	<u>\$ 6,133,940</u>	<u>\$ 6,075,521</u>

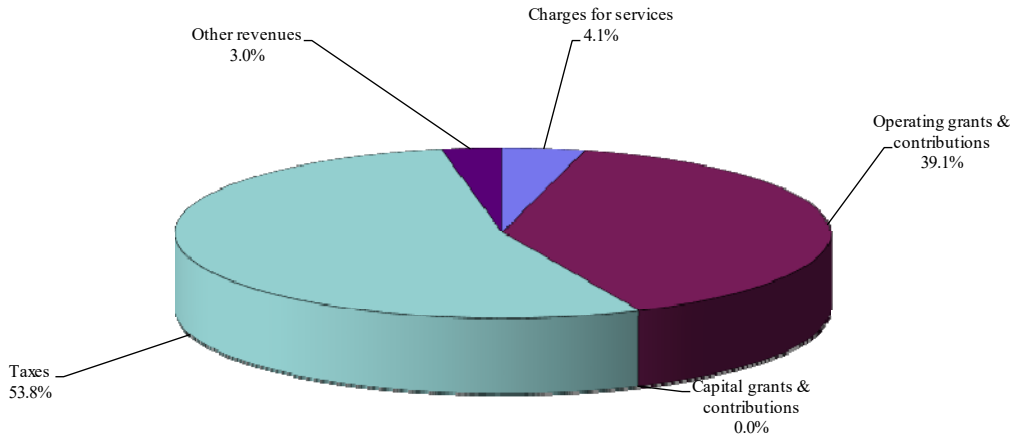
Total resources available during the year to finance governmental operations were \$2,611,611 consisting of Net position as adjusted at January 1, 2023 of \$2,150,036, program revenues of \$199,361 and General Revenues of \$262,214. Total Governmental Activities expenses during the year were \$611,516 and transfers out were \$39,999; thus Governmental Net Position was decreased by \$189,940 resulting in an ending net position of \$1,960,096.

The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all governmental activities:

**Expenses and Program Revenues - Governmental Activities**  
(in Thousands)



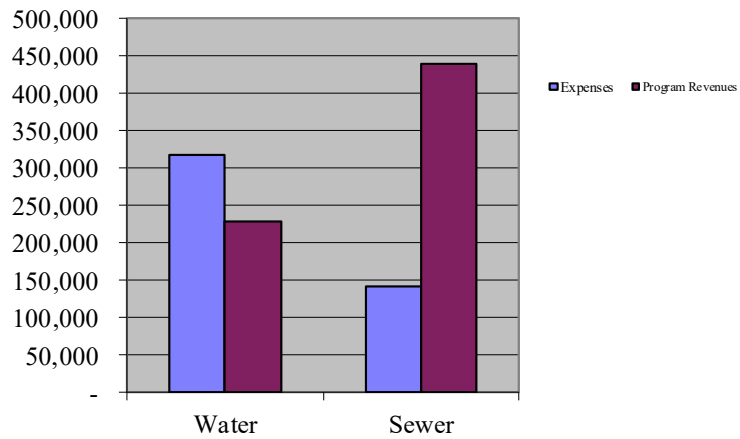
**Revenue By Source - Governmental Activities**



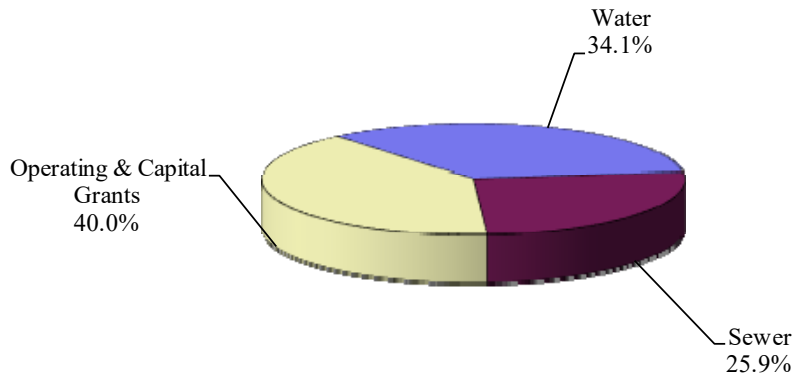
## Business Type Activities

Net position of the Business Type activities at December 31, 2023, as reflected in the Statement of Net Position was \$4.17 million. The cost of providing all Proprietary (Business Type) activities this year was \$460,256. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$399,696 and there was \$265,913 subsidized by capital grants and contributions. Investment earnings and other revenues were \$3,008. The Net Position increased by \$248,360, including a transfer of \$39,999 from governmental activities.

Expenses and Program Revenues - Business-type Activities



Revenue By Source - Business-type Activities



## Financial Analysis of the Government's Funds

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

**Governmental funds:** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$772,837 a decrease of \$103,339 in comparison with the prior year. Approximately 73.09%, or \$564,887 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted or committed to indicate that it is not available for new spending because it has already been committed for emergency reserves of \$17,414, for parks and recreation of \$142,539, or operating reserves of \$47,997.

The Town has one major governmental fund, the General Fund, which is the primary operating fund for the Town.

At December 31, 2023, unassigned fund balance in the General Fund was \$564,887. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total unassigned fund balance represents 100% and total fund balance represents 137% of total General fund expenditures. The fund balance of the Town's General fund decreased by \$103,339 for the year ended December 31, 2023. General fund revenues increased by \$54,812 compared to the prior year mainly due to increases from interest and intergovernmental revenues.

**Proprietary funds:** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position and changes in net position for the year-ended December 31, 2023 for the Town's two enterprise funds (Water and Sewer) are as follows:

	Water	Sewer	Total
Unrestricted net position	\$ (178,215)	\$ (111,828)	\$ (290,043)
Total net position	3,677,433	496,411	4,173,844
Change in net position	(87,647)	336,007	248,360

## **Budgetary Highlights**

General fund revenues of \$461,575 were less than budgeted revenues by \$4,135. The most significant factor contributing to this decrease is related to intergovernmental revenues which were less than budget by \$22,428. Actual expenditures were \$166,421 less than appropriations.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital Assets include equipment, buildings, land, system improvements, park facilities and roads. At the end of 2023, net capital assets of the government activities totaled \$1.22 million and the net capital assets of the business-type activities totaled \$4.77 million. The most significant capital additions were for the waste water treatment facilities project totaling \$279,658. Depreciation on capital assets for both government activities and business-type activities is recognized in the Government-Wide financial statements. (See note 5 to the financial statements.)

### **Debt**

At year-end, the Town did had governmental type debt of \$16,924, and \$394,557 in proprietary debt. During the current fiscal year, the Town's total debt decreased by \$17,926. See note 6 for more information.

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

In considering the Town Budget for fiscal year 2024, the Town Board of Trustees and management were cautious as to the growth of revenues and expenditures due to a slow economy. Overall General Fund operating expenditures were budgeted to maintain the current level of service at an increased cost mostly due to additional public work projects.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact: Town Treasurer, 101 Main Street, Yampa, Colorado 80483.

**BASIC FINANCIAL STATEMENTS**

**TOWN OF YAMPA, COLORADO**  
**Statement of Net Position**  
**December 31, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 318,190	\$ 313,101	\$ 631,291
Receivables (net of allowance)	113,638	43,983	157,621
Internal balances	435,000	(435,000)	-
Temporarily restricted assets:			
Cash and cash equivalents	-	83,773	83,773
Capital assets (net of accumulated depreciation):			
Land	253,967	159,504	413,471
Construction in progress	-	552,295	552,295
Buildings	844,182	-	844,182
System improvements	-	4,046,408	4,046,408
Furniture, equipment & vehicles	84,584	16,464	101,048
Infrastructure/Roads	37,856	-	37,856
Total assets	<u>2,087,417</u>	<u>4,780,528</u>	<u>6,867,945</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	18,981	32,127	51,108
Unearned revenue	2,195	180,000	182,195
Noncurrent liabilities:			
Due within one year	5,400	16,536	21,936
Due in more than one year	19,217	378,021	397,238
Total liabilities	<u>45,793</u>	<u>606,684</u>	<u>652,477</u>
<b>Deferred Inflows of Resources</b>			
Deferred revenue-property taxes	<u>81,528</u>	<u>-</u>	<u>81,528</u>
<b>Net Position</b>			
Net investment in capital assets	1,203,665	4,380,114	5,583,779
Restricted for:			
Parks and recreation	142,539	-	142,539
Emergencies	17,414	-	17,414
Debt service	-	83,773	83,773
Unrestricted	596,478	(290,043)	306,435
Total Net Position	<u>\$ 1,960,096</u>	<u>\$ 4,173,844</u>	<u>\$ 6,133,940</u>

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

**TOWN OF YAMPA, COLORADO**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 374,821	\$ 18,855	\$ 131,651	\$ -	\$ (224,315)	\$ -	\$ (224,315)
Public works	202,425	-	18,168	-	(184,257)	-	(184,257)
Parks and recreation	33,880	-	30,687	-	(3,193)	-	(3,193)
Interest on long-term debt	390	-	-	-	(390)	-	(390)
Total governmental activities	611,516	18,855	180,506	-	(412,155)	-	(412,155)
Business-type activities:							
Water	317,935	227,280	-	-	-	(90,655)	(90,655)
Sewer	142,321	172,416	-	265,913	-	296,008	296,008
Total business-type activities	460,256	399,696	-	265,913	-	205,353	205,353
Total Primary Government	1,071,772	418,551	180,506	265,913	(412,155)	205,353	(206,802)
General Revenues:							
Taxes:							
Property tax					75,416	-	75,416
Sales and use tax					151,377	-	151,377
Specific ownership					4,963	-	4,963
Franchise fees					16,698	-	16,698
Unrestricted investment earnings					13,760	3,008	16,768
Transfers					(39,999)	39,999	-
Total general revenues & transfers					222,215	43,007	265,222
Change in net position					(189,940)	248,360	58,420
Net position - beginning					2,150,036	3,925,484	6,075,520
Net position - ending					\$ 1,960,096	\$ 4,173,844	\$ 6,133,940

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

**TOWN OF YAMPA, COLORADO**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

	General Fund	Total Governmental Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 318,190	\$ 318,190
Receivables, net:		
Taxes receivable	81,528	81,528
Intergovernmental	28,397	28,397
Other	3,713	3,713
Due from other funds	435,000	435,000
Total assets	\$ 866,828	\$ 866,828
<b>Liabilities</b>		
Accounts payable	\$ 10,268	\$ 10,268
Unearned revenue	2,195	2,195
Total liabilities	12,463	12,463
<b>Deferred Inflows of Resources</b>		
Deferred revenue-property taxes	81,528	81,528
Total deferred inflows	81,528	81,528
<b>Fund Balance</b>		
Restricted for:		
Parks and recreation	142,539	142,539
Emergencies	17,414	17,414
Committed	47,997	47,997
Unassigned	564,887	564,887
Total fund balances	772,837	772,837
Total Liabilities, deferred inflows of resources, and fund balances	\$ 866,828	\$ 866,828

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

**TOWN OF YAMPA, COLORADO**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**December 31, 2023**

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Total fund balances - governmental funds \$ 772,837

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Governmental capital assets	1,907,026	
Accumulated depreciation	<u>(686,437)</u>	1,220,589

Other liabilities are not due and payable in the current period and therefore are not reported in the funds.	(8,713)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(24,617)
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Total net position - governmental activities	<u><u>\$ 1,960,096</u></u>
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The accompanying notes are an integral part of the financial statements.

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

<b>REVENUES</b>	General Fund	Total Governmental Funds
Taxes	\$ 231,756	\$ 231,756
Intergovernmental	155,472	155,472
Franchise fees	16,698	16,698
Interest revenue	21,258	21,258
Other revenues	36,391	36,391
Total Revenues	<u>461,575</u>	<u>461,575</u>
 <b>EXPENDITURES</b>		
Current:		
General government	331,515	331,515
Public works	188,300	188,300
Parks and recreation	32,550	32,550
Capital outlay	10,605	10,605
Debt Service:		
Principal retirement	1,554	1,554
Interest on long-term debt	390	390
Total Expenditures	<u>564,914</u>	<u>564,914</u>
Net change in fund balances	(103,339)	(103,339)
Fund balances, beginning of year	<u>876,176</u>	<u>876,176</u>
Fund balances, end of year	<u><u>\$ 772,837</u></u>	<u><u>\$ 772,837</u></u>

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

**TOWN OF YAMPA, COLORADO**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2023**

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

Net change in fund balances - total governmental funds		\$ (103,339)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation and capital outlays in the current period.</p>		
Capital outlay	10,605	
Depreciation expense	<u>(42,355)</u>	(31,750)
<p>Governmental funds do not report the transfer of capital assets to business-type funds. However, in the statement of activities, the transfer of capital assets is reported.</p>		
		(39,999)
<p>Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
		1,554
<p>Health reimbursement expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		(8,713)
<p>Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		(7,693)
Change in net position of governmental activities		<u><u>\$ (189,940)</u></u>

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

**TOWN OF YAMPA, COLORADO**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2023**

	Water Fund	Sewer Fund	Combined Total
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 28,102	\$ 284,999	\$ 313,101
Receivables (net of allowance)	14,474	326	14,800
Due from other governments	-	29,183	29,183
Total current assets	<u>42,576</u>	<u>314,508</u>	<u>357,084</u>
Noncurrent assets:			
Restricted cash and investments	83,773	-	83,773
Land	119,505	39,999	159,504
Construction in progress	-	552,295	552,295
Utility systems and improvements	5,567,467	431,843	5,999,310
Machinery, equipment and vehicles	40,446	27,074	67,520
Accumulated depreciation	(1,560,986)	(442,972)	(2,003,958)
Total noncurrent assets	<u>4,250,205</u>	<u>608,239</u>	<u>4,858,444</u>
<b>Total Assets</b>	<u><u>\$ 4,292,781</u></u>	<u><u>\$ 922,747</u></u>	<u><u>\$ 5,215,528</u></u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	\$ 3,291	\$ 28,836	\$ 32,127
Due to other funds	217,500	217,500	435,000
Unearned revenue	-	180,000	180,000
Note payable - current	16,536	-	16,536
Total current liabilities	<u>237,327</u>	<u>426,336</u>	<u>663,663</u>
Noncurrent liabilities:			
Note payable, net of current portion	378,021	-	378,021
Total long-term debt	<u>378,021</u>	<u>-</u>	<u>378,021</u>
<b>Total Liabilities</b>	<u>615,348</u>	<u>426,336</u>	<u>1,041,684</u>
<b>Net Position</b>			
Net investment in capital assets	3,771,875	608,239	4,380,114
Restricted	83,773	-	83,773
Unrestricted	(178,215)	(111,828)	(290,043)
Total net position	<u><u>\$ 3,677,433</u></u>	<u><u>\$ 496,411</u></u>	<u><u>\$ 4,173,844</u></u>

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

**TOWN OF YAMPA, COLORADO**  
**Statement Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	Water Fund	Sewer Fund	Combined Total
<b>Operating Revenues</b>			
Charges for services	\$ 213,332	\$ 169,555	\$ 382,887
Other revenues	13,948	2,861	16,809
<b>Total Operating Revenues</b>	<b>227,280</b>	<b>172,416</b>	<b>399,696</b>
<b>Operating Expenses</b>			
Salaries	62,043	62,043	124,086
Employee benefits	13,396	13,396	26,792
Outside services	1,675	1,675	3,350
Repairs and maintenance	33,466	10,760	44,226
Water storage	30,597	-	30,597
Utilities	10,265	14,264	24,529
Other operating	44,489	37,023	81,512
Depreciation	117,936	3,160	121,096
<b>Total Operating Expenses</b>	<b>313,867</b>	<b>142,321</b>	<b>456,188</b>
<b>Operating Income (Loss)</b>	<b>(86,587)</b>	<b>30,095</b>	<b>(56,492)</b>
<b>Non-operating Revenues (Expenses)</b>			
Interest income	3,008	-	3,008
Interest expense and fiscal charges	(4,068)	-	(4,068)
<b>Total Non-Operating Revenue (Expense)</b>	<b>(1,060)</b>	<b>-</b>	<b>(1,060)</b>
<b>Income (loss) before contributions and transfers</b>	<b>(87,647)</b>	<b>30,095</b>	<b>(57,552)</b>
Contributions and Transfers:			
Capital contributions and grants	-	305,912	305,912
Total contributions and transfers	-	305,912	305,912
<b>Change in net position</b>	<b>(87,647)</b>	<b>336,007</b>	<b>248,360</b>
Net position, beginning of year	3,765,080	160,404	3,925,484
<b>Net position, end of year</b>	<b>\$ 3,677,433</b>	<b>\$ 496,411</b>	<b>\$ 4,173,844</b>

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

**TOWN OF YAMPA, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	Water Fund	Sewer Fund	Combined Total
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers, service fees	\$ 208,128	\$ 169,229	\$ 377,357
Cash received from customers, other	13,948	2,861	16,809
Cash paid to suppliers	(128,226)	(34,884)	(163,110)
Cash paid to employees	(75,439)	(75,439)	(150,878)
Net cash flows from operating activities	<u>18,411</u>	<u>61,767</u>	<u>80,178</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Proceeds/(payments) to other funds	-	-	-
Net cash flows from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Purchase of capital assets	(30,144)	(283,829)	(313,973)
Principal paid on long-term debt	(16,372)	-	(16,372)
Interest paid	(4,068)	-	(4,068)
Capital grants	-	232,948	232,948
Net cash flows from capital and related financing activities	<u>(50,584)</u>	<u>(50,881)</u>	<u>(101,465)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	3,008	-	3,008
Net change in cash and cash equivalents	(29,165)	10,886	(18,279)
Cash and cash equivalents, beginning of year	141,040	274,113	415,153
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 111,875</u>	<u>\$ 284,999</u>	<u>\$ 396,874</u>
Reconciliation of operating income to net cash provided by operating activities:			
Net operating income/(loss)	\$ (86,587)	\$ 30,095	\$ (56,492)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:			
Depreciation/amortization	117,936	3,160	121,096
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables	(5,204)	(326)	(5,530)
Increase/(decrease) in payables	(7,734)	28,838	21,104
Net cash flows from operating activities	<u>\$ 18,411</u>	<u>\$ 61,767</u>	<u>\$ 80,178</u>
<b>Supplemental Schedule of Non-cash Financing and Investing Activities:</b>			
Capital contributions - Land	-	(39,999)	(39,999)

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

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

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**Note 1.           Summary of Significant Accounting Policies**

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The Town of Yampa, Colorado (the Town) was incorporated on April 17, 1906 in Routt County and is governed by a publicly elected Board of Trustees. The Town provides general government, public works, water and sewer services for the Town’s residents.

The Town’s financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for the establishment of GAAP in governmental entities. The following summary of the more significant accounting policies of the Town is presented to assist the reader in interpreting these financial statements and should be viewed as an integral part of this report.

**Description of 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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Reporting Entity**

The government is a statutory municipality with a mayor – board form of government with five elected board members. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. However, there are no blended or discretely presented component units that are applicable in defining the Town’s reporting entity.

**Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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**Note 1. Summary of Significant Accounting Policies, Continued**

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**Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the government's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental fund:

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The Town reports the following major proprietary funds:

The **Water Fund** accounts for the activities related to the Town's water wells, treatment facilities and distribution operations.

The **Sewer Fund** accounts for the activities related to the Town's sewer collection and treatment operations.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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**Note 1. Summary of Significant Accounting Policies, Continued**

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The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, other taxes, 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***Cash and Investments***

The Town's cash includes cash on hand and demand deposits. The Town's investment in the Colorado Local Government Liquid Asset Trust (COLOTRUST) PLUS+ fund is measured at net asset value, equal to \$1.00 per share.

***Receivables and Payables***

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to" or "due from other funds. All trade accounts receivable in the enterprise funds are shown net of an allowance for uncollectible accounts. Due to the nature of the accounts receivable in governmental type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

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

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**Note 1. Summary of Significant Accounting Policies, Continued**

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***Capital Assets***

Capital assets include property, water and sewer systems, vehicles, equipment and infrastructure assets. Capital assets are defined by the Town as assets with an initial cost of \$1,000 or more and an estimated useful life more than one year. Such assets are recorded at historical cost if purchased or estimated fair value if donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	40 years
Utility systems and improvements	40 to 50 years
Furniture, equipment and vehicles	3 to 25 years
Infrastructure - Streets and sidewalks	50 years

***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item, which arises under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *deferred revenue – property taxes*, is reported in both the governmental funds balance sheet and the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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**Note 1.           Summary of Significant Accounting Policies, Continued**

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*Net position flow assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary 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 – net position to have been depleted before unrestricted – net position is applied.

*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. 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.

*Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Town Manager is authorized to assign amounts to a specific purpose in accordance with the Town’s budget policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

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**Note 1. Summary of Significant Accounting Policies, Continued**

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**Revenues and expenditures/expenses**

***Program revenues***

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Property Taxes***

Property tax revenues are recognized as revenues in the year collected or if collected within 60 days thereafter unless they are prepaid. Property taxes levied in the current year and not collected within 60 days of year-end are not deemed available to pay current liabilities and therefore the receivable is recorded as deferred revenue in the governmental funds. Property taxes for the current year are levied by the County and attach 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. The County also levies various personal property taxes during the year.

***Compensated Absences***

For governmental funds, amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation and sick leave in the proprietary fund are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

***Proprietary funds operating and nonoperating revenues and expenses***

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

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

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**Note 1.           Summary of Significant Accounting Policies, Continued**

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**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 the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**New Pronouncements**

For the year ended December 31, 2023, the Town implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The Town had no SBITAs during the year ended December 31, 2023 that required reporting under GASB statement No. 96.

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**Note 2.           Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and the net position of governmental activities as reported in the government-wide statement of net position. These differences primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation as listed in the table of contents.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation as listed in the table of contents.

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

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**Note 3. Stewardship, Compliance, and Accountability**

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Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Town. The use of budgets and monitoring of equity status facilitate the Town's compliance with legal requirements.

**Budgets and Budgetary Accounting**

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

- 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 prepares a proposed budget for the ensuing fiscal year and submits it to the Board no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.
- 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.
- A public hearing on the proposed budget is held by the Board in early December.
- The Board 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 Board 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.
- If during the fiscal year the Town Clerk determines that there are expenses in excess of those estimated in the budget, the Board 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 Board 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 Board, 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 of all of any unencumbered appropriation balance within a department.
- Budgetary appropriations lapse at the end of each year.

Budget amounts included in the financial statements report both the original and final amended budget. There were no revisions made to the original budget during the year.

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

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**Note 3. Stewardship, Compliance, and Accountability, Continued**

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Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, 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.

**Expenditures over Appropriations**

Per C.R.S. 29-1-108(2), appropriations are made by fund or spending agency (e.g. department) within a fund at the discretion of the Town Board. The Board by Resolution has made appropriations at the fund level and thus, expenditures may not legally exceed budgeted appropriations at the fund level. The individual Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual reports as listed in the table of contents.

**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 Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending (excluding bonded debt service). A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment. The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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 Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the Amendment. However, the entity has made certain interpretations in the Amendment’s language in order to determine its compliance.

**Debt Covenants**

See supplementary information as listed in the table of contents for compliance with debt covenants.

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

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**Note 4. Cash and Investments**

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A summary of cash and investments as shown on the statement of net position as follows:

Cash on hand	\$ 200
Cash in bank	284,427
Colorado Trust	<u>430,437</u>
Total cash and investments	<u>\$ 715,064</u>

**Deposits**

*Custodial Credit Risk*

The carrying amount of the Town's deposits as of December 31, 2023 was \$284,427 and the bank balance was \$296,863. Of the bank balance, \$266,746 was covered by federal deposit insurance and \$30,117 was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (PDPA).

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, the Town had \$430,437 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 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.

The Town's investments are subject to interest rate, credit risk, and concentration of credit risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town currently invests only in highly liquid investment pools which may be redeemed at any time.

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

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**Note 5. Capital Assets**

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The following table summarizes the changes to capital assets for governmental activities during the year.

<b>Governmental Activities:</b>	<b>Balance 12/31/22</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance 12/31/23</b>
Capital assets, not being depreciated:					
Land	\$ 293,966	\$ -	\$ -	\$ (39,999)	\$ 253,967
Total capital assets, not being depreciated	<u>293,966</u>	<u>-</u>	<u>-</u>	<u>(39,999)</u>	<u>253,967</u>
Capital assets, being depreciated:					
Buildings	1,285,948	10,605	-	-	1,296,553
Furniture, equipment & vehicles	226,339	-	-	-	226,339
Infrastructure	130,167	-	-	-	130,167
Total capital assets, being depreciated	<u>1,642,454</u>	<u>10,605</u>	<u>-</u>	<u>-</u>	<u>1,653,059</u>
Less accumulated depreciation for:					
Buildings	(418,333)	(34,038)	-	-	(452,371)
Furniture, equipment & vehicles	(135,920)	(5,835)	-	-	(141,755)
Infrastructure	(89,829)	(2,482)	-	-	(92,311)
Total accumulated depreciation	<u>(644,082)</u>	<u>(42,355)</u>	<u>-</u>	<u>-</u>	<u>(686,437)</u>
Total capital assets, being depreciated, net	<u>998,372</u>	<u>(31,750)</u>	<u>-</u>	<u>-</u>	<u>966,622</u>
Governmental activities capital assets, net	<u>\$ 1,292,338</u>	<u>\$ (31,750)</u>	<u>\$ -</u>	<u>\$ (39,999)</u>	<u>\$ 1,220,589</u>

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

<b>Governmental Activities:</b>	
General government	\$ 33,459
Public works/streets	8,532
Parks & recreation	<u>364</u>
Total depreciation expense - governmental activities	<u>\$ 42,355</u>

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

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**Note 5. Capital Assets, Continued**

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The following table summarizes the changes to capital assets for business-type activities during the year.

<b>Business Type Activities:</b>	<b>Balance 12/31/22</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance 12/31/23</b>
Capital assets not being depreciated:					
Land and water rights	\$ 54,956	\$ -	\$ -	\$ 104,548	\$ 159,504
Construction in progress	<u>272,637</u>	<u>279,658</u>	<u>-</u>	<u>-</u>	<u>552,295</u>
Total capital assets, not being depreciated	<u>327,593</u>	<u>279,658</u>	<u>-</u>	<u>104,548</u>	<u>711,799</u>
Capital assets being depreciated:					
Water system and improvements	5,601,871	30,145	-	(64,549)	5,567,467
Sewer system and improvements	427,673	4,170	-	-	431,843
Furniture, equipment & vehicles	<u>67,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,520</u>
Total capital assets, being depreciated	<u>6,097,064</u>	<u>34,315</u>	<u>-</u>	<u>(64,549)</u>	<u>6,066,830</u>
Less accumulated depreciation for:					
Water system and improvements	(1,412,203)	(116,569)	-	-	(1,528,772)
Sewer system and improvements	(422,337)	(1,793)	-	-	(424,130)
Furniture, equipment & vehicles	<u>(48,322)</u>	<u>(2,734)</u>	<u>-</u>	<u>-</u>	<u>(51,056)</u>
Total accumulated depreciation	<u>(1,882,862)</u>	<u>(121,096)</u>	<u>-</u>	<u>-</u>	<u>(2,003,958)</u>
Total capital assets, being depreciated, net	<u>4,214,202</u>	<u>(86,781)</u>	<u>-</u>	<u>(64,549)</u>	<u>4,062,872</u>
Business-type activities capital assets, net	<u>\$ 4,541,795</u>	<u>\$ 192,877</u>	<u>\$ -</u>	<u>\$ 39,999</u>	<u>\$ 4,774,671</u>

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

<b>Business-Type Activities:</b>	
Water	\$ 117,936
Sewer	<u>3,160</u>
Total depreciation expense - business-type activities	<u>\$ 121,096</u>

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

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**Note 6. Long-Term Liabilities**

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The following is a summary of changes in long-term obligations for the year ended December 31, 2023:

	Balance 12/31/22	Additions	Retirements	Balance 12/31/23	Current Portion
<b>Governmental Activities:</b>					
BOC Lease-Purchase	\$ 18,478	\$ -	\$ (1,554)	\$ 16,924	\$ 1,550
Compensated Absences	-	7,693	-	7,693	3,850
Total Governmental activity					
Long-term liabilities	<u>\$ 18,478</u>	<u>\$ 7,693</u>	<u>\$ (1,554)</u>	<u>\$ 24,617</u>	<u>\$ 5,400</u>
<b>Business-Type Activities:</b>					
CWRPDA Note Payable	\$ 410,929	\$ -	\$ (16,372)	\$ 394,557	\$ 16,536
Total Business-type activity					
Long-term liabilities	<u>\$ 410,929</u>	<u>\$ -</u>	<u>\$ (16,372)</u>	<u>\$ 394,557</u>	<u>\$ 16,536</u>

**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. The Town has reserved \$83,773 of its Water Fund net position for this purpose as of December 31, 2022.

**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%.

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

**Note 6. Long-Term Debt, Continued**

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

Years ending June 30:	<u>Business-Type Activities</u>		<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	16,536	3,904	1,550	397
2025	16,702	3,738	1,587	361
2026	16,869	3,571	1,623	324
2027	17,039	3,402	1,674	253
2028	17,295	3,231	1,708	219
2029-2033	88,669	13,533	8,782	560
2034-2038	93,205	9,000	-	-
2039-2043	97,971	4,232	-	-
2044-2045	30,271	303	-	-
	<u>\$ 394,557</u>	<u>\$ 44,914</u>	<u>\$ 16,924</u>	<u>\$ 2,114</u>

The Town has no unused lines of credit as of December 31, 2023.

**Note 7. Interfund Balances and Transfers**

As of December 31, 2023, the Town had the following interfund balances:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$ 435,000	\$ -
Water fund	-	217,500
Sewer fund	-	217,500
	<u>\$ 435,000</u>	<u>\$ 435,000</u>

This interfund balance is an advance that was primarily for the establishment of a loan that is not due within one year. The loan is to improve the Water and Sewer Fund's operational liquidity.

Interfund balances can result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The Town had no interfund transfers for the year ended December 31, 2023.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

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**Note 8.           Restricted Assets & Fund Balances**

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The Town has set aside funds for the Operation and Maintenance Reserve Fund as required by the Colorado Water Resources and Power Development Authority Loan Agreement. The water fund reserve at year-end is \$83,773 and is equal to the \$83,773 required for three months of operations and maintenance excluding depreciation, of the system as set forth in the Town's annual budget.

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

- Emergency reserve required by TABOR
- 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.

The Town has committed fund balances of \$47,997 as of December 31, 2023 as an operating reserve.

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.

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**Note 9.           Risk Management**

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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.

The Town is insured by Workers Compensation for potential worker related accidents.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by an intergovernmental agreement by member municipalities pursuant to the provision of 24-10-1155, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage's and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

All Colorado municipalities who are members of the Colorado Municipal League and own property, are eligible to participate. The general objectives of the Agency are to provide member municipalities defined liability and property coverage through joint self-insurance and to assists members in loss prevention measures. Any member may withdraw from the Agency by giving written notice to the Board of Directors of the prospective effective date of its withdrawal.

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

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**Note 9. Risk Management, Continued**

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The Town recognizes an expense for coverage for the amount paid to CIRSA annually for these coverage's. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town. 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 liability or 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 coverage's at reasonable costs. All income and assets of CIRSA shall at all times be 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 the ability to significantly affect the operations of CIRSA. The Board of Directors of the Agency is composed of seven directors elected by the members at the annual meeting to be scheduled in December each year.

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**Note 10. Contingencies and Commitments**

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**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, 2022.

**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.

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**Note 11. Subsequent Events**

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The Town entered into a loan agreement on February 22, 2024 with the Colorado Water Resources and Power Development Authority for a loan of \$1,069,000 with an up-front principal forgiveness of \$557,248 leaving a principal to be repaid of \$511,752.

The loan is to be repaid in semi-annual principal and interest installments of \$11,693 over 30 years starting May 1, 2024 and going through November 1, 2053 at an interest rate of 2.25%

**TOWN OF YAMPA, COLORADO**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULES**

**FOR THE FOLLOWING MAJOR FUNDS:**

**General Fund – Detail Budget and Actual**

The **General Fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**TOWN OF YAMPA, COLORADO**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

REVENUES:	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes:				
Property tax	\$ 75,500	\$ 75,500	\$ 75,416	\$ (84)
Sales and use tax	137,827	137,827	151,377	13,550
Specific ownership	5,000	5,000	4,963	(37)
Intergovernmental	177,900	177,900	155,472	(22,428)
Franchise fees	17,000	17,000	16,698	(302)
Interest	1,000	1,000	21,258	20,258
Other	43,213	43,213	36,391	(6,822)
<b>TOTAL REVENUES</b>	<b>\$ 457,440</b>	<b>\$ 457,440</b>	<b>\$ 461,575</b>	<b>\$ 4,135</b>
<b>EXPENDITURES:</b>				
General Government:				
Administrative				
Wages and benefits	121,959	122,787	123,001	(214)
Other administrative	129,298	348,658	198,000	150,658
Legislative				
Law enforcement	9,000	10,325	8,974	1,351
Other legislative	300	3,300	1,540	1,760
Total General Government	<u>260,557</u>	<u>485,070</u>	<u>331,515</u>	<u>153,555</u>
Public Works:				
Wages and benefits	127,310	128,209	125,129	3,080
Street improvements	10,000	10,000	8,026	1,974
Other public works	48,964	61,691	55,145	6,546
Total Public Works	<u>186,274</u>	<u>199,900</u>	<u>188,300</u>	<u>11,600</u>
Parks and Recreation:				
Parks and recreation	33,137	34,396	32,550	1,846
Total Parks & Recreation	<u>33,137</u>	<u>34,396</u>	<u>32,550</u>	<u>1,846</u>
Capital Outlay:				
Capital Outlay	100,000	10,025	10,605	(580)
Total Capital Outlay	<u>100,000</u>	<u>10,025</u>	<u>10,605</u>	<u>(580)</u>
Debt Service:				
Principal	2,000	1,944	1,554	390
Interest	-	-	390	(390)
Total Debt Service	<u>2,000</u>	<u>1,944</u>	<u>1,944</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b>581,968</b>	<b>731,335</b>	<b>564,914</b>	<b>166,421</b>
Net change in fund balance	(124,528)	(273,895)	(103,339)	170,556
Fund balance, beginning of year	876,176	876,176	876,176	-
Fund balance, end of year	<u>\$ 751,648</u>	<u>\$ 602,281</u>	<u>\$ 772,837</u>	<u>\$ 170,556</u>

**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**  
**FOR THE FOLLOWING FUNDS:**

**Major Enterprise Funds**

Enterprise Funds are used to 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. The budgets for the enterprise funds have been prepared and presented on a modified accrual basis which is an accounting basis other than GAAP for enterprise funds.

- The **Water Fund** is used to account for the Town's water wells, treatment facilities and distribution system.
- The **Sewer Fund** is used to account for the Town's sewer collection and treatment services.

**TOWN OF YAMPA, COLORADO**  
**Schedule of Revenues, Expenses and Changes in Available Resources**  
**Water Fund**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Operating Revenues</b>				
Charges for services				
Water	\$ 209,350	\$ 209,350	\$ 213,332	\$ 3,982
Other revenues	14,500	14,500	13,948	(552)
Total Operating Revenues	<u>223,850</u>	<u>223,850</u>	<u>227,280</u>	<u>3,430</u>
<b>Operating Expenses</b>				
Salaries	64,819	64,819	62,043	2,776
Employee benefits	13,025	13,025	13,396	(371)
Outside services	-	-	1,675	(1,675)
Repairs and maintenance	12,000	40,046	33,466	6,580
Water storage	29,000	29,000	30,597	(1,597)
Utilities	12,315	12,315	10,265	2,050
Other operating	44,968	44,968	44,489	479
Total Operating Expenses	<u>176,127</u>	<u>204,173</u>	<u>195,931</u>	<u>8,242</u>
Operating Income excluding depreciation	<u>47,723</u>	<u>19,677</u>	<u>31,349</u>	<u>11,672</u>
<b>Non-operating Revenues (Expenses)</b>				
Interest income	1,500	1,500	3,008	1,508
Total Non-Operating Revenue (Expense)	<u>1,500</u>	<u>1,500</u>	<u>3,008</u>	<u>1,508</u>
<b>Income (loss) before contributions, transfers and capital and related financing activities</b>	49,223	21,177	34,357	13,180
Contributions, Transfers and Capital and Related Financing Activities:				
Capital outlay	(10,000)	(41,821)	(30,144)	11,677
Debt service	(20,440)	(20,440)	(20,440)	-
<b>Change in available resources</b>	18,783	(41,084)	(16,227)	24,857
Available resources, beginning of year	<u>204,931</u>	<u>204,931</u>	<u>204,931</u>	<u>-</u>
<b>Available resources, end of year</b>	<u>\$ 223,714</u>	<u>\$ 163,847</u>	<u>\$ 188,704</u>	<u>\$ 24,857</u>

**TOWN OF YAMPA, COLORADO**  
**Schedule of Revenues, Expenses and Changes in Available Resources**  
**Sewer Fund**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
<b>Operating Revenues</b>				
Charges for services				
Sewer	\$ 176,500	\$ 176,500	\$ 169,555	\$ (6,945)
Other revenues	12,500	12,500	2,861	(9,639)
<b>Total Operating Revenues</b>	<b>189,000</b>	<b>189,000</b>	<b>172,416</b>	<b>(16,584)</b>
<b>Operating Expenses</b>				
Salaries	64,819	64,819	62,043	2,776
Employee benefits	13,025	13,025	13,396	(371)
Outside services	-	-	1,675	(1,675)
Repairs and maintenance	7,000	11,000	10,760	240
Utilities	15,731	15,731	14,264	1,467
Other operating	37,191	37,191	37,023	168
<b>Total Operating Expenses</b>	<b>137,766</b>	<b>141,766</b>	<b>139,161</b>	<b>2,605</b>
Operating Income excluding depreciation	51,234	47,234	33,255	(13,979)
<b>Non-operating Revenues (Expenses)</b>				
Interest income	-	-	-	-
<b>Total Non-Operating Revenue (Expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before contributions, transfers and capital and related financing activities</b>	<b>51,234</b>	<b>47,234</b>	<b>33,255</b>	<b>(13,979)</b>
Contributions, Transfers and Capital and Related Financing Activities:				
Capital outlay	(320,000)	(288,179)	(283,829)	4,350
Capital contributions and grants	383,000	383,000	305,912	(77,088)
<b>Change in available resources</b>	<b>114,234</b>	<b>142,055</b>	<b>55,338</b>	<b>(86,717)</b>
Available resources, beginning of year	204,931	204,931	204,931	-
<b>Available resources, end of year</b>	<b>\$ 319,165</b>	<b>\$ 346,986</b>	<b>\$ 260,269</b>	<b>\$ (86,717)</b>

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**TOWN OF YAMPA, COLORADO**

**SUPPLEMENTARY INFORMATION**

**COLORADO WATER RESOURCES AND  
POWER DEVELOPMENT AUTHORITY  
LOAN COVENANTS AND REQUIREMENTS**

The Colorado Water Resources and Power Development Authority Loan Agreement set forth certain covenants and restrictions. As of December 31, 2023, the Town appears to be in compliance with all covenants and restrictions as set forth in Exhibit F, Additional Covenants and Requirements. See footnote 6 for details on the loan. The following are additional disclosures required by the loan agreement.

- Rate Covenant:** The Town shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefore, are expected to produce Gross revenue for each calendar year that will be at least sufficient for such calendar year to pay the sum of estimated operation and maintenance expenses, 110% of the debt service coming due on the bond during the calendar year and other debt service requirements. Gross revenue as defined in Para (3) of Exhibit A to the Loan Agreement is all income and revenues directly or indirectly derived by the government agency for the operation and use of the system, including investment income, but excluding, property taxes and grants received for capital improvements.

<b>Summary of 2023 Gross Revenue Requirement</b>	<b>Water &amp; Sewer</b>
Total Gross Revenue requirement	\$ 357,576
Total water fund revenues, excluding capital grants	\$ 382,887
Excess (deficiency) of gross revenues	\$ 25,311

**Rate covenant calculation**

Net revenue (Exp) before depreciation and interest expense	47,796
Debt service	20,441
Percentage of net revenue to debt svc	233.83%

- Lien Representation:** Except for the debt service on any bonds, notes or other evidence of indebtedness of the Town issued, or contractual obligations incurred, having a lien on the Pledged Property equal or superior to the lien and charge on the Pledged Property of the Governmental Agency Bond that have been disclosed in writing to the Authority, the Pledged Property, after the payment of all costs of operating and maintaining the System, is free and clear of any pledge, lien, charge or encumbrance thereon, or with respect thereto, prior to, or of equal rank with, the obligation of the Governmental Agency Bond.
- Operations and Maintenance Reserve Fund Covenant:** It appears the Town has set aside sufficient funds to meet the Reserve Fund covenants for the Water Fund. See footnote 8 for more details regarding the reserve fund amounts.

**SUPPLEMENTARY INFORMATION**  
**LOCAL HIGHWAY FINANCE REPORT**

Section 43-2-132 of the Colorado Revised Statutes requires municipalities receiving Highway User Tax Funds to include a schedule of highway receipts and expenditures with the audit report. The said report is presented on the following two pages.

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: <b>COLORADO</b>
	YEAR ENDING (mm/yy): <b>12/23</b>

This Information From The Records Of: Yampa	Prepared By: clerk@townofyampa.com
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	20,500
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	14,200
2. General fund appropriations	171,274	b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ -	c. Other	19,764
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 33,964.00
5. Transfers from toll facilities		4. General administration & miscellaneous	131,810
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 186,274.00
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 171,274.00	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b> (from page 2)	\$ 15,000.00	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	\$ -	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 186,274.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 186,274.00

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				\$ -
1. Bonds (Refunding Portion)				\$ -
<b>B. Notes (Total)</b>				\$ -

**V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 186,274.00	\$ 186,274.00		\$ -

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
**COLORADO**  
 YEAR ENDING (mm/yy):  
**12/23**

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
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		g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ -	h. Other	
c. Total (a. + b.)	\$ -	i. Total (a. through h.)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	15,000	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		d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ -	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 15,000.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL**

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

**Notes and Comments:**



**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor and Board  
Yampa, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Yampa, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 5, 2026.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

We noted certain other matters that we have reported to the management of the Town in a separate letter dated February 5, 2026.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Squire & Company, PC*

St. George, Utah

February 5, 2026



## Findings and Recommendations For the Year Ended December 31, 2023

The Honorable Mayor and  
Town Board of Trustees  
Yampa, Colorado

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. We wish to commend the Town for their administrative achievements and oversight of the Town's accounting and budget system. During our audit of the funds of the Town of Yampa for the year ended December 31, 2023 we noted a few improvements from the prior year and we noted a few areas that may need corrective action in order for the Town to be in compliance with laws and regulations and we found a few circumstances that, if improved, would strengthen the Town's accounting system and control over its assets. These items are discussed below for your consideration.

### INTERNAL CONTROL OVER FINANCIAL REPORTING:

None noted

### COMPLIANCE AND OTHER MATTERS:

#### Compliance:

#### 2023-001 Financial Statement Submission

*Criteria:* State law requires that the Town's financial statements are audited and prepared in accordance with GAAP and submitted to the Colorado State Auditor's office on or before July 31.

*Condition:* The Town's audited financial statement for 2023 was not submitted to the State Auditor's office on or before July 31 plus the 60-day extension.

*Cause:* Management experienced delays in completing the audit due to contracting issues with the auditor selected.

*Effect:* The Town is not in compliance with State code Section 29-1-601 et seq., C.R.S.

*Recommendation:* We recommend that the management continue its efforts to close out the accounting records and submit the audit on or before July 31 each year.

2023-002 Budgetary Compliance – Supplemental Schedule

*Criteria:* Colorado revised statutes (C.R.S.) require the Town to include in its budget a *Financed Purchase of an Asset or Certificate of Participation Agreement Supplemental Schedule*. The adopted budget must separately set forth the total amount to be expended during the budget year for payment obligations under all financed purchase of an asset or certificate of participation agreements for real property and for all other property. It must also show the total maximum payment liability under the agreement, and all optional renewal terms. (29-1-103(3)(d), C.R.S.)

*Condition:* The Town has financed purchases, but the 2023 budget prepared and submitted by the Town didn't include a *Financed Purchase of an Asset or Certificate of Participation Agreement Supplemental Schedule* for those purchases.

*Cause:* Management for the Town was unaware of the requirement to include a *Financed Purchase of an Asset or Certificate of Participation Agreement Supplemental Schedule* in the budget submission for financed purchases.

*Effect:* The Town's budget submission didn't comply with Section 29-1-106(3) of the C.R.S. for 2023.

*Recommendation:* We recommend the Town design and implement controls to ensure that all required budgetary forms are included in the Town's annual budget submission.

**Other Matters:**

None noted

Responses

Please respond to the above Findings and Recommendations in letter form.

This report is intended solely for the information and use of the Town Board, management, and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the Town this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,

*Squire & Company, PC*

February 5, 2026



February 5, 2026

To the Honorable Mayor and Town Council  
Town of Yampa, Colorado

We have audited the financial statements of the Town of Yampa, Colorado as of and for the year ended December 31, 2023 and have issued our report thereon dated February 5, 2026. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated November 12, 2025, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Town of Yampa solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistently with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence. Safeguards have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

## **Significant Risks Identified**

According to Generally Accepted Auditing Standards, significant risks should include management override of controls. Accordingly, we have considered this a significant risk.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Town of Yampa is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the useful lives of capital assets is based on reasonable expectations of the remaining lives of the Town's fixed assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the State emergency reserve requirement is based on certain estimates and assumptions. We evaluated the key factors and assumptions used to develop the State emergency reserve requirement and determined that it is reasonable in relation to the basic financial statements taken as a whole.

## **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified significant misstatements and a list of the adjustments noted during the audit has been provided to management. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: see the audit adjustments provided to management.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Town of Yampa's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There are no unusual circumstances that affect the form and content of the auditor's report.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated February 5, 2026.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Town of Yampa, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Town of Yampa's auditors.

## **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Town of Yampa's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

Applied certain limited procedures to Management's Discussion and Analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information, as listed in the table of contents of the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing body and management of the Town of Yampa and is not intended to be and should not be used by anyone other than these specified parties.

*Squire & Company, PC*