

FINANCIAL & COMPLIANCE

December 31, 2020

REPORT



ROUTT
COUNTY
COLORADO

136 6th Street,
Steamboat Springs, CO 80477

www.co.routt.co.us

THIS PAGE INTENTIONALLY LEFT BLANK



ROUTT COUNTY, COLORADO
FINANCIAL AND COMPLIANCE REPORT
For the Year Ended December 31, 2020

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditors' Report.....	1
Management's Discussion and Analysis	4
 Basic Financial Statements	
 Government-wide Financial Statements	
Statement of Net Position.....	31
Statement of Activities	32
 Governmental Fund Financial Statements	
Balance Sheet	33
Reconciliation of Governmental Funds Balance Sheet to Governmental Activities Statement of Net Position	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Governmental Statement of Activities	34
Statement of Revenues, Expenditures, and Changes in Fund Balances	35
 Proprietary Fund Financial Statements	
Statement of Net Position.....	36
Reconciliation of Enterprise Funds Statement of Net Position to Business-Type Activities Statement of Net Position	37
Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position of Enterprise Funds to the Business-Type Statement of Activities	37
Statement of Revenues, Expenses and Changes in Net Position.....	38
Statement of Cash Flows.....	39
 Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	41
Statement of Changes in Fiduciary Net Position	42
 Notes to Financial Statements.....	 43

ROUTT COUNTY, COLORADO
FINANCIAL AND COMPLIANCE REPORT
For the Year Ended December 31, 2020

TABLE OF CONTENTS – CONTINUED

Required Supplementary Information

Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for Major Funds	
General Fund	65
Road and Bridge Fund.....	66
Human Services Fund.....	67
Communications Fund.....	68

Supplementary Information

Explanation of Proprietary Funds	69
---	-----------

Combining Statements of Non-major Enterprise Funds	
Combining Statement of Net Position.....	70
Combining Statement of Revenues, Expenses, and Changes in Net Position	71
Combining Statement of Cash Flows	72

Schedules of Revenues and Expenditures – Budget (Non-GAAP Budgetary Basis) and Actual for Enterprise Funds	
Yampa Valley Regional Airport.....	74
Regional Building Department.....	75
Phippsburg Water and Sanitation System	76
Milner Sanitation System	77

Combining Statements of Internal Service Funds	
Combining Statement of Net Position.....	78
Combining Statement of Revenues, Expenses, and Changes in Net Position	79
Combining Statement of Cash Flows	80

Schedules of Revenues and Expenditures – Budget (Non-GAAP Budgetary Basis) and Actual for Internal Service Funds	
Equipment Pool	82
Insurance Pool	83

Combining Statements of Fiduciary Funds	
Combining Statement of Fiduciary Net Position – Employee Retirement Plans.....	84

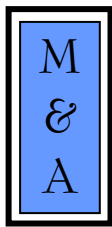
ROUTT COUNTY, COLORADO
FINANCIAL AND COMPLIANCE REPORT
For the Year Ended December 31, 2020

TABLE OF CONTENTS – CONTINUED

Combining Statement of Changes in Fiduciary Net Position – Employee Retirement Plans	85
Combining Statement of Fiduciary Net Position – Custodial Funds	86
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	87
Notes to the Supplementary Information	88
Local Highway Finance Report	89

SINGLE AUDIT AND OTHER REPORTS

Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on the Audit of Financial Statement Performed in Accordance with Government Auditing Standards.....	91
Independent Auditors’ Report on Compliance with Requirements for Each Major Program, on Compliance with The Passenger Facility Charge Program and on Internal Control over Compliance in Accordance with The Uniform Guidance and The Passenger Facility Charge Audit Guide for Public Agencies.....	93
Schedule of Findings and Questioned Costs.....	95
Schedule of Expenditures of Federal Awards.....	97
Notes to Schedule of Expenditures of Federal Awards	101
Schedule of Passenger Facility Charges (“PFC”) Collected and Expended.....	102



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**To the Board of County Commissioners
Routt County, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Routt County, Colorado (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Routt County, Colorado

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Routt County, Colorado as of December 31, 2020, 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.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules on pages 65 through 68 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. These budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements taken as a whole. The combining fund financial statements, individual fund budgetary schedules, and the Local Highway Finance Report, on pages 70 through 90, as listed in the accompanying Table of Contents, are presented for purposes of additional analysis and are not a required part of the County's financial statements. The combining fund financial statements, the individual fund budgetary information, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

**INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Routt County, Colorado**

Other Matters (continued)

Additionally, the Schedule of Passenger Facility Charges Collected and Expended on page 102 and the Schedule of Expenditures of Federal Awards on pages 97 through 101 are presented for the purpose of additional analysis, as required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and are not a required part of the County's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Passenger Facility Charges Collected and Expended and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of the County'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 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 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 County's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C." in a cursive, flowing script.

**McMahan and Associates, L.L.C.
September 30, 2021**

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROUTT COUNTY, COLORADO

December 31, 2020

This section of Routt County's annual financial report presents the discussion and analysis of the County's financial performance during the year ended December 31, 2020. Please read this in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Property tax revenue increased \$.2 million or 1% to \$21.4 million from the prior year and sales tax revenue for governmental activities increased \$.4 million or 4% to \$9.4 million from the prior year. See the "GOVERNMENTAL ACTIVITIES - REVENUES" section for a more detailed discussion on taxes.

Due to the COVID-19 pandemic the County received \$1.8 million of Corona Virus Relief Funds (CVRF) from the Colorado Department of Local Affairs (DOLA). The county used \$.9 million towards small business and not-for-profit grants and the remaining \$.9 million on personnel and operation costs related to the COVID-19 pandemic response.

Yampa Valley Regional Airport (YVRA) was awarded \$18.6 million and received \$5.0 million of Coronavirus Aid, Relief, and Economic Support (CARES) Act funding from the Federal Aviation Administration (FAA). CARES Act funding of \$4.3 million was used to help cover the costs of personnel and operations of YVRA during 2020 and the remaining \$.7 million was used towards YVRA's portion of the terminal expansion project.

YVRA completed the terminal renovation and expansion in late 2020. The terminal renovation and expansion added an additional gate to the terminal, renovated the interior and exterior facade, added more seating areas for the passengers, and updated the HVAC system in that area of the terminal. The terminal and expansion cost \$4.2 million, of which federal and state grants, respectively, funded \$3.5 million and \$.2 million.

YVRA in 2020 started the design phase of a second de-ice pad near gate one along with a treatment facility in order to have two de-ice pads that can accommodate the larger commercial aircraft for de-icing. Total project costs in 2020 for the de-ice pad is \$.1 million. The second de-ice pad is anticipated to be completed in 2022 for a total cost of \$6.0 million.



OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information and a supplementary section presenting combining statements for nonmajor proprietary funds and internal service funds, actual to budget comparisons schedules for various funds, the combining statements for fiduciary funds and the local highway finance report.

The basic financial statements include two types of statements that present different views of the County's financial information. The two types of statements are Government-wide financial statements and Fund financial statements. They are described below:

- 1) Government-wide statements include two statements that provide long-term and short-term information about the County's overall financial status.
- 2) Fund financial statements focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
 - The governmental funds' statements illustrate how general government services such as public safety, road and bridge, human services, and communications are financed in the short term and what remains for future spending.
 - Proprietary funds statements include short and long-term financial information about the activities the County operates like a business, such as the Yampa Valley Regional Airport, the Regional Building Department, the Phippsburg Water and Sanitation System, the Milner Sanitation System, and the Internal Service Funds, which provide services to other departments in the County on a cost-reimbursement basis. The Internal Service Funds predominantly provide governmental benefits rather than business-type functions and therefore have been mainly included within governmental activities in the government-wide financial statements.
 - Fiduciary fund statements provide information about the Custodial Fund assets and liabilities and the Retirement Plans for the County's employees. The County acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The notes to the financial statements explain some of the financial statements' information and provide more detailed data. The statements are followed by a section of required supplementary information that provides actual to budget comparisons for the General Fund and the following major special revenue funds: Road and Bridge, Human Services, and Communications. In addition to these required components, a section called supplemental information includes combining statements providing further detail about the County's nonmajor proprietary funds and internal service funds (each of which are added together and presented in single columns in each of the basic proprietary fund financial statements), proprietary and internal service funds budget to actual comparisons, combining fiduciary funds for the Retirement Plans and for the Custodial Fund.

The remainder of this overview section of management's discussion and analysis explains each of the statements' structure and contents.

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all government assets and liabilities, deferred inflows/outflows of resources, capital assets, and road and bridge infrastructure. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. The two government-wide statements report the County's net position and how it has changed. Net position (the difference between the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the County's financial health or current financial position.

- Over time, increases or decreases in the County's net position indicate whether its financial health is improving or deteriorating, respectively.
- To assess the County's overall health, consideration should be given to additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.

The government-wide financial statements of the County are divided into two categories, as follows:

- 1) **Governmental Activities**—Most of the County's essential services, such as public safety, road and bridge, human services, etc., are included here. Property tax, sales tax, and state and federal revenues finance most of these activities.
- 2) **Business-type Activities**—The County charges fees to customers to help cover the costs of providing certain services. The County's Yampa Valley Regional Airport, Regional Building Department, Phippsburg Water and Sanitation System, and Milner Sanitation System are included in these financial statements.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds—not the County as a whole. Funds are accounting devices that the County uses to track specific funding sources and spending for particular purposes. Some funds are required by State law (Road and Bridge and Human Services), and other funds are established by the Board of County Commissioners to control and manage money for particular purposes (Communications and Airport). The County uses three types of funds as follows:

Governmental Funds

Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided after the Governmental Funds Balance Sheet that explains the relationship (or differences) between the government-wide Statement of Net Position and the Statement of Activities compared with the Governmental Funds statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Proprietary Funds

Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary Funds, like the government-wide statements, provide both short and long-term financial information. A reconciliation is provided after the Proprietary Funds Statement of Net Position that explains the relationship (or differences) between the government-wide Statement of Net Position and the Statement of Activities compared with the Proprietary – Enterprise Funds statements.

- The County's Proprietary Funds are the same as business-type activities, but more detailed information is provided in the Proprietary Fund statements, such as cash flow statements.
- The County's Internal Service Funds are used to report activities that provide supplies and services for the County's other programs and activities, such as information systems, emergency communication system, fleet services, building and plant, and a partially self-funded employee health insurance plan.

Fiduciary Funds

The County is the trustee or fiduciary for the property tax revenues collected and distributed to County funds and other governmental entities by statute. In addition, the fiduciary funds account for special assessment revenues collected and distributed to bondholders, Detention Inmate Commissary funds, and for County employees' retirement plans. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in separate statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's net position is \$234.5 million as of December 31, 2020, an increase of \$11.3 million or 5% from the prior year. The following table provides a summary of the County's governmental and business-type net position for 2020 and 2019.

Routt County, Colorado						
Net Position						
(in millions)						
	Governmental Activities		Business-type Activities		Total	
	2019				2019	
	2020	(as restated)	2020	2019	2020	(as restated)
Assets						
Current and other assets	\$ 70.4	\$ 63.1	\$ 15.3	\$ 10.3	\$ 85.7	\$ 73.4
Capital assets	121.1	122.9	63.6	62.2	184.7	185.1
Total assets	191.5	186.0	78.9	72.5	270.4	258.5
Deferred Outflows of Resources						
Deferred charge on refunding	0.2	0.2	-	-	0.2	0.2
Total assets and deferred outflows of resources	191.7	186.2	78.9	72.5	270.6	258.7
Liabilities						
Current and other liabilities	4.0	3.7	3.5	3.2	7.5	6.9
Long-term liabilities	7.1	8.0	0.4	0.3	7.5	8.3
Total liabilities	11.1	11.7	3.9	3.5	15.0	15.2
Deferred Inflows of Resources						
Unavailable revenue - property taxes	21.1	20.3	-	-	21.1	20.3
Net Position						
Net investment in capital assets	115.6	116.4	63.2	60.8	178.8	177.2
Restricted	6.0	5.4	0.2	0.2	6.2	5.6
Unrestricted	37.9	32.4	11.6	8.0	49.5	40.4
Total net position	159.5	154.2	75.0	69.0	234.5	223.2
Total liabilities, deferred inflows of resources and net position	\$ 191.7	\$ 186.2	\$ 78.9	\$ 72.5	\$ 270.6	\$ 258.7

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Net Investment in Capital

The largest portion of net position is a net investment in capital assets of \$178.8 million, which increased \$1.6 million or 1% from the prior year. Net investment in capital includes land, buildings and improvements, equipment, other, and all road and bridge infrastructure, less depreciation, and associated debt. Although the net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used in a short period to liquidate these liabilities. The cost of these capital assets funded by capital grants and contributions does not offset these revenue sources as an expense in the government-wide Statement of Net Activities. Instead, these costs are capitalized and then depreciated over the useful life of the asset.

Net investment in capital assets for governmental activities decreased \$.8 million or 1% to \$115.6 million from the prior year. Net investment in capital assets for business-type activities increased \$2.4 million or 4% to \$63.2 million from the prior year. The major capital projects in 2020 are summarized in the section entitled "CAPITAL ASSETS AND DEBT ADMINISTRATION."

Unrestricted Net Position

The second-largest portion of net position is unrestricted of \$49.5 million, which increased by \$9.1 million or 23% from the prior year. This portion of net position is available to provide funds for capital asset replacements and additions, cash flow for ongoing operations, and cash flow for fluctuations between planned and actual resources and emergencies. Governmental activities unrestricted net position is \$37.9 million and increased \$5.5 million or 17% from the prior year and represents 60% of the County's total increase in unrestricted net position. Business-type activities unrestricted net position increased \$3.6 million or 45% to \$11.6 million from the prior year and represents 40% of the County's total increase in unrestricted net position. Key elements of the changes in unrestricted net position can be found in the following sections entitled "Governmental Activities" and "Business-type Activities" and in the "FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS" sections.

Restricted Net Position

The remaining portion of the County's net position is restricted net position of \$6.2 million, which increased \$.6 million or 11% from the prior year. Governmental activities restricted net position increased \$.6 million or 11% to \$6.0 million from the prior year. The change in governmental activities restricted net position is primarily due to the Purchase of Development Rights (PDR) restricted net position increase of \$.6 million after closing several projects from prior years in 2020 and having no transactions approved in 2020 due to COVID-19. Business-type activities restricted net position remained unchanged at \$.2 million from the prior year due to minimal change in the Taxpayer Bill of Rights (TABOR) reserve requirement for Yampa Valley Regional Airport.

Changes in Net Position

Net position increased \$11.3 million in 2020 and the change in net position decreased \$5.8 million or 34% from the prior year. Governmental activities decreased \$2.1 million or 28% and business-type activities decreased \$3.7 million or 38% from the prior year. The following financial statement summarizes the change in net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Routt County, Colorado							
Changes in Net Position							
(in millions)							
	Governmental Activities		Business-type Activities		Total		
	2019				2019		
	2020	(as restated)	2020	2019	2020	(as restated)	
Revenues							
Program revenues							
Charges for services	\$ 4.1	\$ 4.0	\$ 6.6	\$ 6.9	\$ 10.7	\$ 10.9	
Operating grants and contributions	12.8	11.3	4.4	0.2	17.2	11.5	
Capital grants and contributions	0.1	1.9	4.6	11.2	4.7	13.1	
General revenues							
Property tax	21.4	21.2	-	-	21.4	21.2	
Sales tax	9.4	9.0	0.2	0.1	9.6	9.1	
Interest earnings	1.0	1.1	0.1	0.1	1.1	1.2	
Gain on disposal of capital assets	0.1	0.1	-	-	0.1	0.1	
Total revenues	48.9	48.6	15.9	18.5	64.8	67.1	
Expenses							
Administration	7.5	8.2	-	-	7.5	8.2	
Community services	9.5	6.1	-	-	9.5	6.1	
Property tax administration	2.3	2.3	-	-	2.3	2.3	
Public safety	9.3	9.5	-	-	9.3	9.5	
Road and bridge	9.7	10.2	-	-	9.7	10.2	
Human services	5.1	4.6	-	-	5.1	4.6	
Interest expense on long-term debt	0.3	0.3	-	-	0.3	0.3	
Airport	-	-	8.3	7.4	8.3	7.4	
Building department	-	-	1.3	1.2	1.3	1.2	
Water and sewer	-	-	0.2	0.2	0.2	0.2	
Total expenses	43.7	41.2	9.8	8.8	53.5	50.0	
Increase in net position before transfers	5.2	7.4	6.1	9.7	11.3	17.1	
Transfers	0.1	-	(0.1)	-	-	-	
Increase in net position	5.3	7.4	6.0	9.7	11.3	17.1	
Net position - beginning (as restated)	154.2	146.8	69.0	59.3	223.2	206.1	
Net position - ending	\$ 159.5	\$ 154.2	\$ 75.0	\$ 69.0	\$ 234.5	\$ 223.2	

Governmental Activities

Total net position from governmental activities increased \$5.3 million or 3% to \$159.5 million from the prior year. Following is an overview of the primary changes from 2019 to 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Revenues

Operating Grants and Contributions increased \$1.5 million or 13% to \$12.8 million from the prior year and the change is primarily from the following items.

Public Health increased \$.5 million or 500% from \$.1 million in the prior year to \$.6 million, primarily due to the COVID-19 pandemic. In addition, the County received \$1.8 million in Corona Virus Relief Funds (CVRF) from the Colorado Department of Local Affairs (DOLA). The County used \$.9 million towards small business and not-for-profit grants and the remaining \$.9 million on personnel and operations costs related to the COVID-19 pandemic response.

Highway Users Tax Funds (HUTF) decreased \$.9 million or 24% to \$2.9 million due to consumers traveling less in 2020 due to COVID-19. HUTF revenues are generated from the Road Safety Surcharge, Oversize Overweight Surcharge, Rental Car Surcharges, and late vehicle registration fees distributed per statute. State mineral severance tax decreased \$.3 million or 43% to \$.4 million. The decrease in severance taxes reflects a decrease in commodity prices and a reduction in production due to COVID-19. Severance tax is imposed on the production or extraction of minerals, oil, gas and coal. Food assistance grants in Human Services increased \$.5 million or 56% to \$1.4 million from the prior year. The increase is due primarily to the \$.5 million increase in Food Assistance expense as a result of the COVID-19 pandemic. Food Assistance benefits are 100% federally funded.

Capital Grants and Contributions decreased \$1.8 million or 95% to \$.1 million from the prior year, primarily due to the following items.

The 2019 completion of the Combined Law Enforcement Facility (CLEF) by the City of Steamboat Springs (City), which was funded 40% by the County, reduces capital grants by \$.4 million. The \$1.0 million state grant for the CLEF was sponsored by the City. The 2019 transfer to the County of the Emerald Mountain telecommunications tower and related facilities constructed by the City reduced capital contributions by \$.5 million. Capital grants and contributions related to Road and Bridge decreased \$.8 million or 90% to \$.1 million from the prior year. The Green Truss Bridge project was funded in part by Federal Highway Department for \$.9 million in 2019 and completed in 2019.

Property Tax revenue increased \$.2 million or 1% to \$21.4 million from the prior year. Property tax collections were not impacted by COVID-19 in 2020 as discussed in more detail the "General Fund Budgetary Highlights" section. Base property taxes (General Fund, Road and Bridge, Human Services, and E911 Communications) decreased \$.1 million or 1% to \$17.8 million from the prior year. The change in base property taxes is from a \$.2 million or 1% increase in property tax revenue allowed by the Taxpayers Bill of Rights (TABOR), a \$.2 million decrease from abatements and a \$.1 million or 8% decrease in specific ownership tax. The TABOR property tax revenue limitation in 2020 is 3.2% and composed of a 1.4% increase from new construction and a 1.8% increase from inflation. The County's assessed valuation increased \$114.3 million or 10.5% to \$1.2 billion from the prior year. Voter approved property taxes (Purchase of Development Rights, Developmental Disabilities, and Museums) increased \$.3 million or 10.5% from the prior year to \$3.3 million due to the 10.5% increase in assessed valuation.

Sales tax revenue for governmental activities increased \$.4 million or 4% to \$9.4 million from the prior year. Sales tax is collected on goods sold at retail, except for food and pharmaceuticals, and includes building and auto use taxes. Sales tax collected on retail sales increased \$.2 million or 3% to \$7.7 million. Sales tax on internet sales increased \$.3 million due to consumers relying heavily on internet sales during the COVID-19 pandemic and from twelve versus six months of sales tax collections on internet sales by out-of-state retailers in Colorado as a result of "Wayfair". Construction, home goods and building suppliers contributed \$.2 million to the increase in sales tax in 2020 as many consumers turned to home improvements during the COVID-19 pandemic. Sales tax collections on grocery sales increased \$.1 million. Lodging and restaurant sales tax collections decreased \$.4 million, due to the COVID-19 shut-downs and limitations set by public health orders. Building use tax collected on construction materials increased \$.1 million or 11% to \$1.0 million from the prior year. Auto use tax collected on vehicles purchased outside of the County increased \$.1 million or 17% from the prior year to \$.7 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

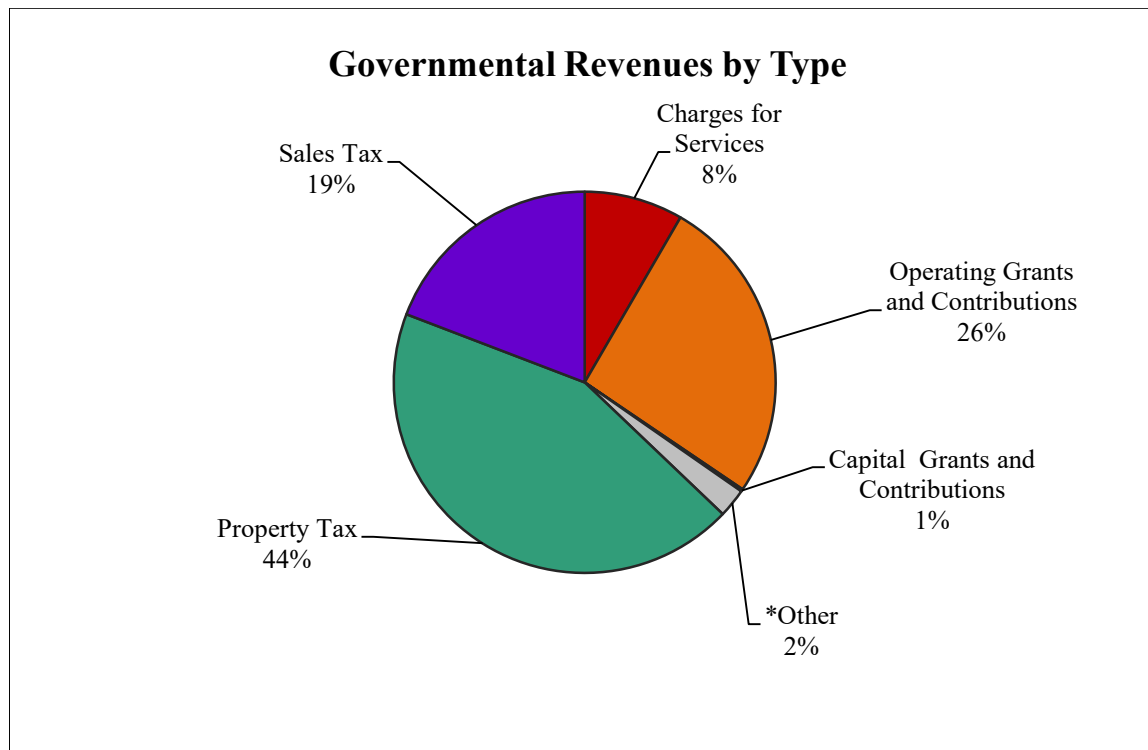
Expenses

Administration expense decreased \$.7 million or 9% to \$7.5 million from prior year. Governmental activities COVID-19 costs are primarily accounted for in a separate department in the Community Services program. All departments in the County were asked to reduce their budgets as much as possible and still provide a reasonable level of service. The County did not reduce compensation or benefits, but did implement an attrition program for personnel where it made sense.

Community Service expense increased \$3.4 million or 56% to \$9.5 million from prior year. As mentioned previously, governmental activities COVID-19 costs were primarily accounted for in the Community Services program. COVID-19 costs in the Community Service program are \$2.9 million. The Purchase of Development Rights (PDR) department increased \$.7 million or 100% to \$1.4 million. The PDR increase is primarily attributed to completion of three PDR transactions started in prior years and completed in 2020 versus the two transactions closed in 2019.

Human Services expenses increased \$.5 million or 11% to \$5.1 million from the prior year. Food Assistance benefits increased \$.5 million or 56% to \$1.4 million from the prior year as a result of the COVID-19 pandemic. Food Assistance benefits are 100% federally funded.

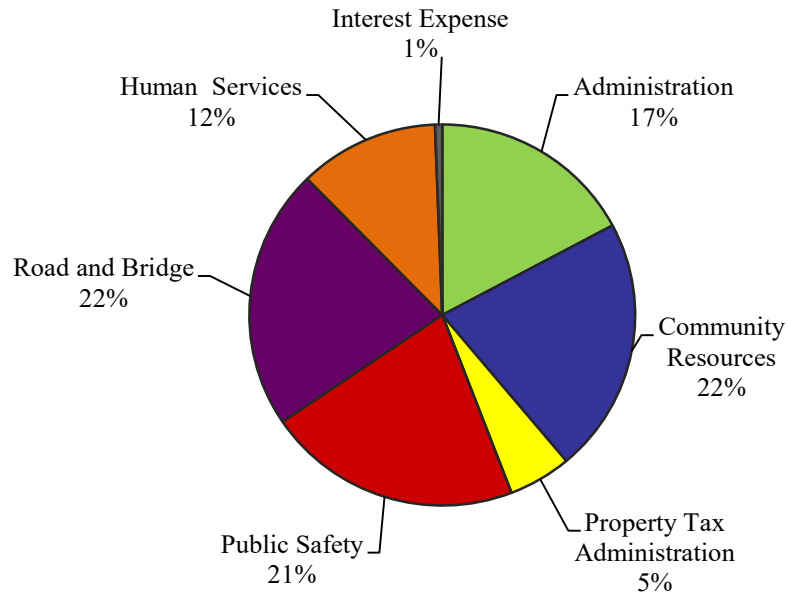
The following graphs show governmental revenues and expenses by type and a comparison of governmental program revenue versus expense.



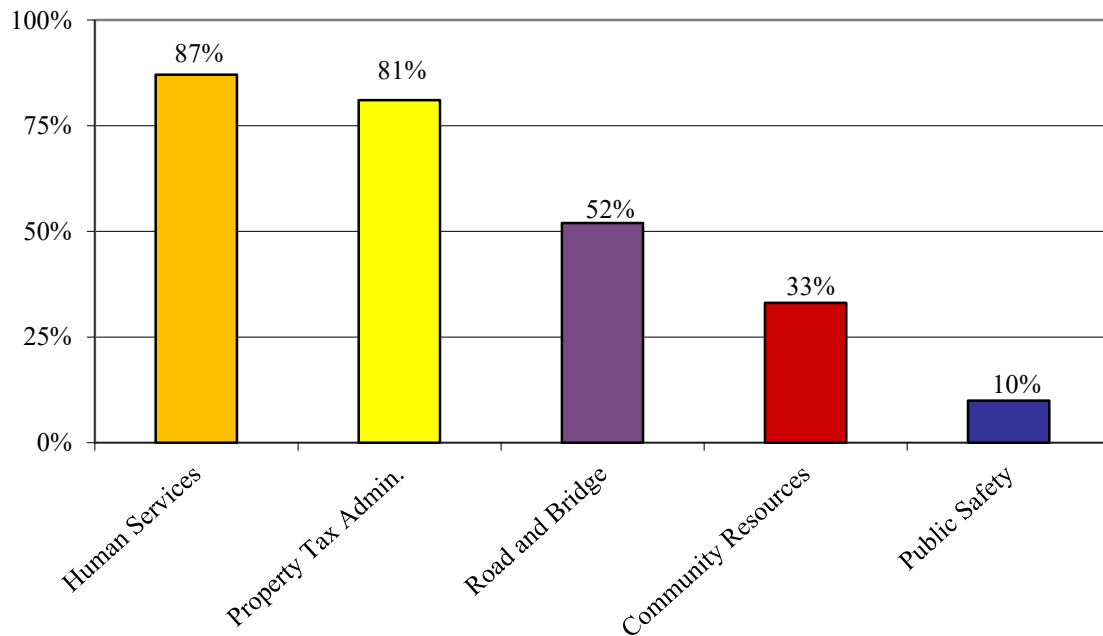
*Other: Unrestricted investment earnings and gain on disposal of capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2020

Governmental Expenses by Type



Governmental Programs Percentage of Program Expense Covered by Program Revenue



Note: The program revenue shown in the above graph does not include capital grants and contributions and charges for services related to capital totaling \$.1 million. The costs related to capital acquisitions are capitalized as assets and depreciated over the useful lives of the assets. Only depreciation on those assets is included above.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Business-type Activities

Total net position from business-type activities increased \$6.0 million or 9% to \$75.0 million from the prior year. The key factors related to this increase follow.

Yampa Valley Regional Airport (YVRA)

Total net position increased \$5.7 million or 9% to \$70.9 million from the prior year and consists of \$62.9 million in net investment in capital assets, \$7.8 million in unrestricted net position, and \$.2 million in restricted net position. Net investment in capital assets increased \$2.4 million or 4% to \$62.9 million from the prior year. Increases to net investment in capital assets consist of \$4.9 million of capital additions and the principal payment of the interfund loan to Road and Bridge for \$1.1 million. Decreases to net investment in capital assets consist of depreciation expense of \$3.4 million and retainage payable of \$.2 million. Unrestricted net position increased \$3.3 million or 73% to \$7.8 million from the prior year. The following is an explanation of significant revenue and expense changes from the prior year.

YVRA operating loss increased \$1.3 million or 62% from the prior year to \$3.4 million. The operating loss is primarily generated from the \$3.4 million in depreciation. YVRA relies on federal and state grants as opposed to fees to fund a significant amount of capital additions and replacements. The \$1.3 million operating loss is primarily generated from the following items.

YVRA operating revenues decreased \$.5 million or 9% to \$5.0 million from the prior year. Charges for Services decreased \$.4 million or 8% to \$4.8 million from the prior year. The decrease is primarily due to a decrease in enplanements of 9,820 or 10% to 93,542 as a result of COVID-19 and the ski resort shutting down in mid-March. Even with the early shut down of the ski resort, YVRA was able to minimize the impact of COVID-19 during the last half of the year with the airline carriers being able to return to partial passenger capacity.

YVRA operating expenses increased \$.8 million or 11% to \$8.3 million. The increase is related to the following items. Personnel costs increased \$.1 million or 3% to \$3.0 million from the prior year. The change resulted from an increase in compensation and health insurance to remain competitive in the market and an increase in personnel in order to respond to the COVID-19 pandemic. Repairs and maintenance and purchased services and supplies increased \$.3 million or 18% to \$2.0 million as a result of COVID-19. Depreciation expense increased \$.4 million or 13% from prior year to \$3.4 million and is primarily from the FBO facility constructed in 2019.

Capital grants and contributions decreased \$6.6 million or 59% to \$4.5 million from the prior year primarily due to the Fixed Based Operator (FBO) building a new general aviation facility in 2019 on the east side of YVRA's property to help with the congestion around the terminal and provide a larger facility for additional general aviation (GA). The new FBO building cost \$9.6 million and was mostly complete in 2019. Respectively, all funding was provided by the operator of the FBO. YVRA and the FBO entered into a lease agreement, whereby the ownership of the general aviation facility reverts to YVRA at the end of the lease. Generally accepted accounting principles provide in this situation guidance to record the general aviation facility as a capital asset and recognize a capital contribution. YVRA completed a remodel of the terminal and added another gate during 2020, which was primarily funded through the FAA. YVRA had an increase in FAA funding of \$3.1 million in 2020 for the project. The FAA granted YVRA permission to use some of the CARES Act funding to cover YVRA's portion of the capital projects in 2020, this amount totaled \$.7 million. YVRA completed several projects in 2019 totaling \$.8 million and passenger facility charges had a decrease of \$.1 million from 2019. Other smaller projects were completed that received federal or state funding totaling \$.1 million.

Intergovernmental revenue increased \$4.3 million or 100% to \$4.3 million from the prior year due to YVRA receiving CARES Act funding from the FAA. YVRA was awarded a \$18.6 million CARES Act grant in 2020. The CARES Act funding was used to help cover the costs of personnel and operations during 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Regional Building Department

Unrestricted net position for the Regional Building Department (RBD) increased \$.1 million or 4% to \$2.9 million compared to the prior year. Operating income remained consistent to the prior year at \$.2 million. Significant changes in revenues and expenses are as follows.

Building permit fees increased \$.1 million or 7% to \$1.6 million. The increase in permit fees is due to an increase in new construction projects. Due to the COVID-19 pandemic, the construction season came to a halt in early spring. When the County loosened the restrictions in the spring and with people being able to work remotely, there was an influx in building within the County throughout the remainder of the year. Personnel costs for the Regional Building Department remained consistent with prior year at \$.9 million. Operating expenses remained flat at \$.4 million.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County's governmental analysis provides information on short-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the County's financing requirements.

Governmental Funds

The fund balance for governmental funds is \$29.8 million, an increase of \$6.6 million, or 28% from the prior year. A description of the types and changes in fund balance follows.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Nonspendable fund balance decreased \$1.1 million or 79% to \$.3 million. Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form or they are legally, or contractually required to be maintained intact. Restricted fund balance increased \$.6 million or 11% to \$6.0 million from the prior year. Restricted fund balances include amounts restricted to specific purposes pursuant to constraints either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balance increased \$7.1 million or 43% to \$23.5 million from the prior year. Committed fund balances are amounts that can only be used for specific purposes according to constraints imposed by an adopted resolution of the Board of County Commissioners.

The key factors related to these changes are as follows.

General Fund

The General Fund's total fund balance increased by \$4.7 million or 61% to \$12.4 million from the prior year.

Nonspendable fund balance is unchanged at \$.2 million from the prior year. Restricted fund balance increased \$.6 million or 11% to \$6.0 million from the prior year. The change in governmental activities restricted net position is primarily due to the Purchase of Development Rights (PDR) restricted net position increase of \$.6 million after closing several projects from prior years in 2020 and having no transactions approved in 2020 due to COVID-19.

Committed fund balance increased \$4.1 million or 195% to \$6.2 million. The primary reason for the increase is a \$3.9 million Capital Committed Reserve balance established in the General Fund in 2020 and funded with \$.7 million of building use tax, \$.3 million of severance tax and a \$2.9 million transfer from the County's Insurance Pool. The Capital Committed Reserve is currently planned for construction of the new Health and Human Service Building. The 10% Committed Reserve balance increased \$.1 million or 5% to \$2.2 million.

Committed fund balance is composed of two balances and maintains compliance with the 10% Committed Reserve and the Capital Committed Reserve policies. The 10% Committed Reserve Policy was approved by a resolution of the Board of County Commissioners (Board) and establishes the year-end committed fund balance of the General Fund to be no less than 10% of General Fund expenditures of the prior year and shall exclude expenditures from voter-approved mill levies such as the Purchase of Development Rights, Developmental Disabilities, the Museum and Heritage Fund, and future voter-approved mill levies restricted for a specific purpose and transfers. The Capital Committed Reserve Policy adopted by a resolution of the Board effective for the year 2020 sets aside funds for the acquisition of capital assets and replacements as defined in the Routt County Capital Asset Policy. Funding for the Capital Committed Reserve will come from severance tax collected in a calendar year greater than \$45,000, building use tax collected in a calendar year greater than \$235,000 and other funds as designated by the Board of County Commissioners.

Road and Bridge Fund

The Road and Bridge total fund balance increased \$1.5 million or 11% to \$14.7 million from the prior year.

The Road and Bridge nonspendable fund balance decreased \$1.0 million or 91% to \$.1 million. The decrease is due to the \$1.1 million principal payment from Yampa Valley Regional Airport on the interfund loan from Road and Bridge. YVRA received approval from the FAA to pay the outstanding principal balance with the use of CARES Act funds. The interfund loan balance is \$0 at December 31, 2020.

The Road and Bridge committed fund balance increased \$2.5 million or 21% to \$14.6 million from the prior year. The Road and Bridge budget anticipated a \$3.9 million decrease in committed fund balance but ended the year with a \$6.5 million favorable balance. The following items explain the primary reasons for the change between the budgeted committed fund balance and the actual ending committed fund balance.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Sales tax revenue had a 900% or \$4.5 million positive budget variance due to an increase in the percentage of total sales tax allocated to Road and Bridge and an increase in the County's total sales tax collections in 2020. The 2020 planned sales tax allocation was 94% to the General Fund and 6% to the Road and Bridge Fund. Due to favorable revenue and expenditure budget variances in the General Fund and meeting the 10% General Fund Committed Reserve Balance, the 2020 actual sales tax allocation was reduced to 47% to the General Fund and increased to 53% to the Road and Bridge Fund. Total actual governmental sales tax collections for the County had a positive \$1.2 million or 15% variance compared to the final 2020 budget of \$8.2 million for the reasons discussed previously in the "GOVERNMENTAL ACTIVITIES – REVENUE " Section.

Intergovernmental revenues had a \$1.1 million or 18% unfavorable budget variance from the original \$6.0 million budget primarily for the following reasons. State Highway User Tax Fund (HUTF) revenue had an unfavorable budget variance of \$.5 million or 16% on a budget of \$3.4 million due to consumers traveling less in 2020 due to COVID-19. The County's total state severance tax revenue from mineral, oil and natural gas extraction had a \$.2 million or 41% unfavorable budget variance on a budget of \$.6 million due to a decrease in commodity prices and a reduction in production due to COVID-19. Road and Bridge severance tax revenue is \$.5 million lower than budgeted due to \$.3 million of the County's total severance tax being allocated to the General Fund to fund the Capital Committed Reserve.

Expenditures had a favorable \$2.0 million or 18% variance to budget from the original \$11.4 million budget.

Personnel had a \$.2 million or 5% favorable variance from the original budget due to not filling budgeted positions vacated during 2020 to limit expenses due to COVID-19.

Operations had a \$1.4 million or 23% favorable variance from the original budget primarily for the following reasons. Repair and maintenance had favorable budget variances of \$.3 million for patching, \$.1 million for pavement marking, and \$.2 million for major bridge repairs. The \$.3 million favorable variance for spot gravel is from not having to obtain gravel from commercial pits. The planned replacement of the Cow Creek culverts on CR (County Road) 33 for \$.3 million was delayed due to revised state design criteria. The Stokes Gulch CR 53 and Bear River Bridge CR 7 projects each came in \$.1 million under budget.

Infrastructure had a \$.4 million or 25% favorable variance from the original budget primarily for the following reasons. Planned infrastructure expense reductions due to COVID-19 for the overlay of CR 14 and CR 64 result in a \$1.1 million favorable budget variance. During 2020, an unplanned overlay became necessary on CR 18 and CR 36 due to the deterioration of the roads at total cost of \$.5 million in excess of budget. Other infrastructure expense variances between actual and the original budget on various projects are minor.

As mentioned previously, YVRA made a principal payment of \$1.1 million or \$1.0 million in excess of the original budget on the interfund loan from Road and Bridge, which increased committed fund balance.

Proprietary Funds

Enterprise Funds

Please refer to the previous section, "FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE - Business-type Activities" above.

Internal Service Funds

The Internal Service Funds' net position decreased \$1.0 million or 2% to \$53.6 million. Unrestricted net position decreased \$.8 million or 5% to \$15.5 million from the prior year. Net investment in capital assets decreased \$.2 million or 1% to \$38.1 million from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Equipment Pool

Unrestricted net position, which can be used for the future replacement of capital, increased \$.8 million or 6% to \$13.5 million from the prior year. Equipment Pool operations provided \$3.0 million to the unrestricted net position. Capital purchases in 2020 totaled \$2.3 million. Total transfers in from other funds are \$1.0 million to fund capital additions. Sale of assets provided \$.1 million in proceeds from the Heavy Equipment and Motor pool asset auctions. Interest earnings provided \$.3 million in 2020. Debt service of \$1.3 million on the Refunding Certificates of Participation Series 2012 was paid as planned. Net investment in capital decreased \$.2 million or 1% to \$38.1 million from the prior year. Capital purchases of \$2.3 million and a principal payment of \$1.0 million on capital-related debt contributed to an increase of \$3.3 million. Depreciation of \$3.4 million and capital deletions net of depreciation of \$.1 million decreased net investment in capital. See "CAPITAL ASSETS AND DEBT ADMINISTRATION" for more details about significant capital and debt projects.

Insurance Pool

The Insurance Pool's unrestricted net position decreased \$1.6 million or 44% to \$2.0 million from the prior year. Unrestricted net position can be used to fund future health insurance claims for the County's partially self-funded health insurance plan for employees.

The County increased its contribution and the employee contribution to the pool each by 9% to build the pool's reserves and improve the pool's sustainability while continuing to offer a competitive health insurance benefit to employees. The increase is based on an 18-year historical actual average increase of 9% and data supplied by the County's health insurance consultant. Actual 2020 County and employee contributions to the Insurance Pool were lower by \$.3 million or 5% from the \$5.8 million budget due to a County attrition program in place because of the financial uncertainties created by the COVID-19 pandemic. Total claims expense in 2020 is \$4.2 million, which includes reimbursements to employees of \$.2 million from a health care cost reduction incentive program administered by a third party. Actual claims, except for the unbudgeted \$.2 million incentive program expense, are as planned at \$4.0 million in 2020. The incentive program allows employees to request cost and quality data for up to three physicians and facilities and reimburses employees for a portion of the claims savings. Before transfer expense, unrestricted net position increased \$1.3 million.

After the \$2.9 million transfer from the pool to the General Fund Capital Committed Reserve, the decrease in net position is \$1.6 million. As mentioned previously, the Capital Committed Reserve is currently planned to fund construction of the new Health and Human Services building. The pool's ending balance of \$2.0 million is expected to be sufficient to cover the difference between the County's maximum liability of \$4.7 million and budgeted claims of \$3.5 million or \$1.2 million in exposure and still have approximately \$.8 million in reserves.

General Fund Budgetary Highlights

Budget Amendments

Revenue Budget Amendments

The variance between the original revenue budget of \$31.5 million and the final amended revenue budget of \$33.0 million was a favorable variance of \$1.5 million or 5%. The significant revenue budget amendment is related to the Colorado Department of Local Affairs (DOLA) Corona Virus Relief Funds (CVRF) grant for \$1.5 million received by the County for COVID-19 related costs.

Expenditure Budget Amendments

The variance between the original expense budget of \$31.9 million and the \$32.5 million final amended expense budget was an unfavorable variance of \$.6 million or 2%. The significant expenditure budget amendments are as follows.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

In 2020, Routt County was faced with uncertain financial ramifications related to COVID-19. The County's General Fund original budget was increased by \$.3 million through two COVID-19 budget amendments to fund personnel and operations costs as a result of COVID-19.

The County set up a new COVID-19 department to track the costs associated with the pandemic. The COVID-19 budget amendments increased expenditures \$2.4 million to fund the increase in costs in personnel and operations in order to respond to the pandemic. In addition, County departments were asked to reduce their personnel and operating budgets in any way possible to mitigate the negative impacts of COVID-19. The general fund request results in a \$2.1 million reduction or transfers in personnel and operating budget.

The Public Health budget amendment increased Public Health expenditures \$.2 million, or 53% to fund increased personnel and operating costs associated with the COVID-19 pandemic. The Public Health amendment was funded from the CARES Act grant funds.

Budget Variances

Revenue Variances

Total actual revenues of \$30.2 million had a \$2.7 million or 8% unfavorable variance from the \$32.9 million final budget. The significant revenue budget variances are discussed as follows.

Property tax had an unfavorable variance of \$.3 million or 2% from the final budget of \$18.1 million. COVID-19 had a minimal negative impact on the collection of property taxes. Property tax was anticipated to be .4% uncollected and the actual uncollected percentage was .7% or \$.1 million. An increase in abatements and a decrease in specific ownership accounted for \$.1 million, respectively. The decrease in specific ownership tax was the result of the City of Steamboat Springs and the Steamboat Springs School District approving substantial increases in property tax. Specific ownership tax is allocated based on the percentage of the County's General Fund property tax to the total of all property tax in the County.

Sales tax had an unfavorable variance of \$3.3 million or 43% from the final budget of \$7.7 million. COVID-19 did not have a negative impact on the County's sales tax collections. Sales tax for the County in total had a favorable \$1.2 million or 15% variance compared to the final budget of \$8.2 million. The County's favorable sales tax budget variance is primarily attributable to the migration of people to the County from other locations throughout the nation, the ability to collect sales tax on internet sales as a result of "Wayfair", an increase in new building and renovation construction, people recreating closer to home, and people coping through the increased use of marijuana and alcohol. The General Fund unfavorable sale tax variance was the result of the General Fund meeting the 10% Committed Reserve and the Capital Committed Reserve requirements and allowed for the allocation of sales tax to the Road and Bridge Fund to provide for the long term replacement of infrastructure.

Intergovernmental revenues had a favorable variance of \$.3 million or 12% from the final budget of \$2.6 million. The favorable variance is primarily from severance tax. Severance tax revenue is historically budgeted in the Road and Bridge Fund because of the volatility of mineral prices. The new General Fund Capital Committed fund balance established to set aside funds for the acquisition of capital additions and replacements uses severance tax revenue greater than \$45,000 and in 2020 severance tax was greater than \$45,000 by \$.3 million.

Charges for services had a favorable variance of \$.4 million or 10% from the final budget of \$4.0 million. The primary reasons for the favorable budget variance follow. Clerk real estate transaction fees had a \$.2 million or 50% favorable variance compared to the final budget of \$.4 million. Clerk real estate transaction fees have increased due to people wanting to purchase property in the County. Treasurer collection fees had a favorable variance of \$.1 million or 17% from the final budget of \$.6 million. Treasurer collection fees favorable variance is the result of a reviewing statutory collection fees with those in the property tax collection software.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Expenditure Variances

Total actual expenditures of \$27.4 million had a favorable \$5.1 million or 16% variance compared to the \$32.5 million final budget. The significant budget variances are discussed as follows.

Purchase of Development Rights (PDR) had a favorable variance of \$3.8 million or 73% compared to the final budget of \$5.1 million after closing several projects from prior years in 2020 and having no transactions approved in 2020 due to COVID-19.

The remaining favorable expenditure variances of \$1.3 million, result from personnel and operating reductions made by departments in response to the pandemic.



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During 2020, the County's capital assets increased \$6.9 million or 3% to \$282.6 million. Capital assets include heavy equipment, motor vehicles, E-911 communication equipment, buildings, road and bridge infrastructure, airport infrastructure, equipment and facilities, other, and water and sewer systems. Governmental activities capital increased \$2.4 million or 1% to \$183.3 million. Business-type activities capital increased \$4.5 million or 5% to \$99.3 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

The following table summarizes the components of the County's capital assets.

Routt County, Colorado						
Capital Assets						
(in millions)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land and improvements	\$ 5.0	\$ 4.9	\$ 54.9	\$ 49.2	\$ 59.9	\$ 54.1
Buildings and improvements	44.4	44.4	24.0	19.8	68.4	64.2
Equipment	32.2	31.4	12.0	11.2	44.2	42.6
Infrastructure	100.6	98.6	-	-	100.6	98.6
Water system	-	-	2.0	2.0	2.0	2.0
Sewer system	-	-	1.8	1.8	1.8	1.8
Other	0.2	-	-	-	0.2	-
Construction in progress	0.9	1.6	4.6	10.8	5.5	12.4
Total capital assets	183.3	180.9	99.3	94.8	282.6	275.7
Accumulated depreciation	(62.2)	(58.0)	(35.7)	(32.6)	(97.9)	(90.6)
Total	\$ 121.1	\$ 122.9	\$ 63.6	\$ 62.2	\$ 184.7	\$ 185.1

Major Governmental Capital Asset Projects

During 2020, 4.89 miles of County Roads were overlaid for \$1.0 million. Heavy equipment replacements were completed in accordance with the capital replacement plan and totaled \$.7 million for a loader, low-boy trailer, tractor truck, service truck, pressure washer, and a water truck. Motor pool replacement purchases were completed in accordance to the capital replacement plan and totaled \$.4 million for one vehicle each for the Regional Building department, Public Works and Human Services and six patrol vehicles for the Sheriff's Office.

Several projects scheduled for the Facilities Management department were delayed due to COVID-19. Overall capital replacements will continue according to the pool's replacement cycle. The County began security upgrades and space remodel for a new Emergency Operations Center (EOC) located in the area previously occupied by the Communications Center in the Detention Center. The EOC project cost in 2020 is \$.1 million and is planned for completion in 2021 at a budgeted cost of \$.9 million. The EOC serves as a centralized location to monitor and coordinate emergency response and recovery activities for Routt County, which includes measures taken to protect public health and safety, restore essential government services, and provide emergency relief to governments, businesses, and individuals affected by the consequences of an emergency. The County completed a \$.1 million conceptual design of the new Health and Human Services (HHS) building, which will be on the site of the old building. The County is expecting to finalize the design of the building in 2021, demolition of the old building in late-summer 2021 and completion of the new building in early 2023. The new building will house the Human Services and Public Health departments. Total costs for the HHS new building is currently expected to be \$14.1 million. The County completed a \$.2 million replacement of the roof membrane for the Justice Center during 2020. The County completed a \$.1 million replacement of the Annex Building elevator in 2020.

Information technologies capital projects include the partial completion of the Land Management/Permitting software installation for \$.3 million. The land management/permitting software will be completed in 2021 at a projected cost of \$.5 million and provides a 100% online building permits system to streamline and add transparency to the process for applicants in the County, cities, and towns.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Major Business-type Capital Asset Projects

YVRA completed the terminal renovation and expansion in late 2020. The terminal renovation and expansion added an additional gate to the terminal, renovated the interior and exterior facade, added more seating areas for the passengers, and updated the HVAC system in that area of the terminal. The terminal renovation and expansion costs of \$4.2 million were funded by federal and state grants at \$3.5 million and \$.2 million, respectively. Total costs for the terminal renovation in 2020 for the project are \$3.9 million. The HVAC system was paid for by YVRA for a cost of \$.2 million.

YVRA in late 2020, started the design phase of a second de-ice pad near gate one along with a treatment facility in order to have two de-ice pads that can accommodate the larger commercial aircraft and expedite the de-icing process. Total project costs in 2020 for the de-ice pad is \$.1 million. The second de-ice pad is anticipated to be completed in 2022 for a total cost of \$6.0 million. The public address system was also replaced in 2020 costing a total of \$.2 million. YVRA maintained its capital replacement plan during 2020.

Long-term Debt

After making a principal payment of \$1.0 million in 2020 on the Series 2012 Refunding Certificates of Participation, the outstanding balance for Governmental activities, long-term debt is \$5.6 million.

On March 3, 2017, Standard Poor's assigned an AA rating to the Refunding Certificates of Participation, Series 2012, and affirmed an issuer credit rating of AA+. Standard and Poor's outlook is stable. Again, the rationale for these ratings was the County's strong reserve levels, above the national average per capita market value and buying income, low debt level, and very strong liquidity.

Long-term debt for Business-type activities is \$.1 million for the Phippsburg Water and Sanitation System to finance a portion of the water filtration and wastewater systems, consisting of three loans with the State of Colorado under the Energy and Mineral Assistance program.

Routt County, Colorado
Outstanding Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Certificates of participation	\$ 5.6	\$ 6.7	\$ -	\$ -	\$ 5.6	\$ 6.7
Revenue loans	-	-	0.1	0.1	0.1	0.1
Total	\$ 5.6	\$ 6.7	\$ 0.1	\$ 0.1	\$ 5.7	\$ 6.8



NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The 2021 Routt County budget projects \$63.9 million in revenues and \$69.0 million in expenses resulting in \$5.1 million of expenses over revenues. After removing \$.5 million of non-cash expenses such as depreciation, the use of reserves is \$4.6 million. The 2021 budget as compared to the 2020 budget includes a \$6.9 million or 12% increase in revenues and a \$4.6 million or 7% increase in expenses. Revenues, expenditures, and reserves are balanced sixteen years into the future. The 2021 budget is separated into Governmental Activities and Business-type Activities as follows.

Governmental Activities include the County's basic services such as Property Tax Administration, Public Safety, Human Services, Community Services, Road and Bridge, and Administration. Revenues are anticipated to decrease \$.2 million or 0% to \$46.8 million, expenses are anticipated to increase \$3.0 million or 6% to \$55.7 million and results in expenses over revenues of \$8.9 million. The budgeted decrease in reserves is primarily due to funding \$2.4 million in Road and Bridge infrastructure replacements, \$4.4 million in Purchase of Development Rights acquisitions, \$1.4 million in equipment replacement, and \$2.0 million to begin construction of a new Health and Human Services building offset by a \$1.0 million increase in Health Insurance pool reserves.

The Capital Committed Reserve fund established in 2020 for capital additions is funded by setting aside portions of severance tax, building use tax, and favorable budget variances. It is anticipated to accumulate \$4.4 million to construct the new Health and Human Services building by the end of 2021.

Property tax revenue from all sources is anticipated to increase by \$.9 million or 4% to \$22.6 million over the 2020 budget. The County's base property tax revenue, which funds governmental activities, is anticipated to increase \$.6 million or 3.4% and is limited to this increase by the Taxpayers Bill of Rights (TABOR). The TABOR property tax revenue limit of 3.4% comprises a 1.3% increase from new construction and a 2.1% increase from inflation. In addition to the projected increase in property tax from TABOR, taxes abated and refunded, etc., are anticipated to increase \$.3 million. Property tax from voter-approved mill levies, which

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

are not subject to TABOR, are budgeted to increase \$4,000 or .1% due to the 2020 increased assessed valuation. Overall, Routt County's 2020 net assessed valuation increased \$1.4 million or .1% to \$1.2 billion. Sales tax from all sources is anticipated to remain unchanged for 2021 at \$8.1 million. Sales tax comprises a 1% sales tax, a 1% building use tax, and a 1% auto use tax. Sales tax, building use tax and auto use tax are anticipated to remain unchanged for 2021 given the uncertainty of COVID-19 to the economy. The modest growth projected in the County's two largest revenue sources, property tax and sales tax, remains tentative, given the continued degree of uncertainty in the economy.

State revenue is anticipated to decrease \$1.3 million or 22% to \$4.5 million below the 2020 budget. Public Works Highway User Tax Fund (HUTF) is anticipated to decrease \$1.0 million or 28% to \$2.5 million below the 2020 budget. The decrease is primarily due to individuals driving less because of the ability to work remotely, a decrease in oil and natural gas exploration and the overall down turn in the national economy due to COVID-19. Public Works Severance Tax is anticipated to decrease \$.2 million or 42% to \$.4 million below the 2020 budget. The decrease is primarily due to a decrease in the price of oil and natural gas and a decrease in demand for oil as a result of COVID-19.

Federal revenues are anticipated to increase \$.9 million or 19% to \$5.7 million above the 2020 budget primarily because of the changes in the revenues noted below. Public Works increased \$.7 million or 36% to \$2.5 million above the 2020 budget. The increase is due to the County being the recipient of two new grants in 2021. The first is a \$.05 million Congestion Mitigation and Air Quality Improvement (CMAQ) grant anticipated to purchase dust abatement supplies applied to the County gravel roads. The second is a \$.6 million Colorado Department of Transportation (CDOT) bridge grant for the replacement of the Trout Creek Bridge on County Road 179. Public Health increased \$.1 million or 68% to \$.2 million above the 2020 budget. Due to COVID-19 the County was awarded the Epidemiologist Laboratory Capacity (ELC) grant for \$.2 million for 2021, for an epidemiologist and contact tracers. The Emergency Preparedness Response (EPR) Regional grant decreased \$.1 million, a 100% decrease in 2021, as the County did not renew the contract with the State for this grant. Federal funds are used to support the maintenance and improvement of health through the assessment of community health status, policy development to support effective programs, and assurance of high quality effective education and services.

Other revenues are anticipated to decrease \$.7 million or 43% to \$.9 million below the 2020 budget primarily because of the changes in revenues noted. Interest revenue is anticipated to decrease \$.6 million or 67% to \$.3 million below the 2020 budget due primarily to the anticipated 2021 interest rates decreasing from 2.0% for 2020 to 0.5% in 2021 due to the COVID-19 pandemic. Human Services decreased \$.1 million or 38% to \$.2 million below the 2020 budget due to decreased funding. Routt to Work was removed from the budget with plans to repurpose this program in the future, resulting in a decrease of \$.1 million.

Total personnel expense for governmental activities is anticipated to increase \$.6 million to \$25.0 million or 2% above the 2020 budget. The 2021 compensation plan increased \$.6 million or 3% above the 2020 budget. In 2021, a 2.1% market adjustment across all pay scales, and for eligible employees, the Board approved a current anniversary step.

Full-time equivalents (FTEs) are budgeted to increase 2.95 FTEs or 1% to 249.89 from the prior year resulting in an increase of \$.1 million in 2021. The budgeted change includes a 3.06 increase in FTEs and a .11 decrease in FTEs related to overtime and by department are as follows. Accounting decreased 1.14 FTE or 11% to 8.82 FTEs to eliminate a temporary position in response to COVID-19 and eliminated overtime in converting one employee to exempt status for a total cost reduction of \$.1 million. Facilities Management decreased 1.0 FTE or 13% to 6.74 FTEs to contract out courthouse janitorial and to change new supervisor position to be an assistant director for a total cost reduction of \$.1 million. Commissioners decreased .5 FTE or 8% to 6.13 FTEs at the Assistant County Manager position. The 2021 budget projects to fill the vacant position at mid-year based on when the vacant County Manager position is projected to be filled for a total cost reduction of \$.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Public Health Department is budgeted to increase 4.69 FTEs or 161% to 7.6 FTEs to become a full-time department and address the needs of COVID-19. The anticipated increase includes a full-time Public Health Director, Nurse, Epidemiologist and part-time COVID Ambassadors, and Contract Tracers for a cost increase of \$.3 million. E911 Communications is budgeted to increase 1.71 FTE or 9% to 21.61 FTEs to address an annual 7.5% increase in calls since 2013, with no increase in staffing during that time. The 2021 increase includes two E911 Communications Dispatchers for \$.1 million and offset by an overlap of supervisor training from the prior year of (\$.05) million. Department of Human Services budget decreased .80 FTE or 4% to 21.83 FTEs by leaving the (\$.1) million Routt to Work Caseworker Administrator position vacant for 2021 in response to COVID-19 with the potential of re-purposing the program and increasing Attorney legal support \$.035 million to a full-time position due to an increase in caseload.

Health Insurance premiums are budgeted to decrease \$.4 million or 9% under the 2020 budget to \$4.4 million. The 2021 employer and employee premium both decreased by 9%. The County is partially self-insured for health insurance and sets the premiums to cover claims, stop-loss insurance, administrative expense, etc. A decrease in the health insurance premiums is made possible due to actual claims being lower than the budget for 2019 and 2020, premiums exceeding the costs of claims, and having sufficient reserves available to fund future unforeseen increases in claims. A \$.4 million decrease from 2020 to 2021 in revenue over expenses in the Health Insurance pool is netted against the \$.4 million premium decrease to consolidate the overall financial impact on the County. The overall projected impact on the County's Governmental Activities is less than a \$.01 million decrease. The County's goal is to fund the medical costs of the County staff consistently and sustainably while offering a competitive health insurance benefit to employees.

Operating costs for governmental activities are budgeted to increase from the 2020 budget by \$.2 million or 1% to \$21.0 million in the 2021 budget. Major changes are as follows.

The impact of COVID-19 has decreased line items in several budgets across the County for \$.3 million. The effect varies from budget to budget; however, training and registrations and travel and lodging have seen significant reductions in almost all budgets. The changes in the following budgets represent changes that are not related to COVID-19.

Elections budgeted operating costs decreased \$.07 million or 58% to \$.05 million below the 2020 budget. The decrease is due to the cyclical nature of election expenses. 2021 has two fewer elections than 2020.

Facilities Management budgeted operating costs decreased \$.03 million or 2% to \$2.1 million under the 2020 budget. The change is a result of the following budget changes. Repair and maintenance expenses decreased \$.08 million for the Combined Law Enforcement Facility (CLEF) and Communications Center located at the CLEF because the facility is new. Repair and maintenance and utilities expense at the Historic Courthouse, Detention Center and Justice Center decreased \$.08 million after the department reviewed historical operating costs. Operating costs increased by \$.06 million for outsourced janitorial services, which commenced in 2020 when a full-time janitorial position was eliminated. Rent expense of \$.03 million was added in 2021 to provide office space for Human Services during the construction of the new Health and Human Services building that begins in 2021. Two projects at the Historic Courthouse increased expense by \$.03 million to refinish the front doors and restore and repair the terra cotta facade. Casualty and property insurance allocated to the County's building and plant facilities increased \$.02 million due primarily to the addition of the Combined Law Enforcement facility and E911 Communications Center.

Planning budgeted operating expense increased \$.05 million or 8% to \$.6 million. The increase is primarily the result of the Planning 2021 overhead increase of \$.05 million or 14% to \$.4 million from additional County Attorney hours, an overall increase in Information Technology costs, an increase in the support costs of the new land management software, and a decrease in the Geographic Information System (GIS) hours used.

Purchase of Development Rights budgeted operating expense increased \$1.2 million or 23% to \$6.4 million. The projected increase is primarily because at the time the 2021 budget was prepared, the 2020 projects were not completed as planned and moved to the 2021 budget. Projected 2020 reserves and 2021 revenues are anticipated to be spent 100% in 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Public Works budgeted operations decreased \$.4 million or 7% to \$.5 million below the 2020 budget. This change is due primarily to the following budget changes. Minor Bridge (bridges less than 20 feet) maintenance decreased \$.4 million or 17% to \$.7 million. The 2020 budget included three bridge projects and the 2021 budget includes one. The Cow Creek Culvert bridge project has a budget of \$.7 million. This project was originally budgeted in 2020 and pushed to 2021 as the original project included two culverts and in 2021 the project includes three culverts. Road maintenance decreased \$.05 million or 7% to \$.8 million. The primary reason is a \$.03 million decrease or 46% for culverts. As of the 2021 budget, there is sufficient culvert inventory on hand to meet the anticipated repair needs for 2021. Safety decreased \$.06 million or 20% to \$.2 million. The primary reason is a \$.05 million decrease or 56% for guard rail posts. The decrease is a combination of bringing budget numbers more in line with the historical averages. As of the 2021 budget, there is sufficient guard rail inventory on hand to meet the anticipated repair needs for 2021.

Leveling is budgeted to increase \$.2 million or 900% to \$.2 million above the 2020 budget. Public Works identified \$.2 million for leveling in 2021 for County Road 129. Budgeting for leveling is a function of the number of miles to be overlaid in a given year. The estimate is then compared to the actual state of the roads, and the decision on how much in leveling costs are required is decided by the Public Works Department. Gravel costs budgeted increased \$.03 million or 7% to \$.5 million. The change in gravel cost is the combination of two items. Gravel pits expense increased due to the need to purchase a pollution control insurance policy for the Funk Pit. Shouldering budgeted increased \$.02 million or 40% to \$.08 million. Shouldering is a function of the total miles that will be overlaid in a year.

Chip and Seal is budgeted to decrease \$.05 million or 12% to \$.3 million. In 2020, 10.89 miles were budgeted to be chip and sealed compared to 9.55 miles in 2021, decreasing 1.34 miles. In 2021, the cost of chip and seal per square yard remained constant at \$2.06. Patching is budgeted to decreased \$.07 million or 26% to \$.2 million. There is a combined budget limit between leveling and patching of \$.4 million for 2021. After the leveling budget is determined, the remaining amount is allotted to patching. Thus, the increase mentioned above in leveling equates to a decrease in the patching budget. The combined budget limit has been lowered in recent years to reflect historical averages more accurately.

Heavy Equipment Pool budgeted diesel costs decreased \$.05 million or 16% to \$.3 million. The diesel price budgeted for 2021 is anticipated to be \$1.88 per gallon based upon the US Short Term Energy Outlook data. The 2020 budget was \$2.31 per gallon.

Motor Pool budgeted gasoline costs decreased \$.02 million or 15% to \$.1 million. The unleaded price budgeted for 2021 is anticipated to be \$1.88 per gallon based on the US Short Term Energy Outlook data. The 2020 budget was \$2.31 per gallon.

Governmental Activities capital costs are anticipated to increase \$1.2 million to \$5.9 million or 26% above the 2020 budget. Facilities Management capital expense increased \$1.8 million or 133% to \$3.2 million above the 2020 budget. Capital additions are \$3.1 million and replacements are \$.1 million. The primary reason for the increase is \$2.0 million budgeted for constructing a new Health and Human Services (HHS) building at the County's downtown campus. The HHS building was originally projected to cost \$6.5 million in the 2021 budget and is currently estimated to cost \$14.1 million with a scheduled completion in early 2023. Capital replacements include an HVAC rooftop unit at the Annex, a chiller at the Historic Courthouse, and a riding lawnmower.

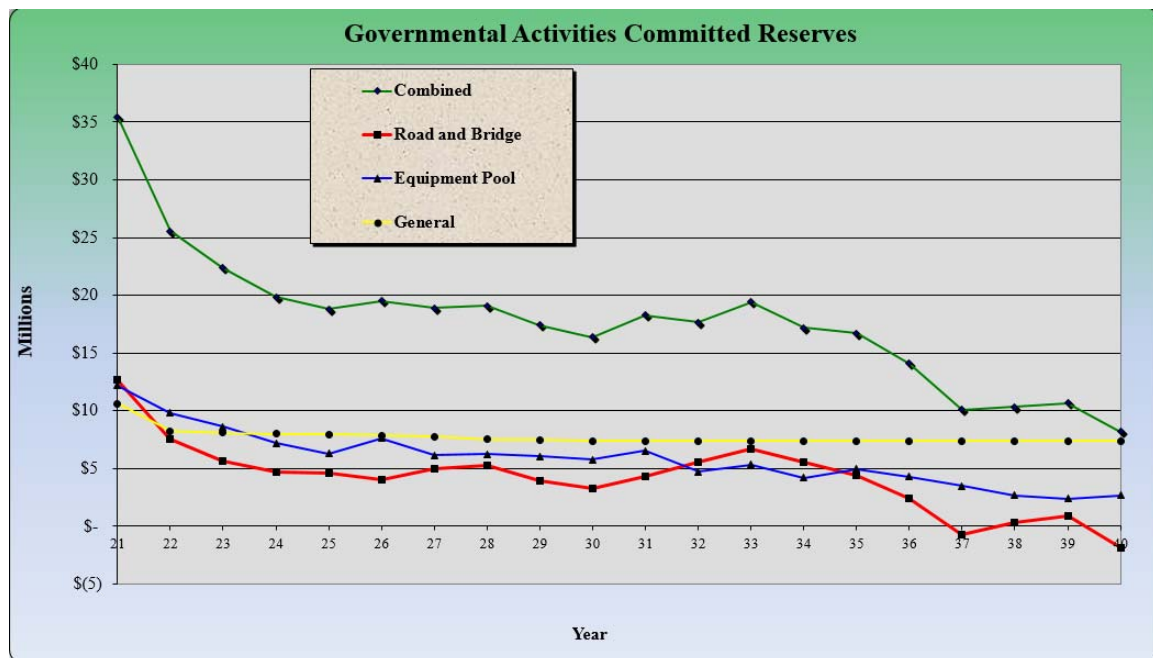
Information Technology capital expense is budgeted to decrease \$.1 million or 14% to \$.8 million below the 2020 budget. Capital additions are \$.5 million and replacements are \$.4 million. The partial completion in 2020 of a \$.5 million Land Management/Permitting software project was the primary reason for the decrease. Other additions in 2021 include \$.3 million attributable to the remaining costs of the Enterprise Resource Planning (ERP) software implementation budgeted in 2020 being rolled over to 2021 due to adopting a phased implementation approach and COVID-19, \$.01 million for a map-based appraisal software for the Assessor, and \$.02 million for mobile data terminals (MDTs) deferred due to COVID-19 from 2020 to 2021 for two full-time patrol positions approved in 2020. Capital replacements include 22 MDTs totaling \$.2 million for the Sheriff and \$.2 million in replacements deferred from 2020 to 2021 due to COVID-19.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Deferred replacements include six copiers, two printers, three video conferencing units, a backup appliance, a storage device, and a computer server.

Heavy Equipment budgeted capital expense decreased \$.3 million or 15% to \$1.6 million below the 2020 budget. Capital additions are \$.05 million and replacements are \$1.5 million. The primary reason for the decrease in capital is six replacements in 2021 compared to eleven replacements in 2020. The planned replacements in 2021 include two loaders, two plow trucks, a grader, and a snow blower. Motor Pool budgeted capital expense decreased \$.2 million or 45% to \$.2 million below the 2020 budget. The decrease is primarily due to nine vehicle replacements and additions in 2020 compared to six in 2021.

The long-term forecast projects a balanced budget, as seen in the following Governmental Activities Committed Reserves graph; however, changes in service levels, the cost of petroleum products, health insurance, the COVID 19 pandemic, etc., may cause the following graph to change positively or negatively.



Business Type Activities include the Yampa Valley Regional Airport (YVRA), the Regional Building Department, the Phippsburg Water and Sanitation System, and the Milner Sanitation System. Revenues are anticipated to increase \$7.0 million or 69% to \$17.2 million, expenses are anticipated to increase \$1.5 million or 13% to \$13.4 million and results in revenue over expenses of \$3.8 million. After removing \$.5 million of non-cash expenses such as depreciation, projected reserves increase \$4.3 million. The increase in budgeted reserves is associated with a \$4.6 million increase in reserves for YVRA primarily from anticipated operating income generated by COVID-19 CARES Act funding covering the airport's operations expenses offset by a projected \$.3 million decrease in reserves for the Regional Building department from lowering fees due to a possible construction slowdown from COVID-19. The business-type activities are fundamentally financially self-sufficient by charging fees for services and receiving grants.

Federal revenues are anticipated to increase by \$7.6 million or 369% to \$9.6 million above the 2020 budget primarily because of the following. YVRA is budgeted to increase \$7.6 million or 406% to \$9.5 million above the 2020 budget primarily due to the Federal Aviation Administration (FAA) awarding YVRA a COVID-19 CARES Act relief grant to cover the operations and maintenance cost for 2021, totaling \$4.9 million. The airport is also receiving funding through the CARES Act for several capital projects totaling \$2.9 million. The remaining difference is a decrease in Airport Improvement Program (AIP) funding of \$.2 million and an increase in passenger facility charges of \$.04 million. Phippsburg Water and Sanitation is

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

budgeted to decrease \$.05 million or 29% to \$.01 million below the 2020 budget. The decrease is due to a possible new loan agreement and grant agreement for the lagoon liner replacement in 2021.

YVRA budgeted fees decreased \$.4 million or 8% to \$.8 million below the 2020 budget for the following reasons. Airside Fixed Based Operator (FBO) rent increased \$.03 million or 32% to \$.1 million above the 2020 budget due to the FBO renting a larger piece of land for their new building. Commercial landing fees increased \$.1 million or 21% to \$.7 million due to an additional airline scheduled to have flights in 2021. Fuel Flow into various planes decreased \$.09 million or 42% to \$.1 million due to a reduced number of commercial and general aviation flights. Ground handling fees increased by \$.03 million or 1057% due to new ground handling agreements with the airlines. Snow removal fees increased slightly due to a new agreement with the FBO.

YVRA General Store is budgeted to decrease less than \$.01 million or 9% to \$.08 million below the 2020 budget due primarily to the following. The General Store's projected decrease in revenues is due to an anticipated decrease in traffic and enplanements due to COVID-19. Landside Parking Concession is budgeted to decrease \$.03 million or 9% to \$.3 million below the 2020 budget due to reduced traffic through the airport.

YVRA Taxi/Bus/Limo fees are anticipated to decrease less than \$.01 million or 3% to \$.3 million below the 2020 budget due to reduced traffic through the airport. Car rental fees are budgeted to increase less than \$.01 million or 1% to \$.6 million above the 2020 budget due to more passengers renting cars versus taking a bus or taxi based on COVID-19.

YVRA Restaurant services are budgeted to decrease \$.03 million or 9% to \$.3 million below the 2020 budget due to an anticipated decrease in enplanements and traffic through the airport. Snack bar fees are anticipated to decrease by \$.09 million or 18% to \$.4 million below the 2020 budget due to the anticipated decrease in enplanements and traffic through the airport. Security is budgeted to decrease \$.02 million or 5% to \$.3 million below the 2020 budget due to an anticipated decrease in enplanements for 2021. Terminal rent is budgeted to decrease \$.3 million or 23% to \$1.0 million based on the 2021 rates charged to the commercial airlines. Passenger Services fees are budgeted to decrease \$.02 million or 40% to \$.03 million. The primary reasons include Airlines Exclusive Rent and Airlines Joint Use are lower than the 2020 budget. Both decreases are due to a decrease in rates of \$.65 or 45% from \$1.44 in 2020 to \$.79 for 2021.

Regional Building Department fees are anticipated to decrease \$.4 million or 26% to \$1.1 million below the 2020 budget due to COVID-19, commercial construction projects have been put on hold or paused.

Milner Sanitation System fees are budgeted to decrease \$.03 million or 38% to \$.05 million below the 2020 budget. Sewer Fees are projected to increase 4% above the 2020 budget due to sewer fees increasing \$5 per tap or 4% from \$120 to \$125 per quarter above the 2020 budget. Tap fees are projected to decrease \$.03 million to zero as there is no new construction anticipated for 2021.

Phippsburg Water and Sanitation System fees are budgeted to increase \$.01 million or 10% to \$.2 million above the 2020 budget. Water fees are projected to increase 5% due to water fees increasing \$7 per tap or 5% from \$146 to \$153 per quarter above the 2020 budget. Sewer fees are projected to increase 5% due to sewer fees increasing \$6 per tap or 5% from \$116 to \$122 per quarter above the 2020 budget.

Other revenues are anticipated to increase by \$.2 million or 37% to \$.9 million above the 2020 budget. Yampa Valley Regional Airport's (YVRA) other revenue increased \$.2 million or 45% to \$.8 million above the 2020 budget primarily from paving the road to the rental car facilities at the cost of \$.2 million and funded by capital facility charges collected by YVRA from the car rental companies.

Total budgeted personnel expense for business-type activities increased \$.2 million or 6% to \$4.1 million above the 2020 budget. The compensation plan is projected to increase \$.1 million or 3% above the 2020 budget. In 2021, a 2.1% market adjustment across all pay scales, and for eligible employees, the Board approved a current anniversary step.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020

Budgeted full time equivalents (FTEs) increased 1.40 FTEs or 3% to 50.24 FTEs. The change includes a 1.83 increase in FTEs and a .43 decrease in FTEs related to overtime. YVRA's budget increased 1.83 FTEs or 5% to 41.18 FTEs to address the needs of COVID-19 for a cost of \$.1 million. The Regional Building Department's budget decreased \$.05 million in overtime based on completing the implementation of the new land management software and an anticipated reduction in commercial projects due to COVID-19.

Operations expense for business-type activities are budgeted to increase less than \$.01 million or 0% to \$3.0 million in 2021 budget. Milner Sanitation budgeted operating costs increased \$.01 million mainly due to repair and maintenance costs for pipe replacement. The Regional Building Department, due to the impact of COVID-19, has decreased its budget for continuing education (unless needed for certifications) along with lodging, meals, and travel. The total budgeted decrease in operations for the Regional Building Department is \$.02 million.

Business Type Activities capital costs are anticipated to increase \$1.5 million to \$6.2 million or 33% above the 2020 budget. Noted below are the primary reasons for the changes in the 2021 capital budget. YVRA budgeted capital expense increased \$1.6 million or 36% to \$5.9 million above the 2020 budget. The primary reason for the 2021 capital increase is that the airport has nine projects in 2021 compared to the terminal project in 2020 for \$3.3 million. In 2021, YVRA has budgeted in airside operations to replace a broom truck with a rotary plow for \$.7 million. YVRA is planning to re-route CR 51 to provide for future general aviation expansion for a cost of \$.3 million. YVRA plans to start the design, followed by constructing an additional de-ice pad and treatment facility for \$.7 million. YVRA has budgeted to install a backup power generator for the terminal for \$.7 million and install a solar array to provide power to the entire facility for \$.6 million. YVRA's paid parking lot is budgeted to be paved in 2021 at the cost of \$1.0 million. The rental car re-fueling road will be paved for \$.2 million, and the employee parking lot and rental car overflow lot will be relocated at the cost of \$.3 million. YVRA is planning on adding a car wash facility for the rental car agencies totaling \$1.2 million. The remainder of the increases in capital expenditures is for other minor capital additions.

Phippsburg Water and Sanitation Systems' budgeted capital expense decreased \$.06 million or 20% to \$.3 million below the 2020 budget. The 2020 budget included \$.3 million for the replacement of the lagoon liner to comply with current regulations. The lagoon liner was included in the 2019 budget but was delayed to 2020 due to higher than expected construction costs. The liner is included in the 2021 budget. However, due to the higher than anticipated expenses encountered in 2020, there is a plan to seek a new cost estimate for the project. In 2019 and 2020, the lagoon liner replacement was anticipated to be funded by a \$.2 million state grant and a \$.1 million loan. The liner project is expected to go out for bid in 2021 and will be financed by a state grant for \$.1 million and a loan for \$.1 million.

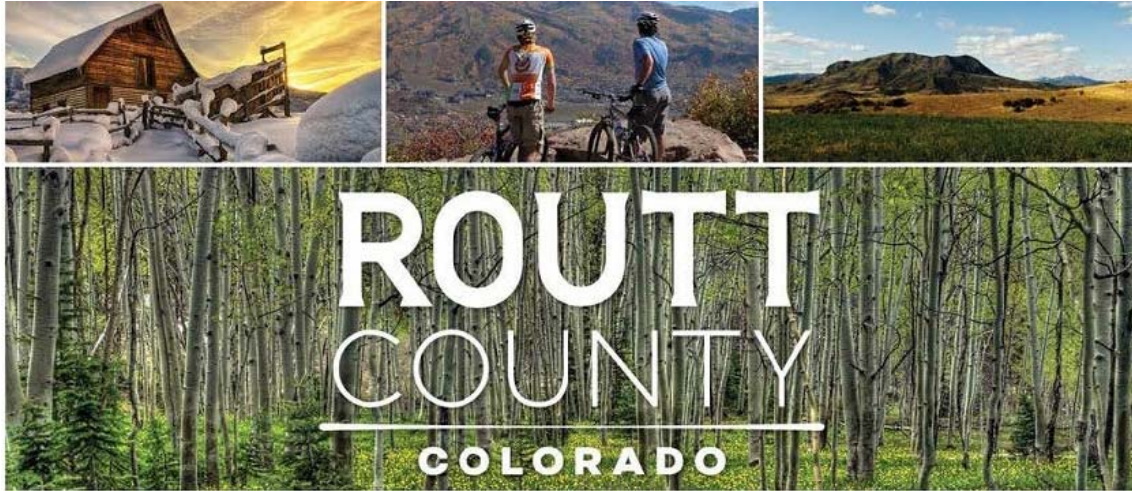
In the early summer of 2020, the County was awarded \$1.2 million in CARES funding. The County was also awarded approximately \$18.5 million in 2020 by the Federal Aviation Administration for the Yampa Valley Regional Airport under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. See the basic financial statements "Note 12 – Subsequent Events".

Conclusion

The County continues to analyze the budget wherever possible to increase revenues and decrease costs effectively.

Right now, the long-term forecast projects a balanced budget. The 2021 budget is a snapshot in time based on both known factors and certain assumptions. This financial plan will need to be revised by the County to respond to changing economic conditions. As new financial information becomes available, management will respond appropriately to maintain the County's overall financial well-being.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2020



CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Routt County Finance Office, 136 6th Street, Steamboat Springs, CO 80477, or by phone at 970-870-5313 or on the website at co.routt.co.us.

Routt County, Colorado
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 43,992,131	\$ 11,588,371	\$ 55,580,502
Receivables (net of allowance for uncollectibles)	1,239,720	521,132	1,760,852
Due from other governments	4,152,579	2,565,842	6,718,421
Internal balances	(513,324)	513,324	-
Prepays and inventories	383,805	87,851	471,656
Property tax receivable	21,139,267	-	21,139,267
Noncurrent assets:			
Non-depreciable capital assets	54,230,920	28,455,917	82,686,837
Depreciable capital assets, net of accumulated depreciation	66,852,273	35,120,897	101,973,170
Total assets	<u>191,477,371</u>	<u>78,853,334</u>	<u>270,330,705</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	172,894	-	172,894
Total assets and deferred outflows of resources	<u>191,650,265</u>	<u>78,853,334</u>	<u>270,503,599</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	2,794,531	1,525,304	4,319,835
Unearned revenue	1,164,894	1,903,477	3,068,371
Noncurrent liabilities:			
Due within one year	1,872,375	117,250	1,989,625
Due in more than one year	5,206,165	300,912	5,507,077
Total liabilities	<u>11,037,965</u>	<u>3,846,943</u>	<u>14,884,908</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	21,139,267	-	21,139,267
Total liabilities and deferred inflows of resources	<u>32,177,232</u>	<u>3,846,943</u>	<u>36,024,175</u>
NET POSITION			
Net investment in capital assets	115,631,943	63,223,509	178,855,452
Restricted	5,996,980	162,707	6,159,687
Unrestricted	37,844,110	11,620,175	49,464,285
Total net position	<u>\$ 159,473,033</u>	<u>\$ 75,006,391</u>	<u>\$ 234,479,424</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
Administration	\$ 7,524,440	\$ 984,247	\$ 481,271	\$ -	\$ (6,058,922)	\$ -	\$ (6,058,922)
Community resources	9,479,355	437,863	2,699,102	-	(6,342,390)	-	(6,342,390)
Property tax administration	2,300,212	1,864,661	-	48,984	(386,567)	-	(386,567)
Public safety	9,340,450	679,439	251,370	-	(8,409,641)	-	(8,409,641)
Road and bridge	9,678,381	172,322	4,856,138	88,862	(4,561,059)	-	(4,561,059)
Human services	5,128,887	-	4,467,729	-	(661,158)	-	(661,158)
Interest expense on long-term debt	263,128	-	-	-	(263,128)	-	(263,128)
Total governmental activities	<u>43,714,853</u>	<u>4,138,532</u>	<u>12,755,610</u>	<u>137,846</u>	<u>(26,682,865)</u>	<u>-</u>	<u>(26,682,865)</u>
Business-type activities:							
Yampa Valley Regional Airport	8,314,783	4,845,709	4,366,398	4,570,677	-	5,468,001	5,468,001
Regional Building Department	1,275,488	1,562,090	-	-	-	286,602	286,602
Water and sewer	206,959	186,459	-	24,000	-	3,500	3,500
Total business-type activities	<u>9,797,230</u>	<u>6,594,258</u>	<u>4,366,398</u>	<u>4,594,677</u>	<u>-</u>	<u>5,758,103</u>	<u>5,758,103</u>
Total primary government	<u>\$ 53,512,083</u>	<u>\$ 10,732,790</u>	<u>\$ 17,122,008</u>	<u>\$ 4,732,523</u>	<u>(26,682,865)</u>	<u>5,758,103</u>	<u>(20,924,762)</u>
General revenues:							
Property taxes					21,377,848	-	21,377,848
Sales taxes					9,382,016	178,222	9,560,238
Unrestricted investment earnings					955,692	120,846	1,076,538
Gain on disposal of capital assets					82,544	-	82,544
Miscellaneous income					-	42,416	42,416
Transfers					129,055	(129,055)	-
Total general revenues and transfers					<u>31,927,155</u>	<u>212,429</u>	<u>32,139,584</u>
Change in net position					<u>5,244,290</u>	<u>5,970,532</u>	<u>11,214,822</u>
Net position - beginning (as restated)					<u>154,228,743</u>	<u>69,035,859</u>	<u>223,264,602</u>
Net position - ending					<u>\$ 159,473,033</u>	<u>\$ 75,006,391</u>	<u>\$ 234,479,424</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	Road & Bridge	Human Services	Communications	Total Governmental Funds
ASSETS					
Cash and investments	\$ 10,908,400	\$ 14,828,924	\$ 1,097,540	\$ 1,773,685	\$ 28,608,549
Accounts receivable (net of allowance for uncollectibles)	72,392	500	4,115	99,803	176,810
Property taxes receivable	17,769,169	813,929	569,509	1,986,660	21,139,267
Due from other governments	3,013,247	357,792	233,357	1,318	3,605,714
Due from other funds	-	5,963	-	-	5,963
Prepaid expenses	155,175	14,228	3,713	100,957	274,073
Inventory	-	61,866	-	-	61,866
Interfund loan	-	74,353	-	-	74,353
Total assets	<u>31,918,383</u>	<u>16,157,555</u>	<u>1,908,234</u>	<u>3,962,423</u>	<u>53,946,595</u>
LIABILITIES					
Accounts payable	1,588,958	69,481	85,531	25,772	1,769,742
Due to other governments	29,709	-	35,247	-	64,956
Unearned revenue	129,489	579,300	420,880	-	1,129,669
Total liabilities	<u>1,748,156</u>	<u>648,781</u>	<u>541,658</u>	<u>25,772</u>	<u>2,964,367</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	17,769,169	813,929	569,509	1,986,660	21,139,267
Total deferred inflow of resources	<u>17,769,169</u>	<u>813,929</u>	<u>569,509</u>	<u>1,986,660</u>	<u>21,139,267</u>
Total liabilities and deferred inflows of resources	<u>19,517,325</u>	<u>1,462,710</u>	<u>1,111,167</u>	<u>2,012,432</u>	<u>24,103,634</u>
FUND BALANCES					
Nonspendable	155,175	76,094	3,713	100,957	335,939
Restricted	5,996,980	-	-	-	5,996,980
Committed					
General fund	6,248,903	-	-	-	6,248,903
Special revenue funds	-	14,618,751	793,354	1,849,034	17,261,139
Total fund balances	<u>12,401,058</u>	<u>14,694,845</u>	<u>797,067</u>	<u>1,949,991</u>	<u>29,842,961</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,918,383</u>	<u>\$ 16,157,555</u>	<u>\$ 1,908,234</u>	<u>\$ 3,962,423</u>	<u>\$ 53,946,595</u>

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
December 31, 2020

Total governmental fund balances	\$ 29,842,961
Internal service funds are used by management to charge the cost of fleet management, information systems, emergency communications, building and plant and employee health insurance to individual funds. In addition, internal service funds provide a systematic method to replace capital assets and to finance a partially self-insured health insurance program. The assets and liabilities of the internal service funds are included in governmental activities statement of net position, except for the cross over adjustment required for the consolidation of the insurance pool, an internal service fund for employee health insurance, to the business-type activities.	52,992,561
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.	(1,438,996)
Road and bridge infrastructure used in governmental activities is not a financial resource and therefore, is not reported in the funds.	77,510,799
Current assets not collected within 60 days of December 31, 2020 and are not available as a current period resource, therefore, not included in governmental funds.	<u>565,708</u>
Net position of governmental activities	<u>\$ 159,473,033</u>

ROUTT COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL STATEMENT OF ACTIVITIES
For the year ended December 31, 2020

Net change in fund balance - total governmental funds	\$ 6,610,838
The internal service funds are used by management to charge the cost of fleet management, information systems, emergency communications, building and plant and employee health insurance to individual funds. In addition, the internal service funds provide a systematic method to replace capital assets and to finance a partially self-insured health insurance program.	(1,216,731)
Change in compensated absences, which do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(78,026)
The Road and Bridge fund reports infrastructure capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$1,270,278 were less than depreciation of \$1,677,932 and loss on disposal of assets of \$157,997 in the current period.	(565,651)
Revenue reported in governmental activities, which is not a current financial resource and therefore, not reported in the funds.	<u>493,860</u>
Change in net position of governmental activities	<u>\$ 5,244,290</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Road & Bridge	Human Services	Communications	Total Governmental Funds
REVENUES					
Property taxes	\$ 17,826,270	\$ 856,158	\$ 592,978	\$ 2,102,442	\$ 21,377,848
Sales taxes	4,394,951	4,987,065	-	-	9,382,016
Intergovernmental	2,892,566	4,916,958	4,328,810	65,443	12,203,777
Charges for sales and services	4,409,500	143,714	-	486,767	5,039,981
Investment earnings	685,102	21,542	-	-	706,644
Operating grants	-	-	142,677	-	142,677
Contributions and donations	29,000	38,105	-	-	67,105
Total revenues	<u>30,237,389</u>	<u>10,963,542</u>	<u>5,064,465</u>	<u>2,654,652</u>	<u>48,920,048</u>
EXPENDITURES					
Administration	8,178,254	-	-	-	8,178,254
Community resources	9,592,346	-	-	-	9,592,346
Property tax administration	2,387,248	-	-	-	2,387,248
Public safety	7,197,685	-	-	2,387,946	9,585,631
Road and bridge	-	9,442,062	-	-	9,442,062
Human services	-	-	5,230,451	-	5,230,451
Total expenditures	<u>27,355,533</u>	<u>9,442,062</u>	<u>5,230,451</u>	<u>2,387,946</u>	<u>44,415,992</u>
Excess (deficiency) of revenues over expenditures	<u>2,881,856</u>	<u>1,521,480</u>	<u>(165,986)</u>	<u>266,706</u>	<u>4,504,056</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,941,619	-	268,710	23,457	3,233,786
Transfers out	(1,113,647)	(13,357)	-	-	(1,127,004)
Total other financing sources (uses)	<u>1,827,972</u>	<u>(13,357)</u>	<u>268,710</u>	<u>23,457</u>	<u>2,106,782</u>
Net change in fund balances	4,709,828	1,508,123	102,724	290,163	6,610,838
Fund balances - beginning (as restated)	7,691,230	13,186,722	694,343	1,659,828	23,232,123
Fund balances - ending	<u>\$ 12,401,058</u>	<u>\$ 14,694,845</u>	<u>\$ 797,067</u>	<u>\$ 1,949,991</u>	<u>\$ 29,842,961</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities				Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 7,652,778	\$ 3,669,903	\$ 265,690	\$ 11,588,371	\$ 15,383,582
Accounts receivable (net of allowance for uncollectibles)	491,065	-	30,067	521,132	1,041,731
Due from other governments	2,565,817	25	-	2,565,842	2,335
Prepaid expenses	17,130	-	4,072	21,202	1,100
Inventory	66,649	-	-	66,649	46,766
Total current assets	10,793,439	3,669,928	299,829	14,763,196	16,475,514
Noncurrent assets:					
Land and improvements (non-depreciable)	23,822,469	-	39,894	23,862,363	3,092,916
Land improvements (depreciable)	31,074,630	-	-	31,074,630	1,902,009
Buildings	23,994,128	-	-	23,994,128	44,412,563
Equipment	11,990,040	-	-	11,990,040	32,154,247
Water system	1,006,010	-	977,962	1,983,972	-
Sewer system	473,873	-	1,311,645	1,785,518	-
Other (non-depreciable)	-	-	-	-	262,649
Construction in progress	4,546,958	-	46,596	4,593,554	691,428
Accumulated depreciation	(33,845,680)	-	(1,861,711)	(35,707,391)	(38,943,419)
Total noncurrent assets	63,062,428	-	514,386	63,576,814	43,572,393
Total assets	73,855,867	3,669,928	814,215	78,340,010	60,047,907
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	-	-	-	-	172,894
Total deferred outflows of resources	-	-	-	-	172,894
Total assets and deferred outflows of resources	73,855,867	3,669,928	814,215	78,340,010	60,220,801
LIABILITIES					
Current liabilities:					
Accounts payable	1,262,963	56,798	16,413	1,336,174	517,253
Compensated absences	63,460	33,701	-	97,161	23,401
Claims liability	-	-	-	-	419,910
Accrued interest	-	-	1,427	1,427	14,670
Due to other funds	-	-	5,963	5,963	-
Retainage payable	187,704	-	-	187,704	8,000
Unearned revenue	1,262,104	641,373	-	1,903,477	35,224
Current portion of long-term debt (net of unamortized discount)	-	-	20,089	20,089	1,052,108
Total current liabilities	2,776,231	731,872	43,892	3,551,995	2,070,566
Noncurrent liabilities:					
Compensated absences	210,716	24,667	-	235,383	-
Loans payable	-	-	65,529	65,529	-
Interfund loan payable	-	-	74,353	74,353	-
Certificates of participation (net of unamortized discount)	-	-	-	-	4,564,035
Total noncurrent liabilities	210,716	24,667	139,882	375,265	4,564,035
Total liabilities	2,986,947	756,539	183,774	3,927,260	6,634,601
NET POSITION					
Net investment in capital assets	62,874,724	-	348,785	63,223,509	38,121,144
Restricted	162,707	-	-	162,707	-
Unrestricted	7,831,489	2,913,389	281,656	11,026,534	15,465,056
Total net position	\$ 70,868,920	\$ 2,913,389	\$ 630,441	\$ 74,412,750	\$ 53,586,200

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
RECONCILIATION OF ENTERPRISE FUNDS STATEMENT OF NET POSITION
TO BUSINESS-TYPE ACTIVITIES STATEMENT OF NET POSITION
December 31, 2020

Total enterprise funds net position	\$ 74,412,750
Cross over adjustment to reflect the consolidation of the insurance pool, an internal service fund for employee health insurance, to the business-type activities.	<u>593,641</u>
Net position of business-type activities	<u><u>\$ 75,006,391</u></u>

ROUTT COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION OF ENTERPRISE FUNDS
TO THE BUSINESS -TYPE STATEMENT OF ACTIVITIES
For the year ended December 31, 2020

Change in net position - total enterprise funds	\$ 5,812,853
Cross over adjustment to reflect the consolidation of the insurance pool, an internal service fund for employee health insurance, to the business-type activities.	<u>157,679</u>
Change in net position of business-type activities	<u><u>\$ 5,970,532</u></u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities				Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Sales taxes	\$ 178,222	\$ -	\$ -	\$ 178,222	\$ -
Charges for sales and services	4,845,709	1,562,090	186,459	6,594,258	-
Operating grants	19,131	-	-	19,131	-
Internal service fees	-	-	-	-	9,827,898
Insurance proceeds	-	-	-	-	1,024,971
Total operating revenues	<u>5,043,062</u>	<u>1,562,090</u>	<u>186,459</u>	<u>6,791,611</u>	<u>10,852,869</u>
OPERATING EXPENSES					
Salary and benefits	2,990,909	889,412	-	3,880,321	477,286
Depreciation	3,428,086	-	45,567	3,473,653	3,451,908
Claims	-	-	-	-	4,187,193
Repairs and maintenance	398,086	-	27,033	425,119	955,890
Purchased services and supplies	1,576,646	424,552	125,196	2,126,394	876,193
Total operating expenses	<u>8,393,727</u>	<u>1,313,964</u>	<u>197,796</u>	<u>9,905,487</u>	<u>9,948,470</u>
Operating income (loss)	<u>(3,350,665)</u>	<u>248,126</u>	<u>(11,337)</u>	<u>(3,113,876)</u>	<u>904,399</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	116,102	-	4,744	120,846	249,049
Interest expense	-	-	(4,919)	(4,919)	(263,128)
Interest expense - interfund	(17,297)	-	(4,245)	(21,542)	-
Amortization of refunding debt insurance	-	-	-	-	(10,601)
Gain (loss) on disposal of capital assets	(22,961)	-	-	(22,961)	38,955
Miscellaneous income	42,416	-	-	42,416	-
Total nonoperating revenues (expenses)	<u>118,260</u>	<u>-</u>	<u>(4,420)</u>	<u>113,840</u>	<u>14,275</u>
Income (loss) before contributions and transfers	<u>(3,232,405)</u>	<u>248,126</u>	<u>(15,757)</u>	<u>(3,000,036)</u>	<u>918,674</u>
Transfers in	-	-	-	-	963,892
Transfers out	-	(129,055)	-	(129,055)	(2,941,619)
Tap fees	-	-	24,000	24,000	-
Capital contribution	143,548	-	-	143,548	-
Capital grants	4,427,129	-	-	4,427,129	-
Intergovernmental	4,347,267	-	-	4,347,267	-
Change in net position	<u>5,685,539</u>	<u>119,071</u>	<u>8,243</u>	<u>5,812,853</u>	<u>(1,059,053)</u>
Total net position - beginning	<u>65,183,381</u>	<u>2,794,318</u>	<u>622,198</u>	<u>68,599,897</u>	<u>54,645,253</u>
Total net position - ending	<u>\$ 70,868,920</u>	<u>\$ 2,913,389</u>	<u>\$ 630,441</u>	<u>\$ 74,412,750</u>	<u>\$ 53,586,200</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts for customers and users	\$ 5,403,894	\$ 1,756,141	\$ 176,929	\$ 7,336,964	\$ -
Receipts from interfund services provided	-	-	-	-	9,833,328
Receipts from insurance	-	-	-	-	16,026
Payments to suppliers	(1,922,614)	(412,487)	(158,095)	(2,493,196)	(1,722,519)
Payments to employees	(2,941,688)	(880,043)	-	(3,821,731)	(475,059)
Payments to claims	-	-	-	-	(4,176,815)
Net cash provided (used) by operating activities	539,592	463,611	18,834	1,022,037	3,474,961
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments to other governments for collections	-	(276,087)	-	(276,087)	-
Tap fees	-	-	24,000	24,000	-
Collections for other governments	3,243,233	276,062	-	3,519,295	-
Net cash provided (used) by noncapital financing activities	3,243,233	(25)	24,000	3,267,208	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the sale of capital assets	-	-	-	-	82,682
Capital grants	3,762,593	-	-	3,762,593	-
Capital charges	149,481	-	-	149,481	-
Acquisition and construction of capital assets	(4,834,861)	-	-	(4,834,861)	(2,690,244)
Principal paid on capital debt	(1,071,819)	-	(24,494)	(1,096,313)	-
Interest paid on capital debt	(21,085)	-	(9,505)	(30,590)	-
Principal payments on certificates of participation	-	-	-	-	(1,030,000)
Interest payments on certificates of participation	-	-	-	-	(205,869)
Miscellaneous income	42,416	-	-	42,416	-
Transfers In	-	-	-	-	963,892
Transfers Out	-	(129,055)	-	(129,055)	(2,941,619)
Net cash provided (used) by capital and related financing activities	(1,973,275)	(129,055)	(33,999)	(2,136,329)	(5,821,158)
CASH FLOWS FROM INVESTING ACTIVITIES					
Earnings on investments	116,102	-	4,744	120,846	249,049
Net purchases and sales of investments	(781,592)	111,907	15,344	(654,341)	3,186,929
Net cash provided (used) by investing activities	(665,490)	111,907	20,088	(533,495)	3,435,978
Net increase (decrease) in cash and cash equivalents	1,144,060	446,438	28,923	1,619,421	1,089,781
Cash and cash equivalents - beginning of year	1,147,620	652,924	50,667	1,851,211	3,518,551
Cash and cash equivalents - end of the year	2,291,680	1,099,362	79,590	3,470,632	4,608,332
Investments	5,361,098	2,570,541	186,100	8,117,739	10,755,250
Cash and investments - end of the year	\$ 7,652,778	\$ 3,669,903	\$ 265,690	\$ 11,588,371	\$ 15,363,582

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (3,350,665)	\$ 248,126	\$ (11,337)	\$ (3,113,876)	\$ 904,399
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	3,428,086	-	45,567	3,473,653	3,451,908
Noncapital financing activities					
Due from other governments	1,104,034	-	-	1,104,034	-
Collections for other governments					
Due from other governments	-	(25)	-	(25)	-
Capital financing activities					
Capital grants and transfers					
Accounts receivable	16,977	-	-	16,977	-
Due from other governments	647,556	-	-	647,556	-
Capital assets					
Accounts payable	242,497	-	-	242,497	351,288
Retainage payable	183,491	-	-	183,491	83,793
Unearned revenue	149,481	-	-	149,481	-
Due to other funds	(97,283)	-	(246)	(97,529)	-
Interest expense					
Accrued interest	-	-	319	319	2,361
Changes in assets and liabilities:					
(Increase) decrease					
Accounts receivable	(118,309)	-	(9,530)	(127,839)	(998,480)
Due from other governments	(1,286,222)	25	-	(1,286,197)	4,048
Inventory	8,096	-	-	8,096	5,737
Prepaid expenses	(10,872)	10,294	(3,500)	(4,078)	(1,100)
Increase (decrease)					
Accounts payable	(189,009)	1,231	(2,366)	(190,144)	(250,201)
Accrued interest	-	-	(319)	(319)	(2,361)
Compensated absences	47,423	9,910	-	57,333	2,019
Claims liability	-	-	-	-	10,378
Unearned revenue	(149,481)	194,050	-	44,569	(5,035)
Retainage payable	(183,491)	-	-	(183,491)	(83,793)
Due to other funds	97,283	-	246	97,529	-
Total adjustments	3,890,257	215,485	30,171	4,135,913	2,570,562
Net cash provided (used) by operating activities	\$ 539,592	\$ 463,611	\$ 18,834	\$ 1,022,037	\$ 3,474,961
Noncash investing, capital and financing activities					
Increase (decrease) in fair value of investments	\$ 39,784	\$ 19,076	\$ 1,381	\$ 60,241	\$ 79,961
Amortization related to refunding debt issue	-	-	-	-	(70,221)
In-kind donations for capital assets	143,548	-	-	143,548	-

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020

	Employee Retirement Plans	Custodial Funds	Total
ASSETS			
Cash and investments	\$ -	\$ 1,369,203	\$ 1,369,203
Investments restricted for retirement benefits	45,288,515	-	45,288,515
Property tax receivable	-	55,474,621	55,474,621
Total assets	<u>45,288,515</u>	<u>56,843,824</u>	<u>102,132,339</u>
LIABILITIES			
Due to other governments	-	1,154,102	1,154,102
Funds held for others	-	116,403	116,403
Accounts payable and other liabilities	-	1,584	1,584
Total liabilities	<u>-</u>	<u>1,272,089</u>	<u>1,272,089</u>
DEFERRED INFLOW OF RESOURCES			
Property taxes	-	55,474,621	55,474,621
Total deferred inflow of resources	<u>-</u>	<u>55,474,621</u>	<u>55,474,621</u>
NET POSITION			
Restricted			
Individuals, organizations and other governments	-	97,114	97,114
Retirement benefits	45,288,515	-	45,288,515
Total net position	<u>\$ 45,288,515</u>	<u>\$ 97,114</u>	<u>\$ 45,385,629</u>

The notes to financial statements are an integral part of this statement

ROUTT COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2020

	Employee Retirement Plans	Custodial Funds	Total
Additions			
Employee contributions	\$ 1,268,601	\$ -	\$ 1,268,601
Employer contributions	815,302	-	815,302
Total contributions	2,083,903	-	2,083,903
Investment earnings	5,582,567	-	5,582,567
Transfers from other plans	174,920	-	174,920
Tax collections for other governments	-	68,389,863	68,389,863
Public trustee activity	-	676,274	676,274
Funds held for others	-	9,532,652	9,532,652
Sales	-	35,910	35,910
Total additions	7,841,390	78,634,699	86,476,089
Deductions			
Benefits paid to participants	1,948,100	-	1,948,100
Transfers to other plans	111,648	-	111,648
Taxes disbursed to other governments	-	68,389,863	68,389,863
Public trustee disbursements	-	676,274	676,274
Disbursements of funds held for others	-	9,533,939	9,533,939
Miscellaneous	-	26,508	26,508
Total deductions	2,059,748	78,626,584	80,686,332
Net increase (decrease) in fiduciary net position	5,781,642	8,115	5,789,757
Net position, beginning (as restated)	39,506,873	88,999	39,595,872
Net position, ending	\$ 45,288,515	\$ 97,114	\$ 45,385,629

The notes to financial statements are an integral part of this statement

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Routt County is a body corporate and politic created by the Constitution of the State of Colorado, Article XIV and the Colorado State Legislature. Routt County exists as a political subdivision of the state to provide for the convenient administration of state government. The powers of the County, as enumerated in C.R.S. 30-11-101, shall be exercised by a Board of County Commissioners and such officers as may be required by statute or appointed by the Board.

The criteria used to determine the agencies or entities that comprise the County for financial reporting purposes include those entities for which the County is considered financially accountable. These financial statements present all the government and its component units. Blended component units, although legally separate entities, are in substance, part of the County's operations. The County does not have a discretely presented component unit.

Blended Component Units

The following component entities are blended because there is financial accountability by the County and the entities exclusively benefit the County.

The Routt County Public Building Authority (Authority) is made up of three members including one of the County Commissioners, the Finance Director of the County, and a person appointed by the County Commissioners. The purpose of the Authority is to acquire real estate for public purposes, and to facilitate the financing of certain facilities within the County, which will inure to the benefit of the residents of the County. The Authority leases the Routt County Justice Center to the County under an annual lease purchase agreement dated April 1, 2012. The operations of the Authority are recorded in the General Fund. The Justice Center capital asset and related certificates of participation long-term debt are recorded in the Internal Service funds.

The following provides specific reasons for excluding agencies where there is financial accountability by the County.

On March 18, 2004, the County issued Meadowgreen at Stagecoach Local Improvement District No. 2002-1 (District) special assessment bonds in the amount of \$1,375,000 and taxable assessment bonds in the amount of \$195,000 for a total amount of \$1,570,000. As of December 31, 2020, there is \$68,000 of outstanding bonds. The bonds have an interest rate of 6.50% through August 1, 2024 and are payable by the property owners within the District through special assessments levied on assessable land. The bonds do not constitute a debt of the County, are not a general obligation of the County, and the County is not obligated in any manner for the debt.

The County is only acting as a paying agent for the property owners in the District by collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, as applicable. As of December 31, 2020 cash on hand is \$69,153 and the assessment receivable is \$277,726. A \$9,841 cash reserve is also available and can be used for the payment of interest and the estimated redemption of the bonds. The bonds were issued for construction within the District to include grading and paving streets, water and sewer lines, and the extension of electrical and telephone utilities. There are no separately issued financial statements for the District.

The District Attorney is an elected official and represents the 14th Judicial District, a separate political subdivision of the state providing criminal justice services to three counties: Routt, Grand, and Moffat. The District Attorney's Office is subject to the budget and audit laws of the state; however, funding for the District Attorney's operations is basically provided by the three counties in proportion to census population. Therefore, the counties have a substantive influence on the District Attorney's budget in that the District Attorney must apply to the counties for funds and must limit expenditures to the amount the counties are willing to budget and appropriate within their own operational budgets plus any other revenues the District Attorney's office may generate.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus shows the sustainability of the County as an entity and the change in overall financial position for the period.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities present information on the County as a whole. The government-wide Statement of Net Position displays both the governmental and business-type activities on a consolidated basis, by column. These statements include all financial activities of the government with the exception of fiduciary activities. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on charges for services for support. In general, the effect of interfund activity has been removed from these statements. Any net residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

The government-wide Statement of Activities presents both the functional expenses and net cost of each function of the County's governmental and business-type activity, illustrating the degree to which the functional expenses of a given function are offset by program revenues. Functional expenses are those that are clearly identifiable with a specific function of a segment. Program revenues include charges paid by the recipient of the goods or services provided by the program, grants, contributions, and interest restricted to the use of the particular program. There are no related expenses shown for capital grants because the asset is included with capital assets on the Statement of Net Position.

Revenues not classified as program revenues are presented as general revenues of the County. The difference between program revenues and functional expenses shows the amount of subsidy, if any, required from the general revenues of the County.

Fund Financial Statements

The financial transactions of the County are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts made up of assets, liabilities, fund balance/net position, revenues and expenses or expenditures, as appropriate. Fund categories include governmental, proprietary and fiduciary. Separate statements for each fund category are presented. The focus of fund financial statements is on major governmental and enterprise funds, each shown in a separate column. All remaining governmental and enterprise funds are combined and shown as nonmajor funds.

The County reports the following major governmental funds:

General Fund - The General Fund is used to account for financial resources and transactions not properly accounted for in other funds. County operations such as public safety, property valuation, tax collection and distribution, planning and zoning, vehicle licensing and administration are financed from taxes and general revenues accounted for in this fund.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The County's special revenue funds and their purposes are:

Road and Bridge - to account for the maintenance and improvement of roads and bridges. Financing is provided by property taxes, sales taxes, state highway user fees, and other revenue sources.

Human Services - to account for the operations of social services programs such as Child Care, Old Age Pension, and Foster Care. Financing is provided by state and federal grants, allotments, and property tax revenue.

Communications - to account for the operation of the communications system. The Communications Center provides dispatch services to local law enforcement, fire protection and ambulance agencies, as well as monitoring certain alarm systems and the emergency 911 (E-911) phone system. Financing is provided by property tax revenue and an E-911 surcharge fee.

Proprietary fund operating revenues, such as charges for services, are a product of exchange transactions resulting from the primary activity of the fund. Exchange transactions occur when each party gives and receives products of essentially equal value. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for airlines, taxis, rental car companies, and building permits, etc. Non-operating revenues, for example subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Contributions of capital in proprietary fund financial statements arise from internal and external contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction. There are no related expenses shown for capital grants because the asset is included with capital assets on the Statement of Net Position. Revenues not classified as operating revenues are presented as general revenues of the County. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund.

The County reports the following major proprietary funds:

Yampa Valley Regional Airport (YVRA) - to account for the operations of the regional airport. Financing is provided by user fees and federal and state grants. Yampa Valley Regional Airport is a major enterprise fund.

Regional Building Department – to account for the operations of the Regional Building Department. Financing is provided by user fees from building permits. The Regional Building Department is a major enterprise fund.

Internal Service funds account for the financing of goods or services provided to other departments of the County on a cost-reimbursement basis.

Equipment Pool – to account for the financing of buildings, vehicles, heavy equipment, computer equipment, communications equipment, and office equipment purchases. Fees are charged for usage of the capital assets to each department/fund. The fund accounts for the operation and maintenance of the vehicles and heavy equipment.

Insurance Pool – to account for the partially self-funded health insurance coverage of County employees. Fees are charged to each department/fund to provide funding for administration, claims and commercial health insurance.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

The County reports the following fiduciary funds:

Custodial – to primarily account for the collection and distribution of property taxes; for monies held by the Sheriff's office for inmates; and for assets held in a trustee capacity by the Public Trustee in connection with the execution of foreclosure transactions and in contracts for deed to real property. Disbursements from this fund are made in accordance with legislative requirements.

Employee Retirement Plans – to account for the IRS section 401(a) and 457 defined contribution plans.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Measurement Focus and Basis of Accounting

The government-wide financial statements, proprietary fund statements, and the employee retirement plans (one of the two fiduciary funds) statements report government activities 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. Non-exchange transactions, transactions that do not involve the receipt of revenue for financial or capital resources of approximately equal value, include property taxes, grants, and donations. Grant and donation revenue is recognized in the fiscal year in which all eligibility requirements have been met. Further, grants and entitlements received for proprietary fund operating purposes are recognized as non-operating revenue.

All governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay the liabilities of the current period.

For this purpose, Routt County 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.

Property taxes are levied in December and attached as a lien on the property in January. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. The County bills and collects its own property taxes as well as those for other taxing districts in the County. Collections for other districts are accounted for in the Custodial Fund. Property taxes are reported as a receivable and a deferred inflow of resources when levied, and as a revenue when due for collection in the following year. During November, the County holds a tax sale for delinquent property taxes. The property tax base is primarily dependent on businesses in the tourism industry.

Routt County levied a 1% sales tax effective July 1, 1988, with approval from the electorate. The Colorado Department of Revenue collects the tax during the month following sales. Sales tax is recorded as revenue and a receivable at the time of sale, although it is not remitted to the County until later. Sales taxes are primarily dependent on the tourism industry. As approved by the electorate, 20% of sales tax revenues has been restricted for capital improvements.

Since government activities in the government-wide financial statements and government fund statements use a different measurement focus and accrual basis, there can be significant differences in the total columns between these two reports. A reconciliation is presented when such differences occur. Transactions between funds that would be treated as revenues, expenditures or expenses, if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as "due to/from other funds".

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

Cash and Investments

The operating cash of all governmental funds is pooled, except as required by trust agreements or statute. Investment earnings from the pool are allocated to the general and proprietary funds. Cash in excess of operating requirements is typically invested in time certificates of deposit, governmental pooled funds, repurchase agreements, or guaranteed funding agreements. Investments are reported at fair value.

Restricted cash and investments associated with legally mandated debt service are used only after the depletion of unrestricted resources. In the case of grants, restricted cash and investments are used first followed by unrestricted resources. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Accounts Receivable

The County's allowance for uncollectible accounts is \$346,084 in the Human Services Fund.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets and Depreciation

Capital assets which include land, buildings, construction in process, equipment, other assets, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 to \$30,000 depending on the type of capital asset. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Other assets include archived digital documents and are not depreciated. Donated capital assets are recorded at acquisition value. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. However, interest incurred during the construction phase in the Internal Service Funds that are closed to governmental activities is not capitalized as part of the cost of the asset constructed. The cost of normal maintenance and repairs that does not add value to the asset or materially extend asset lives is not capitalized.

Capital assets are depreciated over the remaining useful lives of the related capital assets. Depreciation on these assets is computed using the straight-line method based on estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Land Improvements	5 - 30
Buildings	5 - 30
Sewer and Water Transmission and Distribution Lines	10 - 30
Equipment	4 - 30
Roads	10 - 20
Bridges	50

Compensated Absences

County employees earn annual vacation leave at a rate of ten days per year for the first five years and up to a maximum of twenty days per year after ten years of service. Accumulation of any unused vacation after year-end is subject to the approval of the elected officials.

Annual sick leave is earned at a rate of ten days per year. A maximum of forty-five days is payable upon termination to the employee after a minimum of five years of service.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Premiums and discounts are deferred and amortized in a systematic and rationale basis over the life of the debt based on the debt outstanding at the beginning of each calendar year. Liabilities are reported net of the applicable premium or discount.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Fund Balance

Non-spendable fund balance – amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted fund balance – amounts that are restricted for specific purposes pursuant to constraints either externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by an adopted resolution of the Board of County Commissioners; therefore, to modify or rescind a fund balance commitment, the Board of County Commissioners must adopt a resolution for the change.

Assigned fund balance – amounts that can only be used for specific purposes pursuant to constraints imposed by an official who has been delegated the responsibility by the Board of County Commissioners. The County does not have an assigned fund balance.

Unassigned fund balance – is the residual fund balance classification that has not been restricted, committed or assigned for specific purposes. The County does not have an unassigned fund balance.

The County considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. In addition for unrestricted amounts, the County considers committed amounts to have been spent first when an expenditure is incurred for purposes for which both committed and unassigned fund balance is available.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, 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. The County has one item that qualifies for reporting in this category. It is the deferred charges on refunding for its certificates of participation and reported in the government-wide statement of net position and the proprietary funds statement of net position. The deferred charges on refunding item is comprised of (1) an amount equal to the difference in the carrying value of old or refunded certificates of participation and the reacquisition price of the new or refunding certificates of participation and (2) prepaid insurance for the refunding certificates of participation. The total amount of the deferred charges on refunding is being amortized over the remaining life of the refunding certificates of participation in a systematic and rationale basis based on the debt outstanding at the beginning of each calendar year.

In addition to liabilities, the statement of financial position reports 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 only one type of item that qualifies for reporting in this category. It is unavailable revenue on property taxes reported in the government-wide statement of net position, the governmental funds balance sheet and the fiduciary fund statement of net position. This amount is deferred and recognized as an inflow of resources in the period that it becomes available.

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, reduced by accumulated depreciation and any outstanding related debt, plus deferred outflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Sometimes the County 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. The County considers restricted net position to have been depleted before unrestricted net position is applied.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. The County believes that the techniques and assumptions used in establishing these estimates are appropriate.

Basis of Budgeting

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

Budgets are required by state law for all governmental funds. During October, the Budget Officer submits to the Board of County Commissioners a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.

Public hearings are conducted by the Commissioners to obtain taxpayer comments. On or prior to December 15, the budget is adopted by formal resolution.

Expenditures may not legally exceed appropriations for personnel, operations, capital, debt service or transfers at the department level. Changes in the total budget of any department must be approved by the Board of County Commissioners and accompanied by a public hearing for taxpayer comments. Final budgeted amounts included in the financial statements are based on the final, legally amended budget. During 2020, no department exceeded its budget. All budget amounts presented in the Required Supplementary Information and Supplementary Information reflect the original budget and the final amended budget.

Budget appropriations lapse at the end of the year.

Budgets for the General Fund, the Human Services Fund, and the Communications Fund are adopted on a basis consistent with generally accepted accounting principles. Annual appropriation budgets for the Road and Bridge Fund, as well as all enterprise and internal service funds, are adopted on a non-GAAP budget basis, and are reconciled to GAAP basis in schedules within the Required Supplementary Information and Supplementary Information, as applicable.

Budgets are not adopted for the County's fiduciary funds (custodial and retirement plans).

The County does not record encumbrances as a restriction of fund balance, and encumbrance accounting is not used in any of the funds.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE 2: DEPOSITS AND INVESTMENTS

Investment Type	Investment Maturities			
	Fair Market Value	Up to 120 days	120 Days up to 1 year	More than 1 year and less than 3 years
U.S. Treasuries	\$ 8,135,773	\$ 1,006,659	\$ 3,027,398	\$ 4,101,716
Commercial Paper	999,615	999,615	-	-
U.S. Instrumentalities	28,974,513	2,833,236	7,059,659	19,081,618
Total	\$ 38,109,901	\$ 4,839,510	\$ 10,087,057	\$ 23,183,334

Deposits and Other Investments:

Cash on Hand	31,096
Demand Deposits	5,129,891
Certificates of Deposit	1,779,854
Government Investment Pools	11,898,963
Retirement Plans	45,288,515
Total Deposits and Investments	<u>\$ 102,238,220</u>

Investments

The County's investment policy, which is described in the next sections, requires that County funds shall only be invested in instruments as allowed by Colorado state statutes. Investments are valued using fair value measurements and interest income is accrued as realized. The County categorizes its fair value measurements based on the valuation inputs used to measure the fair value of the asset using the following hierarchy: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. As of December 31, 2020, the County has U.S. Treasury securities, Commercial Paper, U.S. Instrumentalities, and Certificates of Deposit of \$8,135,773, \$999,615, \$28,974,513, and \$1,779,854, respectively, with fair value measurements valued using quote market prices in active markets, pricing models or pricing matrices (Level 2 inputs).

Retirement Plan investments are determined according to a contract with a third party administrator. The Retirement Plan currently contains a wide range of money market and mutual funds.

Interest Rate Risk

Colorado Revised Statutes and the County's investment policy limit investment maturities to 5 years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to changes in fair market values arising from changes in interest rates.

Credit Risk

The County's investment policy defines rating and risk criteria in which the County may invest and includes the following types of investments: obligations of the United States, certain U.S. government agency securities, general obligation and revenue bonds of the U.S. and/or local government entities, bankers' acceptances of certain banks, prime commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, guaranteed investment contracts, and local government investment pools. The County's U.S. Instrumentalities and U.S. Treasury investments are rated AA+ and Aaa by Standard & Poor's and Moody's, respectively.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Government investment pools are reported at net asset value or amortized cost with each share valued at \$1.00. COLOTRUST reports its underlying investments of \$8,940,191 at fair value. CSAFE reports its underlying investments of \$2,958,772 at amortized cost. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury Notes and other similar investments. Financial statements for the County's government investment pools are available at www.colotrust.com and www.csafe.org.

As of December 31, 2020, the local government investment pools in which the County participates, CSAFE and COLOTRUST, were both rated AAAM by Standard and Poor's.

Concentration of Credit Risk

The County investments are concentrated in U.S. Treasury investments (20%), U.S. Instrumentalities (73%), Commercial Paper (3%), and certificates of deposit (4%). More than 5% of the County's investments are in Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation representing 25%, 18%, 10% and 19%, respectively of the County's total investments.

Custodial Credit Risk - Investments

The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by each pooled investment are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each pool investor.

Custodial Credit Risk – Deposits

The carrying amount of the County's deposits as of December 31, 2020 was \$6,909,745. The bank balances were \$7,358,199 of which \$1,183,697 was covered by federal deposit insurance and the remainder is collateralized according to Colorado state statutes. The Colorado Public Deposit Protection Act for banks and savings and loans requires the state regulators to certify eligible depositories for public deposits. The Act requires the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments, and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair market value of the assets in the pool must be in excess of one hundred and two percent of the financial institution's total uninsured public deposits.

NOTE 3. INTERFUND TRANSACTIONS

Interfund Loans

Milner Sanitation System (Milner) anticipated receiving a loan from the Colorado Department of Local Affairs (DOLA) to finance sewer line modifications to meet state and federal discharge guidelines. Due to state budget constraints the DOLA loan program had been discontinued at the time when Milner needed the funding. In addition, the County evaluated a state/federal loan program, which resulted in prohibitive administrative costs. As a result of the aforementioned attempts to finance the sewer project, the County decided to loan funds from the Road and Bridge Fund in 2011. The \$120,000 interfund loan has annual payments of \$9,629, 5% interest and a maturity in 2031. The loan payment will be paid from sanitation fees. As of December 31, 2020, Milner has a remaining balance of \$79,983, of which the short term portion is shown as due to/from other funds and the long term portions is shown as an interfund loan.

Yampa Valley Regional Airport was issued a loan from the Road and Bridge Fund which has been used to fund a portion of the 2015 Runway Rehabilitation Project. The \$1,500,000 interfund loan has annual payments of \$125,650, 3% interest and a maturity in 2029. The loan was issued in two parts: \$705,000 on December 31, 2014 and \$795,000 on October 31, 2015. In 2020, the Yampa Valley Regional Airport received CARES Act funding which allowed the balance of the loan to be paid off.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

The current portion of the loan is classified as a due to/due from other funds. The long term portion of the interfund loan receivable/payable at December 31, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
Road & Bridge	Milner Sanitation System	\$ 79,983
Total		\$ 79,983

Transfers

Transfers are primarily made for additions and replacements of capital assets in the Internal Service funds.

	Transfers In				
	General Fund	Human Services	Communications	Internal Service Funds	Total
Transfers Out					
General Fund	\$ -	\$ 268,710	\$ 23,457	\$ 821,480	\$ 1,113,647
Road & Bridge	-	-	-	13,357	13,357
Building	-	-	-	129,055	129,055
Internal Service Funds	2,941,619	-	-	-	2,941,619
Total	\$ 2,941,619	\$ 268,710	\$ 23,457	\$ 963,892	\$ 4,197,678

NOTE 4. CAPITAL ASSETS

The following is a summary of the changes in governmental activities capital assets:

	Balances January 1, 2020	2020 Additions	2020 Deletions	2020 Reclasses	Balances December 31, 2020
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 3,085,754	\$ 7,162	\$ -	\$ -	\$ 3,092,916
Infrastructure	49,801,303	207,891	-	-	50,009,194
Other	-	151,016	-	111,633	262,649
Construction in progress	1,605,079	3,147,674	(3,886,592)	-	866,161
Total capital assets, not being depreciated	54,492,136	3,513,743	(3,886,592)	111,633	54,230,920
Capital assets, being depreciated:					
Land improvements	1,881,566	20,443	-	-	1,902,009
Buildings	44,429,464	268,392	(285,293)	-	44,412,563
Equipment	31,376,143	1,452,295	(562,558)	(111,633)	32,154,247
Infrastructure	48,757,350	2,225,234	(387,949)	-	50,594,635
Total capital assets being depreciated	126,444,523	3,966,364	(1,235,800)	(111,633)	129,063,454
Less accumulated depreciation for:					
Land improvements	(478,987)	(57,136)	-	-	(536,123)
Buildings	(17,961,758)	(1,095,380)	177,490	-	(18,879,648)
Equipment	(17,786,816)	(2,299,392)	558,560	-	(19,527,648)
Infrastructure	(21,819,782)	(1,677,932)	229,952	-	(23,267,762)
Total accumulated depreciation	(58,047,343)	(5,129,840)	966,002	-	(62,211,181)
Total capital assets being depreciated, net	68,397,180	(1,163,476)	(269,798)	(111,633)	66,852,273
Governmental activities capital assets, net	\$ 122,889,316	\$ 2,350,267	\$ (4,156,390)	\$ -	\$ 121,083,193

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

The following is a summary of the changes in business-type capital assets:

	Balances January 1, 2020	2020 Additions	2020 Deletions	Balances December 31, 2020
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 21,475,324	\$ 2,387,039	\$ -	\$ 23,862,363
Construction in progress	10,761,180	4,919,403	(11,087,029)	4,593,554
Total capital assets, not being depreciated	32,236,504	7,306,442	(11,087,029)	28,455,917
Capital assets, being depreciated:				
Land improvements	27,799,803	3,274,827	-	31,074,630
Buildings	19,755,168	4,455,046	(216,086)	23,994,128
Equipment	11,189,125	970,118	(169,203)	11,990,040
Water system	1,983,972	-	-	1,983,972
Sewer system	1,785,518	-	-	1,785,518
Total capital assets being depreciated	62,513,586	8,699,991	(385,289)	70,828,288
Less accumulated depreciation for:				
Land improvements	(14,738,712)	(1,933,914)	-	(16,672,626)
Buildings	(9,005,332)	(785,966)	209,151	(9,582,147)
Equipment	(6,310,786)	(655,159)	153,177	(6,812,768)
Water system	(1,114,601)	(55,632)	-	(1,170,233)
Sewer system	(1,426,635)	(42,982)	-	(1,469,617)
Total accumulated depreciation	(32,596,066)	(3,473,653)	362,328	(35,707,391)
Total capital assets being depreciated, net	29,917,520	5,226,338	(22,961)	35,120,897
Business activities capital assets, net	\$ 62,154,024	\$ 12,532,780	\$ (11,109,990)	\$ 63,576,814

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

Governmental activities:	
Administration	\$ 1,990,980
Community Resources	16,018
Public Safety	498,735
Road and Bridge	2,623,421
Human Services	686
Total depreciation expense - governmental activities	\$ 5,129,840
Business-type activities:	
Yampa Valley Regional Airport	\$ 3,428,086
Phippsburg Water and Sanitation System	25,969
Milner Sanitation System	19,598
Total depreciation expense - business-type activities	\$ 3,473,653

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE 5. LONG-TERM OBLIGATIONS

Certificates of Participation

In April 2012, the Routt County Public Building Authority (the Corporation), a nonprofit corporation issued \$13,290,000 in Refunding Certificates of Participation, Series 2012, with a discount at issue of \$50,148 and interest rates ranging from 2.0% to 3.25%. The proceeds were used to advance refund \$13,435,000 of outstanding Certificates of Participation, Series 2006, which had interest rates ranging from 3.75% to 4.50%, to purchase a surety bond and an insurance policy and to pay the costs of issuance of the certificates. The net proceeds of the issue of \$12,916,620 and \$1,078,002 in funds from the County for a total of \$13,994,622 were deposited in an irrevocable trust with an escrow agent and used to redeem the Series 2006 certificates of participation on December 1, 2012 at a price equal to 100% of par and accrued interest. As a result the Certificates of Participation, Series 2006, originally issued to fund the cost of construction of the Justice Center, are defeased and the liability for these certificates has been removed from the statement of net position.

The acquisition price of the new refunding certificates exceeded the net carrying amount of the old certificates by \$823,554. This amount is shown as a deferred charge on refunding and amortized over the remaining life of the refunding debt or 13 years. In 2020, a total of \$56,198 was amortized and the unamortized refunding cost as of December 31, 2020 is \$145,458. The County advance refunded the Certificates of Participation, Series 2006 to reduce its total debt service payments over 13 years by \$852,164 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new certificates) of \$674,430.

The prepaid insurance policy premium and cost of the surety bond for the refunding certificates of participation totaled \$155,347. This amount is shown as a deferred charge on refunding and amortized over the remaining life of the refunding debt or 13 years. In 2020, a total of \$10,601 was amortized and the unamortized refunding cost as of December 31, 2020 is \$27,436. Total deferred charges are reported as a deferred outflow of resources and the total unamortized balance as of December 31, 2020 is \$172,894.

The Refunding Certificates of Participation, Series 2012 represent assignments of proportionate interest in rights to receive certain payments under the Lease Purchase Agreement (the Lease) dated April 1, 2012 between the Corporation and Routt County due semi-annually in various amounts through December 1, 2025. Under the lease, the Corporation is leasing the Justice Center facility to the County over a lease term and a payment schedule consistent with the term and payment schedule of the Refunding Certificates of Participation. The Lease allows the County to purchase the Justice Center prior to the end of the lease term by paying the amounts necessary to discharge the Refunding Certificates of Participation, all rental payments, and all fees and expenses as agreed upon to the Trustee. The Trustee holds a mortgage and Indenture Trust with the Corporation on behalf of the Certificates of Participation owners, which represents a mortgage on the Justice Center and the administration of lease rental payments to such owners. The Series 2012 refunding certificates are subject to redemption on any date at the option of the County at the principal amount plus accrued interest without any premium. Neither the Refunding Certificates nor the Lease nor the Indenture constitute a general obligation or other indebtedness of the County and the lease will terminate if the County does not appropriate funds to make the payments in any fiscal year. Repayment of the Refunding Certificates is secured only by moneys, if any, held by the Trustee. The Refunding Certificates are insured for payment of principal and interest by a non-cancelable insurance policy and a surety bond in lieu of a reserve fund. Under the surety bond, the County is required to reimburse the issuer of the surety bond for any draws with any such reimbursement by the County being subordinate to its obligations with respect to the certificates. The insurance policy and surety bond are held with Assured Guaranty Municipal Corporation.

On March 3, 2017 Standard and Poor's assigned an AA rating to the Refunding Certificates of Participation, Series 2012 and affirmed an issuer credit rating of AA+ with Standard and Poor's outlook stable and the rationale for these ratings again being the County's strong reserve levels, above national average per capita market value and buying income, low debt level and very strong liquidity.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

A summary of the annual requirements to repay this obligation is as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 1,055,000	\$ 176,044	\$ 1,231,044
2022	1,090,000	144,394	1,234,394
2023	1,125,000	111,694	1,236,694
2024	1,160,000	76,538	1,236,538
2025	1,195,000	38,835	1,233,835
	\$ 5,625,000	\$ 547,505	\$ 6,172,505

Loans - Phippsburg Water and Sanitation System

On November 15, 2006, the State of Colorado under the Energy and Mineral Impact Assistance program, issued a twenty-year loan to the County for \$116,000 at an interest rate of 5% to fund a portion of the upgrades to the wastewater treatment lagoons. Annual principal and interest payments amounting to \$9,231 began in 2007 and will continue through 2026. This loan represents debt to Phippsburg Water and Sanitation System (an enterprise fund) and is not a general obligation to the County. The water and sanitation system shall establish rates and charges sufficient to include the annual repayment of the debt. A summary of the annual requirements to repay this loan is as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 6,888	\$ 2,343	\$ 9,231
2022	7,233	1,998	9,231
2023	7,594	1,637	9,231
2024	7,973	1,257	9,230
2025	8,372	859	9,231
2026	8,791	438	9,229
	\$ 46,851	\$ 8,532	\$ 55,383

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

On September 2, 2002, the State of Colorado, under the Energy and Mineral Impact Assistance program, issued a loan to the County for \$38,500 at an interest rate of 5% to fund a portion of a water filtration facility in Phippsburg Water and Sanitation System through 2022. On September 1, 2003, the State increased the loan by \$92,500 to \$131,000, providing for interest only payments on the total loan through 2008, and principal and interest payments from 2009 through 2022. The increase in the loan was necessary after construction bids exceeded the original bid projections. This loan represents debt to Phippsburg Water and Sanitation System (an enterprise fund) and is not a general obligation to the County. The water and sanitation system shall establish rates and charges sufficient to include the annual repayment of the debt. A summary of the annual requirements to repay this loan is as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 11,897	\$ 1,219	\$ 13,116
2022	12,492	625	13,117
	\$ 24,389	\$ 1,844	\$ 26,233

On September 1, 2009, the State of Colorado, under the Energy and Mineral Impact Assistance program, issued a twenty-year loan to the County for \$25,000 at an interest rate of 5% to fund a portion of a water filtration upgrade in the Phippsburg Water and Sanitation System through 2029. The water filter upgrade was required to comply with State of Colorado Drinking Water regulations. This loan represents debt to Phippsburg Water and Sanitation System (an enterprise fund) and is not a general obligation to the County. The water and sanitation system shall establish rates and charges sufficient to include the annual repayment of the debt. A summary of the annual requirements to repay this loan is as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 1,304	\$ 719	\$ 2,023
2022	1,369	654	2,023
2023	1,438	585	2,023
2024	1,509	513	2,022
2025	1,585	438	2,023
2026-2029	7,173	918	8,091
	\$ 14,378	\$ 3,827	\$ 18,205

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Long-Term Obligations

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020	Due Within One Year
Governmental activities:					
Certificates of participation	\$ 6,655,000	\$ -	\$ (1,030,000)	\$ 5,625,000	\$ 1,055,000
Unamortized discount, certificates of participation	(12,279)	-	3,422	(8,857)	(2,892)
Total certificates of participation	6,642,721	-	(1,026,578)	5,616,143	1,052,108
Compensated absences	1,382,352	2,460,888	(2,380,843)	1,462,397	820,267
Total governmental	8,025,073	2,460,888	(3,407,421)	7,078,540	1,872,375
Business-type activities:					
Loans payable:					
Revenue loans	104,750	-	(19,132)	85,618	20,089
Compensated absences	275,211	446,677	(389,344)	332,544	97,161
Total business-type	379,961	446,677	(408,476)	418,162	117,250
Total long-term obligations	\$ 8,405,034	\$ 2,907,565	\$ (3,815,897)	\$ 7,496,702	\$ 1,989,625

Compensated absences for governmental activities are liquidated by the respective governmental funds or internal service funds and for business-type activities by the respective proprietary funds.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

NOTE 6. FUND BALANCE AND NET POSITION

	Fund Balance				Net Position	
	General Fund	Road & Bridge	Human Services	Communications	Governmental Activities	Business Activities
Nonspendable						
Prepays/Inventory/Deposit	\$ 155,175	\$ 76,094	\$ 3,713	\$ 100,957	\$ -	\$ -
Restricted						
Lottery	89,195	-	-	-	89,195	-
Museums	167,742	-	-	-	167,742	-
Purchase of Development Rights	4,396,984	-	-	-	4,396,984	-
Public Trustee	42,668	-	-	-	42,668	-
Recycling	25,041	-	-	-	25,041	-
Sheriff Investigations	6,669	-	-	-	6,669	-
Contraband Forfeiture Act	37,758	-	-	-	37,758	-
Wildland Fire	23,338	-	-	-	23,338	-
Affordable Housing	75,000	-	-	-	75,000	-
E-Recording	27,662	-	-	-	27,662	-
TABOR reserve for emergencies:						
General Fund	1,104,923	-	-	-	1,104,923	-
Yampa Valley Regional Airport	-	-	-	-	-	162,707
	<u>5,996,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,996,980</u>	<u>162,707</u>
Committed						
General Fund - 10%	2,263,539	-	-	-	-	-
General Fund - Capital	3,985,364	-	-	-	-	-
Road & Bridge - Interfund Loan	-	74,353	-	-	-	-
Road & Bridge	-	14,544,398	-	-	-	-
Human Services	-	-	793,354	-	-	-
Communications	-	-	-	1,849,034	-	-
	<u>6,248,903</u>	<u>14,618,751</u>	<u>793,354</u>	<u>1,849,034</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,401,058</u>	<u>\$ 14,694,845</u>	<u>\$ 797,067</u>	<u>\$ 1,949,991</u>	<u>\$ 5,996,980</u>	<u>\$ 162,707</u>

At December 31, 2020, the committed fund balance of the General Fund is in compliance with the Board of County Commissioner's resolution to establish the year end committed fund balance of the General Fund to be no less than 10% of General Fund expenditures of the prior year and shall exclude expenditures from voter approved mill levies such as the purchase of development rights, developmental disabilities, the museum and heritage fund and future voter approved mill levies restricted for a specific purpose and transfers. Additionally, the committed fund balance is in compliance with the Board of County Commissioner's resolution to set aside funds for the acquisition of capital assets. The capital committed fund balance will be comprised of Severance Tax collected in a calendar year greater than \$45,000 and Building Use Tax collected in a calendar year greater than \$235,000. The 10% committed fund balance will be funded prior to the capital committed fund balance in the General Fund.

NOTE 7. DEFINED CONTRIBUTION PLANS

The County provides pension benefits through two defined contribution plans. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plans are administered through a retirement board as per Colorado Revised Statute 24-54-101 and the day-to-day administration of the plan is provided by ICMA Retirement Corporation. Plan provisions are established and may be amended by the Board of County Commissioners.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

The County provides pension benefits for all of its employees working 30 hours or more per week for the entire year through an Internal Revenue Service Section 401(a) defined contribution plan. Employees are eligible to participate after one year of service, and at that time the County starts contributing to the plan. The County's contribution for each employee and earnings allocated to the employee's account is fully vested after five years of continuous service. County contributions for, and earnings forfeited by, employees who leave employment before five years of service are used to reduce the County's contribution requirement. Plan members and the County are required to contribute 6% of annual covered salary. The required contributions by the County matching those actually made by the employees totaled \$815,302. The forfeitures for employees who left employment with the County in 2020 totaled \$7,449.

In addition, the County provides pension benefits for all of its employees working 20 hours or more per week for the entire year through an Internal Revenue Service Section 457 plan. Participation in the plan is optional and employees are eligible to participate from their date of employment. The County is not required to contribute to the plan and plan members may contribute anywhere from 1% to 25% of annual covered salary or the plan year maximum.

NOTE 8. RISK MANAGEMENT

County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. In 1986, the County joined together with other counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement for formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary. The pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. In the past three years, the amount of settlement for any claim has not exceeded the insurance coverage.

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. During 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County joined together with other counties in the State of Colorado to form Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement for the formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary. The pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. In the past three years, the amount of settlement for any claim has not exceeded the insurance coverage.

Insurance Pool

In 2011, the County established a partially self-funded health insurance pool in response to significant increases in health insurance costs. All County departments with eligible employees are charged for payments to the insurance pool based on estimated amounts needed to pay prior and current year claims. County departments' costs per covered employee are based on the employee's choice of family or single coverage.

A third party administers claim processing services. A commercial aggregate and individual stop loss insurance policy has been purchased to limit the risk of loss to the County. The individual stop loss policy covers individual claims in excess of \$75,000 annually with no annual or lifetime maximum. The aggregate stop loss policy covers total annual claims in excess of the 2020 aggregate deductible of \$4,628,221 up to \$1,000,000 per coverage period. In the past three years, the amount of settlement for any claim has not exceeded the insurance coverage.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The results of the process to estimate the claims liability is not exact as it depends on many complex factors, such as inflation, changes in laws, recent claim settlement trends and other economic and social factors. The changes in the balance of claims liabilities for the current year are as follows:

	Year Ended 12/31/2020
Unpaid claims, beginning of fiscal year	\$ 409,532
Incurred claims (including IBNRs)	3,980,364
Claim payments	<u>(3,969,986)</u>
Unpaid claims, end of fiscal year	<u>\$ 419,910</u>

NOTE 9. CONSTRUCTION COMMITMENTS

The Road and Bridge Department has engineering and construction contracts for bridges. Funding for the various bridge projects is being provided by Road and Bridge fund balance.

Facilities Management has two contracts, one for the build out of an Emergency Operations Command center located in the space vacated when the Communications Center was moved to the Combined Law Enforcement Facility and one for the modernization of the elevator in the Annex building located downtown. Funding for both of these projects are provided by reserves.

Information Technologies has two contracts, the first is for a new land management software, which is funded by reserves. The second contract is for archiving historical vital records documents, which is funded by reserves and a state grant.

Yampa Valley Regional Airport has one contract for design and project management and one for construction. Both contracts are for the airport terminal expansion that was completed in December 2020. Remaining balance on the contract is retainage payable. Funding for the terminal project is provided by federal and state grants.

Project	Spent to Date	Remaining Commitment
Bridge projects	\$ 55,947	\$ 41,556
Facilities projects	152,010	800,090
Information Technologies projects	512,700	181,984
Terminal expansion	4,131,147	187,704
Total	<u>\$ 4,851,804</u>	<u>\$ 1,211,334</u>

NOTE 10. CONTINGENCIES

Taxpayer's Bill of Rights

In November 1992, Colorado voters amended Article X of the Colorado Constitution with the addition of Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending excluding certain expenditures as detailed in the amendment. The County has restricted a portion of its 2020 year-end fund balance/net position in the General Fund and Yampa Valley Regional Airport for emergencies as required under TABOR. As of December 31, 2020, the County had restricted fund balance/net position of \$1,104,923 and \$162,707 in the General Fund and Yampa Valley Regional Airport, respectively, for this purpose.

On December 31, 2013 by resolution, the Routt County Board of County Commissioners approved the Regional Building Department as an Enterprise under Article X, Section 20 of the Colorado Constitution. The resolution states “The Building Department’s fees and charges shall be set so as to maintain the Building Department as a self-funding enterprise and, in that regard the Building Department’s operations and capital expenditures shall be financed so that it shall not, in any year, receive ten percent or more of its funding from state or local governments”.

The initial base for local government spending and revenue limits is 1992 fiscal year spending. Future spending and revenue limits are determined based on the prior year’s fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In 1998, the County obtained voter approval to retain revenue above the annual revenue/spending limitation, except for property taxes, in perpetuity. The property tax revenue limitation was not affected by the election.

In 2003, the County electorate approved levying a .3 mill property tax levy to fund the museums in Routt County in perpetuity. This ballot supports historic preservation activities in the five museum districts located throughout the County.

In 2005, the County electorate approved a .5 mill levy increase to the existing 1.0 mill levy for a total 1.5 mill levy for the purchase of development rights. This ballot issue allows the revenue and spending limitation to be increased to the amount of 1.5 mills. This tax sunsets in assessment year 2024 with final taxes for 2024 collected in 2025.

Also in 2005, the County electorate approved a 1.0 mill levy for services for Routt County residents with developmental disabilities. This ballot increase allows the revenue and spending limitation to be increased to the 1.0 mill levy in perpetuity.

County’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year revenue limits, may require judicial interpretation.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County’s counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

Leases

The Yampa Valley Regional Airport leases space within and outside the airport terminal facility to airlines, car rental agencies, general aviation, federal government entities, other parties and other concessionaires. The future minimum rentals on the non-cancellable leases for the next five years, subsequent to December 31, 2020 are as follows:

2021	\$ 1,575,991
2022	818,512
2023	816,155
2024	197,871
2025	170,744
Total	<u>\$ 3,579,273</u>

NOTE 11. JOINTLY GOVERNED ORGANIZATIONS

Affordable Housing Fund

In March 2003, the Affordable Housing Fund (Fund) was established when Routt County entered into an Intergovernmental Agreement (IGA) with the City of Steamboat Springs (City). In 2004, the County and the City passed resolutions to establish the Yampa Valley Housing Authority (YVHA) as a multi-jurisdictional entity charged with developing local options for affordable housing. The County and City approve the appointment of all board members to YVHA.

The Fund was originally established with \$125,000 from the County and \$125,000 from the City and created a revolving loan of \$250,000 to assist qualified participants with affordable housing in the City/County area. The City acts as fund holder for the loan funds and administers the loans, which have a maximum term of twenty-four months. No ongoing financial responsibility is stated or implied in the IGA. Either the County or the City, with or without cause, may terminate the IGA. Upon termination, any funds, promissory notes or securities held by the City as the fund holder will be distributed equally between the two parties.

In 2016, the City and County entered into an agreement to reduce the Fund by \$100,000 (\$50,000 from the County and \$50,000 from the City) for the purpose of constructing a residential housing project which consists of forty eight apartment units to be used as housing for low-income persons. The remaining \$75,000 in the Fund from the County is a restricted fund balance in the General Fund.

Combined Law Enforcement Facility (CLEF)

The County identified the need to expand the existing Routt County Sheriff's Office (RCSO) and the City of Steamboat Springs (City) determined that the Steamboat Springs Police Department (SSPD) facilities were no longer adequate to provide the desirable level of law enforcement services. Both parties agreed the construction of a joint facility to house the RCSO and the SSPD, an evidence area and vehicles garage would benefit the citizens by eliminating the duplication of services, fostering cooperation and communication between the agencies and their staff, share in land costs and otherwise reduce the expenses to the public for the cost of providing law enforcement facilities. The County's Communication Center was also relocated to the second floor of the CLEF.

Initial Ownership of the Premises and Ownership Upon Termination of the Lease

Initial ownership of the CLEF shall vest in the City immediately upon issuance of a certificate of occupancy. At the expiration of the lease term the City and County shall have an undivided interest in the CLEF and title shall vest in both parties in joint tenancy. The undivided interest for the CLEF and the Evidence Area shall be sixty percent to the City and forty percent to County. The City and County, from time to time, may change these proportions pursuant to the City and County by amending the intergovernmental agreement.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

The City purchased the land upon which the CLEF has been built from the County for \$934,480. Upon termination or expiration of the lease, the County shall compensate the City for a share of the land in proportion to the County's interest in the CLEF (excluding the garage). The County's interest is forty one percent of the total floor area of the CLEF (excluding the garage). Accordingly, the County shall pay the City forty one percent of the value of the land, which shall be determined by an appraisal as of the date of termination from a mutually agreed upon appraiser. Thereafter, the County would have an undivided forty one percent interest in the CLEF joint tenancy.

The County shall retain possession of the Communication Center and its share of the CLEF. The County's share shall be located in the space occupied by the RCSO prior to termination in accordance with the following criteria: a) providing each party with useable space, b) recognizing each party's need to relocate the functions performed in the space vacated by that party, and c) separating incompatible uses. County shall vacate and surrender possession to the City the remainder of the space previously occupied by RCSO.

Lease Term

As consideration for the County's financial contribution to the CLEF, the City granted the County a forty year lease of the CLEF. The County, as current owner of the Routt County Sheriff's Office which contains the evidence area, will continue to own that property, and as consideration for the City's financial contribution to the Project, the County will grant to City a forty year lease.

The term of the lease agreement between the City and the County commenced on May 22, 2019 and shall extend for forty years to May 22, 2059.

Operations and Maintenance Costs

CLEF – The City shall be responsible for sixty percent of the costs associated with the CLEF except as described below, and County shall be responsible for forty percent of the costs. Evidence Area – The City shall be responsible for sixty percent of the costs and the County shall be responsible for forty percent of those costs. Communication Center – The County shall be responsible for the operations and maintenance costs associated with the Communication Center. Garage – The City shall be responsible for ninety percent of the costs associated with the Garage and County shall be responsible for ten percent of those costs.

The financial obligations of the City and County related to the operations and maintenance costs shall be from year to year only and shall not constitute a multiple fiscal year direct or indirect debt or financial obligation or any obligation payable in any fiscal year beyond the fiscal year for which funds are appropriated for the payment of the obligation.

NOTE 12. SUBSEQUENT EVENTS

Phippsburg Water and Sanitation System

On August 17, 2018, Routt County Board of County Commissioners, as the owners of the wastewater treatment facility serving the community of Phippsburg, authorized the execution of a loan agreement with the Colorado Water Resources and Power Development Authority to finance the replacement of lagoon liners in the amount of \$124,200. The Colorado Water Resources and Power Development Authority has agreed to push the required semiannual payments until May 2022. The County was originally required to pay the semiannual payment due in May 2020 of \$3,500. Replacement of the lagoon liners and use of the loan proceeds were anticipated to be completed in 2020. However given the impacts of COVID-19, this project has been extended further into the future.

COVID-19

The spread of COVID-19 continues to have operational, economic and financial impacts on the County. The significant duration of the potential impacts cannot be reasonably estimated at this time.

In the spring of 2021, the County was awarded \$4,979,881 in pandemic relief aid from the American Rescue Plan Act of 2021. The County is currently evaluating its options for spending these funds.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020

The County was awarded \$1,853,709 by the Federal Aviation Administration for the Yampa Valley Regional Airport, under the provisions of the American Rescue Plan Act of 2021. The funds will be primarily used for personnel and operations of Yampa Valley Regional Airport.

The County was awarded in 2021 by the Federal Aviation Administration for the Yampa Valley Regional Airport \$1,389,953 from the Coronavirus Response and Relief Supplemental Appropriation Act. The funds will be primarily used for personnel and operations of Yampa Valley Regional Airport.

Routt County Power Plant and Mine

In 2021, the owner of the power plant located in Hayden, Colorado, announced that it will close Unit Two in 2027 and Unit One in 2028, which is earlier than the previously anticipated time frame of 2030 to 2036. The Hayden power plant is a coal driven plant and gets the majority of its coal from the 20 Mile Mine. In 2021, the closure of the mine was projected as early as 2.5 years or 2023 or 2024 based on reserves. Both the power plant and mine are located in Routt County. In 2021, the County has a base property tax temporary mill levy credit of 1.619 mills, which would allow the County to decrease assessed valuation by \$120,582,038 or 10.01% before there would be a reduction in the base property tax to the County. If the power plant and coal mine were to close in 2021, the County's assessed valuation would decrease by \$86,320,940 or 6.88% of the total assessed valuation of the County. Voter approved property taxes in 2021 would decrease \$241,699. As of June 30, 2021, the County can absorb the closure of the power plant and mine and not have an impact on the base property taxes of the County. There remains uncertainty as to the other impacts to Routt County operations from the planned closing of the power plant.

NOTE 13. RESTATEMENT OF NET POSITION

The beginning balances of the Governmental Activities Net Position, General Fund Fund Balance and the Fiduciary Funds Net Position are restated by \$88,999 to move the Inmate Commissary Fund from the General Fund to the Custodial Funds.

Routt County, Colorado
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 18,154,445	\$ 18,154,445	\$ 17,826,270	\$ (328,175)
Sales taxes	7,638,290	7,672,750	4,394,951	(3,277,799)
Intergovernmental	978,640	2,568,030	2,892,566	324,536
Charges for sales and services	4,073,435	3,974,340	4,409,500	435,160
Investment earnings	601,675	601,675	685,102	83,427
Contributions and donations	-	-	29,000	29,000
Total revenues	31,446,485	32,971,240	30,237,389	(2,733,851)
EXPENDITURES				
Administration				
Accounting	1,418,930	1,186,270	1,182,344	3,926
Attorney	508,305	345,415	309,095	36,320
Building and plant	2,875,335	2,737,875	2,575,893	161,982
Commissioners	1,182,255	908,140	895,803	12,337
Geographical information systems	359,025	303,345	295,745	7,600
Information technology	2,681,595	2,526,230	2,363,199	163,031
Human resources	528,330	452,865	452,085	780
Purchasing	111,725	104,685	104,090	595
	9,665,500	8,564,825	8,178,254	386,571
Community resources				
Developmental disabilities	1,286,305	1,286,305	1,268,377	17,928
Museums	520,550	520,550	353,948	166,602
Elections	385,825	403,035	397,635	5,400
Multi modal transportation	35,000	35,000	35,000	-
Affordable housing	67,000	67,000	65,000	2,000
Community services	529,915	548,475	544,120	4,355
Planning	1,386,695	1,054,045	975,530	78,515
Recycling	59,800	65,720	65,715	5
Surveyor	6,590	6,645	6,641	4
Taylor grazing	71,375	71,375	5,681	65,694
Noxious weed	257,025	195,645	193,126	2,519
Environmental health	620,545	502,995	479,322	23,673
Public health	408,855	627,555	627,531	24
COVID-19	-	2,420,700	2,420,419	281
Extension	336,980	311,940	289,540	22,400
Veterans	27,730	27,160	25,278	1,882
Purchase of development rights	5,185,185	5,188,455	1,401,913	3,786,542
Fair	582,150	500,635	437,570	63,065
	11,767,525	13,833,235	9,592,346	4,240,889
Property tax administration				
Clerk	327,470	324,200	313,110	11,090
Motor vehicle	449,345	447,355	429,286	18,069
Public trustee	71,520	83,520	53,861	29,659
Assessor	1,170,900	1,104,270	1,083,427	20,843
Treasurer	600,830	584,410	507,564	76,846
	2,620,065	2,543,755	2,387,248	156,507
Public safety				
Coroner	181,835	181,285	170,341	10,944
Detention center	2,903,050	2,766,050	2,601,564	164,486
Emergency medical	6,510	12,010	8,961	3,049
Sheriff	3,853,265	3,709,430	3,585,586	123,844
Wildfire control	65,450	73,450	47,478	25,972
District attorney	818,780	818,780	783,755	35,025
	7,828,890	7,561,005	7,197,685	363,320
Total expenditures	31,881,980	32,502,820	27,355,533	5,147,287
Excess (deficiency) of revenues over expenditures	(435,495)	468,420	2,881,856	2,413,436
OTHER FINANCING SOURCES (USES)				
Transfers in	2,450,000	2,450,000	2,941,619	491,619
Transfers out	(1,917,165)	(1,917,165)	(1,113,647)	803,518
Total other financing sources (uses)	532,835	532,835	1,827,972	1,295,137
Net change in fund balance	97,340	1,001,255	4,709,828	3,708,573
Fund balance - beginning (as restated)	7,691,230	7,691,230	7,691,230	-
Fund balance - ending	\$ 7,788,570	\$ 8,692,485	\$ 12,401,058	\$ 3,708,573

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Road & Bridge Fund - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 893,380	\$ 893,380	\$ 856,158	\$ (37,222)
Sales taxes	477,490	477,490	4,987,065	4,509,575
Intergovernmental	5,971,025	5,971,025	4,916,958	(1,054,067)
Charges for sales and services	118,300	156,440	143,714	(12,726)
Investment earnings	36,435	21,410	21,542	132
Interfund loan principal	98,860	1,077,180	1,077,181	1
Contributions and donations	-	495,055	533,161	38,106
Total revenues	<u>7,595,490</u>	<u>9,091,980</u>	<u>12,535,779</u>	<u>3,443,799</u>
EXPENDITURES				
Salaries and benefits	3,821,490	3,675,215	3,621,208	54,007
Operations	5,907,540	4,598,670	4,550,576	48,094
Infrastructure	1,683,760	1,776,050	1,765,334	10,716
Total expenditures	<u>11,412,790</u>	<u>10,049,935</u>	<u>9,937,118</u>	<u>112,817</u>
Excess (deficiency) of revenues over expenditures	<u>(3,817,300)</u>	<u>(957,955)</u>	<u>2,598,661</u>	<u>112,818</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(68,435)</u>	<u>(68,435)</u>	<u>(13,357)</u>	<u>55,078</u>
Total other financing sources (uses)	<u>(68,435)</u>	<u>(68,435)</u>	<u>(13,357)</u>	<u>55,078</u>
Net change in fund balance - budgetary basis	<u>(3,885,735)</u>	<u>(1,026,390)</u>	<u>2,585,304</u>	<u>167,896</u>
Fund balance - beginning	13,186,722	13,186,722	13,186,722	-
Fund balance - ending budgetary basis	<u>\$ 9,300,987</u>	<u>\$ 12,160,332</u>	<u>15,772,026</u>	<u>\$ 167,896</u>
Reconciliation to Generally Accepted Accounting Principles (GAAP) basis				
Interfund loan principal received			(1,077,181)	
Fund balances - ending GAAP basis			<u>\$ 14,694,845</u>	

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Human Services Fund - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 592,680	\$ 592,680	\$ 592,978	\$ 298
Intergovernmental	3,861,462	4,585,422	4,328,810	(256,612)
Operating grants	207,400	207,400	142,677	(64,723)
Total revenues	<u>4,661,542</u>	<u>5,385,502</u>	<u>5,064,465</u>	<u>(321,037)</u>
EXPENDITURES				
Salaries and benefits	2,209,375	2,071,605	1,903,743	167,862
Operations	<u>2,686,695</u>	<u>3,329,845</u>	<u>3,326,708</u>	<u>3,137</u>
Total expenditures	<u>4,896,070</u>	<u>5,401,450</u>	<u>5,230,451</u>	<u>170,999</u>
Excess (deficiency) of revenues over expenditures	<u>(234,528)</u>	<u>(15,948)</u>	<u>(165,986)</u>	<u>(150,038)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>234,830</u>	<u>234,830</u>	<u>268,710</u>	<u>33,880</u>
Total other financing sources (uses)	<u>234,830</u>	<u>234,830</u>	<u>268,710</u>	<u>33,880</u>
Net change in fund balance	302	218,882	102,724	(116,158)
Fund balance - beginning	694,343	694,343	694,343	-
Fund balance - ending	<u>\$ 694,645</u>	<u>\$ 913,225</u>	<u>\$ 797,067</u>	<u>\$ (116,158)</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Communications Fund - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 2,111,000	\$ 2,111,000	\$ 2,102,442	\$ (8,558)
Intergovernmental	60,000	60,000	65,443	5,443
Charges for sales and services	459,590	459,590	486,767	27,177
Total revenues	<u>2,630,590</u>	<u>2,630,590</u>	<u>2,654,652</u>	<u>24,062</u>
EXPENDITURES				
Salaries and benefits	2,027,720	2,027,720	1,773,926	253,794
Operations	683,725	616,495	614,020	2,475
Total expenditures	<u>2,711,445</u>	<u>2,644,215</u>	<u>2,387,946</u>	<u>256,269</u>
Excess (deficiency) of revenues over expenditures	<u>(80,855)</u>	<u>(13,625)</u>	<u>266,706</u>	<u>280,331</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,200	20,200	23,457	3,257
Total other financing sources (uses)	<u>20,200</u>	<u>20,200</u>	<u>23,457</u>	<u>3,257</u>
Net change in fund balance	<u>(60,655)</u>	<u>6,575</u>	<u>290,163</u>	<u>283,588</u>
Fund balance - beginning	1,659,828	1,659,828	1,659,828	-
Fund balance - ending	<u>\$ 1,599,173</u>	<u>\$ 1,666,403</u>	<u>\$ 1,949,991</u>	<u>\$ 283,588</u>

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
EXPLANATION OF FUNDS
December 31, 2020

EXPLANATION OF PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds account for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Non-major Enterprise Funds

The **Phippsburg Water and Sanitation System Fund** accounts for the operations of the water and sanitation facility and is primarily funded by utility fees. Capital improvements are funded by grants and loan proceeds.

The **Milner Sanitation System Fund** accounts for the operation of the sanitation facility. Operations are funded by utility charges. Capital improvements are funded by loan proceeds.

Routt County, Colorado
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2020

	Phippsburg Water & Sanitation	Milner Sanitation System	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and investments	\$ 203,563	\$ 62,127	\$ 265,690
Accounts receivable (net of allowance for uncollectibles)	20,703	9,364	30,067
Prepaid expenses	4,072	-	4,072
Total current assets	<u>228,338</u>	<u>71,491</u>	<u>299,829</u>
Noncurrent assets:			
Land and improvements (non-depreciable)	21,284	18,610	39,894
Water system	977,962	-	977,962
Sewer system	753,670	557,975	1,311,645
Construction in progress	46,596	-	46,596
Accumulated depreciation	(1,431,330)	(430,381)	(1,861,711)
Total noncurrent assets	<u>368,182</u>	<u>146,204</u>	<u>514,386</u>
Total assets	<u>596,520</u>	<u>217,695</u>	<u>814,215</u>
LIABILITIES			
Current liabilities:			
Accounts payable	12,972	3,441	16,413
Accrued interest	1,427	-	1,427
Due to other funds	-	5,963	5,963
Current portion of long-term debt (net of unamortized discount)	20,089	-	20,089
Total current liabilities	<u>34,488</u>	<u>9,404</u>	<u>43,892</u>
Noncurrent liabilities:			
Loans payable	65,529	-	65,529
Interfund loan payable	-	74,353	74,353
Total noncurrent liabilities	<u>65,529</u>	<u>74,353</u>	<u>139,882</u>
Total liabilities	<u>100,017</u>	<u>83,757</u>	<u>183,774</u>
NET POSITION			
Net investment in capital assets	282,564	66,221	348,785
Unrestricted	213,939	67,717	281,656
Total net position	<u>\$ 496,503</u>	<u>\$ 133,938</u>	<u>\$ 630,441</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	Phippsburg Water & Sanitation	Milner Sanitation System	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for sales and services	\$ 139,054	\$ 47,405	\$ 186,459
Total operating revenues	<u>139,054</u>	<u>47,405</u>	<u>186,459</u>
OPERATING EXPENSES			
Depreciation	25,969	19,598	45,567
Repairs and maintenance	15,634	11,399	27,033
Purchased services and supplies	87,331	37,865	125,196
Total operating expenses	<u>128,934</u>	<u>68,862</u>	<u>197,796</u>
Operating income (loss)	<u>10,120</u>	<u>(21,457)</u>	<u>(11,337)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	3,699	1,045	4,744
Interest expense	(4,919)	-	(4,919)
Interest expense - interfund	-	(4,245)	(4,245)
Total nonoperating revenues (expenses)	<u>(1,220)</u>	<u>(3,200)</u>	<u>(4,420)</u>
Income (loss) before contributions and transfers	8,900	(24,657)	(15,757)
Tap fees	-	24,000	24,000
Change in net position	8,900	(657)	8,243
Total net position - beginning	487,603	134,595	622,198
Total net position - ending	<u>\$ 496,503</u>	<u>\$ 133,938</u>	<u>\$ 630,441</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts for customers and users	\$ 132,634	\$ 44,295	\$ 176,929
Payments to suppliers	(97,781)	(60,314)	(158,095)
Net cash provided (used) by operating activities	<u>34,853</u>	<u>(16,019)</u>	<u>18,834</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tap fees	-	24,000	24,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>24,000</u>	<u>24,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	(19,132)	(5,362)	(24,494)
Interest paid on capital debt	(5,238)	(4,267)	(9,505)
Net cash provided (used) by capital and related financing activities	<u>(24,370)</u>	<u>(9,629)</u>	<u>(33,999)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	3,699	1,045	4,744
Net purchases and sales of investments	8,737	6,607	15,344
Net cash provided (used) by investing activities	<u>12,436</u>	<u>7,652</u>	<u>20,088</u>
Net increase (decrease) in cash and cash equivalents	22,919	6,004	28,923
Cash and cash equivalents, beginning	38,060	12,607	50,667
Cash and cash equivalents, ending	60,979	18,611	79,590
Investments	142,584	43,516	186,100
Cash and investments - end of the year	<u>\$ 203,563</u>	<u>\$ 62,127</u>	<u>\$ 265,690</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2020

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 10,120	\$ (21,457)	\$ (11,337)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	25,969	19,598	45,567
Capital financing activities			
Capital assets			
Due to other funds	-	(246)	(246)
Interest expense			
Accrued interest	319	-	319
Changes in assets and liabilities:			
(Increase) decrease			
Accounts receivable	(6,420)	(3,110)	(9,530)
Prepaid expenses	(3,500)	-	(3,500)
Increase (decrease)			
Accounts payable	8,684	(11,050)	(2,366)
Accrued interest	(319)	-	(319)
Due to other funds	-	246	246
Total adjustments	24,733	5,438	30,171
Net cash provided (used) by operating activities	<u>\$ 34,853</u>	<u>\$ (16,019)</u>	<u>\$ 18,834</u>
Noncash investing, capital and financing activities			
Increase (decrease) in fair value of investments	\$ 1,058	\$ 323	\$ 1,381

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Yampa Valley Regional Airport - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Sales taxes	\$ 263,700	\$ 134,077	\$ 178,222	\$ 44,145
Charges for sales and services	5,717,980	5,399,275	4,845,709	(553,566)
Operating grants	14,000	14,000	19,131	5,131
Total revenues	5,995,680	5,547,352	5,043,062	(504,290)
EXPENSES				
Salary and benefits	3,077,820	3,077,820	2,990,909	86,911
Depreciation	350,190	350,190	350,190	-
Repairs and maintenance	444,805	445,405	398,086	47,319
Purchased services and supplies	1,490,629	1,671,129	1,576,646	94,483
Total expenses	5,363,444	5,544,544	5,315,831	228,713
Excess (deficiency) of revenues over expenditures	632,236	2,808	(272,769)	(275,577)
OTHER FINANCING SOURCES (USES)				
Investment earnings	75,000	75,000	116,102	41,102
Capital outlay	(4,359,565)	(5,598,350)	(4,919,402)	678,948
Principal payments	(93,500)	(1,071,820)	(1,071,819)	1
Interest expense - interfund	(32,160)	(17,300)	(17,297)	3
Miscellaneous income	-	-	42,416	42,416
Capital contributions	-	-	143,548	143,548
Capital grants	2,085,230	4,333,985	4,427,129	93,144
Intergovernmental	-	1,312,820	4,347,267	3,034,447
Total other financing sources (uses)	(2,324,995)	(965,665)	3,067,944	4,033,609
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (1,692,759)	\$ (962,857)	\$ 2,795,175	\$ 3,758,032

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Regional Building Department - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for sales and services	\$ 1,502,000	\$ 928,640	\$ 1,756,140	\$ 827,500
Total revenues	1,502,000	928,640	1,756,140	827,500
EXPENSES				
Salary and benefits	954,940	919,940	889,412	30,528
Purchased services and supplies	564,840	485,000	424,552	60,448
Total expenses	1,519,780	1,404,940	1,313,964	90,976
Excess (deficiency) of revenues over expenditures	(17,780)	(476,300)	442,176	918,476
OTHER FINANCING SOURCES (USES)				
Transfers out	(186,285)	(186,285)	(129,055)	57,230
Total other financing sources (uses)	(186,285)	(186,285)	(129,055)	57,230
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (204,065)	\$ (662,585)	\$ 313,121	\$ 975,706

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Phippsburg Water & Sanitation - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for sales and services	\$ 142,480	\$ 142,480	\$ 139,054	\$ (3,426)
Total revenues	142,480	142,480	139,054	(3,426)
EXPENSES				
Repairs and maintenance	12,500	22,350	15,634	6,716
Purchased services and supplies	80,620	80,620	87,331	(6,711)
Total expenses	93,120	102,970	102,965	5
Excess (deficiency) of revenues over expenditures	49,360	39,510	36,089	(3,421)
OTHER FINANCING SOURCES (USES)				
Investment earnings	3,450	3,450	3,699	249
Capital outlay	(312,045)	(312,045)	-	312,045
Interest expense	(6,460)	(6,460)	(4,919)	1,541
Principal payments	(24,920)	(24,920)	(19,132)	5,788
Capital grants	299,200	299,200	-	(299,200)
Total other financing sources (uses)	(40,775)	(40,775)	(20,352)	20,423
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ 8,585	\$ (1,265)	\$ 15,737	\$ 17,002

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Milner Sanitation System - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for sales and services	\$ 52,040	\$ 52,040	\$ 47,405	\$ (4,635)
Total revenues	52,040	52,040	47,405	(4,635)
EXPENSES				
Repairs and maintenance	6,000	12,000	11,399	601
Purchased services and supplies	36,300	37,300	37,865	(565)
Total expenses	42,300	49,300	49,264	36
Excess (deficiency) of revenues over expenditures	9,740	2,740	(1,859)	(4,599)
OTHER FINANCING SOURCES (USES)				
Investment earnings	1,340	1,340	1,045	(295)
Principal payments	(5,360)	(5,360)	(5,362)	(2)
Interest expense - interfund	(4,275)	(4,275)	(4,245)	30
Tap fees	36,000	36,000	24,000	(12,000)
Total other financing sources (uses)	27,705	27,705	15,438	(12,267)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ 37,445	\$ 30,445	\$ 13,579	\$ (16,866)

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2020

	Equipment Pool	Insurance Pool	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 13,586,603	\$ 1,796,979	\$ 15,383,582
Accounts receivable (net of allowance for uncollectibles)	240,912	800,819	1,041,731
Due from other governments	2,335	-	2,335
Prepaid expenses	1,100	-	1,100
Inventory	46,766	-	46,766
Total current assets	13,877,716	2,597,798	16,475,514
Noncurrent assets:			
Land and improvements (non-depreciable)	3,092,916	-	3,092,916
Land improvements (depreciable)	1,902,009	-	1,902,009
Buildings	44,412,563	-	44,412,563
Equipment	32,154,247	-	32,154,247
Other (non-depreciable)	262,649	-	262,649
Construction in progress	691,428	-	691,428
Accumulated depreciation	(38,943,419)	-	(38,943,419)
Total noncurrent assets	43,572,393	-	43,572,393
Total assets	57,450,109	2,597,798	60,047,907
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	172,894	-	172,894
Total deferred outflows of resources	172,894	-	172,894
Total assets and deferred outflows of resources	57,623,003	2,597,798	60,220,801
LIABILITIES			
Current liabilities:			
Accounts payable	374,589	142,664	517,253
Compensated absences	23,401	-	23,401
Claims liability	-	419,910	419,910
Accrued interest	14,670	-	14,670
Retainage payable	8,000	-	8,000
Unearned revenue	-	35,224	35,224
Current portion of long-term debt (net of unamortized discount)	1,052,108	-	1,052,108
Total current liabilities	1,472,768	597,798	2,070,566
Noncurrent liabilities:			
Certificates of participation (net of unamortized discount)	4,564,035	-	4,564,035
Total noncurrent liabilities	4,564,035	-	4,564,035
Total liabilities	6,036,803	597,798	6,634,601
NET POSITION			
Net investment in capital assets	38,121,144	-	38,121,144
Unrestricted	13,465,056	2,000,000	15,465,056
Total net position	\$ 51,586,200	\$ 2,000,000	\$ 53,586,200

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2020

	Equipment Pool	Insurance Pool	Total Internal Service Funds
OPERATING REVENUES			
Internal service fees	\$ 4,320,710	\$ 5,507,188	\$ 9,827,898
Insurance proceeds	251,377	773,594	1,024,971
Total operating revenues	<u>4,572,087</u>	<u>6,280,782</u>	<u>10,852,869</u>
OPERATING EXPENSES			
Salary and benefits	477,286	-	477,286
Depreciation	3,451,908	-	3,451,908
Claims	-	4,187,193	4,187,193
Repairs and maintenance	955,890	-	955,890
Purchased services and supplies	93,459	782,734	876,193
Total operating expenses	<u>4,978,543</u>	<u>4,969,927</u>	<u>9,948,470</u>
Operating income (loss)	<u>(406,456)</u>	<u>1,310,855</u>	<u>904,399</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	249,049	-	249,049
Interest expense	(263,128)	-	(263,128)
Amortization of refunding debt insurance	(10,601)	-	(10,601)
Gain (loss) on disposal of capital assets	38,955	-	38,955
Total nonoperating revenues (expenses)	<u>14,275</u>	<u>-</u>	<u>14,275</u>
Income (loss) before contributions and transfers	<u>(392,181)</u>	<u>1,310,855</u>	<u>918,674</u>
Transfers in	963,892	-	963,892
Transfers out	-	(2,941,619)	(2,941,619)
Change in net position	<u>571,711</u>	<u>(1,630,764)</u>	<u>(1,059,053)</u>
Total net position - beginning	<u>51,014,489</u>	<u>3,630,764</u>	<u>54,645,253</u>
Total net position - ending	<u>\$ 51,586,200</u>	<u>\$ 2,000,000</u>	<u>\$ 53,586,200</u>

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2020

	Equipment Pool	Insurance Pool	Total
Cash flows from operating activities			
Receipts from interfund services provided	\$ 4,331,175	\$ 5,502,153	\$ 9,833,328
Receipts from insurance	-	16,026	16,026
Payments to suppliers	(1,082,050)	(640,469)	(1,722,519)
Payments to employees	(475,059)	-	(475,059)
Payments to claims	-	(4,176,815)	(4,176,815)
Net cash provided (used) by operating activities	<u>2,774,066</u>	<u>700,895</u>	<u>3,474,961</u>
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	82,682	-	82,682
Acquisition and construction of capital assets	(2,690,244)	-	(2,690,244)
Principal payments on certificates of participation	(1,030,000)	-	(1,030,000)
Interest payments on certificates of participation	(205,869)	-	(205,869)
Transfers in	963,892	-	963,892
Transfers out	-	(2,941,619)	(2,941,619)
Net cash provided (used) by capital and related financing activities	<u>(2,879,539)</u>	<u>(2,941,619)</u>	<u>(5,821,158)</u>
Cash flows from investing activities			
Earnings on investments	249,049	-	249,049
Net purchases and sales of investments	1,220,614	1,966,315	3,186,929
Net cash provided (used) by investing activities	<u>1,469,663</u>	<u>1,966,315</u>	<u>3,435,978</u>
Net increase (decrease) in cash and cash equivalents	1,364,190	(274,409)	1,089,781
Cash and cash equivalents, beginning	<u>2,705,836</u>	<u>812,715</u>	<u>3,518,551</u>
Cash and cash equivalents, ending	4,070,026	538,306	4,608,332
Investments	<u>9,516,577</u>	<u>1,258,673</u>	<u>10,775,250</u>
Cash and investments	<u>\$ 13,586,603</u>	<u>\$ 1,796,979</u>	<u>\$ 15,383,582</u>

The notes to financial statements are an integral part of this statement

ROUTT COUNTY, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the year ended December 31, 2020

	<u>Equipment Pool</u>	<u>Insurance Pool</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (406,456)	\$ 1,310,855	\$ 904,399
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,451,908	-	3,451,908
Capital assets			
Accounts payable	351,288	-	351,288
Retainage payable	83,793	-	83,793
Interest expense			
Accrued interest	2,361	-	2,361
Change in assets and liabilities:			
(Increase) decrease			
Accounts receivable	(240,912)	(757,568)	(998,480)
Due from other governments	4,048	-	4,048
Inventory	5,737	-	5,737
Prepaid expenses	(1,100)	-	(1,100)
Increase (decrease)			
Accounts payable	(392,466)	142,265	(250,201)
Accrued interest	(2,361)	-	(2,361)
Compensated absences	2,019	-	2,019
Claims liability	-	10,378	10,378
Unearned revenue	-	(5,035)	(5,035)
Retainage payable	(83,793)	-	(83,793)
Total adjustments	<u>3,180,522</u>	<u>(609,960)</u>	<u>2,570,562</u>
Net cash provided (used) by operating activities	<u>\$ 2,774,066</u>	<u>\$ 700,895</u>	<u>\$ 3,474,961</u>
Noncash investing, capital, and financing activities:			
Increase (decrease) in fair value of investments	\$ 70,621	\$ 9,340	\$ 79,961
Amortization related to refunding debt issue	(70,221)	-	(70,221)

The notes to financial statements are an integral part of this statement

Routt County, Colorado
Equipment Pool - Internal Service Fund
Schedule of Revenues and Expenditures
Budget and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Internal service fees	\$ 4,364,525	\$ 4,364,525	\$ 4,320,710	\$ (43,815)
Insurance proceeds	15,000	15,000	251,377	236,377
Total revenues	<u>4,379,525</u>	<u>4,379,525</u>	<u>4,572,087</u>	<u>192,562</u>
EXPENSES				
Salary and benefits	484,950	484,950	477,286	7,664
Repairs and maintenance	1,115,100	1,115,100	955,890	159,210
Purchased services and supplies	62,745	61,995	93,459	(31,464)
Total expenses	<u>1,662,795</u>	<u>1,662,045</u>	<u>1,526,635</u>	<u>135,410</u>
Excess (deficiency) of revenues over expenditures	<u>2,716,730</u>	<u>2,717,480</u>	<u>3,045,452</u>	<u>327,972</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	233,990	233,990	249,049	15,059
Capital outlay	(4,661,155)	(3,313,355)	(2,255,163)	1,058,192
Principal payments	(1,030,000)	(1,030,000)	(1,030,000)	-
Interest expense	(203,760)	(203,760)	(203,508)	252
Gain (loss) on disposal of capital assets	224,100	128,350	38,955	(89,395)
Transfers in	1,916,855	1,916,855	963,892	(952,963)
Total other financing sources (uses)	<u>(3,519,970)</u>	<u>(2,267,920)</u>	<u>(2,236,775)</u>	<u>31,145</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (803,240)</u>	<u>\$ 449,560</u>	<u>\$ 808,677</u>	<u>\$ 359,117</u>

The notes to financial statements are an integral part of this statement.

Routt County, Colorado
Insurance Pool - Internal Service Fund
Schedule of Revenues and Expenditures
Budget and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal service fees	\$ 5,751,450	\$ 5,751,450	\$ 5,507,188	\$ (244,262)
Insurance proceeds	516,280	516,280	773,594	257,314
Total revenues	6,267,730	6,267,730	6,280,782	13,052
EXPENSES				
Claims	3,955,940	4,185,940	4,187,193	(1,253)
Purchased services and supplies	786,890	786,890	782,734	4,156
Total expenses	4,742,830	4,972,830	4,969,927	2,903
Excess (deficiency) of revenues over expenditures	1,524,900	1,294,900	1,310,855	15,955
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,450,000)	(2,945,000)	(2,941,619)	3,381
Total other financing sources (uses)	(2,450,000)	(2,945,000)	(2,941,619)	3,381
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (925,100)	\$ (1,650,100)	\$ (1,630,764)	\$ 19,336

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
EMPLOYEE RETIREMENT PLANS
December 31, 2020

	Sec. 401 Employee Retirement Plan	Sec. 457 Employee Retirement Plan	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments restricted for retirement benefits	\$ 34,639,717	\$ 10,648,798	\$ 45,288,515
	<u>34,639,717</u>	<u>10,648,798</u>	<u>45,288,515</u>
Total assets			
	<u>34,639,717</u>	<u>10,648,798</u>	<u>45,288,515</u>
NET POSITION			
Net position held in trust for retirement benefits	<u>34,639,717</u>	<u>10,648,798</u>	<u>45,288,515</u>
Total net position	<u>\$ 34,639,717</u>	<u>\$ 10,648,798</u>	<u>\$ 45,288,515</u>

The notes to financial statements are an integral part of this statement

ROUTT COUNTY, COLORADO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
EMPLOYEE RETIREMENT PLANS
For the Year Ended December 31, 2020

	Sec. 401 Employee Retirement Plan	Sec. 457 Employee Retirement Plan	Total
	<u> </u>	<u> </u>	<u> </u>
Additions			
Employee contributions	\$ 815,302	\$ 453,299	\$ 1,268,601
Employer contributions	<u>815,302</u>	<u>-</u>	<u>815,302</u>
Total contributions	1,630,604	453,299	2,083,903
Investment earnings	4,222,037	1,360,530	5,582,567
Transfers from other plans	<u>-</u>	<u>174,920</u>	<u>174,920</u>
Total additions	<u>5,852,641</u>	<u>1,988,749</u>	<u>7,841,390</u>
Deductions			
Benefits paid to participants	1,481,033	467,067	1,948,100
Transfer to other plans	<u>111,648</u>	<u>-</u>	<u>111,648</u>
Total deductions	<u>1,592,681</u>	<u>467,067</u>	<u>2,059,748</u>
Net increase (decrease) in fiduciary net position	4,259,960	1,521,682	5,781,642
Net position, beginning	<u>30,379,757</u>	<u>9,127,116</u>	<u>39,506,873</u>
Net position, ending	<u>\$ 34,639,717</u>	<u>\$ 10,648,798</u>	<u>\$ 45,288,515</u>

The notes to financial statements are an integral part of this statement

ROUTT COUNTY, COLORADO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2020

	County Treasurer Fund	Public Trustee Fund	Inmate Commissary Fund	Total
ASSETS				
Cash and investments	\$ 1,209,587	\$ 59,511	\$ 100,105	\$ 1,369,203
Property tax receivable	<u>55,474,621</u>	<u>-</u>	<u>-</u>	<u>55,474,621</u>
Total assets	<u>56,684,208</u>	<u>59,511</u>	<u>100,105</u>	<u>56,843,824</u>
LIABILITIES				
Due to other governments	1,154,102	-	-	1,154,102
Funds held for others	55,485	59,511	1,407	116,403
Accounts payable and other liabilities	<u>-</u>	<u>-</u>	<u>1,584</u>	<u>1,584</u>
Total liabilities	<u>1,209,587</u>	<u>59,511</u>	<u>2,991</u>	<u>1,272,089</u>
DEFERRED INFLOW OF RESOURCES				
Property taxes	<u>55,474,621</u>	<u>-</u>	<u>-</u>	<u>55,474,621</u>
Total deferred inflow of resources	<u>55,474,621</u>	<u>-</u>	<u>-</u>	<u>55,474,621</u>
NET POSITION				
Net Position				
Restricted				
Individuals, organizations, and other governments	<u>-</u>	<u>-</u>	<u>97,114</u>	<u>97,114</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,114</u>	<u>\$ 97,114</u>

The notes to financial statements are an integral part of this statement

ROUTT COUNTY, COLORADO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended December 31, 2020

	County Treasurer Fund	Public Trustee Fund	Inmate Commissary Fund	Total
Additions				
Taxes collected for other governments	\$ 68,389,863	\$ -	\$ -	\$ 68,389,863
Public trustee activity	-	676,274	-	676,274
Funds held for others	9,436,328	-	96,324	9,532,652
Sales	<u>-</u>	<u>-</u>	<u>35,910</u>	<u>35,910</u>
Total additions	<u>77,826,191</u>	<u>676,274</u>	<u>132,234</u>	<u>78,634,699</u>
Deductions				
Taxes disbursed to other governments	68,389,863	-	-	68,389,863
Public trustee disbursements	-	676,274	-	676,274
Disbursements of funds held for others	9,436,328	-	97,611	9,533,939
Cost of goods sold	<u>-</u>	<u>-</u>	<u>26,508</u>	<u>26,508</u>
Total deductions	<u>77,826,191</u>	<u>676,274</u>	<u>124,119</u>	<u>78,626,584</u>
Net increase (decrease) in fiduciary net position	-	-	8,115	8,115
Net position, beginning (as restated)	<u>-</u>	<u>-</u>	<u>88,999</u>	<u>88,999</u>
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,114</u>	<u>\$ 97,114</u>

The notes to financial statements are an integral part of this statement

ROUTT COUNTY, COLORADO
NOTES TO THE SUPPLEMENTARY INFORMATION
December 31, 2020

NOTE 1. RECONCILIATION OF BUDGET TO GAAP

Adjustments necessary to convert the change in net position of the proprietary funds at the end of the year on the generally accepted accounting principles (GAAP) basis to the budgetary basis are as follows:

	Yampa Valley Regional Airport	Regional Building Department	Phippsburg Water & Sanitation System	Milner Sanitation System	Equipment Pool
GAAP basis	\$ 5,685,539	\$ 119,071	\$ 8,900	\$ (657)	\$ 571,711
Revenues					
Unearned revenue	-	194,050	-	-	-
Expenditures					
Depreciation	3,077,896	-	25,969	19,598	3,451,908
Capital outlay	(4,919,402)	-	-	-	(2,255,163)
Loss on capital asset disposals	22,961	-	-	-	-
Amortization of refunding debt insurance	-	-	-	-	10,601
Interest expense, amortization of the deferred charge for refunding debt	-	-	-	-	56,198
Interest expense, amortization of the issue discount on refunding debt	-	-	-	-	3,422
Debt principal payments	(1,071,819)	-	(19,132)	(5,362)	(1,030,000)
Budget basis	\$ 2,795,175	\$ 313,121	\$ 15,737	\$ 13,579	\$ 808,677

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County:
		County of Routt
		YEAR ENDING :
This Information From The Records Of the County of Routt		2020
Prepared By:	Chris Pohlman	
Phone:	970-870-5302	

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

ITEM	A. Local 0 Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway- User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,270,278
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,185,253
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	0
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	688,634	b. Snow and ice removal	1,597,578
3. Other local imposts (from page 2)	5,862,851	c. Other	23,394
4. Miscellaneous local receipts (from page 2)	165,226	d. Total (a. through c.)	1,620,972
5. Transfers from toll facilities	0	4. General administration & miscellaneous	1,378,915
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	688,634
a. Bonds - Original Issues	0	6. Total (1 through 5)	10,144,052
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	6,716,711	b. Redemption	0
B. Private Contributions	38,135	c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	2,967,738	a. Interest	0
D. Receipts from Federal Government		b. Redemption	0
(from page 2)	1,929,591	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	11,652,175	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	10,144,052

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 13,186,722	11,652,175	10,144,052	14,694,845	0

Notes and Comments:

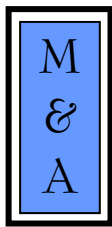
LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): 12/20	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	801,572	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	4,987,065	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	139,404
5. Other	74,214	g. Other Misc. Receipts	23,065
6. Total (1. through 5.)	5,061,279	h. Capital Credits	2,757
c. Total (a. + b.)	5,862,851	i. Total (a. through h.)	165,226
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,861,506	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle	61,231	d. Federal Transit Administration	0
d. Severance Tax	45,001	e. U.S. Corps of Engineers	0
e. State P.U.C. and EIAF funds	0	f. Other Federal	1,929,591
f. Total (a. through e.)	106,232	g. Total (a. through f.)	1,929,591
4. Total (1. + 2. + 3.f)	2,967,738	3. Total (1. + 2.g)	1,929,591
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	38,135	38,135
b. Engineering Costs	0	21,009	21,009
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	1,211,134	1,211,134
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,211,134	1,211,134
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,270,278	1,270,278
			(Carry forward to page 1)

Notes and Comments:



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

**To the Board of County Commissioners
Routt County, Colorado**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Routt County, Colorado (the "County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Routt County, Colorado

Compliance and Other Matters

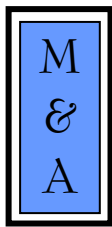
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
September 30, 2021



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; ON COMPLIANCE WITH THE PASSENGER FACILITY CHARGE PROGRAM; AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

**To the Board of County Commissioners
Routt County, Colorado**

Report on Compliance for Each Major Program

We have audited the compliance of Routt County, Colorado (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020 and its compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its Passenger Facility Charge program for the year ended December 31, 2020. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and to its Passenger Facility Charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and to its Passenger Facility Charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and the Guide. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and on the Passenger Facility Charge program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and on the Passenger Facility Charge program. However, our audit does not provide a legal determination on the County's compliance with those requirements.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Routt County, Colorado

Opinion on Each Major Federal Program and Passenger Facility Charge Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and on its Passenger Facility Charge program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program and on the Passenger Facility Charge program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and the Passenger Facility Charge program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or the Passenger Facility Charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or the Passenger Facility Charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or the Passenger Facility Charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.



McMahan and Associates, L.L.C.
September 30, 2021

Routt County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted

Major programs:

Airport Improvement Program	CFDA #20.106
Coronavirus Relief Fund	CFDA #21.019
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Routt County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020
(Continued)

There were no audit findings for the year ended December 31, 2019.

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

<u>Federal Department/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditure Amount</u>	<u>Clusters of Programs</u>
<u>Department of Health and Human Services</u>				
Passed through Colorado Department of Human Services:				
Child Care and Development Block Grant	n/a	93.575	\$ 300,470	
CARES/COVID Child Care	n/a	93.575	128,691	
Total Child Care and Development Block Grant			429,161	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	n/a	93.596	63,669	
Total Child Care and Development Fund Cluster				492,830
Guardianship Assistance	n/a	93.090	1,832	
Temporary Assistance for Needy Families	n/a	93.558	215,957	
Child Support Enforcement	n/a	93.563	211,197	
Low-Income Home Energy Assistance	n/a	93.568	1,229	
Stephanie Tubbs Jones Child Welfare Services Program	n/a	93.645	26,765	
CARES/COVID Child Welfare	n/a	93.645	140	
Total Child Welfare Services Program			26,905	
Foster Care -Title IV-E	n/a	93.658	151,883	
Adoption Assistance	n/a	93.659	15,467	
Social Services Block Grant	n/a	93.667	78,366	
Promoting Safe and Stable Families	n/a	93.556	71,851	
Passed through Department of Health Care Policy and Financing:				
Medical Assistance Program	n/a	93.778	315,657	
Total Medicaid Cluster				315,657
Passed through Colorado Department of Local Affairs:				
Community Services Block Grant	L18CSBG39	93.569	12,802	
Passed through Colorado Department of Public Health and Environment				
Local Core Public Health Services (Maternal and Child Health, Child Fatality, Local Public Health Agency) Block Grant to the States	1 B04MC33825-01-00	93.994	23,564	
Immunization Cooperative Agreements	NH231P922600	93.268	22,505	
Public Health Emergency Preparedness	N5 NU90TP922028-03-00	93.069	63,757	
Preventative Health and Health Services Block Grant	n/a	93.991	18,750	
Epidemiology and Laboratory Capacity for Infectious Diseases	FHJA202000013644	93.323	182,010	
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	FHJA202000010707	93.354	52,627	
Pass through to Northwest Colorado Health Immunization Cooperative Agreements	NH231P922600	93.268	2,792	
Total Department of Health and Human Services			\$ 1,961,981	

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

<u>Federal Agency/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditure Amount</u>	<u>Clusters of Programs</u>
<u>Department of Agriculture</u>				
Direct:				
Forest Service Cooperative Law Enforcement Agreement	20-LE-11020600-004	10.unknown	\$ 7,580	
Passed through Colorado Department of Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	n/a	10.561	143,033	
Total Supplemental Nutrition Assistance Program Cluster				143,033
Total Department of Agriculture			150,613	
<u>Department of Interior</u>				
Direct:				
U.S. Geological Survey Cooperative Funding Authority Agreement	20REJFACO 111	15.unknown	14,968	
Total Department of Interior			14,968	
<u>Department of Transportation</u>				
Direct:				
Airport Improvement Program	3-08-0031-047048	20.106	3,212,738	
Airport Improvement Program	3-08-0031-045-2019	20.106	4,587	
COVID-19 Airport Improvement Grant	3-08-0031-049-2020; DOT-FA20NM-K1055	20.106	5,004,258	
Total Airport Improvement Program			8,221,583	
Passed through Colorado Department of Transportation				
Division of Transportation Development				
Highway Planning and Construction	AQC C280-017	20.205	50,757	
Total Highway Planning and Construction Program Cluster				50,757
Total Department of Transportation			\$ 8,272,340	

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

<u>Federal Agency/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditure Amount</u>	<u>Clusters of Programs</u>
<u>Department of Justice</u>				
Direct:				
Bulletproof Vest Partnership Program	2018BUBX18093911	16.607	\$ 5,328	
Total Department of Justice			5,328	
<u>Department of Homeland Security</u>				
Direct:				
Transportation Security Administration - Law Enforcement Reimbursement Program	HSTS02-16-H-SLR624	97.unknown	14,765	
Passed through Colorado Department of Public Safety, Division of Homeland Security and Emergency Management				
Emergency Management Performance Grants	EMD-2019-EP-00006	97.042	60,000	
Passed through State Division of Homeland Security Routt County Hazard Mitigation Plan Update	EMD-2018-PC-0007	97.047	21,860	
Passed through Northwest Colorado Council of Governments	EMW-2019-SS-00066-S01	97.067	3,078	
Total Department of Homeland Security			99,703	
<u>Election Assistance Commission</u>				
Passed through Colorado Department of State				
CARES Act Election Judge Pay Grant Program	CT VAAA 2021-2377	90.404	3,952	
CARES Act Election Safety Grant	CT VAAA 2021-2812	90.404	3,958	
Total Elections Assistance Commission			\$ 7,910	

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

<u>Federal Agency/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditure Amount</u>	<u>Clusters of Programs</u>
<u>Department of Treasury</u>				
Passed through Colorado Department of Human Services Coronavirus Relief Fund	n/a	21.019	\$ 75,220	
Passed through Colorado Department of Public Health and Environment Coronavirus Relief Fund	FHJA202100002093	21.019	11,899	
Coronavirus Relief Fund	FHJA202000013592	21.019	55,203	
Coronavirus Relief Fund	FHJA202100003339	21.019	50,000	
Passed through Colorado Department of Local Affairs			117,102	
Coronavirus Relief Fund	CVRF CM-062	21.019	1,369,761	
Coronavirus Relief Fund	CVRF RM-062	21.019	476,000	
Passed through Colorado Department of Local Affairs			1,845,761	
Total Department of Treasury			2,038,083	
Total Federal Expenditures			\$ 12,550,926	

The notes to financial statements are an integral part of this statement.

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

Note 1. Program Costs

The amounts shown as current year expenditures represent only the federal portion of program costs. Actual program costs, including the County's portion, may be more than shown.

Note 2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Routt County, Colorado, and is presented on the modified accrual basis of accounting for governmental funds, and the accrual basis for proprietary funds. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of, the basic financial statements.

Note 3. Indirect Facilities and Administration costs

The County does not use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F & A) costs. Instead, the County prepares an annual cost allocation plan to allocate indirect costs.

ROUTT COUNTY, COLORADO
SCHEDULE OF PASSENGER FACILITY CHARGES ("PFC")
COLLECTED AND EXPENDED
For the Year Ended December 31, 2020

	<u>Amounts for</u> <u>Current Year</u>	<u>Unliquidated</u> <u>Balance</u>
Unliquidated PFC revenues - beginning		\$ -
Revenues:		
Revenues from air carriers	\$ 337,619	
Total PFC revenues	<u>337,619</u>	337,619
Expenditures:		
Application 19-10-C-00-HDN	337,619	
Total PFC expenditures	<u>\$ 337,619</u>	337,619
Unliquidated PFC revenues - ending		<u>\$ -</u>