



2022 Financial & Compliance Report

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ROUTT
COUNTY

COLORADO

ROUTT COUNTY, COLORADO
FINANCIAL AND COMPLIANCE REPORT
For the Year Ended December 31, 2022

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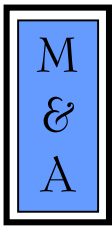
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Routt County, Colorado (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2022, 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 ("U.S. GAAP").

Basis for Opinions

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

Emphasis-of-Matter

As discussed in Note to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; 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.

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

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis on pages 4 – 38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with U.S. GAAS, 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.

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

Required Supplementary Information (continued)

The budgetary comparison information on pages 82 – 85 is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information on pages 82 – 85 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial statements, individual fund budgetary information, the Schedule of Passenger Facility Charges Collected and Expended (as required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration), the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards (as required by Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary information, the Schedule of Passenger Facility Charges Collected and Expended, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the combining fund financial statements, individual fund budgetary information, the Schedule of Passenger Facility Charges Collected and Expended, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic 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 July 25, 2023 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.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
July 25, 2023**

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROUTT COUNTY, COLORADO

December 31, 2022

In this Management's Discussion and Analysis (MD&A) section of the Annual Financial Report, we provide readers with a narrative overview and analysis of the financial activities of Routt County, Colorado (the County) for the fiscal year ended December 31, 2022. When analyzing financial activities of the current fiscal year, it is useful to compare current fiscal year information with comparable information of the previous fiscal year. This discussion and analysis is also intended to serve as an introduction to the County's basic financial statements. We encourage readers to consider the information presented here in conjunction with the information presented in the basic financial statements to enhance their understanding of the County's financial activity and performance.

FINANCIAL HIGHLIGHTS

- The County's property tax revenue continued to grow in 2022. Governmental Activities property tax revenue increased \$1.3 million or 6% to \$24.0 million from the prior year. The primary reason for the increase is the revenue increase allowed under the Taxpayers Bill of Rights (TABOR) property tax revenue limitation, which is 6.1% in 2022 and is composed of a 1.4% increase from new construction and a 4.7% increase from inflation. The County's assessed valuation increased \$112.8 million or 9.4% to \$1.3 billion from the prior year.
- Governmental Activities sales tax revenue growth increased \$2.0 million or 17% to \$14.1 million from the prior year. Sales tax collected on retail sales increased \$1.8 million or 19% to \$11.3 million primarily due to sales tax on lodging and restaurant sales, machinery and equipment sales and rentals, and transportation equipment manufacturing sales. Building use tax collected on construction materials increased \$.2 million or 13% to \$1.8 million from the prior year. Auto use tax collected on vehicles purchased outside of the county is \$1.0 million and unchanged from the prior year. See the "GOVERNMENTAL ACTIVITIES - REVENUES" section for a more detailed discussion.
- The County received the remaining \$2.5 million or 50% of its American Rescue Plan Act (ARPA) funding in 2022. The County was awarded \$1.1 million of Local Assistance and Tribal Consistency Funding (LATCF) through the American Rescue Plan Act in 2021. The County received \$.5 million in 2022 and will receive the remaining balance in 2023.
- Construction continued on the new Health and Human Services (HHS) building and is expected to be completed and open in May 2023. The County is funding the new HHS building with reserves. The total HHS project cost is \$14.1 million with \$9.2 million completed in 2022.
- Yampa Valley Regional Airport's (YVRA) operating income in 2022 before depreciation expense of \$3.8 million is \$3.0 million compared to \$1.9 million in 2021, an increase of \$1.1 million or 58%. The increase is primarily related to an increase in the enplanements and passengers through the airport, which resulted in an increase of fees collected during 2022. See the "BUSINESS-TYPE - ACTIVITIES" section for a more detailed discussion.
- YVRA in 2022 completed the majority of the second de-ice pad 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 2022 for the second de-ice pad is \$6.0 million. The second de-ice pad is anticipated to cost of \$6.3 million when final punch list items are completed in 2023.
- YVRA started construction of the \$4.0 million rental car wash facility in 2022 and is expected to be complete in 2023. The rental car wash facility project cost for 2022 was \$2.1 million and was partially paid for by customer facility charges (CFC) of \$1.8 million charged to rental companies. The remaining balance to fund the construction of the car wash facility will be funded from reserves initially and over time the reserves will be replenished from future CFC collections.
- To remain a competitive employer in the Yampa Valley and address a rising costs of living, a salary survey and additional step for eligible employees was implemented, the County transitioned from semi-monthly to bi-weekly arrears pay to simplify the payroll process and provided a transition gap pay check to minimize the impact to the employees. Total changes to the compensation of the County's employees resulted in an increase in personnel costs of \$2.5 million for 2022.



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 E911 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 Plan for the County's employees. The County acts solely as a trustee or agent for the benefit of others to whom the resources belong.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

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 E911 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 Plan and for the Custodial Funds.

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 (E911 Communications and Yampa Valley Regional Airport). The County uses three types of funds as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

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.

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, facility management, and partially self-funded insurance plans for employee health and dental insurances and County casualty and property insurance.

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 plan. 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.



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MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2022

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's net position is \$272.3 million as of December 31, 2022, an increase of \$24.6 million or 10% from the prior year. Effective January 1, 2022, the County implemented GASB 87. The prior year as a whole has not been restated because comparative information is not available. The following table provides a comparative summary of the County's Governmental and Business-type Statement of Net Position for 2022 and 2021.

Routt County, Colorado						
Net Position						
(in millions)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 82.7	\$ 79.9	\$ 34.0	\$ 21.3	\$ 116.7	\$ 101.2
Capital assets	131.2	123.0	68.7	62.0	199.9	185.0
Total assets	<u>213.9</u>	<u>202.9</u>	<u>102.7</u>	<u>83.3</u>	<u>316.6</u>	<u>286.2</u>
Deferred Outflows of Resources						
Deferred charge on refunding	0.1	0.1	-	-	0.1	0.1
Total assets and deferred outflows of resources	<u>214.0</u>	<u>203.0</u>	<u>102.7</u>	<u>83.3</u>	<u>316.7</u>	<u>286.3</u>
Liabilities						
Current and other liabilities	5.8	6.7	4.7	3.0	10.5	9.7
Long-term liabilities	5.3	6.1	0.4	0.4	5.7	6.5
Total liabilities	<u>11.1</u>	<u>12.8</u>	<u>5.1</u>	<u>3.4</u>	<u>16.2</u>	<u>16.2</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	23.7	22.4	-	-	23.7	22.4
Lease related	0.6	-	3.9	-	4.5	-
Total deferred inflow of resources	<u>24.3</u>	<u>22.4</u>	<u>3.9</u>	<u>-</u>	<u>28.2</u>	<u>22.4</u>
Net Position						
Net investment in capital assets	127.2	118.3	67.9	61.8	195.1	180.1
Restricted	9.5	7.6	0.3	0.2	9.8	7.8
Unrestricted	41.9	41.9	25.5	17.9	67.4	59.8
Total net position	<u>\$ 178.6</u>	<u>\$ 167.8</u>	<u>\$ 93.7</u>	<u>\$ 79.9</u>	<u>\$ 272.3</u>	<u>\$ 247.7</u>

Net Investment in Capital

The largest portion of net position is net investment in capital assets of \$195.1 million, which increased \$15.0 million or 8% 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

Net investment in capital assets for Governmental Activities increased \$8.9 million or 8% to \$127.2 million from the prior year. Net investment in capital assets for Business-type Activities increased \$6.1 million or 10% to \$67.9 million from the prior year. The major capital projects in 2022 are summarized in the section entitled "CAPITAL ASSETS AND DEBT ADMINISTRATION."

Unrestricted Net Position

The second-largest portion of net position is unrestricted of \$67.4 million, which increased by \$7.6 million or 13% 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 \$41.9 million which is the same as the prior year. Business-type Activities unrestricted net position increased \$7.6 million or 42% to \$25.5 million from the prior year and represents 100% 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 \$9.8 million, which increased \$2.0 million or 26% from the prior year. Governmental Activities restricted net position increased \$1.9 million or 25% to \$9.5 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 \$1.6 million as fewer projects were completed in 2022 than in 2021 due to the complexity of the projects and a \$.1 million increase in Taxpayer Bill of Rights (TABOR) reserve. Business-type Activities restricted net position increased \$.1 million or 50% to \$.3 million due to a minimal change in the TABOR reserve requirement for Yampa Valley Regional Airport.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2022

Changes in Net Position

Net position increased \$24.6 million or 10% in 2022 and the change in net position increased \$11.6 million or 89% from the prior year. Governmental Activities increased \$2.7 million or 33% and Business-type Activities increased \$8.9 million or 182% from the prior year. The following table provides a comparative summary of the county's governmental and business-type Statement of Activities for 2022 and 2021.

Routt County, Colorado						
Statement of Activities						
(in millions)						
	Governmental		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 4.9	\$ 5.2	\$ 11.1	\$ 9.3	\$ 16.0	\$ 14.5
Operating grants and contributions	18.8	12.2	4.5	4.1	23.3	16.3
Capital grants and contributions	0.1	1.1	9.3	1.7	9.4	2.8
General revenues						
Property tax	24.0	22.7	-	-	24.0	22.7
Sales tax	14.1	12.1	0.5	0.3	14.6	12.4
Interest earnings	(0.3)	(0.1)	(0.1)	-	(0.4)	(0.1)
Lease interest income	-	-	0.1	-	0.1	-
Gain on disposal of capital assets	0.1	0.2	0.1	-	0.2	0.2
Total revenues	61.7	53.4	25.5	15.4	87.2	68.8
Expenses						
Administration	9.5	8.9	-	-	9.5	8.9
Community services	9.1	7.8	-	-	9.1	7.8
Property tax administration	2.6	2.3	-	-	2.6	2.3
Public safety	11.5	9.9	-	-	11.5	9.9
Road and bridge	12.4	10.2	-	-	12.4	10.2
Human services	5.8	6.0	-	-	5.8	6.0
Interest expense on long-term debt	0.2	0.2	-	-	0.2	0.2
Airport	-	-	9.7	8.9	9.7	8.9
Building department	-	-	1.6	1.4	1.6	1.4
Water and sewer	-	-	0.2	0.2	0.2	0.2
Total expenses	51.1	45.3	11.5	10.5	62.6	55.8
Increase in net position before transfers	10.6	8.1	14.0	4.9	24.6	13.0
Transfers	0.2	-	(0.2)	-	-	-
Increase in net position	10.8	8.1	13.8	4.9	24.6	13.0
Net position - beginning	167.8	159.7	79.9	75.0	247.7	234.7
Net position - ending	\$ 178.6	\$ 167.8	\$ 93.7	\$ 79.9	\$ 272.3	\$ 247.7

Governmental Activities

Total net position from Governmental Activities increased \$10.8 million or 6% to \$178.6 million from the prior year. Following is an overview of the primary changes from 2021 to 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

Revenues

Operating Grants and Contributions increased \$6.6 million or 52% to \$18.8 million from prior year. The increase is primarily related to an increase of \$5.6 million or 1,385% to \$6.0 million from prior year of COVID-19 funding. The County recognized \$5.0 million of American Rescue Plan Act (ARPA) funding and \$1.0 million in Local Assistance and Tribal Consistency Fund (LATCF) funding. In 2022, the County applied all of the ARPA and LATCF funding towards "governmental services - payroll" in order to minimize the administrative burden for program reporting and indirectly creating \$6.0 million of reserves to use towards other county or non-county projects. Severance tax increased \$.4 million or 100% from the prior year. REDI grant increased \$.2 million or 100% from the prior year.

Capital Grants and Contributions decreased \$.8 million or 73% to \$.3 million from the prior year primarily due to the following items. Capital grants and contributions related to Road and Bridge decreased \$.9 million in 2022 due to a donation from the Steamboat Springs School District RE-2 for the County Road 42 roundabout construction project in 2021.

Property Tax revenue increased \$1.3 million or 6% to \$24.0 million from the prior year. Base property taxes (General Fund, Road and Bridge, Human Services, and E911 Communications) increased \$1.0 million or 6% to \$18.8 million from the prior year. The primary reason for the increase is the Taxpayers Bill of Rights (TABOR) property tax revenue limitation, which is 6.1% in 2022 and is composed of a 1.4% increase from new construction and a 4.7% increase from inflation. Tax abatements and refunds issued from prior years as allowed under TABOR reduce the base property tax increase by \$.1 million. Base specific ownership tax on vehicles is \$1.3 million and is unchanged from the prior year. The County's assessed valuation increased \$112.8 million or 9.4% to \$1.3 billion from the prior year. Voter approved property taxes (Purchase of Development Rights, Developmental Disabilities, and Museums), which are not subject to TABOR, increased \$.3 million or 8% from the prior year to \$3.9 million due to the increase in assessed valuation and no change in specific ownership tax.

Sales tax revenue increased \$2.0 million or 17% to \$14.1 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 \$1.8 million or 19% to \$11.3 million. The primary changes in retail sales tax collection are as follows: Sales tax on lodging and restaurant sales increased \$.4 million or 20% and \$.2 million or 15% from the prior year, respectively, due to an increase in visitors from a strong economy despite high inflation, robust flight offerings at Yampa Valley Regional Airport, excellent ski season snowfall, and continued post-pandemic travel interest. International travel is taking place in 2023 where people are not traveling to steamboat but other places internationally. Industrial machinery and equipment merchant sales tax increased \$.2 million or 39% from equipment sales and rentals resulting from a healthy commercial and residential construction industry. Transportation equipment manufacturing sales tax increased \$.3 million or 2401% from the purchase of the gondola and lift equipment for the Steamboat Ski Resort. Sales tax collected on construction, home goods, internet sales, sporting goods, and utility companies in total increased \$.3 million or 13% due to the same reasons already mentioned for other retail sales tax. Building use tax collected on construction materials increased \$.2 million or 13% to \$1.8 million from the prior year. Auto use tax collected on vehicles purchased outside of the county is \$1.0 million and unchanged from the prior year.

Interest earnings decreased \$.2 million or 200% to (\$.3) million from the prior year. The change is due to an overall increase in cash and investment and offset by a decrease in the fair market value of the County's investments as a result of the federal reserve increasing interest rates.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

Expenses

Community Resources expenses increased \$1.3 million or 17% to \$9.1 million from the prior year. The primary changes are as follows:

Affordable Housing increased by \$1.0 million or 1809% to \$1.1 million to partially fund the Yampa Valley Housing Authority infrastructure design of the Brown Ranch Housing Development, and funding is available from excess reserves created indirectly by the American Rescue Plan Act funds.

Community Services increased by \$.9 million or 151% to \$9.1 million and is related to the following three items. First is \$.2 million for the three-year Rural Economic Development Initiative (REDI) grant, which began in 2021 and is 75% completed at the end of 2022. The REDI grant is designed to generate economic resilience and diversification away from tourism, coal mining, and coal-fired power plants. REDI includes the counties of Routt, Moffat, and Rio Blanco and the major towns and municipalities in those counties. Funding is provided by various grants and contributions from local organizations. The total three-year cost of the project is \$.6 million. Second is \$.5 million related to the County funding several projects indirectly with American Rescue Plan Act funds. The County provided assistance to the Town of Oak Creek to partially fund engineering costs to rehabilitate Sheriff's Reservoir; to Morrison Creek Water and Sanitation to partially fund wastewater system improvements; to the Town of Yampa to partially fund wastewater system improvements; to the Town of Oak Creek to partially fund broadband system improvements; and to the Town of Yampa and Yampa Valley Regional Airport to partially fund regional solar projects. Third is \$.1 million or 898% as Routt County Search and Rescue received two Colorado Department of Local Affairs (DOLA) grants. One grant is for the replacement of aging equipment such as safety-related clothing and equipment. The other grant is for the purchase of three snowmobiles and an enclosed trailer.

Purchase of Development Rights (PDR) decreased by \$.3 million or 37% to \$.5 million as fewer projects were completed in 2022 than in 2021 due to the complexity of the projects.

Fair operations expenses decreased by \$.6 million or 62% to \$.4 million for the distribution of net proceeds from the Junior Livestock sale to the youth who raised and sold the animals in 2021. Administration of this event was moved to a local organization in 2022.

Property Tax Administration increased \$.3 million or 13% to \$2.6 million from the prior year.

The primary reasons for the changes is due to an increase in personnel costs for the Assessor's Office of \$.1 million or 8% and the Treasurer's Office of \$.1 million or 18% from the salary survey and the transition to a bi-weekly payroll. Treasurer's Office had an increase of \$35,000 or 23% to \$.2 million in operating costs due to an increase in printing costs related to tax notices, banking charges, and investment consulting fees.

Public Safety expenses increased \$1.6 million or 16% to \$11.5 million from the prior year.

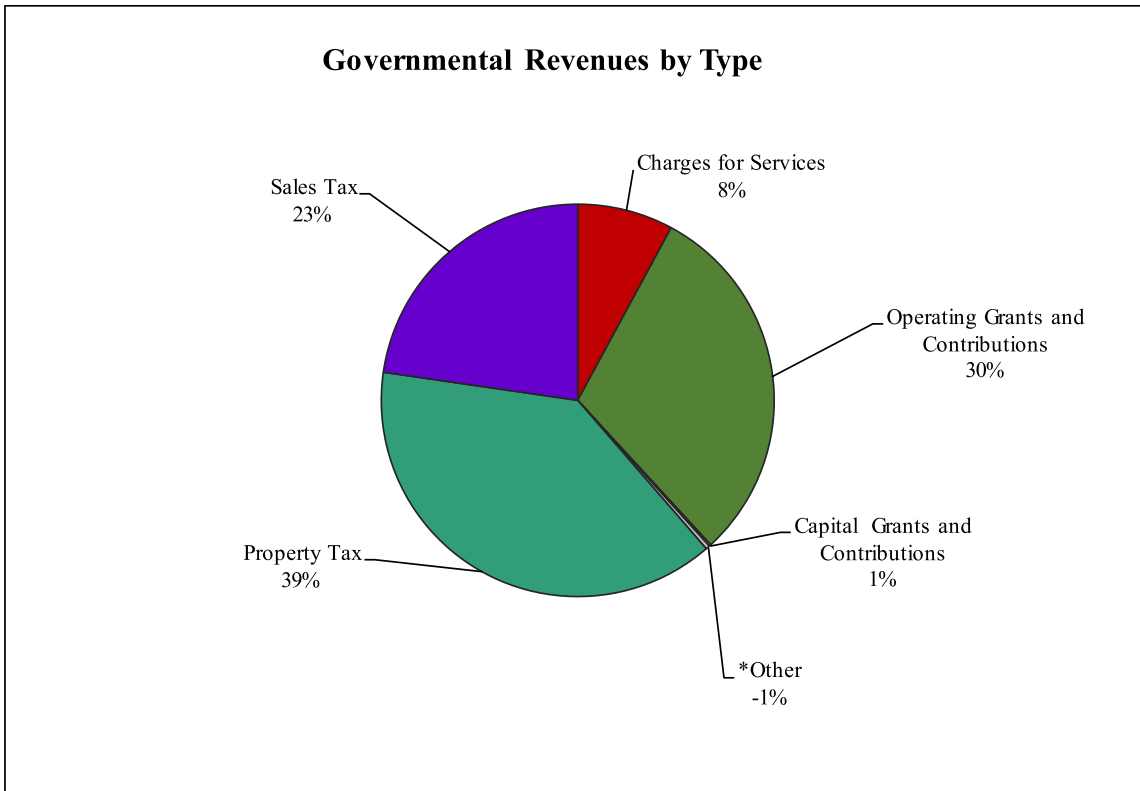
The primary changes are due to an increase in personnel costs for the Sheriff's Department resulting from the salary survey and transition to bi-weekly payroll as well as the addition of a School Resource Officer. This was offset by a decrease in personnel costs for the Communication Department due to staff vacancies in dispatch.

Road and Bridge expenses increased \$2.2 million or 22% to \$12.4 million from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

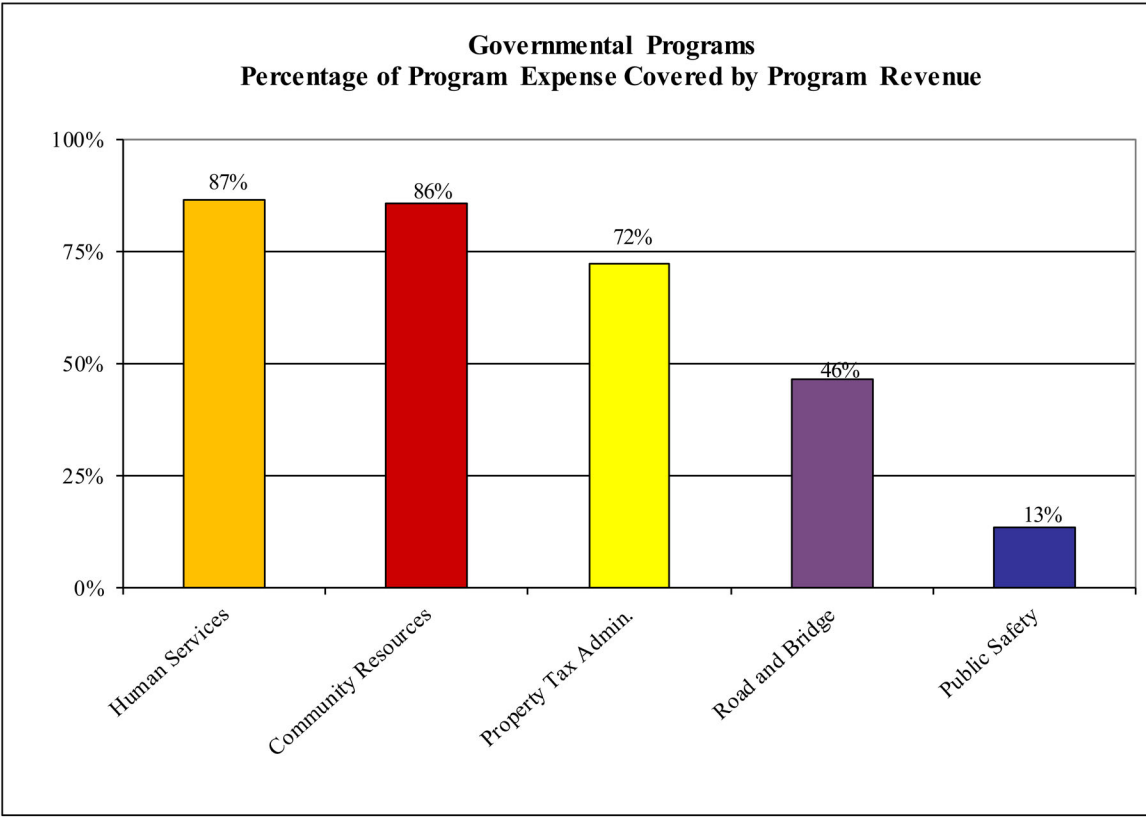
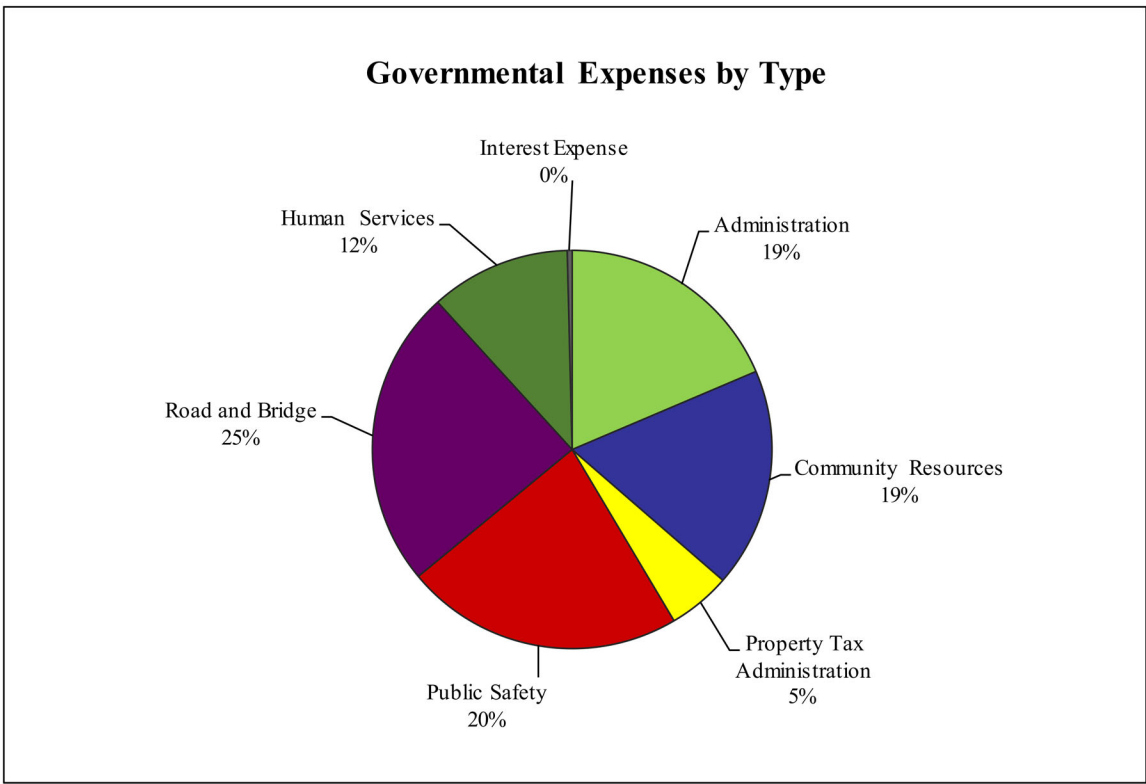
The primary changes are as follows: Administration increased \$.1 million or 100% as paving and small bridge surveys were completed in 2022. Surveys are not annual events. Diesel and gasoline costs increased by \$.2 million or 9% over prior year due to the cost of inflation. Dust retardant increased by \$.1 million or 22% due to increased costs from inflation and an increase in the number of gallons purchased. Chip and seal increased by \$1.8 million or 570% due to the increase in the cost per square yard of chip and seal. The cost increased \$1.06 or 53% to \$3.05 per square yard in 2022. In 2022, 37.41 miles were chip and sealed compared to 10.89 miles in 2021. An increase of 26.52 miles. Patching increased by \$.2 million or 539862% because patching repairs vary from year to year depending on the condition of the roads. These increases were offset by a \$.6 million decrease or 100% in small bridge repairs in 2022. There were no minor bridge repairs in 2022.

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. Unrestricted investment earnings are negative due to the increase in the Federal fund rates, which resulted in a decrease in the fair market value of the investments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2022



Note: The program revenue shown in the above graph does not include capital grants and contributions and charges for services related to capital totaling \$.3 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, 2022

Business-type Activities

Total net position from Business-type Activities increased \$13.8 million or 17% to \$93.8 million from the prior year. The key factors related to this increase follow.

Yampa Valley Regional Airport (YVRA)

Total net position increased \$13.2 million or 18% to \$88.5 million from the prior year and consists of \$67.5 million in net investment in capital assets, \$20.7 million in unrestricted net position, and \$.3 million in restricted net position. Net investment in capital assets increased \$6.1 million or 10% to \$67.5 million from the prior year. Increases to net investment in capital assets consist of \$10.6 million of capital additions. Decreases to net investment in capital assets consist of depreciation expense of \$3.8 million, the change in retainage payable of \$.6 million, and deletion of assets of \$.1 million. Unrestricted net position increased \$7.0 million or 51% to \$20.7 million from the prior year. The following is an explanation of significant revenue and expense changes from the prior year.

YVRA loss from operations decreased \$1.3 million or 68% from a loss of \$1.9 million in 2021 to a net loss of \$.6 million in 2022. YVRA relies on federal and state grants as opposed to fees to fund a significant amount of capital additions and replacements. YVRA anticipates using a portion of the decrease in the operating loss to fund a larger terminal building to accommodate the increase in enplanements discussed below. The \$.6 million operating loss is primarily generated from the following items.

YVRA operating revenues increased \$2.0 million or 29% to \$9.0 million from the prior year. Charges for Services increased \$1.8 million or 27% to \$8.5 million from the prior year. The increase is primarily due to an increase in enplanements of 46,764 or 30% to 200,204 due to an increase in competition between the six airline carriers and increased number of flights during the summer months for United Airlines and Southwest.

YVRA operating expenses increased \$.7 million or 8% to \$9.6 million. The increase is related to the following items. Personnel costs increased \$.5 million or 17% to \$3.5 million from the prior year. The change resulted from an increase in compensation and health insurance to remain competitive in the market. An increase of 1.51 FTEs or 4% to 42.69 FTEs to add two part-time Maintenance Workers in the Terminal, and to change three seasonal Counter Attendants in the restaurant plus one Retail Lead and two Retail Associates in the General Store from seasonal to part time, and an increase of three seasonal Passenger Service Representatives to accommodate the increase in passengers. Purchased services and supplies increased \$.2 million or 10% to \$1.9 million primarily related to an increase of \$.1 million or 47% to \$.4 million in costs of good sold for the restaurant and general store, and a \$.1 million increase or 92% to \$.1 million for Casualty and Property Pool (CAPP) Insurance in 2022. Depreciation expense remained consistent to the prior year at \$3.8 million.

Capital Grants and contributions increased \$7.5 million or 441% to \$9.2 million from the prior year primarily due to the de-ice pad project that was completed in 2022 and the rental car wash facility that was started in 2022. The de-ice pad project cost is \$6.3 million and was mostly complete in 2022, which was primarily funded through the FAA (Federal Aviation Administration). FAA funding in 2022 for the de-ice pad project increased \$5.7 or 100% million from the prior year. YVRA started the construction of the \$4.0 million rental car wash facility in 2022 and is expected to be complete in 2023. The rental car wash facility project cost for 2022 was \$2.1 million and was partially paid for by customer facility charges (CFC) of \$1.8 million charged to rental companies. The remaining balance to fund the construction of the car wash facility will be funded from reserves initially and over time the reserves will be replenished from future CFC collections. In 2022, YVRA collected \$.3 million in CFC fees, if this trend continues, the replenishment of the reserves for the car wash facility will take approximately 7 years.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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In 2022, YVRA replaced a snow removal truck with a rotary broom increasing FAA funds \$.6 million or 100% from prior year. The General Aviation and Terminal Area (GATA) Plan was also started in 2022 and increased FAA funding by \$.2 million or 100% from the prior year. The GATA plan was initiated as a result of the significant increase in passengers over the last two years, which has caused congestion in the terminal. The GATA Plan will provide conceptual floor plans and cost estimates for a future terminal expansion. In 2021, YVRA installed a backup generator and solar array system to provide back-up power to the terminal and key flight safety operations for a cost of \$.5 million and \$.7 million, respectively. YVRA received in 2021 \$.4 million in FAA funding for the backup power generator and a \$.3 million in donations from the City of Steamboat Springs for the solar array project. YVRA had a decrease of \$.1 million or 100% to \$0.0 million in 2022 of CARES Act capital funding as the terminal, trash enclosure, and radio and situation awareness systems were finished in 2021. Passenger facility charges remained consistent at \$.7 million for 2022, from prior year.

Intergovernmental revenue increased \$.4 million or 10% to \$4.5 million from the prior year due the increase in personnel and operations for 2022. YVRA was awarded an \$18.7 million in COVID-19 CARES Act grant in 2020. YVRA was awarded a \$1.3 million of Airport Coronavirus Relief Grant Program (ACRGP) through the Coronavirus Response and Relief Supplemental Appropriation Act in 2021. YVRA was awarded \$1.9 million in Airport Rescue Grant (ARG) through the American Rescue Plan Act in 2021. The CARES Act, ACRGP, and ARG funding were used to help cover the costs of personnel and operations during 2022. All three grants are expected to be fully spent by the end of 2024.

Regional Building Department

Unrestricted net position for the Regional Building Department (RBD) increased \$.6 million or 15% to \$4.6 million compared to the prior year. Operating income decreased \$.1 million or 11% from the prior year to \$.8 million. The \$.8 million operating net income was offset by a \$.2 million transfer to the Equipment Pool to digitize various historical permit documents. Significant changes in revenues and expenses are as follows.

Building permit fees increased \$.1 million or 4% to \$2.5 million. The increase in permit fees is due to an increase in new construction projects, both commercial and residential.

Personnel costs for the Regional Building Department increased \$.1 million or 10% to \$1.1 million as a result of an increase of 1.35 FTEs or 15% to 10.41 FTEs to add a Permit Technician and 35% of a Code Enforcement Officer to be shared with the Planning department.

Operating expenses increased \$.1 million or 20% to \$.6 million as a result of increased costs related to professional services, continuing education, software costs, motor pool charges and a decrease in software implementation. There was an increase in professional services as RGB agreed to help cover the costs of a new building inspector position within the City of Steamboat Springs in 2022. There was an increase in continuing education for additional training to stay current with new codes and for a new employee to become current with county codes and regulations. Software costs increased due to the land management software implementation in 2021 and the County paying for their porting of the software upgrade and server costs to the City of Steamboat Springs in 2022. Motor pool charges increase in 2022 due to an increase in the number of inspections being performed due to the increase in construction throughout the County as noted above.



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 \$37.6 million, an increase of \$1.4 million, or 4% from the prior year. A description of the types and changes in fund balance follows.

Nonspendable fund balance decreased \$.4 million or 67% to \$.2 million from the prior year. Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form or are legally, or contractually required to be maintained intact. Restricted fund balance increased \$1.9 million or 25% to \$9.5 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 remained consistent at \$27.9 million. 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 \$1.0 million or 4% to \$24.1 million from the prior year.

Nonspendable fund balance decreased by \$.3 million or 75% to \$.1 million from the prior year. The decrease in non-spendable fund balance is due to use of \$.3 million in prepaid health insurance expense in 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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The restricted fund balance increased \$1.9 million or 25% to \$9.5 million from the prior year. The change in restricted fund balance is primarily due to the Purchase of Development Rights (PDR) increase of \$1.6 million or 29% to \$7.2 million from the prior year related to existing projects being delayed due to the complexity of the projects and the Taxpayer Bill of Rights (TABOR) restricted fund balance increasing \$.1 million or 10% to \$1.3 million related to an increase various revenues.

The committed reserve decreased \$.6 million or 4% to \$14.5 million and is composed of the following items.

The 10% Committed Reserve increased \$.1 million or 4% to \$2.5 million from the prior year and the Capital Committed Reserve decreased by \$.7 million or 6% to \$12.0 million from the prior year.

The 10% Committed Reserve Policy was adopted 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 was adopted by a resolution of the Board to sets aside funds for the acquisition of capital assets additions 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 revenue in a calendar year greater than \$235,000, and other funds as designated by the Board of County Commissioners.

The Capital Committed Reserve is funded in 2022 by \$.4 million of severance tax, \$1.6 million of building use tax, a \$1.0 million transfer from the County's Insurance Pool, and \$1.5 million from various favorable budget variances in the General Fund and Road and Bridge Fund. The Capital Committed Reserve provided \$9.2 million for the new Health and Human Service Building construction in 2022.

The 2022 Capital Committed Reserve ending balance includes \$3.0 million for the completion of the Health and Human Services Building construction in 2023, \$4.0 million for the replacement of the sewage lagoons at the Milner and Phippsburg Sanitation Systems, and \$5.0 million for other capital projects.

Road and Bridge Fund

The Road and Bridge total fund balance decreased \$.4 million or 4% to \$9.8 million from the prior year.

The Road and Bridge nonspendable fund balance remained at \$.1 million.

The Road and Bridge committed fund balance decreased \$.4 million or 4% to \$9.7 million from the prior year. The original Road and Bridge budget anticipated a \$3.7 million decrease in committed fund balance due to the planned maintenance and replacement of various infrastructure items, but ended the year with a \$.4 million decrease. The following items explain the primary reasons for the change in the original budgeted committed fund balance and the actual ending committed fund balance.

Sales tax revenue had a 232% or \$3.6 million favorable budget variance due to an increase in the percentage of total sales tax allocated to Road and Bridge from the County's total actual sales tax collections in 2022. The 2022 planned sales tax allocation was 85% to the General Fund and 15% to the Road and Bridge Fund. After meeting the 10% General Fund Committed Reserve Balance, the General Fund Capital Committed Reserve and the ability to fund the replacement of Road and Bridge infrastructure into the future for twenty years given certain assumptions in the 2023 budget, the 2022 actual sales tax allocation was decreased to 64% for the General Fund and increased to 36% for the Road and Bridge Fund.

The cost of chip and seal related to maintaining an asphalt road increased \$1.07 or 54% to \$3.05 per square yard for an unfavorable budget variance of \$.9 million or 66% due to labor shortages, supply chain issues, inflation, etc.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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The aforementioned unfavorable variance was offset by the following favorable variances: \$.2 million in personnel related to turnover vacancy savings, \$.2 million in asphalt patching due to the favorable condition of various asphalt roads, and \$.2 million in guardrail replacement being delayed due to the start of winter.

Human Services

The Human Services Fund committed fund balance increased \$.1 million or 25% to \$.5 million from the prior year. Estimated Federal and State program revenue allocations are set by the State each year and based on the State's reimbursement percentage expenditures are determined for each program. The County is required to prepare the budget using the State's program revenue allocations as compared to using historical trends and known changes. The difference between State allocated program revenues and program expenditures is funded with property tax revenue. Numerous factors affect actual program revenues and expenditures during the year such as amendments and client benefits being higher or lower than expected due to changing economic factors. The State's allocation has been historical higher than actual State and Federal program revenues as the case in the current year and results in an increase in fund balance because property tax revenue has been budgeted for the higher State allocation.

E911 Communications

The Communications Fund total fund balance increased \$.7 million or 28% to \$3.2 million from the prior year. The Communications Fund nonspendable fund balance decreased \$.1 million to \$0.0 million or 100% from the prior year. The Communications Fund committed fund balance increased \$.8 million or 32% to \$3.2 million from the prior year primarily due to the following. Staff vacancies in Dispatch resulted in a \$.7 million favorable personnel budget variance. The remaining \$.1 million is the result of an increase in the E911 surcharge fee increasing from \$1.24 to \$1.72 or 39%, and an increase in grant revenue to fund the Community Wildfire Protection Plan (CWPP).

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 increased \$10.0 million or 18% to \$64.6 million. Unrestricted net position increased \$.9 million or 6% to \$15.9 million from the prior year. Net investment in capital assets increased \$9.1 million or 23% to \$48.7 million from the prior year.

Equipment Pool

Unrestricted net position, which can be used for the future replacement of capital, increased \$.4 million or 3% to \$13.4 million from the prior year. The \$.4 million increase is due primarily to the following items. Equipment Pool operations, excluding depreciation, provided \$2.9 million to the unrestricted net position. Capital purchases in the current totaled \$11.7 million and after retainage of \$.6 million total \$11.1 million. Total transfers in from other funds are \$9.8 million to fund capital additions. Sale of assets provided \$1 million in proceeds primarily from heavy equipment asset auctions. Debt service of \$1.2 million on the Refunding Certificates of Participation Series 2012 was paid as planned. Net investment in capital increased \$9.1 million or 23% to \$48.7 million from the prior year. Capital purchases of \$11.1 million, after retainage, and a principal payment of \$1.1 million on capital-related debt contributed to an increase of \$12.2 million. Depreciation of \$3.1 million decreased net investment in capital. See "CAPITAL ASSETS AND DEBT ADMINISTRATION" for more details about significant capital and debt projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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Insurance Pool

The Insurance Pool's (Pool) unrestricted net position increased \$.5 million or 25% to \$2.5 million from the prior year. Unrestricted net position can be used to fund future claims for the County's three partially self-funded insurance plans: health and dental claims for employees and casualty and property claims for the County.

Actual County and employee health insurance contributions to the pool were flat compared to the budget at \$5.3 million in 2022. Actual medical claims are \$4.2 million and after stop loss revenue of \$.7 million total \$3.5 million in 2022 compared to the \$3.3 million budgeted. Stop loss insurance is for the County's losses greater than its \$75,000 per claim deductible. Operations expense for the health insurance plan is also flat compared to the budget in 2022. Unrestricted net position increased \$1.0 million actual from health insurance plan activity, which is lower than the \$1.2 million increase budgeted. Individual contributions from the County and employees were the same in 2022 as in 2021 due to 2020 and 2021 medical claims expenses being lower or near budget, contributions exceeding the cost of claims in 2022, and sufficient reserves available to fund future unforeseen increases in claims. No changes were made to health insurance benefits and the County continues to offer competitive health insurance benefits to employees.

Dental insurance being partially paid by the County is a new benefit in 2022. The County pays 70% and the employee pays 30%. Contributions to dental insurance by the County and employees were \$.2 million actual compared to \$.1 million budgeted due to more employees participating when the County began paying 70% of the cost. Claims expense is \$.2 million actual compared to \$.1 million budgeted and administration operations expense is flat compared to the budget. Unrestricted net position is not impacted by actual dental insurance plan activity in 2022. Stop loss insurance is not necessary for the dental insurance plan because the County's maximum dental claims expense per member is capped at \$1,500. Adding an employer contribution to the County's dental plan helps the County remain competitive with its employee benefits.

The County moved to a partially self-funded casualty and property (CAP) insurance plan in 2022 after its preliminary CAP insurance cost increased by 75% in 2021. The primary reason for the increase is the State Law Enforcement Integrity Act enacted in 2020, which expands the liability insurance coverage for law enforcement's conduct and the rising number of claims statewide involving law enforcement in recent years. The County's actual CAP contribution to the pool was equal to the 2022 budget of \$.9 million. Actual CAP claims expense is \$30,000 compared to the \$.5 million budgeted. The County's average annual CAP claims expense for the past 5 years is \$122,000 so the County anticipated building a reserve in 2022. There is no aggregate stop loss insurance for the CAP plan. Operating expenses were \$.4 million actual and flat compared to the budget in 2022. Operating expenses include plan administration, excess insurance coverage costs, and claims. Excess insurance coverage is for County losses greater than its \$75,000 per claim deductible. Unrestricted net position increased \$.5 million actual from CAP insurance plan activity compared to the \$0 in the budget.

Before transfer expense, total actual unrestricted net position increased \$1.5 million compared to the original \$1.2 million budgeted in 2022. After the \$1.0 million actual transfer from the pool to the General Fund Capital Committed Reserve, the increase in net position is \$.5 million. As mentioned previously, the Capital Committed Reserve is funding the construction of the new Health and Human Services building.

The pool's ending balance of \$2.5 million is expected to be sufficient to cover the difference between the County's maximum liability for medical claims of \$4.4 million and budgeted net medical claims of \$3.3 million, which is gross claims after individual stop loss revenue, or \$1.1 million and still have approximately \$1.4 million in reserves for dental claims and casualty and property claims.

General Fund Budgetary Highlights

Budget Amendments

Revenue Budget Amendments

The variance between the original revenue budget of \$36.0 million and the final amended revenue budget of \$38.0 million is a favorable variance of \$2.0 million or 6%. The primary items amending the revenue budget are as follow:

The original sales tax revenue budget was amended by an increase of \$.4 million or 5% to \$9.1 million. The unanticipated sales tax revenue was primarily used to fund personnel expense associated with the transition to a bi-weekly payroll, the 2021 market salary survey that was not completed prior to the adoption of the 2022 budget, and emergency water and sewer repairs for the Detention Center caused by foundation, soil erosion and plumbing issues.

The original intergovernmental revenue budget was amended by an increase of \$1.6 million or 57% to \$4.4 million. The Affordable Housing revenue budget amendment of \$1.0 million is for indirect federal American Rescue Plan Act (ARPA) revenue used to fund a contribution to the Yampa Valley Housing Authority (YVHA) for the infrastructure design of the Brown Ranch housing development. The Community Services revenue budget amendment of \$.4 million is for indirect federal ARPA revenue to partially fund the following projects: Town of Oak Creek's Sheriff's Reservoir, Morrison Creek wastewater system improvements, Town of Yampa wastewater system improvements, and improvements to the Town of Oak Creek community center.

Expenditure Budget Amendments

The variance between the original expense budget of \$37.9 million and the \$40.0 million final amended expense budget was an unfavorable variance of \$2.1 million or 6%. The significant expenditure budget amendments are as follows.

The Commissioners personnel budget amendment decreased expenditures by \$.2 million or 18% to \$.9 million. The decrease is primarily related to the Assistant County Manager position being vacant for \$.2 million and being offset by the 2021 salary survey and implementation of bi-weekly payroll.

The Facilities Management operations budget amendments increased expenditures by \$.2 million to \$3.4 million or 6% to fund the feasibility study for a childcare facility in Routt County, the Detention Center emergency water and sewer repairs, and an increase in natural gas costs. The Detention Center water and sewer repairs and increased natural gas costs were funded by unanticipated sales tax revenue. The childcare facility study was funded by a Colorado Department of Local Affairs (DOLA), grant the City of Steamboat Springs and County unanticipated sales tax revenue.

The Affordable Housing operations budget amendment increased expenditures \$1.0 million or 1000% to \$1.1 million to fund a contribution to the Yampa Valley Housing Authority for the infrastructure design of the Brown Ranch affordable housing development as mentioned above in revenue amendments.

The Community Services operations budget amendments increased expenditures \$.5 million or 50% to \$1.5 million to fund contributions to various organizations projects as mentioned above in the revenue amendments.

The Detention Center budget amendment increased expenditures by \$.2 million or 6% to \$3.5 million to fund increased compensation costs for the salary survey and the transition to a bi-weekly payroll. The salary survey increase is primarily related to the State Law Enforcement Integrity Act enacted in 2020 which holds law enforcement officers personally liable. The County is attempting to attract and retain staff. The personnel amendment was funded by unanticipated sales tax revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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The Sheriff's Department budget amendment increased expenditures by \$.5 million or 12% to \$4.7 million due to increased compensation costs for the salary survey and the transition to bi-weekly payroll. The salary survey increase is primarily related to the State Law Enforcement Integrity Act enacted in 2020, which holds law enforcement officers personally liable. The County is attempting to attract and retain staff. The personnel amendment was funded by unanticipated sales tax revenue.

Budget Variances

Revenue Variances

Total actual revenues of \$41.6 million have a \$3.6 million or 9% favorable variance from the \$38.0 million final budget. The significant revenue budget variances are discussed as follows.

Charges for sale and services has a favorable variance of \$.4 million or 10% from the final budget of \$4.2 million. The favorable variance is primarily related to the following items. Environmental Health had a favorable variance of \$30,000 or 14% above final budget due to an unexpected increase in food license fees and a favorable variance in wastewater testing fees. Extensions had a \$10,000 or 176% favorable variance primarily related to the donations towards the community gardens located on the grounds of UCHealth Yampa Valley Medical center. The Fair had a \$35,000 or 53% favorable variance primarily related to increased attendance during the annual Fair which lead to favorable variances for arena events, entertainment sales, and sponsorship sales. The Fair grounds RV Park had an unfavorable variance of \$23,000 or 35% due to the RV park stopped discontinued long term rentals to open up space for tourist and facility users. The Planning Department had a \$63,000 or 90% favorable variance due to larger than anticipated of building permit reviews in tandem with an increased capture rate of annual permits renewals and a larger than anticipated volume of plan reviews. The Clerk and Recorder's Office had a \$34,000 or 8% favorable variance in fees primarily related to favorable variance of \$55,000 or 156% of budget of documentary fees and an unfavorable variance of \$29,000 or 11% of budget of recording fees. Documentary fees and recording fees illustrate that there are more cash closings resulting in fewer document pages being recorded due to no deed of trust pages to record for cash closings. Motor Vehicle had a \$93,000 or 25% favorable variance due to an increase in fees pertaining to City/County/Vendor fees, licensing fees, title fees and late fees. Vehicle registration in 2022 trended down from 2021 but are expected to remain strong as those vehicles that have been backordered are delivered. Public Trustee had a \$31,000 or 47% unfavorable variance due to a strong real estate market, low interest rates, and the COVID-19 foreclosure moratorium which was lifted in June 2022. The Office of Emergency Management had a \$37,000 or 100% favorable variance due to the 2019 Indian Run Fire being less costly than expected and the liability being written off in 2022. The remainder of the change represents numerous small balances.

Intergovernmental revenues has a favorable variance of \$3.7 million or 85% from the final budget of \$4.4 million. The favorable variance is primarily related to the following items. COVID-19 revenue had a favorable variance of \$4.1 million or 292% to a 2022 balance of \$5.5 million. This variance is related to the ARPA and LATCF funding received from the U.S. Treasury and the County Commissioners approving several projects to be funded. The Clerk and Recorder's office had a \$48,000 or 571% favorable variance due to the state grant received to help fund the digital archive project that was started in 2022. Public Health had a \$.1 million or 19% favorable variance due to the COVID-19 funding received through the Epidemiology Laboratory and Capacity (ELC), Center for Disease Control (CDC) Workforce and COVID-19 Immunization grants during 2022. The fairgrounds had a \$.2 million or 89% unfavorable variance due to not receiving a grant that was anticipated to be received to help fund the replacement of the arena railing. Facility maintenance had a \$.6 million or 100% unfavorable variance due to not receiving a state grant to help fund a portion of the new Health and Human Services building. The County had a \$.1 million or 31% favorable variance primarily due to severance taxes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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Transfer Variances

Transfer revenue has a favorable variance of \$1.0 million or 100% from the final budget of \$0.0 million. The primary reason for the favorable budget variance is a \$1.0 million transfer from the Insurance Pool to the Capital Committed Reserve for the construction of the new Health and Human Services building.

Expenditure Variances

Total actual expenditures of \$31.7 million have a favorable \$8.2 million or 21% variance compared to the \$40.0 million final budget. The significant budget variances are discussed as follows.

Purchase of Development Rights (PDR) has a favorable variance of \$7.3 million or 94% compared to the final budget of \$7.7 million after existing projects were delayed due to the complexity of the projects.

Information Technology had a favorable variance of \$.2 million or 6% compared to the final budget of \$3.0 million due to replacement equipment being pushed to 2023, delaying the upgrade to Microsoft Office 365 until 2023, and less travel by the staff for professional development in 2023.

Museums has a favorable variance of \$.2 million or 37% compared to final budget of \$.6 million due primarily to budgeting the maximum spending authority amount for Capacity Building Grants which fund historic preservation activities. The amount of spending depends on the number of active projects in any given year.

Planning has a favorable variance of \$.1 million or 9% compared to the final budget of \$1.3 million due to a \$.1 million in professional services for the Master Plan regulation rewrites being pushed to 2023.

Transfers out Variance

Total transfers of \$9.8 million have a favorable variance of \$3.6 million or 27% compared to the final budget of \$13.5 million due to the new DHS building not being fully completed and less funds were needed to be transferred to the Equipment Pool.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During 2022, the County's capital assets increased \$21.6 million or 7% to \$310.5 million. Capital assets include heavy equipment, motor vehicles, E911 communication equipment, buildings, road and bridge infrastructure, airport infrastructure, equipment and facilities, other, and water and sewer systems. Governmental Activities capital increased \$11.6 million or 6% to \$198.9 million. Business-type Activities capital increased \$10.0 million or 10% to \$111.6 million.

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		2022 2021		
	2022	2021	2022	2021	2022	2021	
Land and improvements	\$ 5.0	\$ 5.0	\$ 55.8	\$ 55.8	\$ 60.8	\$ 60.8	
Buildings and improvements	44.8	44.7	28.1	28.2	72.9	72.9	
Equipment	30.9	30.1	13.4	11.9	44.3	42.0	
Infrastructure	103.9	103.1	-	-	103.9	103.1	
Water system	-	-	2.0	2.0	2.0	2.0	
Sewer system	-	-	1.8	1.8	1.8	1.8	
Other	2.4	2.3	0.2	0.2	2.6	2.5	
Construction in progress	11.9	2.1	10.3	1.7	22.2	3.8	
Total capital assets	198.9	187.3	111.6	101.6	310.5	288.9	
Accumulated depreciation/amortization	(67.7)	(64.3)	(42.9)	(39.6)	(110.6)	(103.9)	
Total	<u>\$ 131.2</u>	<u>\$ 123.0</u>	<u>\$ 68.7</u>	<u>\$ 62.0</u>	<u>\$ 199.9</u>	<u>\$ 185.0</u>	

Major Governmental-type Capital Asset Projects

During 2022, 7.03 miles of County Roads were overlaid for \$1.6 million. The 7.03 miles of overlaid roads represent 6% of the paved road system. Heavy equipment replacements purchases totaled \$1.4 million for two loaders, two graders, a steel roller, a weed sprayer, and a mini excavator trailer.

The County completed \$9.7 million in Facilities Management capital projects in 2022. The original budget for the Health and Human Services (HHS) building projected completing \$12.1 million of the \$14.1 million project in 2022 based on the estimated construction schedule prior to finalizing the construction contract. The County demolished the HHS building and began construction of the HHS building in 2021. HHS building construction costs in 2022 are \$9.2 million with approximately 80% of the project complete at year-end. The HHS building project is anticipated to be completed in May 2023 and is funded by reserves. Security upgrades at the Historic Courthouse and Annex are \$.3 million in 2022 with \$.1 million scheduled in 2023. Other capital project expenses totaling \$.2 million in 2022 include the replacement of digital security cameras, metal detector and X-ray scanner at the Justice Center, HVAC (heating, ventilation and air conditioning) controls software upgrade in the Historic Courthouse and roof top unit in the Annex building for the Information Technology server room.

The County replaced the E911 communication Farewell Mountain solar panel system in 2022 for \$.2 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
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The County completed the replacement of the Oak Creek Building in 2022 that houses the equipment for the communication tower for a total cost of \$.1 million.

The County started a digital archiving project to scan historical documents from several departments. In 2022, the County started with the Regional Building Department, spent \$.2 million, and is expected to be completed in 2023 for a total project cost \$.5 million. A similar project will be started in 2023 for the Treasurer's Office and Environmental Health for approximately \$.3 million.

Major Business-type Capital Asset Projects

YVRA in 2022 completed the 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 2022 for the de-ice pad is \$6.0 million and the total project cost is \$6.3 million. YVRA in late 2022 started the construction of the rental car wash facility. The car wash facility accumulated \$2.1 million in costs during 2022 and is expected to be completed mid-2023 for a total cost of \$4.0 million. In 2022 YVRA completed the baggage claim addition for Southwest Airlines for a total costs in 2022 of \$.4 million and total project cost of \$.5 million. YVRA added a broom truck to its fleet to provide snow removal and incurred \$.5 million in 2022 for a total cost of \$.6 million. In 2022, YVRA finalized the solar array and back-up power project incurring \$12,000 and \$.2 million, respectively, in 2022 and a total project cost of \$.7 million and \$.7 million, respectively.

Route County, Colorado
Outstanding Debt
 (in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Certificates of participation	\$ 3.5	\$ 4.6	\$ -	\$ -	\$ 3.5	\$ 4.6
Revenue loans	-	-	-	0.1	-	0.1
Total	<u>\$ 3.5</u>	<u>\$ 4.6</u>	<u>\$ -</u>	<u>\$ 0.1</u>	<u>\$ 3.5</u>	<u>\$ 4.7</u>

Long-term Debt

After making a principal payment of \$1.1 million in 2022 on the Series 2012 Refunding Certificates of Participation, the outstanding balance for Governmental Activities, long-term debt is \$3.5 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 less than \$.1 million for the Phippsburg Water and Sanitation System to finance a portion of the water filtration and wastewater systems, consisting of two loans with the State of Colorado under the Energy and Mineral Assistance program.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The 2023 Routt County budget projects \$80.3 million in revenues and \$90.2 million in expenses resulting in \$9.9 million of expenses over revenues, and after removing \$.5 million of non-cash expenses such as depreciation, the use of reserves is \$9.4 million. The 2023 budget, as compared to the 2022 budget, includes a \$1.8 million or 2% increase in revenues and a \$2.5 million or 3% decrease in expenses. Revenues, expenditures, and reserves are balanced twenty years into the future. The 2023 budget is separated into Governmental Activities and Business-type Activities and the 2023 highlights are as follows. The entire ROUTT COUNTY 2023 BUDGET is published on the County's website at co.routt.co.us.

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 increase \$5.7 million or 11% to \$59.9 million, expenses are anticipated to increase \$2.1 million or 3% to \$75.3 million and, results in expenses over revenues of \$15.4 million.

The primary reasons for the projected decrease in reserves are \$5.1 million in capital expenditures for the construction of the new Health and Human Services building, \$7.0 million for Purchase of Development Rights acquisition, \$2.1 million for planned Road and Bridge overlay and chip and seal projects, \$1.6 million for planned equipment replacements, and \$.2 million for completion of existing Museum's projects which are offset by a \$.5 million increase in Insurance Pool reserves for the County's partially self-funded health, dental and casualty and property insurances.

Revenue

Governmental Activities revenues are anticipated to increase by \$5.7 million or 11% from \$54.2 million budgeted for 2022 to \$59.9 million budgeted for 2023. Noted below are the primary reasons for the changes in revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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Property Taxes

Property tax revenue from all sources is anticipated to increase \$1.1 million or 4% to \$25.2 million over the 2022 budget. The primary changes in property tax are as follows.

The County's base property tax revenue (General Fund, Road and Bridge, E911, Communications, and Human Services) is anticipated to increase by \$1.8 million or 9.8% to \$20.0 million and is limited by the Taxpayers Bill of Rights (TABOR). The TABOR property tax revenue limit increase of 9.8% is composed of a 1.5% increase from new construction and an 8.3% increase from inflation. In 2023, taxes abated and refunded total \$.3 million and is composed of \$.1 million for abatements and \$.2 million from a TABOR CPI (consumer price index) estimation variance refund. Voter-approved property taxes provide revenue for the Purchase of Development Rights Program, Museums, and Developmental Disabilities which increased less than 1% to \$3.7 million. Overall, Routt County's 2023 net assessed valuation increased \$7.6 million or .57% to \$1.3 billion.

Sales Taxes

Sales tax from all sources is anticipated to increase by \$2.2 million or 21% to \$12.4 million above the 2022 budget. Sales tax is composed of a 1% sales tax, a 1% building use tax, and a 1% auto use tax. The primary changes in sales and use tax are noted below.

Sales tax is anticipated to increase by \$2.1 million or 26% to \$10.2 million over the 2022 budget. The significant increase in sales tax revenue is attributed to a more affluent population driven by an influx of second homeowners, additional visitors coming through the Yampa Valley Regional Airport positively impacting lodging, restaurant, and merchandise sales, internet sales resulting from "Wayfair," and the pent-up post-pandemic consumer demand. The County is projecting a 26% increase in 2023 as the combination of unprecedented annual increases and looming recession concerns may indicate that sales tax revenue could slow in the near future.

Building use tax is anticipated to increase by \$.1 million or 5% to \$1.7 over the 2022 budget due to strong construction activity, price inflation for labor and materials, and a higher number of more expensive homes above the middle-class range being built. These trends are anticipated to continue in 2023 but at a slower rate. Given the uncertainty of the building industry, the building use tax budget for 2024-2042 has been reduced to \$.5 million, which is a more conservative amount and similar to prior year budgets. The favorable budget variances help build the County's committed reserve for capital projects.

Auto use tax is anticipated to remain unchanged for 2023. The projected 2022 auto use tax revenue is \$1.0 million or 58% over budget. The 2023 budget is 37% lower than the amount projected in 2022 due to a slowdown in pent-up demand for cars as the inventory of available cars increases, rising interest rates, and a possible loss of consumer confidence due to recession concerns.

State

State revenues are anticipated to decrease by \$.2 million or 3% to \$6.1 million under the 2022 budget. The change is primarily related to the award of a \$.2 million Jail Based Behavioral Health Services (JBBS) Coordinator grant in the detention center, a decrease of \$.6 million due to the County not receiving a grant budgeted for funding the Health Human Services building construction in 2022, and a \$.2 million increase in Health and Human Services operating grants mainly for Child Welfare and the Collaborative Management Program (CMP).

Federal

Federal revenues are anticipated to increase by \$.9 million or 14% to \$7.7 million over the 2022 budget primarily because of the changes in revenues noted below.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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Public Health is anticipated to decrease by \$.2 million or 38% to \$.4 million below the 2022 budget. CORE FUNDING which is funded through grants are anticipated to remain consistent at \$.1 million. Core services include Local Public Health Care (LPHA), Emergency Preparedness Regional (EPR), Mother Child Health (MCH), Child Fatality Program, and Immunizations. NON-CORE FUNDING is anticipated to decrease by \$.2 million or 38% to \$.3 million below the 2022 budget. Non-Core funding includes COVID-19 Immunizations, Community Health Assessment Plan (CHAP), Epidemiologist Laboratory Capacity (ELC), and the CDC Workforce program. ELC is anticipated to decrease \$.2 million or 62% to \$.1 million due to fewer COVID-19 cases within the County. The CDC Workforce program is anticipated to increase by \$.1 million or 100% to \$.1 million due to this being a one-time funding source to help the County maintain employment levels within the Public Health Department.

Human Services is anticipated to increase by \$1.1 million or 31% to \$4.5 million over the 2022 budget due primarily to the following programs. Economic Security is anticipated to increase by \$.7 million due to an anticipated increase in services for the Supplemental Nutritional Assistance Program (SNAP). Benefits have increased steadily over the last several years due to the Federal Government allowing for the Maximum Allotment due to the Public Health Emergency. Maximum Allotment will enable individuals and families to receive their maximum allowable benefit automatically. Food assistance benefits are 100% federal grant funded. County Administration increased \$.1 million due to increased federal reimbursement as the result of increased costs allocated to Human Services in the County's Cost Allocation Plan. These costs are attributable to the demolition of the old Human Services building and the start of construction on the new Health and Human Services building. The Colorado Child Care Assistance Program (CCCAP) allocation is anticipated to increase by \$.1 million due to an increase in the base allocation and an additional allocation for Expansion and Infant Toddler Stimulus funds. First Impressions Colorado Department of Human Services (CDHS) revenue is anticipated to increase by \$.1 million partly to fund the new Local Coordinator position and due to an increased revenue allocation for Systems Building and Colorado Shines Quality Improvement (CSQI).

Fees

Fee revenues are anticipated to increase by \$.7 million or 13% to \$5.8 million over the 2022 budget primarily because of the changes in revenues noted below.

Accounting overhead fees are anticipated to increase by \$.5 million or 33% to \$2.2 million above the 2022 budget. The increase results from more overhead charges being allocated to the following departments due to less time being charged to COVID-19 activities instead. The Fair Department overhead costs are anticipated to increase \$44,000 due to more costs allocate by Accounting and the Treasurer's office related to the Junior Livestock Sale. The Planning Department overhead costs are increase \$.1 million due to more costs being allocated by Information Technologies (IT), Accounting, and Geographical Information Systems (GIS) primarily relate to the Master Plan update. The Department of Human Services (DHS) overhead costs are anticipated to increase \$.2 million due to more costs allocated by Facilities Management and the Attorney related to the construction of the new Health and Human Services building and the Human Services attorney changed from a part-time to a full-time employee. The Building Department overhead costs are anticipated to increase \$.1 million due to an increase in overhead allocation from IT and Accounting related to annual support and maintenance costs for the County's new land management software. Yampa Valley Regional Airport overhead costs are anticipated to increase \$.1 million due to more costs being allocated by IT, Accounting, the Treasurer's Office, Human Resources, and the Board of County Commissioners as a result of increased staffing levels at the airport due to COVID-19 and an increase in the number of travelers passing through the airport.

E911/Communications fees are anticipated to increase \$.1 million or 14% to \$.7 million over the 2022 budget. E911 surcharges are planned to increase by \$.25 to \$1.97 or 14% per phone line, which will go into effect on January 1, 2023. This is the result of an increase in the rate threshold set by the Public Utilities Commission (PUC).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
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Environmental Health fees are anticipated to increase by \$.1 million or 29% to \$.3 million above the 2022 budget. Food licensing fees are anticipated to increase by \$10,000 or 11% based on the allocation from the State, and onsite wastewater treatment system (OWTS) fees are anticipated to increase by \$42,000 or 100%. The OWTS fee increase is the result of the new wastewater permit fee increase from \$700 to \$1,000 for 2023 and the repair wastewater permit fee will increase from \$400 to \$500 over the prior year's budget.

Road and Bridge fees are anticipated to decrease by \$.2 million or 61% to \$.1 million below the prior year's budget. The decrease is primarily due to the Haul Road maintenance agreement with the Coal Mine. County Road 27 was chip and sealed in 2022. The County received a one-time payment in 2022 from the mine for a share of the maintenance costs per the maintenance agreement.

Other Revenue

Other Revenues are anticipated to increase by \$1.3 million or 129% to \$2.3 million over the 2022 budget primarily because of the changes in revenues noted below.

Information Technology fees are projected to increase \$.1 million or 146% to \$.2 million above the prior year's budget primarily due to \$.1 million in local revenue from the City of Steamboat Springs. The County and City will split 50/50 the cost of the \$.2 million hardware replacement for the County's E911 computer-aided dispatch/records management system.

Interest revenue is anticipated to increase by \$1.0 million or 1,648% to \$1.1 million above the 2022 budget, primarily due to an increase in interest rates. The County's budgeted interest rate on investments is increasing from 0.1% in 2022 to 2.0% in 2023 due to the impacts of the Federal Reserve's rate increases beginning in 2023, with rates anticipated to remain at current levels or increase during 2023.

Expense

Governmental Activities expenses are budgeted to increase from the 2022 budget by \$2.1 million or 3% to \$75.3 million in the 2023 budget. Noted below are the primary reasons for the changes in expenses.

Personnel

Total personnel expenses are projected to increase \$3.9 million to \$31.1 million or 14% above the 2022 budget.

Salary initiatives include a 7% across-the-board increase and an anniversary step for eligible employees at \$1.7 million plus \$.1 million for all elected officials starting a new term in January 2023. A salary survey completed in October 2022 will be implemented in 2023 for positions showing the need for a market adjustment of 5% or greater, totaling \$.2 million. For all 11-Step pay scales, the market value will be moved from Step 6 to Step 3. In 2023, this change will immediately benefit employees currently on the bottom three steps and some off-step employees who will come back onto the pay scale at the top end. It provides three additional annual steps in future years for the balance of the workforce. The modification of the step system is planned to cost \$.2 million.

Full Time Equivalent (FTEs) increased 5.52 FTEs or 2% to 260.93 FTEs, which is an increase of \$.5 million or 27% in 2023. This change includes a 5.11 increase in FTEs and a 0.41 overall change in FTEs related to overtime. The primary changes are as follows:

Accounting increased by 1.64 FTEs from a 1.75 increase in FTEs and a 0.11 decrease in FTEs related to overtime. The addition of a .75 FTE allows for one year of training due to turnover at an Accounting Manager position, an addition of a full-time Accountant is for salary/benefit projection module maintenance and general ledger work to close the books of the County sooner after year-end.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
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County Attorney increased 1.0 FTE for an Assistant County Attorney to help with the increasing workload related to anticipated property tax appeals.

Detention Center increased by 1.0 FTE for a full-time Jail Based Behavioral Health Services Coordinator. This state-mandated program provides behavioral health services to inmates and supports continuity of care within the community after release from incarceration. The State of Colorado fully funds the position.

Environmental Health increased by 1.0 FTE to add an Environmental Health Specialist with an emphasis on the Onsite Wastewater Treatment System Programs.

Information Technologies increased by 1.0 FTE for an Information Systems Analyst to address County growth, technology requirement changes, and security. The position will allow for greater specialization in areas of security, identity, and recovery while providing backup and cross training among system administrators.

Sheriff increased by 1.0 FTE for a full-time Patrol Deputy. This position will contribute to the overall safety of the community.

Department of Human Services FTEs increased by 1.57 or 7% to 23.50 FTEs. A combined increase of 0.57 FTE include an increase in two part-time positions in 2022. The Collaborative Management Program (CMP) Coordinator's hours increased from part-time to full-time in order to handle the program's increased need and scope. The CMP coordinates the efforts of agencies that serve at-risk children, youth, and families. The second position is a Child Welfare Case Aid. This position increased from 25 to 28 hours to meet the needs of the department. A 1.0 FTE Local Coordinating Organization Director for First Impressions will be added as new funding for it began with the state fiscal year that began July 1, 2022. The Local Coordinating Organization Director will manage the standardized preschool program, which will require additional duties and program management.

The FTE increases are offset by a Treasurer 1.0 FTE, which eliminates a Deputy position that has not been filled in the last two budget cycles.

Public Health decreased by 1.35 FTEs or 17% to 6.38 FTEs from eliminating the full-time Epidemiologist/Data Manager and reducing the Contact Tracer staffing budget to reflect the end of COVID-19 funding as of June 30, 2023, when the State's current fiscal year ends. A full-time position for an Emergency Preparedness and Response Coordinator position was reinstated in July of 2022 at the start of the State's current funding year and is budgeted to continue through the County's 2023 fiscal year.

Health Insurance premiums are anticipated to decrease by \$.2 million due to lower contributions from the County and from employees. Employee contributions to the PPO (Preferred Provider Organization) plan are anticipated to decrease by 1% of the total premium from 12% or \$3,529 annually to 11% or \$3,251 annually for family coverage and from 6% or \$706 annually to 5% or \$591 annually for single coverage. Employer contributions are planned to decrease by 5% for both the PPO and high-deductible plans. The County is partially self-insured for health insurance and sets the premiums to cover claims, stop-loss insurance, administrative expense, etc. The 2023 decrease in health insurance premiums is made possible due to premiums exceeding the costs of administrative expenses and claims in 2022 with \$1.0 million in excess reserves being transferred to the General Fund for the construction of the new Health and Human Services building and having sufficient reserves available to fund future unforeseen increases in claims. In 2023, countywide claims and administrative expenses are anticipated to increase by \$.3 million while revenues are anticipated to decrease by \$.4 million, resulting in a negative \$.7 million, of which the Governmental Activities share of this change is an increase in personnel costs of \$.6 million. The overall impact of these changes on the County's Governmental Activities is a \$.4 million increase in costs for 2023. The County's goal is to fund the medical costs of County staff consistently and sustainably while offering a competitive health insurance benefit to employees.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
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Dental Insurance premiums are paid 70% by the County and 30% by the employee. Premiums will not change for the employer or employee in 2023. The County is self-insured for dental insurance and sets the premiums to cover claims, administrative expenses, etc. Dental claims and administrative costs countywide are anticipated to increase by \$52,000 while revenues are anticipated to increase by \$49,000, resulting in a negative \$3,000, of which the governmental share of this change is an increase to personnel costs of \$3,000. The County's goal is to fund the dental costs of County staff consistently and sustainably and offer a competitive dental insurance benefit to employees.

Operations

Operating costs are budgeted to increase by \$3.5 million or 13% to \$29.4 million over the 2022 budget.

Casualty and Property Pool (CAPP) Insurance expense decreased by \$.2 million or 28% to \$512,000 below the prior year's budget. The County is reducing the funding to the Insurance Pool for CAPP insurance by \$.2 million or 26% to \$.6 million, which covers fixed costs for self-insurance administration, excess insurance and claims for a net income of zero leaving a projected reserve at the end of 2023 of \$.5 million. Based on the County's 15-year claims expense of \$76,000 and excess insurance coverage the \$.5 million projected reserve in 2023 for future CAPP claims appears to be sufficient. Consideration has been given to national factors such as hurricanes, inflation, and high jury awards in regard to law enforcement and employment-related claims.

Community Services decreased \$.2 million or 17% to \$.9 million under the 2022 budget due to the following items. The three-year Rural Economic Development Initiative (REDI) grant, which began in 2021, is 75% complete at the end of 2022 and results in a \$.1 million decrease in costs for the 2023 budget. The grant is designed to generate economic resilience and diversification away from tourism, coal mining, and coal-fired power plants. REDI will educate the counties on how to grow economically diverse revenues for a solid revenue base. REDI includes the counties of Routt, Moffat, and Rio Blanco and the major towns and municipalities in those counties. Funding is provided by various grants and contributions from local organizations. The total three-year cost of REDI is \$.6 million. In addition, the 2022 budget included a cost of \$.1 million for a health insurance purchasing alliance (Alliance) to perform an analysis to evaluate the local cost of health care and identify solutions that could benefit all residents of Routt County. The project was completed in 2022.

Planning operating costs increased by \$.1 million or 24% to \$.7 million over the prior year. The Master Plan policy update process was completed in 2022. The completion of the Master Plan update in 2022 require a rewrite of the County Planning, Zoning, and Subdivision Regulations. The County anticipates receiving a \$100,000 State grant to cover 50% of the anticipated \$200,000 cost to rewrite the regulations.

Facilities Management increased \$.2 million or 9% to \$2.6 million over the 2022 budget due primarily for the \$.2 million estimated repair and maintenance, utilities, and janitorial services for the new Health and Human Services building scheduled for completion in May 2023, a \$.1 million increase in contracted janitorial services for the Justice Center and an overall increase in utilities offset by a decrease in CAPP insurance expense for the reason discussed previously.

Purchase of Development Rights costs increased by \$1.5 million or 19% to \$9.2 over the 2022 budget. The \$9.2 million budget is due to projects that were not completed as planned due to COVID-19-related delays and the complexity of the projects. The 2022 reserves and the 2023 revenues are anticipated to be spent 100% in 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

Sheriff operating costs increased \$.2 million or 25% to \$.9 million above the prior year's budget. A new contract for dash cams will begin in 2023. This agreement provides for 21 vehicles to be outfitted with dash cams, as the current hardware and technology are due for replacement. All equipment and maintenance are provided for by an annual fee. Electronic ticketing software will be implemented in 2023. The benefits of an electronic ticketing system are the elimination of handwriting errors, increased ticketing efficiency and manageability, and improved officer safety. The dash cams and electronic ticketing software are anticipated to be approximately \$.1 million. Motor pool mileage costs increased by \$.1 million or 20% to \$.6 million due to increased fuel costs.

Office of Emergency Management increased \$.1 million or 26% to \$.3 million above the 2022 budget. The increase is related to completing the Routt County Community Wildfire Protection Plan (CWPP). The CWPP is a community-focused fire protection and strategies plan for at-risk communities.

Road and Bridge's operating budget increased \$.3 million or 4% to \$6.9 million over the 2022 budget. The change is primarily due to the following items. Heavy equipment maintenance increased by \$.3 million due to a \$.75 or 32% cost per gallon increase in diesel fuel, repair costs for a gravel crusher unit to prolong its life, and replacement cost increases for the normal replacement of equipment. Road maintenance is higher by \$.1 million due to dust retardant costs increasing by \$.11 or 14% per gallon and 25,000 more gallons purchased to provide better dust control coverage on gravel roads. More notable decreases in operations are \$.1 million for professional services from a three-year paving management survey and a ten-year small bridge survey completed in 2022 and \$.1 million for bridge maintenance for a river channel analysis and bridge deck repairs for the Clark Bridge completed in 2022.

Human Services operations are anticipated to increase \$1.0 million or 28% to \$4.5 million over the prior year's budget and is due primarily to the Supplemental Nutrition Assistance Program (SNAP), which increased \$.7 million or 47% to \$2.2 million as the result of an anticipated increase in services. Indirect costs allocated to Human Services increased \$.2 million or 102% to \$.5 million due to the allocation of costs associated with the demolition of the old Human Services building and the commencement of construction of the new Health and Human Services building.

Capital

Capital costs are anticipated to decrease \$5.3 million to \$11.6 million or 31% under the 2022 budget. The decrease is primarily related to the following items.

Facilities Management Pool capital expense is projected to decrease \$6.9 million or 51% to \$6.6 million below the 2022 budget. The \$14.1 million new Health and Human Services (HHS) building will be partially completed at the end of 2022 with the final \$5.1 million budgeted in 2023 versus \$12.1 million budgeted in 2022. The HHS building is scheduled for completion in May 2023. Funding for the HHS building comes from County reserves.

Heavy Equipment capital expense is budgeted to increase by \$.6 million or 39% to \$2.2 million above the 2022 budget. Capital additions are \$.3 million and include a tree chipper and a scoria shed. The planned replacements in 2023 include five bottom dumps, a service truck, a grader, two plow trucks, and a weed sprayer. Replacements that were originally budgeted in 2022, but have been pushed to 2023 due to supply chain delays include two graders and a water truck with a 4500-gallon tank. The overall increase relates to seven large pieces of equipment being budgeted to be replaced in 2023, three graders, a water truck, a service truck, and two plow trucks, compared to four large replacements in 2022, three graders and a water truck.

Motor Pool capital expense is budgeted to increase by \$.4 million or 143% to \$.8 million above the 2022 budget. Capital additions are \$.1 million for a patrol vehicle for an additional Sheriff Deputy position and a vehicle for the Building Department for inspectors due to increased workloads. Replacements include a vehicle for the Assessor, two vehicles for the Sheriff, two Road and Bridge vehicles, and a Weed department vehicle. Replacements also include five Sheriff's vehicles originally budgeted for 2022 and three other vehicles originally budgeted for 2021 that all have been delayed due to supply chain shortages.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2022

Infrastructure costs are anticipated to increase \$0.0 or 0% to \$1,925,000 and remain constant with 2022 budget. The primary infrastructure projects in 2023 are as follows. Bridgework remains constant at \$.8 million, as the Trout Creek bridge replacement on County Road 179 was moved from 2022 to 2023 due to delays in approvals on the bridge design from the Colorado Department of Transportation. As part of the scheduled maintenance plan, the County anticipates overlaying 5.00 miles of road in 2023 compared with 7.03 miles in 2022. The cost of a ton of asphalt is budgeted to increase by \$38.49 or 43% to \$127.18. The average cost to overlay a mile of road is \$.24 million. The increase in the price per ton of asphalt results in a \$.6 million annual cost increase over the paved road system's 21-year estimated life.

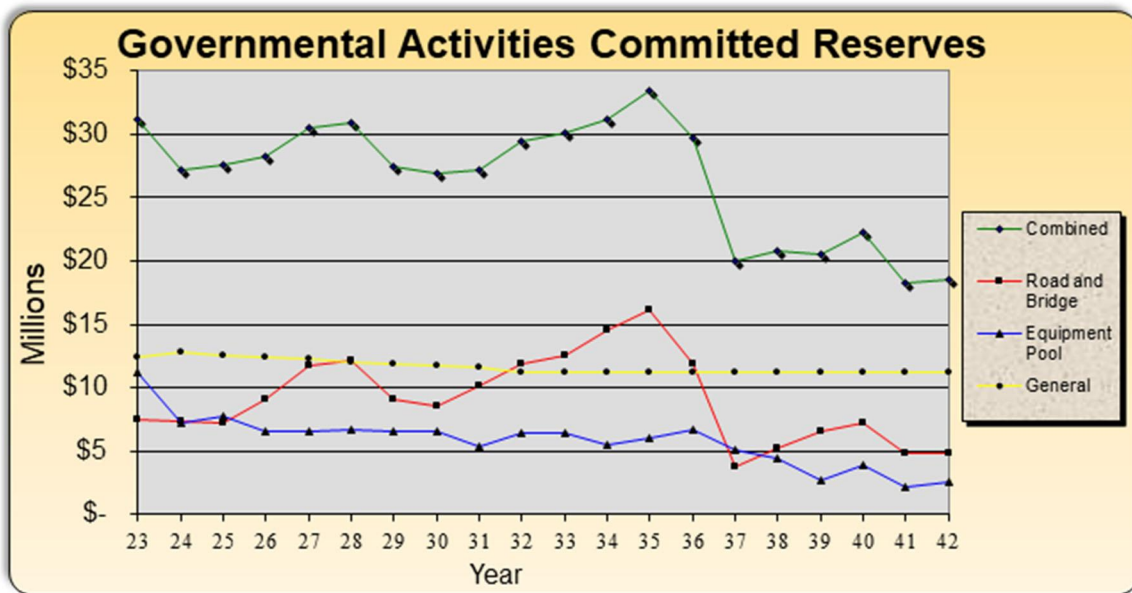
Long-term Debt

The 2012 Series Refunding Certificates of Participation (COP) debt service costs remain consistent at \$1.2 million over the 2022 budget. The \$1.2 million in debt service is for the Justice Center. The COPs outstanding balance is \$2.3 million at the end of 2022. The County does not anticipate issuing any debt in 2023.

Items that could have a significant impact on future County resources include the following.

Major revenues are forecast to increase in 2023 with modest growth anticipated in property tax revenue due to the TABOR revenue limitation. Interest revenue is projected to increase in 2023 as interest rates increase and the County's investment portfolio is reinvested in higher-yield investments. In 2022, strong growth in sales tax, auto use tax, building use tax, and motor vehicle fees continued while real estate recording fees slowed. The County remains cautious given the general uncertainty of the local and national economy due to looming recession concerns related to inflation, interest rates, unemployment, wage growth, consumer spending, fluctuating consumer confidence, supply chain and labor shortages, and stimulus packages. What will the future hold given the current federal administration, the increasing cost of health care, high fuel prices, labor shortages, etc.?

The long-term forecast projects a balanced budget through 2042, as seen below in the Governmental Activities Committed Reserves graph; however, changes in the items discussed in the above paragraph may cause the following graph to change positively or negatively.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

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 decrease \$4.1 million or 17% to \$20.8 million, and expenses are anticipated to decrease \$4.8 million or 24% to \$15.3 million and result in revenue over expenses of \$5.5 million. After removing \$.5 million of non-cash expenses such as depreciation, reserves increase by \$6.0 million.

Yampa Valley Regional Airport (YVRA)'s budget includes a net operating income of \$2.3 million due to maintaining the increase in flights and enplanements from 2022. Other non-operating income and expense include Corona-virus Aid, Relief and Economic Security (CARES) Act income of \$4.4 million, net capital expenses of \$1.4 million, non-cash items such as depreciation of \$.5 million, and interest income of \$.4 million for a total of \$3.9 million. Net operating income after other non-operating income and expense is \$6.2 million. YVRA expects the number of flights to decrease 300 flights to 2,470 for 2023 compared to 2,770 in 2022 with an anticipated increase in enplanements of 18,000 or 10% to 197,000 enplanements.

Regional Building Department reserves are anticipated to decrease by \$.3 million. The Regional Building Department's budget includes a break-even net operating income and a transfer out of \$.3 million to the Information Technology Pool for a data conversion project resulting in a net decrease in reserves of \$.3 million.

Phippsburg Water and Sewer and Milner Sewer System's reserves and operating net income is anticipated to increase by \$.1 million as a result of increasing fees and interest income.

Revenues

Business-type Activities revenues are anticipated to decrease by \$4.1 million or 17% to \$20.8 million budgeted in 2023. Noted below are the primary reasons for the changes in revenues.

State

State revenues are anticipated to increase \$.2 million or 64% to \$.5 million above the 2022 budget primarily because of the changes noted below.

Yampa Valley Regional Airport (YVRA) state revenues are anticipated to increased \$.2 million or 64% to \$.5 above the 2022 budget. The primary reasons for the increase are as follows. Aviation fuel tax is anticipated to increase by \$.1 million or 59% to \$.4 million above the 2022 budget due to the expected increase in flights for 2023. Capital project funding is anticipated to increase by \$.1 million or 85% to \$.1 million due to the replacement of two plow trucks, the design of the runway 28 blast pad, taxiway, and connector rehabilitation, improving the taxiway shoulders, and relocating connector A4 and runway 10-28 seal coat.

Federal

Federal revenues are anticipated to decrease \$5.0 million or 38% to \$8.2 million below the 2022 budget primarily because of the changes noted below.

Yampa Valley Regional Airport (YVRA) federal revenue is budgeted to decrease \$5.6 million or 44% to \$7.4 million below the 2022 budget. The primary reason for the decrease is due to the decrease in Airport Improvement Program (AIP) funding of \$5.8 million that was received in 2022 based on a roll-over balance of AIP funding of \$1.0 million for capital projects and \$4.8 million of discretionary funding being awarded to complete the de-ice pad project.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

YVRA has been awarded three separate grants related to the COVID-19 pandemic, the CARES Act for \$18.7 million, Airport Coronavirus Response Grant Program (ACRGP) for \$1.3 million, and Airport Rescue Grant (ARG) for \$1.9 million. In 2023, YVRA will spend down approximately \$4.4 million of CARES Act funding to cover the operation and maintenance of the airport. For 2024, YVRA will spend \$.8 million of CARES ACT funding, \$1.3 million of ACRGP funding, and \$1.9 million of ARPA funding to cover the operation and maintenance of the airport. All three grants are expected to be fully spent by the end of 2024.

Milner Sanitation System federal revenue is anticipated to increase \$.4 million or 100% to \$.4 million above the 2022 budget. The Milner Sanitation System anticipates receiving a federal grant to fund the design and engineering costs related to the wastewater treatment plant and the replacement of its lagoons in 2024.

Phippsburg Water and Sanitation System federal revenue is anticipated to increase \$.4 million or 100% to \$.4 million above the 2022 budget. The Phippsburg Water and Sanitation System anticipates receiving a federal grant to fund the design and engineering costs related to the wastewater treatment plant and the replacement of its lagoons in 2024.

Fees

Fees are anticipated to increase \$1.0 million or 10% to \$11.1 million above the 2022 budget primarily because of the changes noted below.

Yampa Valley Regional Airport (YVRA) fees are anticipated to increase by \$.9 million or 11% to \$8.9 million above the 2022 budget primarily for the following reasons. Terminal fees are anticipated to increase \$.2 million due to the increase in rates being charged to the airlines, car rental agencies, ground handling, and taxis due to increases in personnel and operating costs from inflation. Car rental fees, parking concession, taxi/bus/limo, restaurant, and snack bar fees are anticipated to increase \$.1 million, \$.3 million, \$.1 million, and \$.3 million, respectively, due to increased traffic through the airport. Commercial landing fees are budgeted to decrease \$.1 million due to the decrease of 300 flights to 2,470 for 2023 from 2,770 in 2022. Enplanements for the fiscal year 2023 are expected to increase by 18,000 or 10% to 197,000 enplanements, even with a decrease in flights for 2023. This increase is due to the airlines' ability to fill large planes more consistently. Fixed based operator (FBO) fees are anticipated to decrease by \$.1 million due to a return to normalcy after general aviation flights spiked during COVID-19.

Regional Building Department fees are expected to increase \$.1 million or 5% to \$2.0 million above the 2022 budget. In 2023, the commercial growth trend is expected to continue but at a slower rate than in 2021 and 2022 due to a possible economic downturn.

Other Revenue

Other revenues are anticipated to decrease \$.4 million or 30% to \$.9 million under the 2022 budget primarily because of the changes noted below.

Yampa Valley Regional Airport (YVRA) other revenue are expected to decrease by \$.8 million or 73% to \$.3 million below the 2022 budget. A new rental car carwash facility and storage parking lots are budgeted to be constructed in 2022 and finished in 2023, and the entire project of \$4.0 million will be funded through Customer Facility Charges (CFC) revenue over time into the future. Approximately \$1.5 million of CFC charges are available in 2022, which will leave \$2.5 million of the project to be funded. Ongoing CFC revenue in 2023 is \$.3 million and will continue in the future to fund the total cost of the car wash facility.

Interest revenue is anticipated to increase \$.5 million or 2,847% to \$.5 million above the 2022 budget, primarily due to an increase in the interest rates as explained in the Governmental Activities Other Revenue section above.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

Expenses

Business-type Activities expenses are anticipated to decrease \$4.8 million to \$15.3 million or 24% below the 2022 budget.

Personnel

Total budgeted personnel expenses are anticipated to increase \$1.0 million to \$5.4 million or 22% above the 2022 budget. The primary reasons for the change are as follows.

Business-type compensation initiatives include the 7% cost of living adjustment, eligible step advancements, the impacts from the salary survey completed in October 2022, and the modification of the step system whereby market value moved from Step 6 to Step 3.

Full-Time Equivalents (FTEs) are budgeted to increase by 4.69 FTEs or 9% to 57.79 FTEs. This change includes a 4.69 increase in FTEs and a 0.00 change in FTEs related to overtime, which is a projected increase of \$.4 million or 9%.

Yampa Valley Regional Airport's expected personnel expense increase is \$.4 million for an increase of 4.54 FTEs or 11% to 47.23 FTEs. The budgeted increase adds one full-time Assistant Security Coordinator and one full-time Operations and Safety (OSS) Captain as well as a variety of changes to temporary and seasonal positions, shifting them to be more part-time/year-round positions as they are easier to staff in the current employment market. The Assistant Security Coordinator position is needed to assist with Transportation Security Administration (TSA) required inspections compliance and to conduct security patrols several times per day due to an increase in airport traffic. The OSS Captain is to offset the inability to fill three vacant part-time/year-round (non-benefitted) OSS Officer openings. This additional FTE will reduce training costs, improve proficiency and offer more consistent operations/scheduling in the OSS department.

Regional Building Department is expected to increase 0.15 FTE or 1% to 10.56 FTEs as the allocation of the Code Compliance Officer shared with the Planning Department changed from a 35%/65% split to 50%/50% split in 2022 to better reflect the work completed for each of the two departments.

Health Insurance for Business-type activities overall is anticipated to increase \$.1 million. Health Insurance premiums are anticipated to decrease by \$30,000 due to lower contributions from the County and from employees. As mentioned previously in the Government Activities section, in 2023, countywide health insurance claims and administrative expenses are budgeted to increase by \$257,000 while revenues are budgeted to decrease by \$438,000, resulting in a negative \$695,000 of which the Business Type Activities share of this change is an increase in personnel costs of \$98,000. The overall impact of these changes on the County's Business Type Activities is a \$68,000 increase in costs for 2023. See the Governmental Activities Health Insurance section above for a detailed explanation.

Operations

Operating costs are budgeted to increase \$.5 million or 14% to \$3.8 million over the 2022 budget.

Yampa Valley Regional Airport operating costs increased \$.3 million or 11% to \$2.9 million above the 2022 budget. This increase is primarily due to County Overhead allocated to Yampa Valley Regional Airport which is anticipated to increase by \$.1 million or 11% to \$6 million due to increase support from other departments and a \$.2 million increase in YVRA operating costs related to the terminal, restaurant, and the general store.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2022

Regional Building operations increased \$.2 million or 29% to \$.8 million above the prior year's budget due to the following changes: County overhead increased \$.1 million due to increase support from other departments and a \$.1 million increase in professional services due to several non-recurring costs, including wildfire mitigation to the general public, contractors, and professionals in relation to the building code, contractor and professional education for updated code adoption years, land management software configured for Colorado Open Records Act (CORA) requests, and the climate action plan committee for new Green Building Code regulations.

Capital

Capital costs are anticipated to decrease \$6.1 million to \$5.7 million or 52% under the 2022 budget. The decrease is related to a \$6.9 million decrease in capital costs at YVRA primarily for the design and construction of an additional de-ice pad that was completed in 2022 offset by a budgeted increase of \$.8 million for the preliminary design and engineering of a wastewater treatment plant for Milner Sanitation and Phippsburg Water and Sanitation.

Long-term Debt

Debt service is anticipated to decrease \$21,000 or 66% to \$11,000 from the prior year's budget. Debt service for 2023 of \$21,000 represents two loans issued to fund a portion of the upgrades to the wastewater treatment lagoons and a portion of a water filtration facility. The outstanding balance of the loans at the end of 2023 is \$35,000.

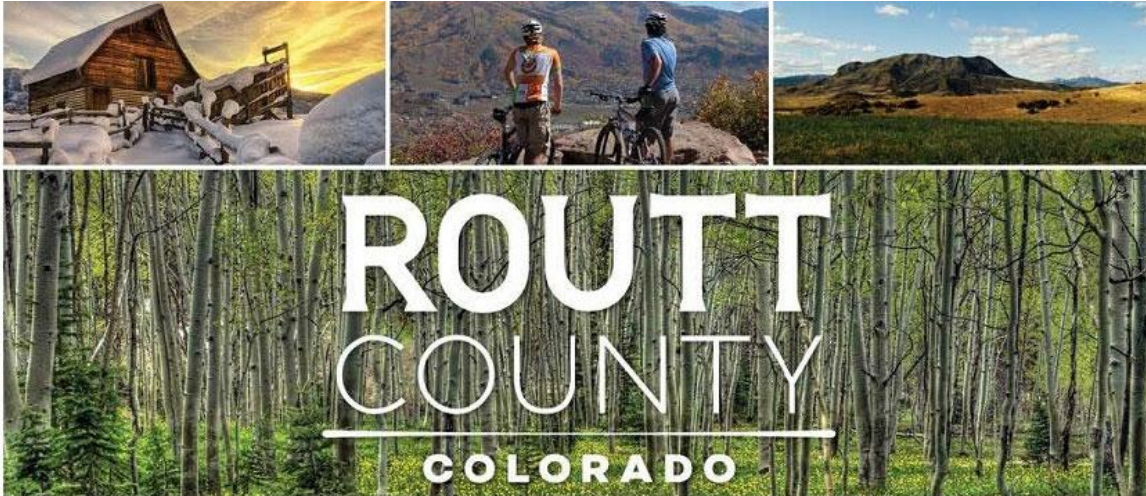
Conclusion

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 2023 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.

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, 2022

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash and investments	\$ 54,481,340	\$ 25,405,169	\$ 79,886,509
Receivables (net of allowance for uncollectibles)	883,028	848,446	1,731,474
Lease receivable	559,397	3,891,836	4,451,233
Due from other governments	3,614,358	2,991,623	6,605,981
Internal balances	(823,214)	823,214	-
Prepays and inventories	264,103	125,337	389,440
Property tax receivable	23,720,818	-	23,720,818
Noncurrent assets:			
Non-depreciable/amortizable capital assets	66,413,513	34,366,527	100,780,040
Depreciable/amortizable capital assets, net of accumulated depreciation/amortization	64,802,753	34,316,480	99,119,233
Total assets	<u>213,916,096</u>	<u>102,768,632</u>	<u>316,684,728</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	70,561	-	70,561
Total assets and deferred outflows of resources	<u>213,986,657</u>	<u>102,768,632</u>	<u>316,755,289</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	4,750,500	3,587,573	8,338,073
Unearned revenue	1,079,282	1,148,607	2,227,889
Noncurrent liabilities:			
Due within one year	2,152,427	135,087	2,287,514
Due in more than one year	3,132,114	254,270	3,386,384
Total liabilities	<u>11,114,323</u>	<u>5,125,537</u>	<u>16,239,860</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	23,720,818	-	23,720,818
Leases	559,397	3,891,836	4,451,233
Total liabilities and deferred inflows of resources	<u>35,394,538</u>	<u>9,017,373</u>	<u>44,411,911</u>
NET POSITION			
Net investment in capital assets	127,209,011	67,931,310	195,140,321
Restricted	9,459,863	282,037	9,741,900
Unrestricted	41,923,245	25,537,912	67,461,157
Total net position	<u>\$ 178,592,119</u>	<u>\$ 93,751,259</u>	<u>\$ 272,343,378</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, 2022

Functions/Programs	Program Expenses			Charges for Services		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
						Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Governmental activities:										
Administration	\$ 9,500,269	\$ 942,413	\$ 683,915	\$ -	\$ -			(7,873,941)	\$ -	(7,873,941)
Community resources	9,108,576	652,791	7,138,538	-	-			(1,317,247)	-	(1,317,247)
Property tax administration	2,625,910	1,886,548	8,500	48,536	-			(682,326)	-	(682,326)
Public safety	11,463,850	920,813	624,002	-	-			(9,919,035)	-	(9,919,035)
Road and bridge	12,401,663	462,245	5,285,528	-	-			(6,653,890)	-	(6,653,890)
Human services	5,848,916	-	5,062,332	-	-			(786,584)	-	(786,584)
Interest expense on long-term debt and leases	184,473	-	-	-	-			(184,473)	-	(184,473)
Total governmental activities	51,133,657	4,864,810	18,802,815	48,536	-			(27,417,496)	-	(27,417,496)
Business-type activities:										
Yampa Valley Regional Airport	9,635,707	8,436,532	4,549,807	9,188,876	-			-	12,539,508	12,539,508
Regional Building Department	1,629,228	2,459,539	-	-	-			-	830,311	830,311
Water and sewer	230,304	217,614	-	67,250	-			-	54,560	54,560
Total business-type activities	11,495,239	11,113,685	4,549,807	9,256,126	-			-	13,424,379	13,424,379
Total primary government	\$ 62,628,896	\$ 15,978,495	\$ 23,352,622	\$ 9,304,662	\$ -			(27,417,496)	13,424,379	(13,993,117)
General revenues:										
Property taxes								24,034,876	-	24,034,876
Sales taxes								14,069,139	524,631	14,593,770
Unrestricted investment earnings								(298,156)	(72,962)	(371,118)
Lease interest income								10,879	116,448	127,327
Gain on disposal of capital assets								83,140	70,792	153,932
Transfers								189,283	(189,283)	-
Total general revenues and transfers								38,089,161	449,626	38,538,787
Change in net position								10,671,665	13,874,005	24,545,670
Net position - beginning								167,920,454	79,877,254	247,797,708
Net position - ending								\$ 178,592,119	\$ 93,751,259	\$ 272,343,378

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

Routt County, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Road & Bridge	Human Services	Communications	Total Governmental Funds
ASSETS					
Cash and investments	\$ 24,024,108	\$ 9,438,662	\$ 750,407	\$ 3,084,026	\$ 37,297,203
Accounts receivable (net of allowance for uncollectibles)	73,374	2,205	3,447	106,286	185,312
Property taxes receivable	20,774,092	813,164	549,614	1,583,948	23,720,818
Lease receivable	-	255,457	-	303,940	559,397
Due from other governments	1,660,568	959,399	247,465	78,328	2,945,760
Due from other funds	-	6,492	-	-	6,492
Prepaid expenses	78,704	722	861	40,513	120,800
Inventory	-	58,198	-	-	58,198
Interfund loan	-	62,235	-	-	62,235
Total assets	46,610,846	11,596,534	1,551,794	5,197,041	64,956,215
LIABILITIES					
Accounts payable	1,417,179	367,165	141,958	119,012	2,045,314
Due to other governments	-	-	1,323	-	1,323
Unearned revenue	357,684	411,328	310,270	-	1,079,282
Total liabilities	1,774,863	778,493	453,551	119,012	3,125,919
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	20,774,092	813,164	549,614	1,583,948	23,720,818
Leases	-	255,457	-	303,940	559,397
Total deferred inflow of resources	20,774,092	1,068,621	549,614	1,887,888	24,280,215
Total liabilities and deferred inflows of resources	22,548,955	1,847,114	1,003,165	2,006,900	27,406,134
FUND BALANCES					
Nonspendable	78,704	58,920	861	40,513	178,998
Restricted	9,459,863	-	-	-	9,459,863
Committed	-	-	-	-	-
General fund	14,523,324	-	-	-	14,523,324
Special revenue funds	-	9,690,500	547,768	3,149,628	13,387,896
Total fund balances	24,061,891	9,749,420	548,629	3,190,141	37,550,081
Total liabilities, deferred inflows of resources, and fund balances	\$ 46,610,846	\$ 11,596,534	\$ 1,551,794	\$ 5,197,041	\$ 64,956,215

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, 2022

Total governmental fund balances \$ 37,550,081

Internal service funds are used by management to charge the cost of fleet management, information systems, emergency communications, building and plant, casualty and property insurance, and employee health and dental insurance to individual funds. In addition, internal service funds provide a systematic method to replace capital assets and to finance partially self-insured casualty and property, health, and dental insurance programs. 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 casualty and property insurance, and employee health and dental insurance, to the business-type activities. 63,653,434

Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds. (1,779,104)

Road and bridge infrastructure used in governmental activities is not a financial resource and therefore, is not reported in the funds. 78,503,072

Current assets not collected within 60 days of December 31, 2022 and are not available as a current period resource, therefore, not included in governmental funds. 664,636

Net position of governmental activities \$ 178,592,119

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, 2022

Net change in fund balance - total governmental funds \$ 1,415,806

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. 9,800,737

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. (333,774)

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/amortization expense. This is the amount by which capital outlays of \$1,594,750 were less than the depreciation/amortization of \$1,808,294 and loss on disposal of assets of \$171,635 in the current period. (385,179)

Revenue reported in governmental activities, which is not a current financial resource and therefore, not reported in the funds. 174,075

Change in net position of governmental activities \$ 10,671,665

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, 2022

	General Fund	Road & Bridge	Human Services	Communications	Total Governmental Funds
REVENUES					
Property taxes	\$ 20,229,709	\$ 874,197	\$ 756,820	\$ 2,174,150	\$ 24,034,876
Sales taxes	8,958,536	5,110,603	-	-	14,069,139
Intergovernmental	8,068,920	5,304,861	4,830,928	196,456	18,401,165
Charges for sales and services	4,604,782	411,650	-	681,437	5,697,869
Investment earnings	(255,487)	3,692	-	-	(251,795)
Lease interest income	-	8,096	-	2,783	10,879
Operating grants	-	-	228,919	-	228,919
Total revenues	41,606,460	11,713,099	5,816,667	3,054,826	62,191,052
EXPENDITURES					
Administration	10,461,676	-	-	-	10,461,676
Community resources	9,181,193	-	-	-	9,181,193
Property tax administration	2,701,479	-	-	-	2,701,479
Public safety	9,402,014	-	-	2,342,197	11,744,211
Road and bridge	-	12,118,187	-	-	12,118,187
Human services	-	-	5,941,139	-	5,941,139
Total expenditures	31,746,362	12,118,187	5,941,139	2,342,197	52,147,885
Excess (deficiency) of revenues over expenditures	9,860,098	(405,088)	(124,472)	712,629	10,043,167
OTHER FINANCING SOURCES (USES)					
Transfers in	1,015,700	-	240,606	-	1,256,306
Transfers out	(9,863,907)	(19,760)	-	-	(9,883,667)
Total other financing sources (uses)	(8,848,207)	(19,760)	240,606	-	(8,627,361)
Net change in fund balances	1,011,891	(424,848)	116,134	712,629	1,415,806
Fund balances - beginning	23,050,000	10,174,268	432,495	2,477,512	36,134,275
Fund balances - ending	\$ 24,061,891	\$ 9,749,420	\$ 548,629	\$ 3,190,141	\$ 37,550,081

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

Routt County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities				Governmental
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 19,419,924	\$ 5,718,779	\$ 266,466	\$ 25,405,169	\$ 17,184,137
Accounts receivable (net of allowance for uncollectibles)	822,556	-	25,890	848,446	694,357
Lease receivable	3,891,836	-	-	3,891,836	-
Due from other governments	2,991,623	-	-	2,991,623	7,321
Prepaid expenses	11,800	-	-	11,800	20,000
Inventory	113,537	-	-	113,537	65,105
Total current assets	<u>27,251,276</u>	<u>5,718,779</u>	<u>292,356</u>	<u>33,262,411</u>	<u>17,970,920</u>
Noncurrent assets:					
Land and improvements (non-depreciable/non-amortizable)	24,004,712	-	39,894	24,044,606	3,092,916
Land improvements (depreciable/amortizable)	31,759,084	-	-	31,759,084	1,902,009
Buildings	28,058,580	-	-	28,058,580	44,815,289
Equipment	13,378,299	-	-	13,378,299	30,900,992
Water system	1,006,010	-	977,962	1,983,972	-
Sewer system	473,873	-	1,311,645	1,785,518	-
Other (depreciable)	210,732	-	-	210,732	1,897,332
Other (non-depreciable)	-	-	-	-	539,996
Intangible lease asset	-	-	-	-	10,638
Construction in progress	10,193,297	-	128,624	10,321,921	11,660,899
Accumulated depreciation/amortization	(40,931,338)	-	(1,928,367)	(42,859,705)	(42,106,877)
Total noncurrent assets	<u>68,153,249</u>	<u>-</u>	<u>529,758</u>	<u>68,683,007</u>	<u>52,713,194</u>
Total assets	<u>95,404,525</u>	<u>5,718,779</u>	<u>822,114</u>	<u>101,945,418</u>	<u>70,684,114</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	-	-	-	-	70,561
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,561</u>
Total assets and deferred outflows of resources	<u>95,404,525</u>	<u>5,718,779</u>	<u>822,114</u>	<u>101,945,418</u>	<u>70,754,675</u>
LIABILITIES					
Current liabilities:					
Accounts payable	2,831,771	107,123	9,121	2,948,015	1,609,390
Compensated absences	92,491	33,564	-	126,055	21,753
Claims liability	-	-	-	-	491,033
Accrued interest	-	-	741	741	9,308
Due to other funds	-	-	6,492	6,492	-
Retainage payable	638,818	-	-	638,818	594,132
Unearned revenue	-	1,148,607	-	1,148,607	-
Current portion of long-term debt (net of unamortized discount)	-	-	9,032	9,032	1,123,211
Current portion of lease payable	-	-	-	-	3,445
Total current liabilities	<u>3,563,080</u>	<u>1,289,294</u>	<u>25,386</u>	<u>4,877,760</u>	<u>3,852,272</u>
Noncurrent liabilities:					
Compensated absences	192,576	26,290	-	218,866	-
Loans payable	-	-	35,404	35,404	-
Interfund loan payable	-	-	62,235	62,235	-
Certificates of participation (net of unamortized discount)	-	-	-	-	2,353,174
Lease payable	-	-	-	-	3,854
Total noncurrent liabilities	<u>192,576</u>	<u>26,290</u>	<u>97,639</u>	<u>316,505</u>	<u>2,357,028</u>
Total liabilities	<u>3,755,656</u>	<u>1,315,584</u>	<u>123,025</u>	<u>5,194,265</u>	<u>6,209,300</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	3,891,836	-	-	3,891,836	-
Total deferred inflows of resources	<u>3,891,836</u>	<u>-</u>	<u>-</u>	<u>3,891,836</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	67,514,431	-	416,880	67,931,311	48,705,939
Restricted	273,709	-	8,328	282,037	-
Unrestricted	19,968,893	4,403,195	273,881	24,645,969	15,839,436
Total net position	<u>\$ 87,757,033</u>	<u>\$ 4,403,195</u>	<u>\$ 699,089</u>	<u>\$ 92,859,317</u>	<u>\$ 64,545,375</u>

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, 2022

Total enterprise funds net position	\$ 92,859,317
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>891,942</u>
Net position of business-type activities	<u>\$ 93,751,259</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, 2022

Change in net position - total enterprise funds	\$ 13,670,768
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>203,237</u>
Change in net position of business-type activities	<u>\$ 13,874,005</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, 2022

	Business-type Activities		Total Nonmajor Funds	Total Enterprise Funds	Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department			
OPERATING REVENUES					
Sales taxes	\$ 524,631	\$ -	\$ -	\$ 524,631	\$ -
Charges for sales and services	8,436,531	2,459,539	217,614	11,113,684	-
Operating grants	20,260	-	-	20,260	-
Internal service fees	-	-	-	-	11,109,200
Insurance proceeds	-	-	-	-	732,402
Total operating revenues	<u>8,981,422</u>	<u>2,459,539</u>	<u>217,614</u>	<u>11,658,575</u>	<u>11,841,602</u>
OPERATING EXPENSES					
Salary and benefits	3,568,243	1,115,723	-	4,683,966	407,595
Depreciation/Amortization	3,810,706	-	33,027	3,843,733	3,074,615
Claims	-	-	-	-	4,416,434
Repairs and maintenance	432,256	-	14,473	446,729	1,288,650
Purchased services and supplies	1,942,396	555,446	130,091	2,627,933	1,298,849
Total operating expenses	<u>9,753,601</u>	<u>1,671,169</u>	<u>177,591</u>	<u>11,602,361</u>	<u>10,486,143</u>
Operating income (loss)	<u>(772,179)</u>	<u>788,370</u>	<u>40,023</u>	<u>56,214</u>	<u>1,355,459</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	(71,707)	-	(1,255)	(72,962)	(46,361)
Lease interest income	116,448	-	-	116,448	-
Interest expense	-	-	(2,925)	(2,925)	(184,473)
Interest expense - interfund	-	-	(3,693)	(3,693)	-
Amortization of refunding debt insurance	-	-	-	-	(7,280)
Gain (loss) on disposal of capital assets	27,892	-	(46,596)	(18,704)	69,984
Total nonoperating revenues (expenses)	<u>72,633</u>	<u>(189,283)</u>	<u>(54,469)</u>	<u>18,164</u>	<u>(168,130)</u>
Income (loss) before contributions and transfers	<u>(699,546)</u>	<u>788,370</u>	<u>(14,446)</u>	<u>74,378</u>	<u>1,187,329</u>
Transfers in	-	-	-	-	9,832,344
Transfers out	-	(189,283)	-	(189,283)	(1,015,700)
Tap fees	-	-	6,000	6,000	-
Capital grants	9,188,876	-	61,250	9,250,126	-
Intergovernmental	4,529,547	-	-	4,529,547	-
Change in net position	<u>13,018,877</u>	<u>599,087</u>	<u>52,804</u>	<u>13,670,768</u>	<u>10,003,973</u>
Total net position - beginning	<u>74,738,156</u>	<u>3,804,108</u>	<u>646,285</u>	<u>79,188,549</u>	<u>54,541,402</u>
Total net position - ending	<u>\$ 87,757,033</u>	<u>\$ 4,403,195</u>	<u>\$ 699,089</u>	<u>\$ 92,859,317</u>	<u>\$ 64,545,375</u>

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

Routt County, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Employee Retirement Plan	Custodial Funds	Total
ASSETS			
Cash and investments	\$ -	\$ 1,667,562	\$ 1,667,562
Investments restricted for retirement benefits	33,358,473	-	33,358,473
Property tax receivable	-	63,695,599	63,695,599
Total assets	33,358,473	65,363,161	98,721,634
LIABILITIES			
Due to other governments	-	1,416,055	1,416,055
Funds held for others	-	148,144	148,144
Accounts payable and other liabilities	-	1,267	1,267
Total liabilities	-	1,565,466	1,565,466
DEFERRED INFLOW OF RESOURCES			
Property taxes	-	63,695,599	63,695,599
Total deferred inflow of resources	-	63,695,599	63,695,599
NET POSITION			
Restricted			
Individuals, organizations and other governments	-	102,096	102,096
Retirement benefits	33,358,473	-	33,358,473
Total net position	\$ 33,358,473	\$ 102,096	\$ 33,460,569

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, 2022

	Employee Retirement Plan	Custodial Funds	Total
ADDITIONS			
Employee contributions	\$ 1,043,738	\$ -	\$ 1,043,738
Employer contributions	1,043,738	-	1,043,738
Total contributions	2,087,476	-	2,087,476
Investment gain / (loss)	(5,842,439)	-	(5,842,439)
Transfers from other plans	178,836	-	178,836
Tax collections for other governments	-	73,771,693	73,771,693
Public trustee activity	-	723,974	723,974
Funds held for others	-	11,311,001	11,311,001
Sales	-	46,231	46,231
Total additions	<u>(3,576,127)</u>	<u>85,852,899</u>	<u>82,276,772</u>
DEDUCTIONS			
Benefits paid to participants	1,757,123	-	1,757,123
Taxes disbursed to other governments	-	73,771,693	73,771,693
Public trustee disbursements	-	723,974	723,974
Disbursements of funds held for others	-	11,318,592	11,318,592
Cost of goods sold	-	32,538	32,538
Total deductions	<u>1,757,123</u>	<u>85,846,797</u>	<u>87,603,920</u>
Net increase (decrease) in fiduciary net position	(5,333,250)	6,102	(5,327,148)
Net position, beginning (restated)	<u>38,691,723</u>	<u>95,994</u>	<u>38,787,717</u>
Net position, ending	<u>\$ 33,358,473</u>	<u>\$ 102,096</u>	<u>\$ 33,460,569</u>

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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 a public purpose 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 in long-term debt are recorded in the Equipment Pool internal service fund.

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 of \$195,000 for a total amount of \$1,570,000. As of December 31, 2022, there is \$0 in outstanding bonds. The bonds had an interest rate of 6.50% through August 1, 2024, and were paid off early in 2021. The bonds were payable by the property owners within the District through special assessments levied on assessable land. The bonds did not constitute a debt of the County, were not a general obligation of the County, and the County was not obligated 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, 2022 cash on hand is \$175,425 and the assessment receivable is \$129,439. A \$9,841 cash reserve is also available. 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 the 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, 2022

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, 2022

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, is 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, building permits, etc. Non-operating revenues, for example, are 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 and dental insurance coverage of County employees and the partially self-funded casualty and property insurance. Fees are charged to each department/fund to provide funding for administration, claims, commercial health and casualty and property insurance.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 Plan – to account for the IRS section 401(a) plan.

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 Funds. 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 that constitute reimbursements of a fund for expenditures or expenses initially made from that fund that 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”.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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

Cash and Investments

The operating cash of all 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.

Accounts Receivable

The County's allowance for uncollectible accounts is \$292,144 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/Amortization

Capital assets which include land, buildings, construction in process, equipment, other assets, leased 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. 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 do not add value to the asset or materially extend asset lives is not capitalized.

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

Assets	Years
Land improvements	5-30
Buildings	5-30
Sewer and water transmission and distribution lines	10-30
Equipment	4-30
Other	4-20
Leased asset	4-20
Roads	10-20
Bridges	50

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 for full-time employees. In 2020, Colorado adopted the Healthy Families and Workplaces Act. The voter-approved law C.R.S. § 8-13.3-401-418 requires employers to provide paid sick leave to part-time, temporary, and seasonal employees, accrued at one hour of paid sick leave for every 30 hours worked, up to a maximum, of 48 hours per year. Per Routt County policy, a maximum of forty-five days is payable upon termination to any employee after a minimum of five years of service.

In July 2022, the County elected to opt out of the State of Colorado's new Paid Family and Medical Leave Insurance program to provide a more robust program at no cost to the County employees. The program provides up to twelve weeks of time off over a rolling twelve-month period for a qualifying event at 90% of base compensation on scheduled hours with no weekly cap.

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 rational 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.

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.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 assets 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 assets 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 two types of items that qualify for reporting in this category, unavailable revenue on property taxes and leases. Unavailable revenue on property taxes are reported in the government-wide statement of net position, the governmental funds balance sheet and the fiduciary fund statement of net position. Leases related revenue are reported in the government-wide statement of net position, the governmental funds balance sheet and the proprietary funds statement of net position. This amount is deferred and recognized as an inflow of resources in the period that it becomes available.

Leases

Lessee

The County is a lessee for a noncancelable lease of equipment. The County recognizes a lease liability and an intangible right-to-use the leased asset (leased asset) in the government-wide financial statements, proprietary statement of net position and the internal service fund statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more for equipment leases.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease liability is composed of the fixed payments.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Lessor

The County is a lessor of noncancelable leases on land, buildings, and equipment. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund financial statements, and the proprietary funds financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the County determines 1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

- If specified, the County uses the interest rate identified in the contract as the discount rate. If no interest rate is specified, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- The lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

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.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 2022, 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 plan).

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

Implementation of new GASB Statements

As of January 1, 2022, the County adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognizes inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard had no impact on beginning net position. Additional disclosures required by this standard are included in Footnote 5.

As of January 1, 2022, the County adopted GASB Statement No. 97, Certain Component Unit Criteria, and Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The implementation of this standard adjusts the classification of Section 457 plans as either a pension plan or other employee benefit plan based on the definition of a pension plan in GASB Statement 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB 67 and 68. See Footnote 14, Restatement of Net Position, for additional information related to the County's assessment of this standard.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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	\$ 45,215,817	\$ 5,954,321	\$ 7,946,796	\$ 31,314,700
Commercial Paper	935,611	-	935,611	-
U.S. Instrumentalities	17,291,737	1,993,961	10,462,101	4,835,675
Total	63,443,165	\$ 7,948,282	\$ 19,344,508	\$ 36,150,375

Deposits and Other Investments:

Cash on Hand	71,531
Demand Deposits	3,513,210
Certificates of Deposit	1,800,117
Government Investment Pools	12,726,048
Retirement Plans	33,358,473
Total Deposits and Investments	\$114,912,544

Investments

The County's investment policy, described in the following 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, 2022, the County has U.S. Treasury securities, Commercial Paper, and U.S. Instrumentalities of \$45,215,817, \$935,611, and \$17,291,737, respectively, with fair value measurements valued using quote market prices in active markets, pricing models or pricing matrices (Level 2 inputs).

The County recognizes gains or losses on investments at the time the investment matures, which is a separate calculation from the net change in fair market value of the investment and recorded as an increase or decrease in investment income. As of December 31, 2022, the County has an unrealized loss from the net change in fair market value of investments of \$1,433,527 due to lower interest rates in 2022. In 2022, the unrealized loss exceeded net investment income resulting in negative investment income.

Retirement Plan investments are determined according to a third-party administrator contract. 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 limits exposure to changes in fair market values arising from changes in interest rates.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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, specific U.S. government agency securities, general obligation and revenue bonds of the U.S. and local government entities, bankers' acceptances of certain banks, prime commercial paper, written repurchase agreements collateralized by specifically 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+/Aaa/AAA by Standard & Poor's, Moody's, and Fitch, respectively.

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 \$9,713,632 at fair value. CSAFE reports its underlying investments of \$3,012,416 at amortized cost. The Colorado Division of Securities routinely monitors the investment pools 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, 2022, 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 (69%), U.S. Instrumentalities (27%), Commercial Paper (1%), and certificates of deposit (3%). More than 5% of the County's investments are in Federal Home Loan Bank and Federal Home Loan Mortgage Corporation representing 12% and 9%, respectively of the County's total investments.

Custodial Credit Risk - Investments

The designated custodial bank provides safekeeping and depository services in connection with each pooled investment's direct investment and withdrawal functions. 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, 2022 was \$5,313,327. The bank balances were \$5,226,045, of which \$1,083,549 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 qualified 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.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 maturity in 2031. The loan payment will be paid from sanitation fees. As of December 31, 2022, Milner has a remaining balance of \$68,442, of which the short-term portion is shown as due to/from other funds. The long-term portion is shown as an interfund loan receivable/payable on December 31, 2022, is as follows:

Receivable Fund	Payable Fund	Amount
Road & Bridge	Milner Sanitation System	\$ 68,442
Total		\$ 68,442

Transfers

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

	Transfers In			
	General Fund	Human Services	Internal Service Funds	Total
Transfers Out				
General Fund	\$ -	\$ 240,606	\$ 9,623,301	\$ 9,863,907
Road & Bridge	-	-	19,760	19,760
Human Services	-	-	-	-
Communications	-	-	-	-
Building	-	-	189,283	189,283
Internal Service Funds	1,015,700	-	-	1,015,700
Total	\$ 1,015,700	\$ 240,606	\$ 9,832,344	\$ 11,088,650

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

NOTE 4. CAPITAL ASSETS

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

	Balances December 31 2021	2022 Additions	2022 Deletions	2022 Reclasses	Balances December 31, 2022
Governmental Activities:					
Capital assets, not being depreciated/amortized:					
Land and improvements	\$ 3,092,916	\$ -	\$ -	\$ -	\$ 3,092,916
Infrastructure	50,685,504	185,676	-	-	50,871,180
Other	388,939	141,057	-	10,000	539,996
Construction in progress	2,060,686	13,252,086	(3,403,351)	-	11,909,421
Total capital assets, not being depreciated/amortized	56,228,045	13,578,819	(3,403,351)	10,000	66,413,513
Capital assets, being depreciated/amortized:					
Land improvements	1,902,009	-	-	-	1,902,009
Buildings	44,704,182	128,407	(17,300)	-	44,815,289
Equipment	30,069,296	1,618,993	(787,297)	-	30,900,992
Other	1,935,353	4,960	(32,981)	(10,000)	1,897,332
Leased asset	-	10,638	-	-	10,638
Infrastructure	52,456,014	1,358,628	(771,199)	-	53,043,443
Total capital assets being depreciated/amortized	131,066,854	3,121,626	(1,608,777)	(10,000)	132,569,703
Less accumulated depreciation/amortization for:					
Land improvements	(595,303)	(59,180)	-	-	(654,483)
Buildings	(19,527,616)	(948,370)	17,300	-	(20,458,686)
Equipment	(18,652,687)	(1,912,112)	776,716	-	(19,788,083)
Other	(1,083,656)	(151,612)	32,981	-	(1,202,287)
Leased assets	-	(3,340)	-	-	(3,340)
Infrastructure	(24,451,342)	(1,808,294)	599,565	-	(25,660,071)
Total accumulated depreciation/amortization	(64,310,604)	(4,882,908)	1,426,562	-	(67,766,950)
Total capital assets being depreciated/amortized, net	66,756,250	(1,761,282)	(182,215)	(10,000)	64,802,753
Governmental activities capital assets, net	\$ 122,984,295	\$ 11,817,537	\$ (3,585,566)	\$ -	\$ 131,216,266

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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

	Balances December 31, 2021	2022 Additions	2022 Deletions	Balances December 31, 2022
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 24,044,606	\$ -	\$ -	\$ 24,044,606
Construction in progress	1,692,622	10,602,761	(1,973,462)	10,321,921
Total capital assets, not being depreciated	25,737,228	10,602,761	(1,973,462)	34,366,527
Capital assets, being depreciated:				
Land improvements	31,759,084	-	-	31,759,084
Buildings	28,165,830	-	(107,250)	28,058,580
Equipment	11,867,382	2,085,512	(574,595)	13,378,299
Water system	1,983,972	-	-	1,983,972
Sewer system	1,785,518	-	-	1,785,518
Other	210,732	-	-	210,732
Total capital assets being depreciated	75,772,518	2,085,512	(681,845)	77,176,185
Less accumulated depreciation for:				
Land improvements	(18,709,825)	(2,064,142)	-	(20,773,967)
Buildings	(10,610,384)	(958,170)	64,350	(11,504,204)
Equipment	(7,301,278)	(737,568)	458,082	(7,580,764)
Water system	(1,214,275)	(43,800)	-	(1,258,075)
Sewer system	(1,501,091)	(30,873)	-	(1,531,964)
Other	(201,551)	(9,180)	-	(210,731)
Total accumulated depreciation	(39,538,404)	(3,843,733)	522,432	(42,859,705)
Total capital assets being depreciated, net	36,234,114	(1,758,221)	(159,413)	34,316,480
Business-type activities capital assets, net	\$ 61,971,342	\$ 8,844,540	\$ (2,132,875)	\$ 68,683,007

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

Governmental activities:	
Administration	\$ 1,794,887
Community Resources	13,943
Public Safety	462,985
Road and Bridge	2,610,496
Human Services	597
Total depreciation/amortization expense - governmental activities	\$ 4,882,908
Business-type activities:	
Yampa Valley Regional Airport	\$ 3,810,706
Phippsburg Water and Sanitation System	13,669
Milner Sanitation System	19,358
Total depreciation expense - business-type activities	\$ 3,843,733

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

NOTE 5. LEASES

Lease receivable balance for the year ended December 31, 2022 is as follows:

<u>Receivable Fund</u>	<u>Lease Receivable</u>	<u>Deferred Inflow of Resources</u>
Road and Bridge	\$ 255,457	\$ 255,457
Communications	303,940	303,940
Total Governmental activities	<u>\$ 559,397</u>	<u>\$ 559,397</u>
 YVRA	 \$ 3,891,836	 \$ 3,891,836
Total Business-type activities	<u>\$ 3,891,836</u>	<u>\$ 3,891,836</u>

Governmental Activities - Lease Receivable

Ground Lease

In February 2019, the County entered into a five year noncancelable lease with CommNet Cellular Inc, dba Verizon Wireless (lessee) for a 700 square foot ground lease located at 2300 County Shop Road with non-exclusive right for ingress and egress. The County will receive payments of \$15,735 annually beginning February 15, 2019. Annually the lease payment shall increase three percent for the proceeding twelve-month term. The lease shall automatically be extended for three additional five year terms unless the lessee terminates the agreement at the end of the current term given their intent to terminate at least six month prior to the end of the term. The lease has an interest rate of 3.09%. The County recognized \$12,000 in lease revenue and \$8,095 in interest revenue during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$3,735 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2022, the County's lease receivable and deferred inflow of resources is \$255,457.

Tower Lease

In August 2022, the County entered into a five year noncancelable lease with L3Harris Technologies, Inc. (lessee) the premises of 25692 County Road 27, Oak Creek for the purpose of operating a communication site to support the lessee's contract with the Federal Aviation Administration (FAA) to replace the Wide Area Multilateration (WAM) Phase 1 system in Colorado. The County will receive \$1,250 monthly beginning October 1, 2022. The monthly lease payment shall increase three percent annually at the anniversary of the commencement date. For the current year, the County will receive \$3,750 in payments. The lessee shall have the option to renew the lease for three additional terms of five years each. The lease has an interest rate of 3.09%. The County recognized \$2,697 in lease revenue and \$2,289 in interest revenue during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2022, the County's lease receivable and deferred inflow of resources is \$294,567.

In July 2018, the County entered into three, five year noncancelable leases with the U.S. Department of Transportation Federal Aviation Administration (FAA), to operate four Wide Area Multilateration sites located in the Towns of Hayden and Oak Creek and the communication center in Steamboat Springs. The County will receive \$327, \$327, and \$402 monthly beginning October 1, 2018. For the current year, the County will receive \$12,672 in payments. The lessee shall have the option to renew the lease for three additional terms of five years each. The lease has an interest rate of 3.09%. The County recognized \$12,164 in lease revenue and \$494 in interest revenue for Communications during the current fiscal year. Communications has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$508 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2022, the County's lease receivable and deferred inflow of resources is \$9,373 for Communications.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Lease receivable activity for the year ended December 31, 2022 for governmental type activities is as follows:

Year Ending December 31,	Lease Revenue	Interest Revenue	Total Payment
2023	\$ 32,746	\$ 16,787	\$ 49,533
2024	24,106	15,934	40,040
2025	24,861	15,178	40,039
2026	25,641	14,400	40,041
2027	26,444	13,595	40,039
2028-2032	145,185	55,014	200,199
2033-2037	169,408	30,791	200,199
2038-2042	111,006	7,176	118,182
	<u>\$ 559,397</u>	<u>\$ 168,875</u>	<u>\$ 728,272</u>

Business-Type Activities - Regulated Leases

Airlines

YVRA leases a portion of its terminal to airlines under non-cancelable leases. Lease terms for the airlines is 12 months, December 1 through November 30. Under the lease terms, the airlines are required to pay monthly exclusive and joint use space rents and landing fees. Exclusive space areas include ticketing and management offices, etc. Joint use spaces are primarily the holding room and baggage claim areas. There are six airlines that service YVRA, Alaskan, American, Delta, Jet Blue, Southwest, and United Airlines. YVRA recognized \$258,977 in exclusive space rent, \$1,215,443 in joint use rent, and \$1,162,766 in landing fees from the airlines during the current year.

Ground Handlers

In December 2022, YVRA entered into a three-year noncancelable lease with G2 Secure Staff, LLC and United Ground Express to provide ground-handling service to the airlines. The lease agreement gives the right to use the airport facilities, equipment and improvements at the airport for the operation of the airline's ground handling business and all activities reasonably necessary to such operations serving air carriers possessing a current airline-airport use and lease agreement. The ground handlers will pay YVRA exclusive rent for use of designated office space within the terminal. G2 Secure Staff, LLC is leasing 520 square feet and United Ground Express is leasing 155 square feet. The rate charged will be adjusted annually on December 1 to the rate charged for exclusive space assigned to the airlines. The ground handlers are required to make four payments on the first of the month for December, January, February, and March. YVRA will receive annual payments for exclusive rent of \$20,192 from G2 Secure Staff, LLC and \$6,000 from United Ground Express.

YVRA will receive from the ground handlers a ground handling service fee of two percent of the ground handler's monthly gross revenue. In the current year, YVRA recognized \$44,362 and \$3,453 of ground handling service fees from G2 Secure Staff, LLC and United Ground Express, respectively.

Regulated lease activity for the year ended December 31, 2022 for business type activities is as follows:

For the Year-Ended December 31,	Payment
2023	\$ 26,129
2024	26,129
2025	26,129
	<u>\$ 78,387</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Business-Type Activities - Lease Receivable

Fixed Based Operations Lease

In November 2019, YVRA entered into a 39 year noncancelable ground leases, A through F, with the exception of lease D which is a five year noncancelable ground lease with Atlantic Aviation Steamboat-Hayden LLC, to operate Fixed Based Operations (FBO) at the airport. YVRA will receive \$10,497 monthly for ground leases A, B, C, E and F (main ground leases) and \$3,652 for ground lease D beginning December 1, 2021 and \$11,666 monthly for ground leases A, B, C, E and F (main ground leases) and \$3,643 for ground lease D beginning December 1, 2022. Annual adjustments to the lease payments will be based on the percentage increase of the U.S. City Average Consumer Price Index (CPI) and a market rate rental adjustment shall be made on each five year anniversary date of this agreement. The lease has an interest rate of 3.09%. In the current year, YVRA received payment of \$130,272 and \$40,675 for ground leases A, B, C, and E and ground lease D, respectively. YVRA recognized \$40,998 and \$34,128 in lease revenue and \$84,969 and \$2,736 in interest revenue for the main ground leases and ground lease D during the current fiscal year, respectively. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$4,305 and \$3,811 of inflow of resources related to the main ground leases and ground lease D, respectively, as a result of the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2022, YVRA's lease receivable and deferred inflow of resources is \$2,727,506 and \$74,749, respectively, for the main ground leases and ground lease. See below for the main ground leases and ground lease D amortization schedules.

Main Ground Leases

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2023	\$ 42,283	\$ 83,684	\$ 125,967
2024	43,608	82,359	125,967
2025	41,173	74,296	115,469
2026	50,185	86,279	136,464
2027	47,838	78,129	125,967
2028-2032	262,641	367,194	629,835
2033-2037	306,461	323,374	629,835
2038-2042	357,592	272,244	629,836
2043-2047	417,254	212,582	629,836
2048-2052	486,869	142,966	629,835
2053-2057	568,100	61,736	629,836
2058	103,502	1,471	104,973
	<u>\$ 2,727,506</u>	<u>\$ 1,786,314</u>	<u>\$ 4,513,820</u>

Ground Lease D

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2023	\$ 38,447	\$ 1,768	\$ 40,215
2024	36,302	563	36,865
	<u>\$ 74,749</u>	<u>\$ 2,331</u>	<u>\$ 77,080</u>

The FBO is obligated to remit to YVRA \$0.10 per gallon of fuel pumped for general aviation purposes and 75% of landing fees collected monthly. In 2022, FBO remitted to the airport \$110,109 for fuel flow and \$258,494 for landing fees.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Rental Car Lease

In December 2017, YVRA entered into a five year noncancelable lease with the Avis Budget Car Rental, LLC (lessee) for terminal counter space, ready return parking spaces, overflow vehicle storage spaces, and fuel farm access. In November 2022, YVRA amended and extended the contract through November 30, 2023. The lease includes 207 square feet of counter space within the terminal of the airport, exclusive use of 91 parking spaces for ready return vehicles, exclusive use of 18,112 square feet of overflow vehicle storage, and 7,159 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by the percentage change of the U.S. City Average Consumer Price Index (CPI) for All Urban Consumers. The lease has an interest rate of 3.09%. As of December 31, 2022, YVRA collected \$123,930 for terminal counter space, ready return parking spaces, overflow vehicle storage spaces, and fuel farm access.

The lessee has agreed to pay a minimum annual guarantee (MAG) of \$20,418 per month or ten percent of the monthly gross revenue, which ever is greater. As of December 31, 2022, YVRA collected \$678,299 in fees, of which \$224,601 in MAG fees and \$453,698 in variable payments.

YVRA recognized \$347,373 in lease revenue and \$15,976 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$438,880 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2022, YVRA's lease receivable and deferred inflow of resources is \$327,982.

For the Year-Ended December 31,	<u>Lease Revenue</u>	<u>Interest Revenue</u>	<u>Total Payment</u>
2023	<u>\$ 327,982</u>	<u>\$ 5,089</u>	<u>\$ 333,071</u>

In December 2017, YVRA entered into a five year noncancelable leases with the Hertz Corporation (Lessee) for terminal counter space, ready return parking spaces, overflow vehicle storage spaces, and fuel farm access. In November 2022, the Airport amended and extended the contract through November 30, 2023. The lessee is leasing 162 square feet of counter space within the terminal of the airport, exclusive use of 55 parking spaces for ready return vehicles, and exclusive use of 18,112 square feet of overflow vehicle storage. The lessee is leasing 7,159 square feet of non-exclusive right of use of the fuel farm at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate has to be adjusted in line with the rates charged to the airlines for counter space. Effective December 1 in each year of the lease the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by the percentage change of the U.S. City Average Consumer Price Index (CPI) for All Urban Consumers. As of December 1, 2017, the MAG is \$12,184 monthly. The lease has an interest rate of 3.09%. As of December 31, 2022, YVRA collected \$69,990 for terminal counter space, ready return parking spaces, overflow vehicle storage spaces, and fuel farm access.

The lessee has agreed to pay a minimum annual guarantee (MAG) of \$12,184 per month or ten percent of the monthly gross revenue, which ever is greater. As of December 31, 2022, YVRA collected \$294,514 in fees, of which \$146,206 in MAG fees and \$148,308 in variable payments.

YVRA recognized \$219,119 in lease revenue and \$10,078 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$135,307 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2022, YVRA's lease receivable and deferred inflow of resources is \$206,887.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

For the Year-Ended December 31,	<u>Lease Revenue</u>	<u>Interest Revenue</u>	<u>Total Payment</u>
2023	<u>\$ 206,887</u>	<u>\$ 3,210</u>	<u>\$ 210,097</u>

Office Space Lease

In November 2022, YVRA entered into a ten year noncancelable leases with the U.S. General Service Administration (lessee), for office space totaling 1,164 square feet. YVRA will receive \$35,874 annually payable monthly in arrears beginning December 1, 2022. The lessee may renew the lease for an additional two option terms of five years. Annually, on the lease term commencement date, the annual payment shall be adjusted by the cost of living adjustment published for the prior month. The lease has an interest rate of 3.09%. YVRA recognized \$1,617 in lease revenue and \$1,373 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2022, YVRA's lease receivable and deferred inflow of resources is \$531,461.

For the Year-Ended December 31,	<u>Lease Revenue</u>	<u>Interest Revenue</u>	<u>Total Payment</u>
2023	\$ 19,730	\$ 16,144	\$ 35,874
2024	20,348	15,526	35,874
2025	20,986	14,888	35,874
2026	21,644	14,230	35,874
2027	22,322	13,552	35,874
2028-2032	122,554	56,817	179,371
2033-2037	143,002	36,370	179,372
2038-2042	160,875	12,520	173,395
	<u>\$ 531,461</u>	<u>\$ 180,047</u>	<u>\$ 711,508</u>

Taxi Lease

In May 2018, YVRA entered into a five year noncancelable lease with Alpine Taxi/Limo, Inc. (lessee), for the right to use a 415 square foot customer service booth in the terminal of the airport. YVRA will receive \$1,207 monthly for the customer service space. Annually, commencing on December 1, 2018, the rental rate shall be adjusted to the rental rate charged for exclusive space assigned by signatory airlines operating in the terminal building. The lease has an interest rate of 3.09%. In the current year, YVRA received \$13,776 in payments. YVRA recognized \$13,449 in lease revenue and \$421 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2022, YVRA's lease receivable and deferred inflow of resources is \$6,256.

For the Year-Ended December 31,	<u>Lease Revenue</u>	<u>Interest Revenue</u>	<u>Total Payment</u>
2023	<u>\$ 6,256</u>	<u>\$ 48</u>	<u>\$ 6,304</u>

The lessee is also required to pay monthly eleven percent of gross revenue. During 2022, the lessee paid \$269,393 to YVRA.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Tower Lease

In July 2018, the County entered into one five year noncancelable leases with the U.S. Department of Transportation Federal Aviation Administration (FAA), to operate four Wide Area Multilateration site located at YVRA. The County will receive \$402 monthly beginning October 1, 2022. The lessee shall have the option to renew the lease for three additional terms of five years each. The lease has an interest rate of 3.09%. In the current year, YVRA received \$4,819 in payments. The County recognized \$4,631 in lease revenue and \$188 in interest revenue for the Airport during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue of the lease term. For the current year, the County had no additional of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2022, the Airport's lease receivable and deferred inflow of resources is \$3,568.

Farm Ground Lease

In November 2019 and 2020, YVRA entered into two five year noncancelable leases for 65.08 grazing acreage and 17.86 hay acreage rights and one six year lease for 119.14 farmable land acreage and 109.63 alfalfa acreage rights with three farmers (lessees). The lessees shall pay \$5.60 per acre for grazing and hay rights, \$18.59 per farmable acre and \$25 per acre for alfalfa. YVRA will receive \$4,680 annually for the farm leases. The lease has an interest rate of 3.09%. In the current year, YVRA received \$4,680 in payments. YVRA recognized \$4,466 in lease revenue and \$490 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2022, YVRA's lease receivable and deferred inflow of resources is \$13,427.

Business-type activities lease receivable activity for the year ended December 31, 2022 is as follows:

Year Ending December 31,	Lease Revenue	Interest Revenue	Total Payment	Regulated Leases	Total
2023	\$ 649,758	\$ 110,330	\$ 760,088	\$ 26,129	\$ 786,217
2024	105,008	98,654	203,662	26,129	229,791
2025	66,231	89,242	155,473	26,129	181,602
2026	71,829	100,509	172,338	-	172,338
2027	70,160	91,681	161,841	-	161,841
2028-2032	385,195	424,011	809,206	-	809,206
2033-2037	449,463	359,744	809,207	-	809,207
2038-2042	518,467	284,764	803,231	-	803,231
2043-2047	417,254	212,582	629,836	-	629,836
2048-2052	486,869	142,966	629,835	-	629,835
2053-2057	568,100	61,736	629,836	-	629,836
2058	103,502	1,471	104,973	-	104,973
	<u>\$ 3,891,836</u>	<u>\$ 1,977,690</u>	<u>\$ 5,869,526</u>	<u>\$ 78,387</u>	<u>\$ 5,947,913</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Governmental Activities - Lease Payable

Postage Machine Lease

The Equipment Pool entered into a five year lease agreement for the use of a postage machine. An initial lease liability was recorded in the amount of \$10,639. As of December 31, 2022, the value of the lease liability is \$7,299. The County's required to make monthly payments of \$302. The lease has an interest rate of 3.09%. The equipment has a useful life of 5 years. The value of the right to use the asset as of December 31, 2022 is \$7,299 with accumulated amortization of \$3,340 are shown in Footnote 4 under governmental activities as an intangible lease asset. See Note 6 – Long-Term Obligations for the inclusion for the lease amount.

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2024	\$ 3,445	\$ 177	\$ 3,622
2024	3,553	69	3,622
2025	301	1	302
	<u>\$ 7,299</u>	<u>\$ 247</u>	<u>\$ 7,546</u>

NOTE 6. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended December 31, 2022 is as follows:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022	Due Within One Year
Governmental activities:					
Certificates of participation	\$ 4,570,000	\$ -	\$ (1,090,000)	\$ 3,480,000	\$ 1,125,000
Unamortized discount, certificates of participation	(5,965)	-	2,350	(3,615)	(1,789)
Leases	-	10,639	(3,340)	7,299	3,445
Total certificates of participation	4,564,035	10,639	(1,090,990)	3,483,684	1,126,656
Compensated absences	1,470,371	2,124,405	(1,793,919)	1,800,857	1,025,771
Total governmental activities	6,034,406	2,135,044	(2,884,909)	5,284,541	2,152,427
Business-type activities:					
Loans payable:					
Revenue loans	65,529	-	(21,093)	44,436	9,032
Compensated absences	280,104	355,784	(290,967)	344,921	126,055
Total business-type activities	345,633	355,784	(312,060)	389,357	135,087
Total long-term obligations	\$ 6,380,039	\$ 2,490,828	\$ (3,196,969)	\$ 5,673,898	\$ 2,287,514

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, 2022

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 2022, a total of \$38,592 was amortized and the unamortized refunding cost as of December 31, 2022, is \$59,365. 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 2022, a total of \$7,280 was amortized and the unamortized refunding cost as of December 31, 2021, is \$11,196. Total deferred charges are reported as a deferred outflow of resources and the total unamortized balance as of December 31, 2022, is \$70,561.

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 money, 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, 2022

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

Year Ending December 31,	Principal	Interest	Total
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
Total	<u>\$3,480,000</u>	<u>\$227,067</u>	<u>\$3,707,067</u>

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 a 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
2023	\$ 7,594	\$ 1,637	\$ 9,231
2024	7,973	1,257	9,230
2025	8,372	859	9,231
2026	8,792	439	9,231
Total	<u>\$ 32,731</u>	<u>\$ 4,192</u>	<u>\$ 36,923</u>

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 Phippsburg Water and Sanitation System shall establish rates and charges sufficient to include the annual repayment of the debt. This loan was fully paid off as of December 31, 2022.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 a debt to Phippsburg Water and Sanitation System (an enterprise fund) and is not a general obligation to the County. The Phippsburg 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
2023	\$ 1,438	\$ 585	\$ 2,023
2024	1,509	513	2,022
2025	1,585	438	2,023
2026	1,664	359	2,023
2027	1,747	275	2,022
2028-2029	3,762	283	4,045
Total	\$ 11,705	\$ 2,453	\$ 14,158

NOTE 7. FUND BALANCE AND NET POSITION

	Fund Balance					Net Position	
	General Fund	Road & Bridge	Human Services	Communi-cations	Total Governmental Funds	Governmental Activities	Business Activities
Nonspendable							
Prepays/Inventory/Deposit	\$ 78,704	\$ 58,920	\$ 861	\$ 40,513	\$ 178,998		
Restricted							
Lottery	292,238	-	-	-	292,238	292,238	-
Museums and Heritage	242,223	-	-	-	242,223	242,223	-
Purchase of Development Rights	7,244,899	-	-	-	7,244,899	7,244,899	-
Public Trustee	41,361	-	-	-	41,361	41,361	-
Recycling	41,180	-	-	-	41,180	41,180	-
Sheriff Investigations	6,669	-	-	-	6,669	6,669	-
Contraband Forfeiture Act	37,757	-	-	-	37,757	37,757	-
Affordable Housing	75,000	-	-	-	75,000	75,000	-
County Manager severance	104,590	-	-	-	104,590	104,590	-
E-Recording	26,792	-	-	-	26,792	26,792	-
TABOR reserve for emergencies:							
General Fund	1,347,154	-	-	-	1,347,154	1,347,154	-
Yampa Valley Regional Airport	-	-	-	-	-	-	273,709
Phippsburg Water and Sanitation System	-	-	-	-	-	-	5,576
Milner Water and Sanitation System	-	-	-	-	-	-	2,752
	<u>9,459,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,459,863</u>	<u>9,459,863</u>	<u>282,037</u>
Committed							
General Fund - 10%	2,506,446	-	-	-	2,506,446		
General Fund - Capital	12,016,878	-	-	-	12,016,878		
Road & Bridge - Interfund Loan	-	62,235	-	-	62,235		
Road & Bridge	-	9,628,265	-	-	9,628,265		
Human Services	-	-	547,768	-	547,768		
Communications	-	-	-	3,149,628	3,149,628		
	<u>14,523,324</u>	<u>9,690,500</u>	<u>547,768</u>	<u>3,149,628</u>	<u>27,911,220</u>		
	<u>\$ 24,061,891</u>	<u>\$ 9,749,420</u>	<u>\$ 548,629</u>	<u>\$ 3,190,141</u>	<u>\$ 37,550,081</u>	<u>\$ 9,459,863</u>	<u>\$ 282,037</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

On December 31, 2022, the committed fund balance of the General Fund complied 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. It shall exclude expenditures from voter-approved mill levies such as the purchase of development rights, developmental disabilities, the museum and heritage, and future voter-approved mill levies restricted for a specific purpose and transfers. Additionally, the committed fund balance complies with the Board of County Commissioner's resolution to set aside funds to acquire capital assets. The capital committed fund balance will be comprised of 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 designated by the Commissioners. The 10% committed fund balance will be funded prior to the capital committed fund balance in the General Fund.

NOTE 8. 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 Mission Square Retirement Corporation. Plan provisions are established and may be amended by the Board of County Commissioners.

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 Code Section 401(a) defined contribution plan. As of January 1, 2022, employees are eligible to participate upon employment with the County, 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 the annual covered salary. The required contributions by the County matching those actually made by the employees in 2022 totaled \$1,043,738. The forfeitures for employees who left employment with the County in 2022 totaled \$12,708.

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 Code 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 the annual covered salary or the plan year maximum. With the implementation of GASB Statement No. 97, Certain Component Unit Criteria, and Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, financial statements for the Section 457 Plan are not included. See Note 14 for further detail.

NOTE 9. 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 the 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.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

Insurance Pool

The County has partially self-funded health, dental, and casualty and property (CAP) insurance plans. All County departments are charged for payments to the insurance pool based on estimated amounts needed to pay prior and current year claims and to establish sufficient reserves. Health and dental insurance expense is allocated to departments by employee participation and type of coverage (family, single, etc.) and for CAP by a three-year weighted average of departmental claims incurred to total claims.

Casualty and Property Insurance

The County is exposed to various risks of loss related to property and casualty losses. In 1986, 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. As of January 1, 2022, the County is self-funded for the first \$75,000 per claim per year. CAPP funds claims in excess of \$75,000. The County pays an annual contribution to CAPP for the administration of the self-insured plan and for 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.

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 12/31/2022
Unpaid claims, beginning of fiscal year	\$ -
Incurred claims (including IBNRs)	31,511
Claim payments	(28,197)
Unpaid claims, end of fiscal year	\$ 3,314

Health and Dental Insurance

The County provides medical and dental coverage for eligible employees and is partially self-funded for these plans. The County is self-funded for the first \$75,000 per claim per year for health insurance and \$1,200 per member per year for dental insurance. A third party administers claim processing services. Commercial aggregate and individual stop loss insurance policies for health insurance are 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 2022 aggregate deductible of \$4,399,857 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, 2022

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 12/31/2022
Unpaid claims, beginning of fiscal year	\$ 194,264
Incurred claims (including IBNRs)	4,461,692
Claim payments	(4,168,236)
Unpaid claims, end of fiscal year	\$ 487,720

NOTE 10. 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 construction, architecture, owner’s representation, engineering, security design, and energy commissioning contracts for the new Health and Human Services building in Steamboat Springs. The security design contract also includes design services for the Historic Courthouse and Annex. Funding for the County’s facilities projects is provided by reserves.

Information Technologies has one contract for archiving historical deed records documents, which is funded by reserves.

YVRA has three projects; de-ice pad expansion, building a car wash facility for the rental car companies, and paving Piper Land for the car wash facility and refueling station. Each project has two contracts; one contract for design and project management and one contract for construction. Funding for the de-ice pad project is provided by federal grants, state grants and reserves. The car wash facility and paving project is provided by YVRA reserves.

Project	Spent to Date	Remaining Commitment
Road and Bridge projects	\$ 55,947	\$ 41,556
Facilities Management projects	10,532,512	2,391,133
Information Technologies projects	184,323	184,323
YVRA de-ice pad expansion and apron rehabilitation	6,347,716	450,772
YVRA car wash facility	2,346,726	1,994,674
YVRA paving of rental car refueling road	525,841	125,408
Total	\$ 19,993,065	\$ 5,187,866

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

NOTE 11. 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.

TABOR also requires local governments to establish emergency reserves 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 2022 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, 2022, the County had a restricted fund balance/net position of \$1,347,154 and \$273,709 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 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."

On September 17, 2002, by resolution, the Routt County Board of County Commissioners approved the Phippsburg Water and Sanitation System (System) as an Enterprise under Article X, Section 20 of the Colorado Constitution. The resolution states, "The System's service charges and fees shall be set to maintain the System as a self-funding enterprise and, in that regard, the System'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." During 2022 Phippsburg Water and Sanitation System received state funding for the design and engineering costs of the new wastewater treatment facility. With this grant, Phippsburg Water and Sanitation System received more than 10 percent of its annual funding from a state or local government and is not in compliance with Article X, Section 20, of the Colorado Constitution.

On May 8, 2008, by resolution, the Routt County Board of County Commissioners approved the Milner Sanitation System (System) as an Enterprise under Article X, Section 20 of the Colorado Constitution. The resolution states, "The System's service charges and fees shall be set to maintain the System as a self-funding enterprise and, in that regard, the System'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." During 2022 Milner Sanitation System received state funding for the design and engineering costs of the new wastewater treatment facility. With this grant, Milner Sanitation System received more than 10 percent of its annual funding from a state or local government and is not in compliance with Article X, Section 20, of the Colorado Constitution.

The initial base for local government spending and revenue limits is the 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 previous 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 the 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 throughout the County.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 1.5 mills. This tax sunsets in the assessment year 2024, with final taxes for 2024 collected in 2025. On November 8, 2022, the electorate approved the extension of the 1.5 mill property tax for the purchase of development rights through assessment year 2034, with final taxes for 2034 collected in 2035.

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 complies with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including 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 the grantor may disallow 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 County's financial condition.

NOTE 12. 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 jointly approve the appointment of all board members to YVHA.

The Fund was 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 a 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.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 desired level of law enforcement services. Both parties agreed to the construction of a joint facility to house the RCSO and the SSPD, an evidence area and vehicles garage that would benefit the citizens by eliminating the duplication of services, fostering cooperation and communication between the agencies and their staff, sharing 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. At the expiration of the lease term as detailed below, the City and County shall have an undivided interest in the CLEF and the 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.

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 as detailed below, 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 County Premise 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. The County shall vacate and surrender possession to the City the remainder of the space which will no longer house the 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 the 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

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 associated with the Evidence Area 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 the County shall be responsible for ten percent of those costs.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2022

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 13. SUBSEQUENT EVENTS

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. Both the power plant and mine are located in Routt County. In 2022, the County has a base property tax temporary mill levy credit of .946 mills, which would allow the County to decrease assessed valuation by \$77,574,517 or 5.86% 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 2023, based on 2022 assessed valuation, the County’s assessed valuation would decrease by \$84,422,780 or 6.1% of the total assessed valuation of the County. Voter approved property taxes, based on 2022 assessed valuation less the assessed valuation of the power plant and the mine, and would decrease \$236,384 in 2022. County base property taxes using tax year 2022 data would result in property taxes decreasing \$112,514 from the closure of the power plant and mine. However as noted below, with the increase in assessed valuation for tax year 2023 the decrease in property tax from the power plant and mine is not anticipated to impact the County. There remains uncertainty as to the other impacts to Routt County operations from the planned closing of the power plant.

Routt County Assessed Valuation

2023 is a reassessment year, as required by Colorado Revised Statute, and all property within the County will be assessed. Preliminary assessment shows an increase in assessed valuation for the County, as a whole, to increase approximately 49% to 59% depending on potential legislation from the last reassessment in 2021. The increase in assessed valuation results in a 2023 tax year TABOR property tax credit being in the range of 45% to 55% after the TABOR property tax revenue limitation. The TABOR property tax credit is significantly greater than the decrease in assessed valuation from the power plant and the mine as note above, and therefore, a decrease in property tax is not anticipated for budget year 2023 or 2024. The fiscal impact for the County for the base property tax and the voter approved mill levy are not yet known as several pieces of legislation are still working their way through the state and voter approval process.

NOTE 14. RESTATEMENT OF NET POSITION

As of January 1, 2022, the County adopted GASB Statement No. 97, Certain Component Unit Criteria, and Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The implementation of this standard adjusts the classification of Section 457 plans as either a pension plan or other employee benefit plan based on the definition of a pension plan in GASB Statement 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB 68, and Amendments to Certain Provision of GASB 67 and 68. Based on the definitions and criteria in GASB 97, the Section 457 plan is no longer presented in the Fiduciary Fund Financial Statement. As such the beginning balance of Employee Retirement Plans in the Statement of Changes in Fiduciary Net Position was restated from its ending December 31, 2021 balance as summarized below:

	Net Position		
	December 31, 2021	457 Plans	January 1, 2022
Sec. 401(a) Employee Retirement Plan	\$ 38,691,723	\$ -	\$ 38,691,723
Sec. 457 Employee Retirement Plan	11,626,931	(11,626,931)	-
	\$ 50,318,654	\$(11,626,931)	\$ 38,691,723

Routt County, Colorado
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 20,312,983	\$ 20,312,983	\$ 20,229,709	\$ (83,274)
Sales taxes	8,680,776	9,127,821	8,958,536	(169,285)
Intergovernmental	2,775,373	4,355,133	8,068,920	3,713,787
Charges for sales and services	4,157,493	4,192,243	4,604,782	412,539
Investment earnings	49,421	49,421	(255,487)	(304,908)
Total revenues	<u>35,976,046</u>	<u>38,037,601</u>	<u>41,606,460</u>	<u>3,568,859</u>
EXPENDITURES				
Administration				
Accounting	1,392,271	1,455,821	1,441,315	14,506
Attorney	574,071	611,951	601,915	10,036
Commissioners	1,105,479	945,104	891,341	53,763
Facilities management	3,243,283	3,410,418	3,409,630	788
Geographical information systems	423,990	374,290	357,387	16,903
Grant administration	112,204	109,094	103,318	5,776
Information technology	3,041,667	3,022,117	2,831,802	190,315
Human resources	560,766	569,481	568,510	971
Public information office	102,534	133,274	129,402	3,872
Purchasing	129,093	136,833	127,056	9,777
	<u>10,685,358</u>	<u>10,768,383</u>	<u>10,461,676</u>	<u>306,707</u>
Community resources				
Developmental disabilities	1,416,473	1,416,473	1,414,587	1,886
Museums	623,973	624,723	391,367	233,356
Elections	404,681	341,206	340,145	1,061
Multi modal transportation	85,000	85,000	35,000	50,000
Affordable housing	50,000	1,050,000	1,050,000	-
Community services	1,019,811	1,535,551	1,504,694	30,857
Planning	1,382,646	1,296,461	1,180,566	115,895
Recycling	63,350	71,350	71,090	260
Surveyor	6,589	6,704	6,696	8
Taylor grazing	68,350	68,350	26,977	41,373
Noxious weed	281,521	254,086	247,145	6,941
Environmental health	636,665	668,815	668,727	88
Public Health	781,975	779,070	778,963	107
Extension	410,120	375,825	373,517	2,308
Veterans	31,333	32,063	31,962	101
Purchase of development rights	7,721,480	7,721,480	458,247	7,263,233
Fair	603,426	603,426	601,510	1,916
	<u>15,587,393</u>	<u>16,930,583</u>	<u>9,181,193</u>	<u>7,749,390</u>
Property tax administration				
Clerk	350,843	338,028	334,307	3,721
Motor vehicle	475,412	412,842	411,220	1,622
Public trustee	74,632	81,142	59,572	21,570
Assessor	1,229,892	1,246,042	1,242,743	3,299
Treasurer	675,773	653,673	653,637	36
	<u>2,806,552</u>	<u>2,731,727</u>	<u>2,701,479</u>	<u>30,248</u>
Public safety				
Coroner	189,705	187,990	182,539	5,451
Detention center	3,283,776	3,467,766	3,467,523	243
Emergency medical	17,363	17,363	14,109	3,254
Sheriff	4,180,237	4,653,457	4,644,277	9,180
Emergency response	156,700	215,770	129,098	86,672
District attorney	990,540	990,540	964,468	26,072
	<u>8,818,321</u>	<u>9,532,886</u>	<u>9,402,014</u>	<u>130,872</u>
Total expenditures	<u>37,897,624</u>	<u>39,963,579</u>	<u>31,746,362</u>	<u>8,217,217</u>
Excess (deficiency) of revenues over expenditures	<u>(1,921,578)</u>	<u>(1,925,978)</u>	<u>9,860,098</u>	<u>11,786,076</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,015,700	1,015,700
Transfers out	(13,463,329)	(13,463,329)	(9,863,907)	3,599,422
Total other financing sources (uses)	<u>(13,463,329)</u>	<u>(13,463,329)</u>	<u>(8,848,207)</u>	<u>4,615,122</u>
Net change in fund balance	<u>(15,384,907)</u>	<u>(15,389,307)</u>	<u>1,011,891</u>	<u>16,401,198</u>
Fund balance - beginning	<u>23,050,000</u>	<u>23,050,000</u>	<u>23,050,000</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,665,093</u>	<u>\$ 7,660,693</u>	<u>\$ 24,061,891</u>	<u>\$ 16,401,198</u>

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 - With Reconciliation to GAAP Basis
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 909,614	\$ 909,747	\$ 874,197	\$ (35,550)
Sales taxes	1,576,917	1,387,512	5,110,603	3,723,091
Intergovernmental	5,775,505	5,775,505	5,304,861	(470,644)
Charges for sales and services	368,728	368,728	411,650	42,922
Investment earnings	3,720	3,720	3,692	(28)
Lease interest income	-	-	8,096	8,096
Interfund loan principal	5,915	5,915	5,911	(4)
Total revenues	<u>8,640,399</u>	<u>8,451,127</u>	<u>11,719,010</u>	<u>3,267,883</u>
EXPENDITURES				
Salaries and benefits	3,820,345	3,627,940	3,609,897	18,043
Operations	6,567,652	7,418,452	6,913,539	504,913
Infrastructure	1,916,803	1,916,803	1,594,751	322,052
Total expenditures	<u>12,304,800</u>	<u>12,963,195</u>	<u>12,118,187</u>	<u>845,008</u>
Excess (deficiency) of revenues over expenditures	<u>(3,664,401)</u>	<u>(4,512,068)</u>	<u>(399,177)</u>	<u>4,112,891</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(17,500)	(20,500)	(19,760)	740
Total other financing sources (uses)	<u>(17,500)</u>	<u>(20,500)</u>	<u>(19,760)</u>	<u>740</u>
Net change in fund balance - Budgetary basis	(3,681,901)	(4,532,568)	(418,937)	4,113,631
Fund balance - Beginning	10,174,268	10,174,268	10,174,268	-
Fund balance - Ending - Budgetary basis	<u>\$ 6,492,367</u>	<u>\$ 5,641,700</u>	<u>9,755,331</u>	<u>\$ 4,113,631</u>
Reconciliation to Generally Accepted Accounting Principles (GAAP) basis				
Interfund loan principal received			(5,911)	
Fund balances - Ending GAAP basis			<u>\$ 9,749,420</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 738,979	\$ 738,979	\$ 756,820	\$ 17,841
Intergovernmental	4,696,533	4,799,413	4,830,928	31,515
Operating grants	249,600	249,600	228,919	(20,681)
Total revenues	<u>5,685,112</u>	<u>5,787,992</u>	<u>5,816,667</u>	<u>28,675</u>
EXPENDITURES				
Salaries and benefits	2,357,487	2,361,087	2,361,063	24
Operations	3,484,003	3,584,003	3,580,076	3,927
Total expenditures	<u>5,841,490</u>	<u>5,945,090</u>	<u>5,941,139</u>	<u>3,951</u>
Excess (deficiency) of revenues over expenditures	<u>(156,378)</u>	<u>(157,098)</u>	<u>(124,472)</u>	<u>32,626</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	156,329	156,329	240,606	84,277
Total other financing sources (uses)	<u>156,329</u>	<u>156,329</u>	<u>240,606</u>	<u>84,277</u>
Net change in fund balance	(49)	(769)	116,134	116,903
Fund balance - beginning	432,495	432,495	432,495	-
Fund balance - ending	<u>\$ 432,446</u>	<u>\$ 431,726</u>	<u>\$ 548,629</u>	<u>\$ 116,903</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 2,163,470	\$ 2,163,225	\$ 2,174,150	\$ 10,925
Intergovernmental	105,000	105,000	196,456	91,456
Charges for sales and services	617,955	617,955	681,437	63,482
Lease interest income	-	-	2,783	2,783
Total revenues	<u>2,886,425</u>	<u>2,886,180</u>	<u>3,054,826</u>	<u>168,646</u>
EXPENDITURES				
Salaries and benefits	2,238,626	2,238,626	1,633,814	604,812
Operations	762,370	762,370	708,383	53,987
Total expenditures	<u>3,000,996</u>	<u>3,000,996</u>	<u>2,342,197</u>	<u>658,799</u>
Net change in fund balance	(114,571)	(114,816)	712,629	827,445
Fund balance - beginning	2,477,512	2,477,512	2,477,512	-
Fund balance - ending	<u>\$ 2,362,941</u>	<u>\$ 2,362,696</u>	<u>\$ 3,190,141</u>	<u>\$ 827,445</u>

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

ROUTT COUNTY, COLORADO
EXPLANATION OF FUNDS
December 31, 2022

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, 2022

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and investments	\$ 248,138	\$ 18,328	\$ 266,466
Accounts receivable (net of allowance for uncollectibles)	16,594	9,296	25,890
Total current assets	<u>264,732</u>	<u>27,624</u>	<u>292,356</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	65,337	63,287	128,624
Accumulated depreciation	(1,459,030)	(469,337)	(1,928,367)
Total noncurrent assets	<u>359,223</u>	<u>170,535</u>	<u>529,758</u>
Total assets	<u>623,955</u>	<u>198,159</u>	<u>822,114</u>
LIABILITIES			
Current liabilities:			
Accounts payable	8,121	1,000	9,121
Accrued interest	741	-	741
Due to other funds	-	6,492	6,492
Current portion of long-term debt (net of unamortized discount)	9,032	-	9,032
Total current liabilities	<u>17,894</u>	<u>7,492</u>	<u>25,386</u>
Noncurrent liabilities:			
Loans payable	35,404	-	35,404
Interfund loan payable	-	62,235	62,235
Total noncurrent liabilities	<u>35,404</u>	<u>62,235</u>	<u>97,639</u>
Total liabilities	<u>53,298</u>	<u>69,727</u>	<u>123,025</u>
NET POSITION			
Net investment in capital assets	314,787	102,093	416,880
Restricted	5,576	2,752	8,328
Unrestricted	250,294	23,587	273,881
Total net position	<u>\$ 570,657</u>	<u>\$ 128,432</u>	<u>\$ 699,089</u>

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

Routt County, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2022

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for sales and services	\$ 156,309	\$ 61,305	\$ 217,614
Total operating revenues	<u>156,309</u>	<u>61,305</u>	<u>217,614</u>
OPERATING EXPENSES			
Depreciation	13,669	19,358	33,027
Repairs and maintenance	4,736	9,737	14,473
Purchased services and supplies	88,159	41,932	130,091
Total operating expenses	<u>106,564</u>	<u>71,027</u>	<u>177,591</u>
Operating income (loss)	<u>49,745</u>	<u>(9,722)</u>	<u>40,023</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	(1,071)	(184)	(1,255)
Loss on sale of asset	(46,596)	-	(46,596)
Interest expense	(2,925)	-	(2,925)
Interest expense - interfund	-	(3,693)	(3,693)
Total nonoperating revenues (expenses)	<u>(50,592)</u>	<u>(3,877)</u>	<u>(54,469)</u>
Income (loss) before contributions and transfers	(847)	(13,599)	(14,446)
Tap fees	6,000	-	6,000
Capital grant	30,625	30,625	61,250
Change in net position	<u>35,778</u>	<u>17,026</u>	<u>52,804</u>
Total net position - beginning	<u>534,879</u>	<u>111,406</u>	<u>646,285</u>
Total net position - ending	<u>\$ 570,657</u>	<u>\$ 128,432</u>	<u>\$ 699,089</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, 2022

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts for customers and users	\$ 147,948	\$ 62,705	\$ 210,653
Payments to suppliers	(90,625)	(51,684)	(142,309)
Net cash provided (used) by operating activities	<u>57,323</u>	<u>11,021</u>	<u>68,344</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tap fees	6,000	-	6,000
Net cash provided (used) by noncapital financing activities	<u>6,000</u>	<u>-</u>	<u>6,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants	30,625	30,625	61,250
Acquisition and construction of capital assets	(65,337)	(63,287)	(128,624)
Principal paid on capital debt	(21,093)	(5,911)	(27,004)
Interest paid on capital debt	(3,276)	(3,718)	(6,994)
Net cash provided (used) by capital and related financing activities	<u>(59,081)</u>	<u>(42,291)</u>	<u>(101,372)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	(1,071)	(184)	(1,255)
Net purchases and sales of investments	(67,759)	11,910	(55,849)
Net cash provided (used) by investing activities	<u>(68,830)</u>	<u>11,726</u>	<u>(57,104)</u>
Net increase (decrease) in cash and cash equivalents	(64,588)	(19,544)	(84,132)
Cash and cash equivalents, beginning	114,215	23,210	137,425
Cash and cash equivalents, ending	<u>49,627</u>	<u>3,666</u>	<u>53,293</u>
Investments	<u>198,511</u>	<u>14,662</u>	<u>213,173</u>
Cash and investments - end of the year	<u>\$ 248,138</u>	<u>\$ 18,328</u>	<u>\$ 266,466</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, 2022

	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)	\$ 49,745	\$ (9,722)	\$ 40,023
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	13,669	19,358	33,027
Capital financing activities			
Interest expense			
Accrued interest	(351)	-	(351)
Changes in assets and liabilities:			
(Increase) decrease			
Accounts receivable	(8,361)	1,400	(6,961)
Prepaid expenses	4,072	-	4,072
Increase (decrease)			
Accounts payable	(1,802)	(15)	(1,817)
Accrued interest	351	-	351
Total adjustments	<u>7,578</u>	<u>20,743</u>	<u>28,321</u>
Net cash provided (used) by operating activities	<u>\$ 57,323</u>	<u>\$ 11,021</u>	<u>\$ 68,344</u>
Noncash investing, capital and financing activities			
Increase (decrease) in fair value of investments	\$ (4,362)	\$ (322)	\$ (4,684)
Loss on sale of capital asset	(46,596)	-	(46,596)

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Sales taxes	\$ 319,955	\$ 319,955	\$ 524,631	\$ 204,676
Charges for sales and services	9,213,422	9,362,157	8,436,531	(925,626)
Operating grants	18,530	18,530	20,260	1,730
Total revenues	<u>9,551,907</u>	<u>9,700,642</u>	<u>8,981,422</u>	<u>(719,220)</u>
EXPENSES				
Salary and benefits	3,492,324	3,568,254	3,568,243	11
Depreciation	406,933	406,933	406,933	-
Repairs and maintenance	437,535	470,835	432,256	38,579
Purchased services and supplies	1,748,182	1,916,497	1,942,396	(25,899)
Total expenses	<u>6,084,974</u>	<u>6,362,519</u>	<u>6,349,828</u>	<u>12,691</u>
Excess (deficiency) of revenues over expenditures	<u>3,466,933</u>	<u>3,338,123</u>	<u>2,631,594</u>	<u>(706,529)</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	15,918	15,918	(71,707)	(87,625)
Lease interest income	-	-	116,448	116,448
Capital outlay	(11,766,795)	(11,766,795)	(10,632,784)	1,134,011
Capital grants	7,540,662	7,540,662	9,188,876	1,648,214
Intergovernmental	5,673,373	5,673,373	4,529,547	(1,143,826)
Total other financing sources (uses)	<u>1,463,158</u>	<u>1,463,158</u>	<u>3,130,380</u>	<u>1,667,222</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 4,930,091</u>	<u>\$ 4,801,281</u>	<u>\$ 5,761,974</u>	<u>\$ 960,693</u>

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for sales and services	\$ 1,901,000	\$ 1,905,815	\$ 2,749,791	\$ 843,976
Total revenues	<u>1,901,000</u>	<u>1,905,815</u>	<u>2,749,791</u>	<u>843,976</u>
EXPENSES				
Salary and benefits	1,110,921	1,115,736	1,115,723	13
Purchased services and supplies	589,977	589,977	555,446	34,531
Total expenses	<u>1,700,898</u>	<u>1,705,713</u>	<u>1,671,169</u>	<u>34,544</u>
Excess (deficiency) of revenues over expenditures	<u>200,102</u>	<u>200,102</u>	<u>1,078,622</u>	<u>878,520</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(531,100)	(531,100)	(189,283)	341,817
Total other financing sources (uses)	<u>(531,100)</u>	<u>(531,100)</u>	<u>(189,283)</u>	<u>341,817</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (330,998)</u>	<u>\$ (330,998)</u>	<u>\$ 889,339</u>	<u>\$ 1,220,337</u>

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

Routt County, Colorado
Phippsburg Water & Sanitation System - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for sales and services	\$ 156,930	\$ 156,930	\$ 156,309	\$ (621)
Total revenues	<u>156,930</u>	<u>156,930</u>	<u>156,309</u>	<u>(621)</u>
EXPENSES				
Repairs and maintenance	12,500	12,500	4,736	7,764
Purchased services and supplies	72,700	80,500	88,159	(7,659)
Total expenses	<u>85,200</u>	<u>93,000</u>	<u>92,895</u>	<u>105</u>
Excess (deficiency) of revenues over expenditures	<u>71,730</u>	<u>63,930</u>	<u>63,414</u>	<u>(516)</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	250	250	(1,071)	(1,321)
Capital outlay	-	(80,000)	(65,337)	14,663
Interest expense	(4,470)	(4,470)	(2,925)	1,545
Principal payments	(27,455)	(27,455)	(21,093)	6,362
Capital grants	-	40,000	30,625	(9,375)
Tap fees	-	-	6,000	6,000
Total other financing sources (uses)	<u>(31,675)</u>	<u>(71,675)</u>	<u>(53,801)</u>	<u>17,874</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 40,055</u>	<u>\$ (7,745)</u>	<u>\$ 9,613</u>	<u>\$ 17,358</u>

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for sales and services	\$ 62,310	\$ 62,310	\$ 61,305	\$ (1,005)
Total revenues	<u>62,310</u>	<u>62,310</u>	<u>61,305</u>	<u>(1,005)</u>
EXPENSES				
Repairs and maintenance	15,000	15,000	9,737	5,263
Purchased services and supplies	38,670	38,670	41,932	(3,262)
Total expenses	<u>53,670</u>	<u>53,670</u>	<u>51,669</u>	<u>2,001</u>
Excess (deficiency) of revenues over expenditures	<u>8,640</u>	<u>8,640</u>	<u>9,636</u>	<u>996</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	60	60	(184)	(244)
Capital outlay	-	(80,000)	(63,287)	16,713
Principal payments	(5,915)	(5,915)	(5,911)	4
Capital grants	-	40,000	30,625	(9,375)
Interest expense - interfund	(3,720)	(3,720)	(3,693)	27
Total other financing sources (uses)	<u>(9,575)</u>	<u>(49,575)</u>	<u>(42,450)</u>	<u>7,125</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (935)</u>	<u>\$ (40,935)</u>	<u>\$ (32,814)</u>	<u>\$ 8,121</u>

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, 2022

	Equipment Pool	Insurance Pool	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 14,861,144	\$ 2,322,993	\$ 17,184,137
Accounts receivable (net of allowance for uncollectibles)	-	694,357	694,357
Due from other governments	7,321	-	7,321
Prepaid expenses	-	20,000	20,000
Inventory	65,105	-	65,105
Total current assets	<u>14,933,570</u>	<u>3,037,350</u>	<u>17,970,920</u>
Noncurrent assets:			
Land and improvements (non-depreciable/non-amortizable)	3,092,916	-	3,092,916
Land improvements (depreciable/amortizable)	1,902,009	-	1,902,009
Buildings	44,815,289	-	44,815,289
Equipment	30,900,992	-	30,900,992
Other (depreciable)	1,897,332	-	1,897,332
Other (non-depreciable)	539,996	-	539,996
Leased asset	10,638	-	10,638
Construction in progress	11,660,899	-	11,660,899
Accumulated depreciation/amortization	(42,106,877)	-	(42,106,877)
Total noncurrent assets	<u>52,713,194</u>	<u>-</u>	<u>52,713,194</u>
Total assets	<u>67,646,764</u>	<u>3,037,350</u>	<u>70,684,114</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	70,561	-	70,561
Total deferred outflows of resources	<u>70,561</u>	<u>-</u>	<u>70,561</u>
Total assets and deferred outflows of resources	<u>67,717,325</u>	<u>3,037,350</u>	<u>70,754,675</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,530,225	79,165	1,609,390
Compensated absences	21,753	-	21,753
Claims liability	-	491,033	491,033
Accrued interest	9,308	-	9,308
Retainage payable	594,132	-	594,132
Current portion of long-term debt (net of unamortized discount)	1,123,211	-	1,123,211
Current portion of lease payable	3,445	-	3,445
Total current liabilities	<u>3,282,074</u>	<u>570,198</u>	<u>3,852,272</u>
Noncurrent liabilities:			
Certificates of participation (net of unamortized discount)	2,353,174	-	2,353,174
Lease payable	3,854	-	3,854
Total noncurrent liabilities	<u>2,357,028</u>	<u>-</u>	<u>2,357,028</u>
Total liabilities	<u>5,639,102</u>	<u>570,198</u>	<u>6,209,300</u>
NET POSITION			
Net investment in capital assets	48,705,939	-	48,705,939
Unrestricted	13,372,284	2,467,152	15,839,436
Total net position	<u>\$ 62,078,223</u>	<u>\$ 2,467,152</u>	<u>\$ 64,545,375</u>

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

Routt County, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2022

	Equipment Pool	Insurance Pool	Total Internal Service Funds
OPERATING REVENUES			
Internal service fees	\$ 4,739,837	\$ 6,369,363	\$ 11,109,200
Insurance proceeds	11,556	720,846	732,402
Total operating revenues	<u>4,751,393</u>	<u>7,090,209</u>	<u>11,841,602</u>
OPERATING EXPENSES			
Salary and benefits	407,595	-	407,595
Depreciation/amortization	3,074,615	-	3,074,615
Claims	-	4,416,434	4,416,434
Repairs and maintenance	1,288,650	-	1,288,650
Purchased services and supplies	107,926	1,190,923	1,298,849
Total operating expenses	<u>4,878,786</u>	<u>5,607,357</u>	<u>10,486,143</u>
Operating income (loss)	<u>(127,393)</u>	<u>1,482,852</u>	<u>1,355,459</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	(46,361)	-	(46,361)
Interest expense	(184,473)	-	(184,473)
Amortization of refunding debt insurance	(7,280)	-	(7,280)
Gain (loss) on disposal of capital assets	69,984	-	69,984
Total nonoperating revenues (expenses)	<u>(168,130)</u>	<u>-</u>	<u>(168,130)</u>
Income (loss) before contributions and transfers	(295,523)	1,482,852	1,187,329
Transfers in	9,832,344	-	9,832,344
Transfers out	-	(1,015,700)	(1,015,700)
Change in net position	9,536,821	467,152	10,003,973
Total net position - beginning	52,541,402	2,000,000	54,541,402
Total net position - ending	<u>\$ 62,078,223</u>	<u>\$ 2,467,152</u>	<u>\$ 64,545,375</u>

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

Rout County, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	Equipment Pool	Insurance Pool	Total
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities			
Receipts from interfund services provided	\$ 4,753,003	\$ 5,943,512	\$ 10,696,515
Receipts from insurance	-	452,336	452,336
Payments to suppliers	(1,388,392)	(1,252,538)	(2,640,930)
Payments to employees	(400,051)	-	(400,051)
Payments to claims	-	(4,119,665)	(4,119,665)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	<u>2,964,560</u>	<u>1,023,645</u>	<u>3,988,205</u>
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	82,491	-	82,491
Acquisition and construction of capital assets	(10,457,528)	-	(10,457,528)
Principal payments on certificates of participation	(1,090,000)	-	(1,090,000)
Interest payments on certificates of participation	(145,974)	-	(145,974)
Principal payments on leased asset	(3,339)	-	(3,339)
Interest payments on leased asset	(282)	-	(282)
Transfers in	9,832,344	-	9,832,344
Transfers out	-	(1,015,700)	(1,015,700)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	<u>(1,782,288)</u>	<u>(1,015,700)</u>	<u>(2,797,988)</u>
Cash flows from investing activities			
Earnings on investments	(46,361)	-	(46,361)
Net purchases and sales of investments	(4,562,984)	(622,722)	(5,185,706)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	<u>(4,609,345)</u>	<u>(622,722)</u>	<u>(5,232,067)</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,427,073)</u>	<u>(614,777)</u>	<u>(4,041,850)</u>
Cash and cash equivalents, beginning	<u>6,399,298</u>	<u>1,079,376</u>	<u>7,478,674</u>
Cash and cash equivalents, ending	<u>2,972,225</u>	<u>464,599</u>	<u>3,436,824</u>
Investments	<u>11,888,919</u>	<u>1,858,394</u>	<u>13,747,313</u>
Cash and investments	<u>\$ 14,861,144</u>	<u>\$ 2,322,993</u>	<u>\$ 17,184,137</u>

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

Rout County, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	<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)	\$ (127,393)	\$ 1,482,852	\$ 1,355,459
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization Capital assets	3,074,615	-	3,074,615
Accounts payable	(721,234)	-	(721,234)
Retainage payable	(514,873)	-	(514,873)
Interest expense			
Accrued interest	2,725	-	2,725
Change in assets and liabilities:			
(Increase) decrease			
Accounts receivable	1,610	(268,510)	(266,900)
Due from other governments	1,211	-	1,211
Inventory	(13,395)	-	(13,395)
Prepaid expenses	8,606	(20,000)	(11,394)
Increase (decrease)			
Accounts payable	743,826	(41,615)	702,211
Accrued interest	(2,725)	-	(2,725)
Compensated absences	(3,286)	-	(3,286)
Claims liability	-	296,769	296,769
Unearned revenue	-	(425,851)	(425,851)
Retainage payable	514,873	-	514,873
Total adjustments	<u>3,091,953</u>	<u>(459,207)</u>	<u>2,632,746</u>
Net cash provided (used) by operating activities	<u>\$ 2,964,560</u>	<u>\$ 1,023,645</u>	<u>\$ 3,988,205</u>
Noncash investing, capital, and financing activities:			
Increase (decrease) in fair value of investments	\$ (261,224)	\$ (40,833)	\$ (302,057)
Amortization related to refunding debt issue	(48,222)	-	(48,222)
Proceeds from intangible lease asset	10,638	-	10,638
Leased asset addition from implementation of GASB 87	(10,638)	-	(10,638)

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 (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal service fees	\$ 4,703,818	\$ 4,703,818	\$ 4,739,837	\$ 36,019
Insurance proceeds	29,000	29,000	11,556	(17,444)
Total revenues	<u>4,732,818</u>	<u>4,732,818</u>	<u>4,751,393</u>	<u>18,575</u>
EXPENSES				
Salary and benefits	507,530	507,530	407,595	99,935
Repairs and maintenance	1,118,730	1,393,730	1,288,650	105,080
Purchased services and supplies	92,890	92,890	107,926	(15,036)
Total expenses	<u>1,719,150</u>	<u>1,994,150</u>	<u>1,804,171</u>	<u>189,979</u>
Excess (deficiency) of revenues over expenditures	<u>3,013,668</u>	<u>2,738,668</u>	<u>2,947,222</u>	<u>208,554</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	11,500	11,500	(46,361)	(57,861)
Capital outlay	(16,954,700)	(16,954,700)	(11,704,273)	5,250,427
Proceeds from leases	-	-	10,638	10,638
Principal payments	(1,090,000)	(1,090,000)	(1,090,000)	-
Principal payments - leases	-	(3,400)	(3,340)	60
Interest expense	(143,420)	(143,420)	(143,249)	171
Interest expense - leases	-	(200)	(282)	(82)
Gain (loss) on disposal of capital assets	379,000	379,000	69,984	(309,016)
Transfers in	13,855,600	13,859,200	9,832,344	(4,026,856)
Total other financing sources (uses)	<u>(3,942,020)</u>	<u>(3,942,020)</u>	<u>(3,074,539)</u>	<u>867,481</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (928,352)</u>	<u>\$ (1,203,352)</u>	<u>\$ (127,317)</u>	<u>\$ 1,076,035</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal service fees	\$ 6,323,870	\$ 6,323,870	\$ 6,369,363	\$ 45,493
Insurance proceeds	-	515,500	720,846	205,346
Total revenues	<u>6,323,870</u>	<u>6,839,370</u>	<u>7,090,209</u>	<u>250,839</u>
EXPENSES				
Claims	3,881,930	4,397,430	4,416,434	(19,004)
Purchased services and supplies	1,210,470	1,210,470	1,190,923	19,547
Total expenses	<u>5,092,400</u>	<u>5,607,900</u>	<u>5,607,357</u>	<u>543</u>
Excess (deficiency) of revenues over expenditures	<u>1,231,470</u>	<u>1,231,470</u>	<u>1,482,852</u>	<u>251,382</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,015,700)	(1,015,700)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,015,700)</u>	<u>(1,015,700)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 1,231,470</u>	<u>\$ 215,770</u>	<u>\$ 467,152</u>	<u>\$ 251,382</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, 2022

	County Treasurer Fund	Public Trustee Fund	Inmate Commissary Fund	Total
ASSETS				
Cash and investments	\$ 1,493,422	\$ 66,789	\$ 107,351	\$ 1,667,562
Property tax receivable	63,695,599	-	-	63,695,599
Total assets	<u>65,189,021</u>	<u>66,789</u>	<u>107,351</u>	<u>65,363,161</u>
LIABILITIES				
Due to other governments	1,416,055	-	-	1,416,055
Funds held for others	77,367	66,789	3,988	148,144
Accounts payable and other liabilities	-	-	1,267	1,267
Total liabilities	<u>1,493,422</u>	<u>66,789</u>	<u>5,255</u>	<u>1,565,466</u>
DEFERRED INFLOW OF RESOURCES				
Property taxes	63,695,599	-	-	63,695,599
Total deferred inflow of resources	<u>63,695,599</u>	<u>-</u>	<u>-</u>	<u>63,695,599</u>
NET POSITION				
Restricted				
Individuals, organizations, and other governments	-	-	102,096	102,096
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,096</u>	<u>\$ 102,096</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, 2022

	County Treasurer Fund	Public Trustee Fund	Inmate Commissary Fund	Total
ADDITIONS				
Taxes collected for other governments	\$ 73,771,693	\$ -	\$ -	\$ 73,771,693
Public trustee activity	-	723,974	-	723,974
Funds held for others	11,121,621	-	189,380	11,311,001
Sales	-	-	46,231	46,231
Total additions	<u>84,893,314</u>	<u>723,974</u>	<u>235,611</u>	<u>85,852,899</u>
DEDUCTIONS				
Taxes disbursed to other governments	73,771,693	-	-	73,771,693
Public trustee disbursements	-	723,974	-	723,974
Disbursements of funds held for others	11,121,621	-	196,971	11,318,592
Cost of goods sold	-	-	32,538	32,538
Total deductions	<u>84,893,314</u>	<u>723,974</u>	<u>229,509</u>	<u>85,846,797</u>
Net increase (decrease) in fiduciary net position	-	-	6,102	6,102
Net position, beginning	-	-	95,994	95,994
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,096</u>	<u>\$ 102,096</u>

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

ROUTT COUNTY, COLORADO
NOTES TO THE SUPPLEMENTARY INFORMATION
December 31, 2022

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	\$ 13,018,877	\$ 599,087	\$ 35,778	\$ 17,026	\$ 9,536,821
Revenues					
Unearned revenue	-	290,252	-	-	-
Expenditures					
Depreciation/amortization	3,403,773	-	13,669	19,358	3,074,615
Capital outlay	(10,632,784)	-	(65,337)	(63,287)	(11,704,273)
Loss on capital asset disposals	-	-	46,596	-	-
Gain on capital asset disposals	(27,892)	-	-	-	-
Amortization of refunding debt insurance	-	-	-	-	7,280
Interest expense, amortization of the deferred charge for refunding debt	-	-	-	-	38,592
Interest expense, amortization of the issue discount on refunding debt	-	-	-	-	2,350
Proceeds from leases	-	-	-	-	10,638
Debt principal payments	-	-	(21,093)	(5,911)	(1,090,000)
Lease payments	-	-	-	-	(3,340)
Budget basis	\$ 5,761,974	\$ 889,339	\$ 9,613	\$ (32,814)	\$ (127,317)

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 : 2022			
This Information From The Records Of the County of Routt		Prepared By: Phone:	Gina Goodman Norton 970-870-5372		
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)	1,594,750		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,365,037		
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	877,306	b. Snow and ice removal	2,495,887		
3. Other local imposts (from page 2)	6,004,133	c. Other	140,054		
4. Miscellaneous local receipts (from page 2)	423,438	d. Total (a. through c.)	2,635,941		
5. Transfers from toll facilities	0	4. General administration & miscellaneous	1,542,219		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	877,306		
a. Bonds - Original Issues	0	6. Total (1 through 5)	13,015,253		
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)	7,304,877	b. Redemption	0		
B. Private Contributions	0	c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	3,269,857	2. Notes:			
D. Receipts from Federal Government (from page 2)	2,015,671	a. Interest	0		
E. Total receipts (A.7 + B + C + D)	12,590,405	b. Redemption	0		
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	13,015,253		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	0	0	0	0	
1. Bonds (Refunding Portion)	0	0	0	0	
B. Notes (Total)	0	0	0	0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 10,174,268	12,590,405	13,015,253	9,749,420	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

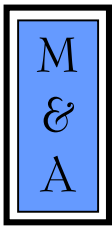
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	816,636	a. Interest on investments	4,474
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	5,110,604	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	412,005
5. Other	76,893	g. Other Misc. Receipts	3,693
6. Total (1. through 5.)	5,187,497	h. Capital Credits	3,266
c. Total (a. + b.)	6,004,133	i. Total (a. through h.)	423,438
	(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	3,160,280	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	64,577	d. Federal Transit Administration	0
d. Severance Tax	45,000	e. U.S. Corps of Engineers	0
e. State P.U.C. and EIAF funds	0	f. Other Federal	2,015,671
f. Total (a. through e.)	109,577	g. Total (a. through f.)	2,015,671
4. Total (1. + 2. + 3.f)	3,269,857	3. Total (1. + 2.g)	2,015,671
			(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	0	0
b. Engineering Costs	0	50,446	50,446
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	1,544,304	1,544,304
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,544,304	1,544,304
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,594,750	1,594,750
			(Carry forward to page 1)

Notes and Comments:



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 25, 2023.

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
MATTHEW D. MILLER, CPA

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FRISCO: (970) 668-3481

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

Compliance and Other Matters

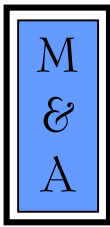
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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.
Avon, Colorado
July 25, 2023**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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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 Federal 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, 2022 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, 2022. 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.

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 for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"); 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 of Federal Awards* (the "Uniform Guidance"), and the Guide. Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Member: American Institute of Certified Public Accountants

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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.

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

Report on Internal Control Over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

**McMahan and Associates, L.L.C.
Avon, Colorado
July 25, 2023**

Routt County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

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	ALN 20.106
Coronavirus State and Local Fiscal Recovery Funds	ALN 21.027
Local Assistance and Tribal Consistency Fund	ALN 21.032

Dollar threshold used to identify Type A from Type B programs: \$750,000

Identified as low-risk auditee Yes

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by *Government Auditing Standards* 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, 2022
(Continued)

There were no audit findings for the year ended December 31, 2021.

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Assistance Listing Number	Identifying Number Assigned by Pass-through Entity	Grant Expenditure Amount	Cluster Ref
<u>Federal Department/Direct or Pass-Through Entity/Program</u>			
<u>Department of Health and Human Services</u>			
Passed through Colorado Department of Human Services:			
Child Care and Development Block Grant	CDHS - FFA	338,642	A
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CDHS - FFA	170,188	A
Guardianship Assistance	CDHS - FFA	4,541	
Temporary Assistance for Needy Families	CDHS - FFA	193,174	
Child Support Enforcement	CDHS - FFA	267,549	
Low-Income Home Energy Assistance	CDHS - FFA	480	
Stephanie Tubbs Jones Child Welfare Services Program	CDHS - FFA	11,011	
Foster Care - Title IV-E	CDHS - FFA	191,277	
Adoption Assistance	CDHS - FFA	22,639	
Social Services Block Grant	CDHS - FFA	90,274	
Promoting Safe and Stable Families	CDHS - FFA	48,527	
Passed through Department of Health Care Policy and Financing:			
Medical Assistance Program	n/a	289,520	B
Passed through Colorado Department of Local Affairs:			
Community Services Block Grant	L21CSBG39	62,346	
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	3,826	
Immunization Cooperative Agreements	NH23IP922600	12,939	
COVID-19 Immunization	FHJA202100010309	25,455	
Total Immunization Cooperative Agreement Grants		38,394	
Public Health Emergency Preparedness Program	N5 NU90TP922028-04-00	19,499	
Preventative Health and Human Services Block Grant	FAAA202200007072	20,733	
Preventative Health and Human Services Block Grant	NB01OT009445	17,783	
Total Preventative Health and Health Services Block Grant		38,516	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC-2)	FHJA202100010532	278,108	
Passed through Centers for Disease Control and Prevention			
Strengthening Public Health Systems and Services through National Partnership to Improve and Protect the Nation's Health	6NU38OT000306-03-06	34,092	
Public Health Crisis Response Awards	75-0943-0-1-999	56,244	
Total Department of Health and Human Services		2,158,847	

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, 2022

Federal Agency/Direct or Pass-Through Entity/Program	Identifying Number Assigned by Pass-through Entity	Federal Assistance Listing Number	Grant Expenditure Amount	Cluster Ref
<u>Department of Agriculture</u>				
Direct:				
Forest Service Cooperative Law Enforcement Agreement	20-LE-11020600-004	10.704	54,744	
Forest Service Participating Agreement	22-PA-11020600-019	10.unknown	3,063	
Passed through Colorado Department of Human Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	n/a	10.561	228,681	C
Total Department of Agriculture			286,488	
<u>Department of Interior</u>				
Direct:				
U.S. Geological Survey Cooperative Funding Authority Agreement	22REJFACO 117	15.unknown	15,416	
Total Department of Interior			15,416	
<u>Department of Transportation</u>				
Direct:				
Airport Improvement Program	3-08-0031-053-2021	20.106	5,746,525	
Airport Improvement Program	3-08-0031-050-2021	20.106	539,851	
Airport Improvement Program	3-08-0031-056-2022	20.106	32,680	
Airport Improvement Program	3-08-0031-057-2022	20.106	273,831	
CARES Act Airport Improvement Grant	3-08-0031-049-2020; DOT-FA20NM-K1055	20.106	3,854,397	
CARES Act Airport Improvement Grant	3-08-0031-054-2021; DOT- FA21NM-K1182	20.106	293,829	
CARES Act Airport Improvement Grant	3-08-0031-05102021; DOT- FA21NM-K1064	20.106	381,319	
Total Airport Improvement Program			11,122,432	
Passed through Colorado Department of Transportation				
Division of Transportation Development	AQC C280-017	20.205	55,480	D
Highway Planning and Construction				
Total Department of Transportation			11,177,912	

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, 2022

<u>Federal Agency/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditure Amount</u>	<u>Cluster Ref</u>
<u>Department of Homeland Security</u>				
Direct:				
Transportation Security Administration - Law Enforcement Reimbursement Program	70T02021T6114N208	97.unknown	20,260	
Passed through Colorado Department of Public Safety, Division of Homeland Security and Emergency Management				
Emergency Management Performance Grants	EMD-2022-EP-00004	97.042	73,829	
Building Resilient Infrastructure and Communities Grant	EMD-2020-BR-094	97.047	34,775	
Total Department of Homeland Security			<u>128,864</u>	
<u>Department of Treasury</u>				
Passed through Colorado Department of Human Services				
Coronavirus State and Local Fiscal Recovery Funds	CDHS-FFA	21.027	1,694	
Coronavirus State and Local Fiscal Recovery Funds	20-1892-0-1-806	21.027	4,979,881	
Local Assistance and Tribal Consistency Fund	20-1897-0-1-806	21.032	1,059,742	
Total Department of Treasury			<u>6,041,317</u>	
Total Federal Expenditures			<u><u>19,808,844</u></u>	

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, 2022

	<u>Amount</u>
<i>A Child Care Development Fund Cluster</i>	508,830
<i>B Medicaid Cluster</i>	289,520
<i>C SNAP Cluster</i>	228,681
<i>D Highway Planning and Construction Cluster</i>	55,480

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 uses the 10% de minimis cost rate allowed in Title 2, U.S. Code of Federal Regulations (CFR), Part 200.414, Indirect (F & A) costs for some grants, primarily grants through Colorado Department of Public Health and Environment. The County also prepares an annual cost allocation plan to allocate indirect costs for other grants.

ROUTT COUNTY, COLORADO
SCHEDULE OF PASSENGER FACILITY CHARGES ("PFC")
COLLECTED AND EXPENDED
For the Year Ended December 31, 2022

	<u>Amounts for</u> <u>Current Year</u>	<u>Unliquidated</u> <u>Balance</u>
Unliquidated PFC revenues - beginning		\$ -
Revenues:		
Revenues from air carriers	\$ 744,069	
Total PFC revenues	744,069	744,069
Expenditures:		
Application 19-10-C-00-HDN	744,069	
Total PFC expenditures	\$ 744,069	744,069
Unliquidated PFC revenues - ending		\$ -