

**MONTROSE COUNTY, COLORADO**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Montrose County, Colorado  
Montrose, 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 Montrose County, Colorado (the County), as of and for the year ended December 31, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information as identified within the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

**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 and individual fund financial statements and schedules, the EBT Authorization Schedule, and the Local Highway Finance Report (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is 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 3, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
July 3, 2024

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

As management of Montrose County, Colorado (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here.

**Financial Highlights**

- The assets of the County exceeded its liabilities and deferred inflows of resources as of December 31, 2023 by \$264.9 million. Of this amount, \$65.4 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$23.5 million.
- As of December 31, 2023, the County's governmental funds reported combined ending fund balances of \$78.1 million, an increase of \$11.2 million from 2022. Approximately 16% of this total amount, \$12.1 million, is unassigned and available for discretionary spending for the benefit of county citizens.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12.1 million, or 44% of total general fund expenditures (including transfers out).

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, liabilities and deferred inflows of resources with the difference between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, health and human services, public safety and protection, and road and bridge services. The government-wide financial statements can be found on pages 16 - 17 of this report.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources, which have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, social services fund, public safety sales tax fund, and capital expenditures fund all of which are considered to be major funds. Data from the other 6 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for each individual governmental fund. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18 - 21 of this report.

**Proprietary Funds:** The County Government maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County Government used an enterprise fund to account for its Montrose County Airport Fund. Internal Service funds are used to account for goods or services given to one department by another on a cost reimbursement basis. The County Government used an internal service fund to account for its Internal Fleet Management Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Montrose County Airport Fund, which is considered to be a major fund of the County Government.

The basic proprietary fund financial statements can be found on pages 22 - 25 of this report.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

***Fiduciary Funds:*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 26-27 of this report.

***Notes to Financial Statements:*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

***Other Information:*** Required supplementary information consists of budgetary comparison schedules for the General and major Special Revenue Funds, beginning on page 49 of this report. The capital projects budgetary comparison schedule and the combining statements referred to earlier in connection with nonmajor governmental funds and combining statements for fiduciary funds are presented immediately following the required supplementary information and begin on page 53 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$265.3 million at December 31, 2023.

By far the largest portion of the County's net position (66%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Montrose County's Net Position (\$000)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current and Other Assets	\$ 101,387	\$ 90,132	\$ 16,116	\$ 26,883	\$ 117,503	\$ 117,015
Capital Assets	121,153	115,398	77,906	61,995	199,059	177,393
Total Assets	<u>222,540</u>	<u>205,530</u>	<u>94,022</u>	<u>88,878</u>	<u>316,562</u>	<u>294,408</u>
<b>LIABILITIES</b>						
Long-Term Liabilities						
Outstanding	12,190	12,794	9,149	10,054	21,339	22,848
Other Liabilities	3,769	6,535	4,549	4,646	8,318	11,181
Total Liabilities	<u>15,959</u>	<u>19,329</u>	<u>13,698</u>	<u>14,700</u>	<u>29,657</u>	<u>34,029</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Tax Revenues	17,017	14,248	-	-	17,017	14,248
Leases	-	-	5,028	4,810	5,028	4,810
Total Deferred Inflows	<u>17,017</u>	<u>14,248</u>	<u>5,028</u>	<u>4,810</u>	<u>22,045</u>	<u>19,058</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	111,911	104,610	63,528	49,605	175,439	154,215
Restricted	23,835	21,023	159	172	23,994	21,195
Unrestricted	53,818	46,320	11,609	19,591	65,427	65,911
Total Net Position	<u>\$ 189,564</u>	<u>\$ 171,953</u>	<u>\$ 75,296</u>	<u>\$ 69,368</u>	<u>\$ 264,860</u>	<u>\$ 241,321</u>

An additional portion of the County's net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance (25%) of unrestricted net position (\$65.4 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2023, Montrose County is able to report positive balances in its governmental and business-type activities total net position. The same situation held true for 2022.

Governmental activities increased the County's net position by \$18.0 million.

The County's net position for the Montrose Regional Airport (its business-type activity) increased by \$5.9 million.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Montrose County's Changes in Net Position (\$000)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>PROGRAM REVENUES</b>						
Charges for Services	\$ 3,395	\$ 3,732	\$ 8,031	\$ 7,375	\$ 11,426	\$ 11,107
Operating Grants and Contributions	14,733	18,484	36	40	14,769	18,524
Capital Grants and Contributions	-	-	3,861	16,492	3,861	16,492
<b>GENERAL REVENUE</b>						
Property Taxes	16,574	17,515	-	-	16,574	17,515
Sales and Use Taxes	22,760	22,010	-	-	22,760	22,010
Other Taxes	8,797	8,670	-	-	8,797	8,670
Other Revenue	3,915	1,702	974	335	4,889	2,037
<b>Total Revenues</b>	<b>70,174</b>	<b>72,113</b>	<b>12,902</b>	<b>24,242</b>	<b>83,076</b>	<b>96,355</b>
<b>EXPENSES</b>						
General Government	15,547	16,483	-	-	15,547	16,483
Health and Human Services	8,551	8,031	-	-	8,551	8,031
Public Safety and Protection	16,308	14,754	-	-	16,308	14,754
Road and Bridge Services	12,152	11,390	-	-	12,152	11,390
Interest and Fiscal Charges	294	314	-	-	294	314
Airport	-	-	6,973	6,630	6,973	6,630
<b>Total Expenses</b>	<b>52,852</b>	<b>50,972</b>	<b>6,973</b>	<b>6,630</b>	<b>59,825</b>	<b>57,602</b>
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS</b>	<b>17,322</b>	<b>21,141</b>	<b>5,929</b>	<b>17,612</b>	<b>23,251</b>	<b>38,753</b>
Transfers	289	-	-	-	289	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>17,611</b>	<b>21,141</b>	<b>5,929</b>	<b>17,612</b>	<b>23,540</b>	<b>38,753</b>
Net Position - January 1	171,953	150,812	69,367	51,756	241,320	202,568
<b>NET POSITION - DECEMBER 31</b>	<b>\$ 189,564</b>	<b>\$ 171,953</b>	<b>\$ 75,296</b>	<b>\$ 69,368</b>	<b>\$ 264,860</b>	<b>\$ 241,321</b>

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**General Government Functions (\$000)**

The financial operations of the governmental funds - the County's general, special revenue, capital project, and debt service funds - are summarized here. The following schedule presents a summary of the governmental funds revenues from various sources for the fiscal year ended December 31, 2023 and the changes from the prior year.

REVENUE SOURCE	2023		2022		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 39,504	54.7 %	\$ 39,675	53.7 %	\$ (171)	(0.4)%
Licenses and Permits	580	0.8	748	1.0	(168)	(22.5)
Intergovernmental	23,355	32.3	27,004	36.5	(3,649)	(13.5)
Charges for Services	2,668	3.7	2,755	3.7	(87)	(3.2)
Internal Charges	2,317	3.2	2,183	3.0	134	6.1
Miscellaneous	3,859	5.3	1,554	2.1	2,305	148.3
Total Revenue (\$000)	<u>\$ 72,283</u>	100.0	<u>\$ 73,919</u>	100.0	<u>\$ (1,636)</u>	(2.2)

Overall revenue decreased by 2.2% or \$1.6 million in 2023 over 2022.

The largest source of revenue for 2023 was derived from taxes, 54.7% of total revenues. Overall, tax revenue decreased by 0.4% or \$0.2 million.

Licenses and permits had a 22.5% decrease from 2022 due primarily to a decrease in the General Fund and related permit fees received.

Intergovernmental revenue decreased in 2023 by \$3.6 million or 13.5%, due primarily to an decrease in federal funding received from the American Rescue Plan Act (ARP Act) compared to 2022.

Charges for services were consistent in 2023 compared to 2022 with only a 3.2% decrease in revenue.

Miscellaneous revenue increased in 2023 than 2022 due primarily to an increase in investment income the County received on its cash investment portfolio for 2023.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended December 31, 2023 and the changes from the prior year.

	2023		2022		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>EXPENDITURES</b>						
General Government	\$ 17,460	27.6 %	\$ 18,681	29.6 %	\$ (1,221)	(06.5)%
Health and Human Services	9,589	15.1	9,025	14.3	564	6.2
Public Safety and Protection	17,311	27.3	15,574	24.7	1,737	11.2
Road and Bridge Services	17,650	27.9	18,337	29.0	(687)	(3.7)
Debt Service	1,310	2.0	1,551	2.4	(241)	(15.5)
	<u>        </u>		<u>        </u>		<u>        </u>	
Total Expenditures (\$000)	<u>\$ 63,320</u>	99.9	<u>\$ 63,168</u>	100.0	<u>\$ 152</u>	0.2

Overall expenditures for 2023 were \$63.3 million or 0.2% more than 2022 (including capital outlay and debt service expenditures).

The largest increase was related to Public Safety and Protection expenditures which were \$17.3 million in 2023 compared to \$15.6 million in 2022. This increase was a result of planned budgeted increases to public safety costs in 2023.

**Business-Type Activities:** The increase in the net position for the Montrose Regional Airport was \$5.9 million. The primary reason for the increase in net position was capital grants and contributions revenue of \$3.8 million and Passenger Facility Charges of \$.8 million.

**Financial Analysis of the Government's Funds**

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

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

As of December 31, 2023, the County's governmental funds reported combined ending fund balances of \$78.1 million, an increase of \$11.1 million from the prior year. Approximately 16% of this total amount constitutes unassigned fund balance, which is available for spending to meet the needs of county citizens. The remainder of fund balance is separated into four categories. (1) Nonspendable fund balance which includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact (\$2.3 million); (2) Assigned fund balance is constrained by the County's intent to be used for a specific purpose (\$31.1 million); (3) Restricted fund balance has constraints placed on the use of these resources either externally imposed by creditors, grantors, contributors, or have been imposed by law through constitutional provisions or enabling legislation, 1) restricted for road and bridge (\$11.0 million); 2) to provide an emergency reserve as required by the TABOR amendment (\$1.6 million); or 3) other restricted fund balance (\$12.2 million); and (4) Committed fund balance has constraints placed on the use of these resources by the Board of County Commissioners which is broken into two parts Social Services (\$5.4 million) and Solid Waste (\$2.4 million).

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

The General Fund is the chief operating fund of the County. At December 31, 2023, unassigned fund balance of the General Fund was \$12.1 million while total fund balance was \$14.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers). Unassigned fund balance represents 44% of total General Fund expenditures (including transfers out), while total fund balance represents 53% of that same amount.

The fund balance of the County's General Fund increased by \$1 million during 2023. The primary driver was the increase in interest income as a result of more favorable interest rates on the County's investments.

The Road and Bridge Fund had a total fund balance of \$13.1 million of which \$2.1 million is nonspendable for prepaid items. The net increase in fund balance in this fund during 2023 was \$1.8 million compared to a increase of \$1.2 million during 2022. This change resulted primarily from a decrease in expenditures in 2023 of 18.5 million from 19.2 million in 2022.

Fund balance in the Social Services Fund increased by \$760 thousand to \$5.4 million by the end of 2023. The increase was due primarily to an increase in intergovernmental revenues (\$335 thousand) when compared to 2022.

The Public Safety Sales Tax Fund increased its fund balance by \$1.8 million to \$11.0 million during 2023. The increase was primarily to an increase in sales and use taxes (\$886 thousand) compared to 2022.

The Capital Expenditures Fund increased its fund balance by \$5.6 million during 2023. Total fund balance for this fund was \$29.4 million by the end of 2023. The increase was primarily driven by \$5.5 million of transfers in from the General Fund.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Montrose Regional Airport at December 31, 2023 amounted to \$11.7 million. Unrestricted net position of the Fleet Management internal service fund at December 31, 2023 amounted to \$2.4 million.

Other factors concerning the finances of these entities have already been addressed in the discussion of Montrose County Government's business-type activities.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**General Fund Budgetary Highlights**

The General Fund accounts for all the general services provided by the County. The County's final budgeted revenues were less than original budgeted revenues by \$350 thousand. Actual revenues were more than final budgeted revenues by \$2.9 million, as actual intergovernmental revenue exceeded budgeted amounts by \$2.1 million. Total expenditures budgeted of \$29.2 million were greater than actual expenditures by \$1.6 million.

**Capital Asset and Debt Administration**

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to \$199,473,098 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, construction in progress, equipment, and infrastructure. The total net increase in the County's investment in capital assets for the current fiscal year was \$22.1 million.

Major capital asset events during the current fiscal year included the following:

Airport Terminal Expansion	\$16.3 million
Asphalt Roads	\$6.2 million
Airport Parking Lot Expansion	\$2.2 million

Capital additions outlined above were offset with retirements mainly to road transportation as asphalt roads were being replaced in 2023.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>CAPITAL ASSETS</b>						
Land and Improvements	\$ 4,060	\$ 4,475	\$ 2,779	\$ 2,779	\$ 6,839	\$ 7,254
Construction in Progress	5,435	7,847	44,686	29,003	50,121	36,850
Buildings and Improvements	36,586	33,941	10,081	7,006	46,667	40,947
SBITAs	168	-	-	-	168	-
Equipment	17,176	15,714	1,003	1,120	18,179	16,834
Infrastructure	57,728	53,421	19,357	22,087	77,085	75,508
Total Capital Assets (\$000)	\$ 121,153	\$ 115,398	\$ 77,906	\$ 61,995	\$ 199,059	\$ 177,393

Additional information on the County's capital assets can be found in Note 5 on pages 44 - 45 of the financial statements.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Long-Term Debt:** At the end of 2023, the County had outstanding debt of \$19.1 million related to finance purchase agreements entered into in 2017 and 2022. The County has no general obligation debt.

The County's debt consists of the following:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Finance Purchase Agreement	\$ 9,096	\$ 9,972	\$ 9,090	\$ 10,000	\$ 18,186	\$ 19,972
Total Long Term Debt (\$000)	\$ 9,096	\$ 9,972	\$ 9,090	\$ 10,000	\$ 18,186	\$ 19,972

Additional information on the County's long-term debt can be found in Note 6 on pages 46-48 of the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

- According to the Colorado Department of Labor and Employment, the current unemployment rate for the County as of April 30, 2024, is 3.3%, which is lower than the state's average unemployment rate of 3.7%, which is equal to the national average rate of 3.9%.
  - The Colorado Legislative Council reports that the 10-county western region's economy experienced a decelerated regional labor market over the past year, after a strong recovery period. Slowing growth has impacted natural gas production, construction, and housing.
- In 2023, employment for the region's households increased by 2.0 percent in September 2023 year-to-date and remained near the pre-pandemic peak despite stalling growth in 2023. Additionally, the unemployment rate has fallen to pre-pandemic levels and resembles the statewide unemployment rate. Less labor market slack and shifting economic conditions are likely impacting employment, and data indicate regional employment has sputtered slightly over the past year. In the Grant Junction metro area (Mesa County), the region's most populous area, the survey of employers indicated jobs were up just 0.7 percent year-to-date through September. Like the broader region, month-to-month job growth has also been mixed in the Grand Junction metro area, largely flattening out in 2023.
- Based on industry-level data through the third quarter of 2023, jobs in the region have been supported by strong consumer activity with growth in wholesale trade, retail, and other services. Although it remains below its pre-pandemic employment level, the resurgence in leisure and hospitality continues to provide job gains. Data also indicate contributions to job growth from real estate, natural resources, and government. However, lower natural gas prices, slowing construction activity, and recent challenges in administrative and support, waste management and remediation, and information services are expected to weigh on potential growth throughout the remainder of the year.
- Slower employment growth has coincided with a tick up in the region's unemployment rate, which rose to 3.1 percent in September from 2.9 percent in early 2023. The unemployment rate in many of the region's communities is now at or lower than the pre-pandemic level, though stalling in recent months. Over the past year, falling unemployment has been accompanied by a growing labor force, up about 1.6 percent year-to-date and nearing pre-pandemic level.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

- High interest rates and residual effects of inflation erode affordability in the housing market, impacting sales in the western region similar to the nation and many areas in the state. Contrary to expectations during a period of high interest rates, the average price of a single-family home accelerated from 2022 levels through October 2023. Prices were up 8.4 percent year-to-date and reached an all-time high in October on a seasonally adjusted basis. Although faster than home prices grew in 2022, rising prices have eased compared to double-digit growth rates seen in 2020 and 2021 during and immediately following the pandemic. Still, sales of single-family homes were down 17 percent year-to-date in October following a nearly 22 percent decline in 2022. Prices are now expected to continue to grow at a firm pace through the remainder of the year, with ongoing slower sales as home prices and interest rates remain high.
- Slower sales activity has contributed to rising inventory, up 18.0 percent in October year-to-date. Though inventory of single homes for sale dropped drastically in 2020 and 2021, year-to-date inventory has since reached a six-year high. Inventory is expected to remain high into 2024, as residential construction has performed better than expected. As one example, one multifamily apartment project in Mesa County added nearly 700 new units. With housing permit issuances growing by over 24 percent, Western Colorado is the only region with an increase in housing permits compared to last year.
- Nonresidential construction grew in 2022, with 1 million square feet of new construction underway. The expansion in 2022 marked the second year in a row of strong nonresidential construction. However, nonresidential construction has been impacted by rising interest rates, higher construction costs, and slower employment growth through October 2023. Year-to-date, the value of construction projects is down 35 percent, accompanying a decline of about 35 percent in square footage. Construction activity may remain limited by persistent restrictive monetary policy through the majority of 2024.
- The pace of retail sales is slowing after the double-digit growth rates posted in 2021 and 2022 following the pandemic. The expected return to services spending, drawdown in household savings, and pullback on durable goods is likely impacting sales activity. In August, retail sales were up 5.0 percent year-to-date, slightly slower than growth rates posted earlier in the year. While faster than the 2.0 percent pace posted statewide, sales for the region are expected to slow further in the year ahead and into 2024. A dip in tourism following the post-pandemic surge may also impact retail sales or some of the region's communities.
- Visits to the regions national parks are on pace to fall for a second consecutive year and were down 4.4 percent year-to-date in September. Despite easing gasoline prices compared with the summer of 2022 and better water conditions, a return to completing activities for would-be visitors may be impacting park visitation. Passenger traffic at the Grand Junction Regional Airport continues to outpace 2022, with passenger traffic up 6.1 percent year-to-date. Although the pace was slower in September, up just 1.0 percent year-over-year, growth in passenger traffic is encouraging for the regional economy.

**MONTROSE COUNTY, COLORADO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

- The western region produces a significant share of the state's natural gas, more than 28 percent in 2022 and remains a significant contributor to the region's economic activity. Natural gas production supports tax revenue, jobs, and upstream and downstream support industries throughout the region. Although natural gas prices spiked in 2022, production for that year was down 5.8 percent, marking the fourth consecutive year of declining activity. Natural gas production in the region has generally declined since 2012 despite price gains in some years. Nationally, a greater quantity of natural gas is coming from gas-producing oil wells with the penetration of shale and hydraulic fracturing technology, a trend that has increased production and pushed down prices, generally. This dynamic is limiting investment and production in the region.
- Surging prices over the past year increased the region's value of production significantly, which likely supported some resurgence in natural resources employment. However, recent projections from the Energy Information Administration indicate natural gas prices are expected to fall to \$2.67 in 2023 compared to \$6.42 in 2022, and regional production is also expected to fall. As of August 2023, natural gas production in the western region was down 7.4 percent year-to-date.

All of these factors were considered in preparing the County's budget for 2024.

**Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Montrose County Finance Director, 1845 S. Townsend Avenue, Montrose, Colorado 81401.

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 76,667,210	\$ 8,706,463	\$ 85,373,673
Cash and Investments, Restricted	-	59,504	59,504
Taxes Receivable, Net of Allowance	20,515,057	-	20,515,057
Other Receivables, Net of Allowance	347,165	1,991,875	2,339,040
Lease Receivables	-	5,140,068	5,140,068
Intergovernmental Receivable	1,277,988	8,152	1,286,140
Prepaid Items	2,579,173	50,436	2,629,609
Restricted Accounts Receivable	-	159,074	159,074
Capital Assets:			
Capital Assets Not Subject to Depreciation:			
Land	4,060,206	2,778,507	6,838,713
Construction in Progress	5,434,258	44,685,660	50,119,918
Capital Assets Subject to Depreciation:			
Buildings and Improvements, Net	36,586,181	10,080,544	46,666,725
Improvements other than Buildings, Net	-	19,357,239	19,357,239
Subscription Based Information Technology Arrangements, Net	168,196	-	168,196
Equipment, Net	17,175,779	1,003,797	18,179,576
Infrastructure, Net	57,727,844	-	57,727,844
Total Assets	<u>222,539,056</u>	<u>94,021,319</u>	<u>316,560,375</u>
<b>LIABILITIES</b>			
Accounts Payable	1,563,891	4,429,514	5,993,405
Accrued Liabilities	1,658,357	95,912	1,754,269
Due to Other Governments	164,020	-	164,020
Unearned Revenue	378,462	23,984	402,446
Funds Held for Others	4,866	-	4,866
Long-Term Liabilities			
Portion Due or Payable Within One Year	1,195,438	969,366	2,164,804
Portion Due or Payable After One Year	10,994,173	8,179,876	19,174,049
Total Liabilities	<u>15,959,207</u>	<u>13,698,652</u>	<u>29,657,859</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenues	17,017,177	-	17,017,177
Leases	-	5,027,657	5,027,657
Total Deferred inflows of Resources	<u>17,017,177</u>	<u>5,027,657</u>	<u>22,044,834</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	111,910,756	63,527,234	175,437,990
Restricted for:			
Emergencies	1,585,418	-	1,585,418
Public Safety	10,970,263	-	10,970,263
Parks and Recreation	272,785	-	272,785
Road and Bridge	10,995,965	-	10,995,965
Debt Service	10,854	-	10,854
Passenger Facility Charges	-	159,074	159,074
Unrestricted	<u>53,816,631</u>	<u>11,608,702</u>	<u>65,425,333</u>
Total Net Position	<u>\$ 189,562,672</u>	<u>\$ 75,295,010</u>	<u>\$ 264,857,682</u>

See accompanying Notes to Basic Financial Statements.



**MONTROSE COUNTY, COLORADO  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Sales Tax Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 15,128,052	\$ 9,220,454	\$ 5,710,872	\$ 9,880,331	\$ 29,637,344	\$ 4,346,409	\$ 73,923,462
Other Cash and Investments	38,861	50	250	184,295	-	253,335	476,791
Receivables							
Taxes	14,525,035	2,017,376	2,492,142	1,480,504	-	-	20,515,057
Intergovernmental	76,710	443,162	418,370	-	-	338,531	1,276,773
Trade	3,096	1,296	77,139	221,868	-	42,578	345,977
Prepaid Items	104,695	2,104,535	159	56,469	-	12,415	2,278,273
Total Assets	<u>\$ 29,876,449</u>	<u>\$ 13,786,873</u>	<u>\$ 8,698,932</u>	<u>\$ 11,823,467</u>	<u>\$ 29,637,344</u>	<u>\$ 4,993,268</u>	<u>\$ 98,816,333</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 246,017	\$ 460,701	\$ 100,722	\$ 261,484	\$ 264,587	\$ 151,173	\$ 1,484,684
Accrued Liabilities	424,548	225,672	330,094	534,135	3,197	101,572	1,619,218
Due to Other Governments	20	-	164,000	-	-	-	164,020
Funds Held for Others	4,866	-	-	-	-	-	4,866
Unearned Revenue	-	-	219,941	1,116	-	157,405	378,462
Total Liabilities	<u>675,451</u>	<u>686,373</u>	<u>814,757</u>	<u>796,735</u>	<u>267,784</u>	<u>410,150</u>	<u>3,651,250</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property Tax Revenue	14,525,035	-	2,492,142	-	-	-	17,017,177
<b>FUND BALANCES</b>							
Nonspendable	104,695	2,104,535	159	56,469	-	12,415	2,278,273
Restricted for:							
Emergencies	1,585,418	-	-	-	-	-	1,585,418
Public Safety	-	-	-	10,970,263	-	-	10,970,263
Landfill Financial Assurance	-	-	-	-	-	1,000,201	1,000,201
Parks and Recreation	-	-	-	-	-	272,785	272,785
Road and Bridge	-	10,995,965	-	-	-	-	10,995,965
Debt Service	-	-	-	-	-	10,854	10,854
Committed To:							
Social Services	-	-	5,391,874	-	-	-	5,391,874
Solid Waste	-	-	-	-	-	2,368,058	2,368,058
Assigned	843,659	-	-	-	29,369,560	918,805	31,132,024
Unassigned	12,142,191	-	-	-	-	-	12,142,191
Total Fund Balances	<u>14,675,963</u>	<u>13,100,500</u>	<u>5,392,033</u>	<u>11,026,732</u>	<u>29,369,560</u>	<u>4,583,118</u>	<u>78,147,906</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,876,449</u>	<u>\$ 13,786,873</u>	<u>\$ 8,698,932</u>	<u>\$ 11,823,467</u>	<u>\$ 29,637,344</u>	<u>\$ 4,993,268</u>	<u>\$ 98,816,333</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

**Total Fund Balance - Governmental Funds** \$ 78,147,906

Amounts reported for governmental activities on the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 118,069,987

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. 5,497,972

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated Absences	(1,579,333)
Landfill Closure and Post-Closure Liability	(1,000,201)
Gravel Pit Remediation	(359,689)
Financed Purchase Agreement	(9,095,750)
Subscription Based Information Technology Arrangements	(118,220)
Total	<u>(12,153,193)</u>

**Net Position - Governmental Activities** \$ 189,562,672

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Sales Tax Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 14,722,558	\$ 13,575,337	\$ 2,021,195	\$ 9,185,158	\$ -	\$ -	\$ 39,504,248
Licenses and Permits	433,549	150	-	14,595	-	131,994	580,288
Intergovernmental	8,365,221	6,025,126	6,513,320	944,936	-	1,506,349	23,354,952
Charges for Services	1,937,016	19,273	14,812	187,925	-	508,940	2,667,966
Internal Charges	2,311,525	5,758	-	-	-	-	2,317,283
Investment Earnings	922,432	405,358	253,525	450,908	1,279,036	126,884	3,438,143
Miscellaneous	60,681	5,207	24,533	87,307	-	242,741	420,469
Total Revenues	<u>28,752,982</u>	<u>20,036,209</u>	<u>8,827,385</u>	<u>10,870,829</u>	<u>1,279,036</u>	<u>2,516,908</u>	<u>72,283,349</u>
<b>EXPENDITURES</b>							
Current:							
General Government	11,990,298	-	-	-	48,448	1,603,888	13,642,634
Health and Human Services	-	-	8,067,681	-	-	1,521,254	9,588,935
Public Safety and Protection	-	-	-	16,337,623	-	-	16,337,623
Road and Bridge Services	-	9,753,591	-	-	-	-	9,753,591
Capital Outlay	413,044	7,896,676	-	973,608	3,023,914	380,674	12,687,916
Debt Service:							
Principal	81,906	58,325	-	-	-	875,855	1,016,086
Interest and Other Charges	7,109	3,098	-	-	-	284,124	294,331
Total Expenditures	<u>12,492,357</u>	<u>17,711,690</u>	<u>8,067,681</u>	<u>17,311,231</u>	<u>3,072,362</u>	<u>4,665,795</u>	<u>63,321,116</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	16,260,625	2,324,519	759,704	(6,440,402)	(1,793,326)	(2,148,887)	8,962,233
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Sale of Capital Assets	-	284,489	-	-	1,867,505	35,900	2,187,894
Subscription Based Information Technology Arrangements	30,200	-	-	-	-	-	30,200
Transfers In	-	-	-	8,258,000	5,519,753	2,836,046	16,613,799
Transfers Out	(15,293,753)	(828,604)	-	-	-	(491,442)	(16,613,799)
Total Other Financing Sources (Uses)	<u>(15,263,553)</u>	<u>(544,115)</u>	<u>-</u>	<u>8,258,000</u>	<u>7,387,258</u>	<u>2,380,504</u>	<u>2,218,094</u>
<b>NET CHANGE IN FUND BALANCES</b>	997,072	1,780,404	759,704	1,817,598	5,593,932	231,617	11,180,327
Fund Balances - Beginning of Year	<u>13,678,891</u>	<u>11,320,096</u>	<u>4,632,329</u>	<u>9,209,134</u>	<u>23,775,628</u>	<u>4,351,501</u>	<u>66,967,579</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 14,675,963</u>	<u>\$ 13,100,500</u>	<u>\$ 5,392,033</u>	<u>\$ 11,026,732</u>	<u>\$ 29,369,560</u>	<u>\$ 4,583,118</u>	<u>\$ 78,147,906</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ 11,180,327

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation	(4,714,770)
Capital Outlay	11,857,513
Total	7,142,743

Governmental funds do not report gains or losses on disposal of capital assets. However, in the statement of activities, the difference between the book value of the asset and the proceeds received on disposal is recognized as a gain or loss.

Net Book Value of Disposed Capital Assets.	(1,901,346)
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Internal service funds are used by management to charge the costs of certain activities, such as fleet management to individual funds. The net revenue (expense) and transfers of the internal service fund is reported with governmental activities.

356,887

In the governmental funds, accruals for compensated absences are not recognized because they are not paid with expendable available financial resources. In the statement of activities, however, these accruals are reported regardless of when financial resources are available. This adjustment shows the change in the accrued compensated absences balance.

(115,718)

Long-term liabilities, including landfill post-closure costs, gravel pit, and claims are not due and payable in the current period and, therefore, are not reported in the funds. This adjustment shows the change in this liability.

(39,087)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and do not affect the statement of activities.

Subscription Based Information Technology Arrangements	(30,200)
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Governmental funds report the repayment of principal on long-term debt as expenditures. However, these repayments are not reported in the statement of activities, but as a reduction of debt in the statement of net position. This amount is the effect of the difference in the treatment of these repayments.

Payments on Long-Term Debt	1,016,087
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**Change in Net Position of Governmental Activities** **\$ 17,609,693**

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**DECEMBER 31, 2023**

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Fund
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 8,706,463	\$ 2,266,957
Cash and Investments, Restricted	59,504	-
Accounts Receivable, Net	1,991,875	1,188
Lease Receivables	5,140,068	-
Due from Other Governments	8,152	1,215
Prepaid Items	50,436	300,900
Total Current Assets	15,956,498	2,570,260
<b>NONCURRENT ASSETS</b>		
Restricted Accounts Receivable - Passenger Facility Charges	159,074	-
Capital Assets		
Land	2,778,507	-
Construction in Progress	44,685,660	313,285
Land Improvements, Net	19,357,239	-
Buildings, Net	10,080,544	-
Equipment, Net	1,003,797	2,769,191
Total Noncurrent Assets	78,064,821	3,082,476
 Total Assets	 94,021,319	 5,652,736
<b>CURRENT LIABILITIES</b>		
Accounts Payable	4,429,514	79,207
Accrued Liabilities	95,912	39,139
Unearned Revenue	23,984	-
Accrued Compensated Absences, Due Within One Year	39,366	4,459
Loan, Portion Due or Payable Within One Year	930,000	-
Total Current Liabilities	5,518,776	122,805
<b>NONCURRENT LIABILITIES</b>		
Accrued Compensated Absences, Due After One Year	19,876	31,959
Loan, Portion Due or Payable After One Year	8,160,000	-
Total Noncurrent Liabilities	8,179,876	31,959
 Total Liabilities	 13,698,652	 154,764
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Leases	5,027,657	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	63,527,234	3,082,476
Restricted for Passenger Facility Charges	159,074	-
Unrestricted	11,608,702	2,415,496
Total Net Position	\$ 75,295,010	\$ 5,497,972

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Fund
<b>OPERATING REVENUE</b>		
Charges for Services	\$ 6,587,479	\$ 2,802,716
Lease Revenue	420,008	-
Lease Interest	139,017	-
Total Operating Revenue	<u>7,146,504</u>	<u>2,802,716</u>
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	1,660,720	622,595
Services and Supplies	1,746,916	1,456,261
Depreciation and Amortization	3,364,058	686,834
Total Operating Expenses	<u>6,771,694</u>	<u>2,765,690</u>
<b>OPERATING INCOME (LOSS)</b>	374,810	37,026
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	637,213	72,374
Interest Expense	(203,000)	-
Gain (Loss) on Sale of Assets	-	185,954
Grants and Contributions	36,148	-
Passenger Facility Charges	884,960	-
Other	336,702	61,533
Total Nonoperating Revenues (Expenses)	<u>1,692,023</u>	<u>319,861</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	2,066,833	356,887
Capital Grants	<u>3,860,786</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	5,927,619	356,887
Net Position - Beginning of Year	<u>69,367,391</u>	<u>5,141,085</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 75,295,010</u>	<u>\$ 5,497,972</u>

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 6,025,965	\$ 2,801,524
Cash Paid to Suppliers	(6,215,864)	(1,450,558)
Cash Paid to and for Employees	(1,643,598)	(622,744)
Net Cash Provided by Operating Activities	(1,833,497)	728,222
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grants and Contributions	36,148	-
Other Receipts	336,702	61,533
Net Cash Provided by Noncapital Financing Activities	372,850	61,533
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Grants	6,853,534	-
Passenger Facility Charges	897,928	-
Lease Revenue	498,624	-
Proceeds from Loan Payable	(910,000)	-
Sale of Capital Assets	-	226,636
Acquisition of Capital Assets	(14,896,513)	(1,012,349)
Interest Expense	(203,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,759,427)	(785,714)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	637,213	72,374
Net Cash Provided (Used) by Investing Activities	637,213	72,374
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(8,582,860)	76,415
Cash and Cash Equivalents - Beginning of Year	17,348,828	2,190,542
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 8,765,968	\$ 2,266,957

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	Business-Type Activity	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 374,810	\$ 37,026
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	3,364,058	686,834
Lease Income Included in Operating Income	(559,024)	-
(Increase) Decrease in Accounts Receivable	(538,922)	(1,192)
(Increase) Decrease in Long-Term Compensated Absences	17,264	-
(Increase) Decrease in Prepaid Items	(4,468)	(41,984)
Increase (Decrease) in Accounts Payable	(4,464,480)	47,687
Increase (Decrease) in Accrued Liabilities	(143)	(149)
Increase (Decrease) in Unearned Revenue	(22,592)	-
Net Cash Provided (Used) by Operating Activities	\$ (1,833,497)	\$ 728,222
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Acquisitions in Accounts Payable at Year-End	\$ 4,378,513	\$ -

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**DECEMBER 31, 2023**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and Investments	\$ 2,568,226
Property Taxes Receivable	39,174,752
Total Assets	41,742,978
 <b>LIABILITIES</b>	
Due to Other Governments	1,115,244
Deposits Held for Others	633,250
Total Liabilities	1,748,494
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	39,174,752
 <b>NET POSITION</b>	
Restricted for Other Governments	819,732
Total Net Position	\$ 819,732

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Property Tax Collections on Behalf of Others	\$ 46,965,948
State Opioid Settlement	306,832
Total Additions	47,272,780
 <b>DEDUCTIONS</b>	
Property Tax Distributions on Behalf of Others	46,965,948
Net Increase (Decrease) in Net Position	306,832
 <b>NET POSITION</b>	
Beginning of Year	512,900
End of Year	\$ 819,732

See accompanying Notes to Financial Statements.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of Montrose County, Colorado (the County), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant principles:

**Financial Reporting Entity**

The County was formed in 1883. The governing body of the County is a three-member Board of County Commissioners. The County provides the following services directly: general government, health and human services, public safety and protection, road and bridge services, and airport facilities. The County provides several additional services through other governmental organizations, which are excluded or included in this report, as detailed below.

**Related Entities**

*Public Trustee*

The Public Trustee is a state statutorily mandated position, whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund.

*Jointly Funded Organization*

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the state of Colorado. In 2023, the County contributed \$1,254,942 for the operation of the District Attorney.

*Other*

The County Commissioners are also responsible for appointing the members of the boards of the Montrose County Housing Authority (the Housing Authority) and the Montrose Library District. However, the County's accountability for these organizations does not extend beyond making the appointments.

**Government-Wide and Fund Financial Statements**

The government-wide statements include the statement of net position and the statement of activities, which display information about the primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed primarily by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

**MONTROSE COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

**Governmental Funds**

Governmental funds are those through which governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the County's major governmental funds:

*General Fund*: is the general operating fund of the County. It is used to account for financial resources except those required to be accounted for in another fund.

*Special Revenue Funds*: are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The following are the County's major special revenue funds:

*Road and Bridge Fund*: This fund accounts for the proceeds of County sales and use tax to be used for the maintenance and construction of County roads.

*Social Services Fund*: This fund accounts for the proceeds of County property tax to be used for the various public welfare programs administered by the County.

*Public Safety Sales Tax Fund*: This fund accounts for the proceeds of County sales tax to be used to improve public safety programs.

*Capital Projects Funds*: are used to account for all resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital amounts. The following is the County's major capital projects fund:

*Capital Expenditures Fund*: This fund accounts for resources to be used for County building and property improvements.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds (Continued)**

The County reports the following major enterprise fund:

*Montrose Airport:* This fund accounts for the County's airports at Montrose (Montrose Regional Airport) and Nucla (Hopkins Field Airport), which provide services for both commercial and general aviation.

The County reports the following internal service funds:

*Fleet Management Internal Service Fund:* This fund is used to account for the capital assets, liabilities, and management of the Montrose County Fleet. The fleet-related services are provided to other County departments on a cost reimbursement basis.

The County reports the following fiduciary fund type:

*Custodial Funds:* The County Clerk Custodial Fund accounts for the monies held on behalf of other governments and agencies that use the County as a depository or for property taxes collected on behalf of the other governments or agencies. The Opioid Settlement Custodial Fund accounts for the settlement funds received from the State of Colorado for region 14 which includes Montrose County. Opioid abatement costs are reimbursed from the custodial fund to region 14 members.

**Measurement Focus, Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are reported as revenue in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. The agency funds also use the accrual basis of accounting.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The County considers property tax revenue as available if received within 60 days after year-end. The County considers all other revenues reported in the governmental funds to be available if the revenues are collected within 180 days after year-end. Property taxes, sales taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchase agreements are reported as other financing sources. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted revenues first, then unrestricted resources as they are needed.

**MONTROSE COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. The operating expenses for the proprietary funds include the cost of administrative expenses, services and supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Adoption of New Accounting Standards**

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***

Effective January 1, 2023 the Entity implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The implementation of this standard resulted in the Entity reporting a SBITA asset and liability of \$228,251 as of January 1, 2023 in the governmental activities. The implementation of this standard did not affect beginning net position.

**Budgets and Budgetary Accounting**

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 15 of each year, a proposed operating budget is submitted to the County Commissioners for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the County to obtain taxpayer comments.
3. Prior to December 31, the budget is legally adopted at the fund level through passage of a resolution for all County funds, except the fiduciary fund types.
4. Any revisions that increase the expenditure of any fund or elected official budget must be approved by the County Commissioners by passage of a resolution.
5. Budgets for the governmental fund types are adopted on a basis consistent with GAAP. The proprietary fund types adopt budgets using a non-GAAP basis.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting (Continued)**

Appropriations are at the total fund expenditure level and lapse at year-end. Original budget appropriations, inclusive of interfund transfers out, for the year ended December 31, 2023 were \$123,668,439. The County had a supplemental appropriation totaling \$4,473,554, which increased final budget appropriations, inclusive of interfund transfers out, to \$126,141,993.

During 2023, supplemental appropriations resulted in budget amendments as follows:

<u>Fund</u>	<u>Original Amount</u>	<u>Amended Amount</u>
Governmental Activities:		
Special Revenue Funds:		
Public Safety Sales Tax Fund	\$ 20,893,412	\$ 21,970,908
Road & Bridge Fund	21,171,028	21,271,028
Other Governmental:		
Fleet Management Fund	2,928,484	3,353,672
Business-Type Activities:		
Airport Operations Fund	24,501,847	30,552,995

**Cash**

Except for cash held by third parties (Fair Board, Weed Commission, Public Trustee, and Sheriff's Funds), all cash is deposited with the County Treasurer. The Treasurer invests the funds to achieve the best possible return on the investment. Investments in short-term certificates of deposit or cash equivalents are accounted for as cash in all funds. Interest income is allocated to funds as designated by the Board of County Commissioners.

**Investments**

Investments at December 31, 2023, consisted of obligations of U.S. Agency Bonds and negotiable CDs stated at fair market value, CSAFE and Money Market Mutual Funds stated at amortized cost and COLOTRUST stated at net asset value.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents are defined as liquid investments with original maturity dates of 90 days or less at time of purchase.

**Receivables and Payables**

All property tax and other receivables are shown net of an allowance for uncollectibles. Activities between funds where an outstanding balance is present at year-end and is expected to be repaid within one year are reported as "due to/from other funds" in the fund financial statements. If such balances are expected to remain outstanding for more than one year from the current year-end date, the balances are reported as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

**Lessor**

The County is a lessor for a noncancellable lease of facilities and land within the Airport Fund. The County recognizes lease receivables and a deferred inflow of resources in the business-type activities in the government-wide and in the proprietary fund 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 judgments 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.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- 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.

**Property Taxes**

**Revenue Recognized in 2023**

Local property taxes levied for 2022 and collected by December 31, 2023 are recognized as revenue in these financial statements as shown below:

	Assessed Valuation	Mill Levy	Amount of Taxes			Percentage Collected of	
			Levied	Budgeted	Collected	Levied	Budgeted
General Fund	\$ 670,708,234	18.243 %	\$ 12,235,730	\$ 12,240,000	\$ 12,376,549	101.15 %	101.12 %
Social Services	670,708,234	3.00	2,012,125	1,990,587	2,035,299	101.15	102.25

**Assessed Valuation**

The assessed valuation for property in the state of Colorado is determined using base year market values. The certified assessed valuation for 2022 property taxes remitted in 2023 decreased to \$670,708,234 from \$672,217,018 for 2021 property taxes remitted in 2022.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes (Continued)**

**Property Tax Calendar**

Property taxes are not due and payable until after the assessment year has ended and are not included in the budget or statement of revenues, expenditures, and changes in fund balance of the assessment year.

Property taxes are recorded as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County bills and collects its own property taxes and the taxes for various other entities.

**Prepaid Items**

Prepaid items of the Road and Bridge Special Revenue Fund are supplies purchased in advance for future infrastructure repair needs of the County. Prepaid items of the Social Services Fund and Public Safety Sales Tax Fund are supplies purchased in advance for social services and public safety purposes. The reported prepaid items are classified as nonspendable fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and classified as nonspendable fund balance in the governmental funds. Prepayments are recorded using the consumption method where services are allocated over appropriate service periods.

**Capital Assets**

Capital assets, which include land, buildings and improvements, furniture and equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. The County defines capital assets as equipment and fixtures with an initial, individual cost of more than \$5,000, land, land improvements, and buildings with an initial cost of more than \$50,000 and infrastructure with an initial cost of more than \$250,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are completed.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Landfill Disposal Systems	25 Years
Drainage Systems	25 Years
Water Systems	25 Years
Roads	20 to 50 Years
Buildings and Improvements	7 to 40 Years
Runways and Access Roads	15 to 20 Years
Vehicles	5 to 15 Years
Furniture and Equipment	3 to 20 Years

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**Accrued Vacation Payable**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the proprietary funds and in the government-wide financial statements, all vacation and sick pay earned is accrued and reported as accrued compensated absences. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**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. Long-term debt premiums and discounts are amortized over the life of the related debt using the straight-line method, which approximates the effective interest method. Debt issuance costs are expensed as incurred.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

Net position is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the County. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

**Fund Equity**

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

*Nonspendable:* includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

*Restricted:* includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

*Committed:* includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of County Commissioners, the County's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of County Commissioners.

*Assigned:* includes amounts the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board of County Commissioners has designated the Director of Finance as the County employee with authority to assign fund equity. As of December 31, 2023 \$843,659 of the General Fund balance is assigned based on a 2024 budgeted deficit. The entire Capital Expenditures Fund is assigned for \$29,369,560, as it is for the specific purpose of capital expenditures. Nonmajor Funds were assigned for a total of \$918,805 as the fund balances for County Clerk Technical Fund (\$28,768), Local Public Health Fund (\$400,707), and Event Center and Fairgrounds Fund (\$489,330) for their specific purpose.

*Unassigned:* is a residual classification within the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balances in other governmental funds are reported as unassigned once other purposes of that fund were reduced.

In the event that an expenditure can be considered restricted or unrestricted (committed, assigned, or unassigned) and both categories have available amounts, the funds will be first applied against the most restrictive fund balance classification.

The order of use of funds for special revenue funds and the capital projects fund will be from the least constrained to most constrained (i.e., unassigned, assigned, committed, restricted, and then nonspendable).

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS**

At December 31, 2023, the County's cash and investments consist of the following:

Cash and Investments - Statement of Net Position	\$ 85,373,673
Cash and Investments, Restricted - Statement of Net Position	59,504
Cash and Investments - Fiduciary Funds	<u>2,568,226</u>
Total	<u><u>\$ 88,001,403</u></u>

At December 31, 2023, cash and investments of the County are held as follows:

Cash on Hand	\$ 6,087
Cash Deposits	20,174,267
Investments	<u>67,821,049</u>
Total	<u><u>\$ 88,001,403</u></u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash be in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

**Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agencies' securities and World Bank
- Certain international agency securities
- General obligation and revenue bonds for U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain securities lending agreements
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools
- Certain corporate bonds

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

Investments of the County at December 31, 2023 are as follows:

	Standard & Poor's Rating	Fair Value	Maturity	
			Less than 1 Year	1-5 Years
Local Government Investment Pools	AAAm	\$ 56,830,069	\$ 56,830,069	\$ -
Money Market Mutual Funds	Unrated	557,841	557,841	-
Negotiable CDs	BBB- to AA+	1,616,460	1,384,809	231,651
Fixed Income - Government & Agency Funds	AA+ to AAA	8,816,679	681,698	8,134,981
Total Investments		<u>\$ 67,821,049</u>	<u>\$ 59,454,417</u>	<u>\$ 8,366,632</u>

As of December 31, 2023, the County has invested \$27,187,151 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes (CRS), to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool 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 the pool. COLOTRUST records its investments at fair value and the County records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. Separately issued financial statements may be obtained at the following address:

COLOTRUST  
717 17<sup>th</sup> Street, Suite 1850  
Denver, Colorado 80202 [www.colotruster.com](http://www.colotruster.com)

As of December 31, 2023, the County has invested \$14,771,804 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is a local government investment pool. Investments of the pool consist of securities of the United States Treasury, United States agencies, primary dealer repurchase agreements and Colorado depositories (with short term ratings of A1 or better) in which the deposits are collateralized at 102% of market value under the provisions of PDPA. The custodian's internal records identify the investments owned by the pool. CSAFE records its investments at amortized cost and the County records its investment in CSAFE using the amortized cost method. Separately issued financial statements may be obtained at the following address:

CSAFE  
1675 Broadway, Suite 500  
Denver, CO 80202 [www.csafe.org](http://www.csafe.org)

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2023, the County has invested \$14,871,114 in Colorado Statewide Investment Plan (CSIP). CSIP cash deposits are measured at amortized cost. CSIP is a statutory trust organized and existing under the laws of the State of Colorado intended

solely for the use of Colorado local governments. Investments of the trust are limited to those allowed by State statutes.

CSIP is a statutory trust organized and existing under the laws of the State of Colorado intended solely for the use of Colorado local governments. Investments of the trust are limited to those allowed by State statutes. CSIP's sole purpose is to serve government entities in Colorado to meet their daily cash management needs with an emphasis on 1) safety, 2) liquidity, 3) transparency and 4) competitive yields. CSIP is a local government investment pool trust fund organized under C.R.S. § 24-75-701, et seq., registered as such with the Colorado Securities Commissioner pursuant to the Local Government Investment Pool Trust Fund Administration and Enforcement Act, C.R.S. § 11-51-901, et seq. As such a trust, CSIP pools and invests the funds of Colorado local government participants within the investment policies and limitations set forth in CSIP's Indenture of Trust and C.R.S. § 24-75-601, et seq. Participants include municipalities, counties, school districts and special districts.

CSIP offers two investment options, 1) CSIP Liquid Portfolio and 2) CSIP Term Portfolio. The CSIP Liquid Portfolio is a fully liquid, variable rate investment option, rated AAAM by Standard and Poor's. There are no unfunded commitments, the redemption frequency is daily and there is a one-day redemption notice. The CSIP Term Portfolio offers the ability for participants to invest in shares of fixed-rate, fixed-term investments, rated AAAs by Fitch Ratings. There are no unfunded commitments, the redemption period is planned at maturity, and redemption period is a sixty-day minimum and one-year maximum.

**Credit Risk**

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the County's policy to limit its investments to U.S. Treasury obligations, repurchase agreements, government backed securities, money market mutual funds, local government investment pools, and corporate obligations.

The County's investment policy is to apply the "prudent investor" rule, which states, "investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of a plan of like character with like aims." Investments shall be diversified to minimize the risk of loss and to maximize the rate of return.

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy, along with Colorado statutes, does not allow investment maturities to exceed five years.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

Concentration of credit risk arises from the magnitude of an investment in a single issuer. As of December 31, 2023, no individual investments consisted of more than 5% of the County's investments.

**Fair Value**

The County categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

*Level 1* – Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* – Unobservable inputs for an asset or liability.

The County has the following fair value measurements as of December 31, 2023:

	<u>12/31/2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level:				
U.S. Agency Bonds	\$ 8,816,679	\$ -	\$ 8,816,679	\$ -
Negotiable CDs	<u>\$ 1,616,460</u>	<u>\$ -</u>	<u>\$ 1,616,460</u>	<u>\$ -</u>
Total Investments by Fair Value Level	10,433,139	<u>\$ -</u>	<u>\$ 10,433,139</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
CSAFE	14,771,804			
Money Market Mutual Funds	<u>557,841</u>			
Total Investments Measured at Amortized Cost	15,329,645			
Investments Measured at Net Asset Value:				
Colotrust	27,187,151			
CSIP	<u>14,871,114</u>			
	<u>42,058,265</u>			
 Total Investments	 <u>\$ 67,821,049</u>			

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

For Level 2 inputs, the pricing methodology utilizes the services of firms that provide market standard pricing. These pricing service providers synthesize multiple market inputs to determine the fair value price. As such, the prices are derived from altered or indirectly observable prices to result in a fair value measure.

**NOTE 3 LEASE RECEIVABLES**

The Airport, acting as lessor, leases facilities and land to various airlines, concessionaires, and others under long-term, noncancelable lease agreements. The leases expire at various dates through 2052. During the year ended December 31, 2023, the County recognized \$431,953 and \$139,948 in lease revenue and interest revenue, respectively, pursuant to these contracts.

<u>Year Ending December 31,</u>	Business-Type Activities		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 444,490	\$ 135,058	\$ 579,547
2025	384,521	118,841	503,362
2026	225,558	109,462	335,020
2027	224,509	102,853	327,362
2028	215,405	96,277	311,682
2029-2033	925,147	405,886	1,331,033
2034-2038	917,769	289,452	1,207,221
2039-2043	909,482	170,808	1,080,290
2044-2048	791,452	56,086	847,539
2049-2053	101,735	2,605	104,341
Total	<u>\$ 5,140,068</u>	<u>\$ 1,487,328</u>	<u>\$ 6,627,396</u>

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Transfers to and from the various funds consist of the following:

<u>Transfers Out</u>	Transfers In				<u>Total</u>
	<u>Capital Expenditures</u>	<u>Public Safety Sales Tax</u>	<u>Social Services</u>	<u>Other Governmental</u>	
Major Fund					
General	\$ 5,519,753	\$ 8,258,000	\$ -	\$ 1,516,000	\$ 15,293,753
Road and Bridge	-	-	-	828,604	828,604
Capital Expenditures	-	-	-	-	-
Other Governmental	-	-	-	491,442	491,442
Total	<u>\$ 5,519,753</u>	<u>\$ 8,258,000</u>	<u>\$ -</u>	<u>\$ 2,836,046</u>	<u>\$ 16,613,799</u>

Interfund transfers to and from the various funds were to cover the costs of operations, capital, and debt service.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance *	Increase	Decrease	Transfers	Ending Balance
<b><u>Governmental Activities</u></b>					
Capital Assets Not Subject to Depreciation/Amortization:					
Land	\$ 4,475,094	\$ -	\$ (414,888)	\$ -	\$ 4,060,206
Construction in Progress	7,556,540	5,144,519	(343,175)	(7,236,911)	5,120,973
Total Capital Assets Not Subject to Depreciation	12,031,634	5,144,519	(758,063)	(7,236,911)	9,181,179
Capital Assets Subject to Depreciation/Amortization:					
Buildings and Improvements	55,101,027	268,872	-	3,891,812	59,261,711
Infrastructure	133,166,010	4,362,185	(3,939,896)	2,367,763	135,956,062
Subscription Based Information Technology Arrangements	228,251	30,200	-	-	258,451
Equipment and Vehicles	25,071,872	2,051,738	(1,301,264)	1,160,954	26,983,300
Total Capital Assets Subject to Depreciation	213,567,160	6,712,995	(5,241,160)	7,420,530	222,459,524
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	21,160,063	1,515,468	-	-	22,675,531
Infrastructure	79,744,664	1,245,426	(2,761,872)	-	78,228,218
Subscription Based Information Technology Arrangements	-	90,255	-	-	90,255
Equipment and Vehicles	11,865,476	1,863,622	(1,152,385)	-	12,576,713
Total Accumulated Depreciation/Amortization	112,770,203	4,714,770	(3,914,257)	-	113,570,716
Capital Assets Subject to Depreciation/Amortization, Net	100,796,957	1,998,224	(1,326,903)	7,420,530	108,888,808
Governmental Activities Capital Assets, Net	<u>\$ 112,828,591</u>	<u>\$ 7,142,743</u>	<u>\$ (2,084,966)</u>	<u>\$ 183,619</u>	<u>\$ 118,069,987</u>

\* Beginning balance restated from prior year to add the SBITA balances. No net impact on net position.

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<b><u>Internal Service Fund Activities</u></b>					
<b><u>Governmental</u></b>					
Capital Assets Not Subject to Depreciation:					
Construction in Progress	\$ 289,651	\$ 512,197	\$ -	\$ (488,563)	\$ 313,285
Total Capital Assets Not Subject to Depreciation	289,651	512,197	-	(488,563)	313,285
Capital Assets Subject to Depreciation:					
Equipment and Vehicles	7,006,442	683,771	(416,789)	304,945	7,578,369
Less: Accumulated Depreciation:					
Equipment and Vehicles	4,498,451	686,834	(376,107)	-	4,809,177
Capital Assets Subject to Depreciation, Net	2,507,991	(3,063)	(40,682)	304,945	2,769,191
Internal Service Fund Activity Capital Assets, Net	<u>\$ 2,797,642</u>	<u>\$ 509,135</u>	<u>\$ (40,682)</u>	<u>\$ (183,619)</u>	<u>\$ 3,082,476</u>

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<b><u>Business-Type Activities</u></b>					
<b><u>Airport</u></b>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 2,778,507	\$ -	\$ -	\$ -	\$ 2,778,507
Construction in Progress	29,003,054	19,235,787	-	(3,553,181)	44,685,660
Total Capital Assets Not Subject to Depreciation	31,781,561	19,235,787	-	(3,553,181)	47,464,167
Capital Assets Subject to Depreciation:					
Runway Improvements	72,421,637	-	-	-	72,421,637
Buildings and Improvements	14,384,681	-	-	3,553,181	17,937,862
Equipment and Vehicles	4,106,976	40,407	(11,685)	-	4,135,698
Total Capital Assets Subject to Depreciation	90,913,294	40,407	(11,685)	3,553,181	94,495,197
Less Accumulated Depreciation for:					
Runway Improvements	50,335,049	2,729,349	-	-	53,064,398
Buildings and Improvements	7,378,623	478,695	-	-	7,857,318
Equipment and Vehicles	2,986,403	156,014	(10,516)	-	3,131,901
Total Accumulated Depreciation	60,700,075	3,364,058	(10,516)	-	64,053,617
Capital Assets Subject to Depreciation, Net	30,213,219	(3,323,651)	(1,169)	3,553,181	30,441,580
Business-Type Activity Capital Assets, Net	<u>\$ 61,994,780</u>	<u>\$ 15,912,136</u>	<u>\$ (1,169)</u>	<u>\$ (0)</u>	<u>\$ 77,905,747</u>

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

Governmental Activities:

General Government	\$ 1,319,348
Public Safety and Protection	749,644
Road and Bridge Services	3,269,438
Health and Human Services	63,173
Total	<u>\$ 5,401,604</u>

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 LONG-TERM DEBT**

Following is a schedule of changes in long-term debt:

	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Amounts Due Within One Year
<b><u>Governmental Activities</u></b>					
<b>Direct Placement</b>					
Facility Construction Loan 2017	\$ 9,971,606	\$ -	\$ (875,856)	\$ 9,095,750	\$ 900,816
Accrued Compensated Absences	1,501,879	318,634	(204,762)	1,615,751	197,849
Accrued Landfill Post-Closure Costs	968,720	31,481	-	1,000,201	-
Subscription Based Information Technology Arrangements	228,251	30,200	(140,231)	118,220	96,773
Accrued Gravel Pit Remediation Costs	352,083	7,606	-	359,689	-
Total Governmental Activities Long-Term Debt	<u>\$ 13,022,539</u>	<u>\$ 387,921</u>	<u>\$ (1,220,849)</u>	<u>\$ 12,189,611</u>	<u>\$ 1,195,438</u>
<b><u>Business-Type Activity</u></b>					
<b>Direct Placement</b>					
Financed Purchase Agreement Terminal Expansion Loan 2022	\$ 10,000,000	\$ -	\$ (910,000)	\$ 9,090,000	\$ 930,000
Compensated Absences	54,030	16,860	(11,648)	59,242	39,366
Total Business-Type Activities Long-Term Debt	<u>\$ 10,054,030</u>	<u>\$ 16,860</u>	<u>\$ (921,648)</u>	<u>\$ 9,149,242</u>	<u>\$ 969,366</u>

Compensated absences within governmental activities will be primarily paid out of the general fund.

**Subscription-Based Information Technology Arrangements**

The County entered into five subscription based-information technology arrangements (SBITAs) for lease accounting, SaaS for municipal management, cartegraph software, claromentis software and case management software. The internal borrowing rate used to calculate the SBITA liability ranges from 4.94%-5.26% depending on the timing and length of the agreement. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

As of December 31, 2023, SBITA assets and the related accumulated amortization totaled \$258,451 and \$90,255, respectively.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 96,773	\$ 4,542	\$ 101,315
2025	6,942	624	7,566
2026	7,145	419	7,564
2027	7,360	205	7,565
Total	<u>\$ 118,220</u>	<u>\$ 5,790</u>	<u>\$ 124,010</u>

**Financed Purchase Agreement – Facility Construction Loan 2017**

On August 30, 2017, the County entered into a financed purchase agreement with a financial institution in the amount of \$14,000,000 with interest at 2.85% to construct an events center at the Montrose County Fairgrounds, to construct a road and bridge facility, and for other necessary capital improvements of the County. Principal payments began in 2018 and are due each year through 2032. The land and the property are used as collateral for the loan, which has a net book value of \$9,219,161.

Future minimum payments under the financed purchase agreement as of December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 900,816	\$ 259,229	\$ 1,160,045
2025	926,490	233,556	1,160,046
2026	952,895	207,151	1,160,046
2027	980,052	179,993	1,160,045
2028	1,007,984	152,062	1,160,046
2028 - 2032	<u>4,327,513</u>	<u>312,667</u>	<u>4,640,180</u>
Total	<u>\$ 9,095,750</u>	<u>\$ 1,344,657</u>	<u>\$ 10,440,407</u>

**Financed Purchase Agreement – Terminal Expansion Loan 2022**

On April 20, 2022, the County entered into a financed purchase agreement with a financial institution in the amount of \$10,000,000 with interest at 2.03% to construct certain capital improvements at the County airport. Principal payments begin in 2022 and are due each year through 2032. The land and the property are used as collateral for the loan, which has a net book value of \$19,357,239.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 LONG-TERM DEBT (CONTINUED)**

Future minimum payments under the lease purchase agreement as of December 31, 2023 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 930,000	\$ 184,527	\$ 1,114,527
2025	950,000	165,648	1,115,648
2026	970,000	146,363	1,116,363
2027	990,000	126,672	1,116,672
2028	1,010,000	96,324	1,106,324
2028 - 2032	4,240,000	174,174	4,414,174
Total	<u>\$ 9,090,000</u>	<u>\$ 893,708</u>	<u>\$ 9,983,708</u>

**NOTE 7 PENSION PLAN**

**Retirement Plan**

The County participates in the Colorado County Officials and Employees Retirement Association Defined Contribution Plan (CCOERA), a multiple-employer public employee retirement system, which is a qualified plan as defined by Internal Revenue Service Code Section 401(A) and CRS 24.54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Plan provisions and contribution requirements are established and may be amended by CCOERA and would have to be approved by the County.

There are no unfunded past service liabilities. All full-time employees are required to participate in the plan after six months of service. The County is required to contribute 4% of employee compensation, excluding overtime. The employee is required to contribute an amount equal to the County's contribution and may contribute up to an additional 10% of their compensation. Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period.

During 2023, the County and employees each made their respectively required 4% contribution amounting to \$774,581, for a total of \$1,549,162. There were no forfeitures reflected in pension expense recognized by the County in 2023.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8 RISK MANAGEMENT**

**County Workers Compensation Pool**

The County is exposed to various risks of loss related to injuries of employees while on the job. 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 intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

**Colorado Counties Casualty and Property Pool**

The County is exposed to various risks of loss related to casualty and property losses. The County has joined together with other counties in the state of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the pool will purchase 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 in any instance.

The County carries commercial insurance for all other risks of loss. The County has had no settlements in excess of insurance coverage for each of the past three fiscal years.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Pending Litigation**

The County is involved in various lawsuits. Management does not believe the potential loss to the County from any of these lawsuits would have a material impact on the financial statements.

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the Taxpayer Bill of Rights, otherwise known as TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance.

**Federal Funding**

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. Management believes that any disallowances, if any, resulting from any such audits would not be material to the financial statements.

**MONTROSE COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 10 CLOSURE AND POST-CLOSURE CARE COST**

The County entered into a service agreement with the contractor for operation of the current landfill, which requires the contractor to pay the County based on incoming volumes, at \$0.10 per yard. The term of the agreement is 40 years. State and federal laws and regulations require the County to place a final cover on its landfill site within 6 months of the date it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The private contractor is responsible for closure costs and the County for post-closure costs. Although post-closure care costs will be paid only after the date that the landfill stops accepting waste, the County reports estimated post-closure care costs as a liability.

The County's estimate of the closure and post-closure care costs liability at December 31, 2023, based on landfill capacity used to date, is \$1,000,201. The County will recognize the remaining estimated costs of closure and post-closure as the remaining estimated landfill capacity is filled. The County estimates the remaining life of the East End landfill to be 65 years as of December 31, 2023. Actual costs may be higher or lower due to inflation, changes in technology or changes in regulations.

	<u>Total Costs</u>	<u>Approximate Used Amount</u>	<u>Liability</u>
East End Closure	\$ 957,838	45.00%	\$ 432,961
East End Post-Closure	607,594	45.00	274,645
West End Post-Closure	292,595	100.00	292,595
Total	<u>\$ 1,858,027</u>		<u>\$ 1,000,201</u>

The County is required by state and federal laws and regulations to provide financial assurance to demonstrate that adequate funds will be readily available for the costs of closure and post-closure care. In addition, the County has voluntarily designated \$857,826 of invested funds for post-closure care.

**MONTROSE COUNTY, COLORADO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 14,684,000	\$ 14,560,000	\$ 14,722,558	\$ 162,558
Licenses and Permits	572,500	382,710	433,549	50,839
Intergovernmental	6,205,690	6,310,330	8,365,221	2,054,891
Charges for Services	2,135,075	1,985,965	1,937,016	(48,949)
Internal Charges	2,301,654	2,300,404	2,311,525	11,121
Interest Earnings	299,500	308,540	922,432	613,892
Miscellaneous	-	-	60,681	60,681
Total Revenues	<u>26,198,419</u>	<u>25,847,949</u>	<u>28,752,982</u>	<u>2,905,033</u>
<b>EXPENDITURES</b>				
Current:				
General Government	13,478,127	13,445,022	11,990,298	1,454,724
Capital Outlay	521,553	554,658	382,844	171,814
Debt Service	-	-	89,015	(89,015)
Total Expenditures	<u>13,999,680</u>	<u>13,999,680</u>	<u>12,462,157</u>	<u>1,626,538</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	12,198,739	11,848,269	16,290,825	4,531,571
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(15,293,753)</u>	<u>(15,293,753)</u>	<u>(15,293,753)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(15,293,753)</u>	<u>(15,293,753)</u>	<u>(15,293,753)</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (3,095,014)</u>	<u>\$ (3,445,484)</u>	<u>\$ 997,072</u>	<u>\$ 4,531,571</u>

**MONTROSE COUNTY, COLORADO  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 13,687,000	\$ 13,594,000	\$ 13,575,337	\$ (18,663)
Licenses and Permits	250	250	150	(100)
Intergovernmental	6,155,709	5,767,947	6,025,126	257,179
Charges for Services	3,020	19,150	19,273	123
Internal Charges	-	-	5,758	5,758
Interest Earnings	373,500	563,763	405,358	(158,405)
Miscellaneous	-	-	5,207	5,207
Total Revenues	<u>20,219,479</u>	<u>19,945,110</u>	<u>20,036,209</u>	<u>91,099</u>
<b>EXPENDITURES</b>				
Current:				
Roads and Bridge Services	11,856,019	11,856,019	9,753,591	2,102,428
Capital Outlay	8,486,405	8,586,405	7,896,676	689,729
Debt Service	-	-	61,423	(61,423)
Total Expenditures	<u>20,342,424</u>	<u>20,442,424</u>	<u>17,711,690</u>	<u>2,730,734</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(122,945)	(497,314)	2,324,519	2,821,833
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	284,489	284,489
Transfers Out	(828,604)	(828,604)	(828,604)	-
Total Other Financing Sources (Uses)	<u>(828,604)</u>	<u>(828,604)</u>	<u>(544,115)</u>	<u>284,489</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (951,549)</u>	<u>\$ (1,325,918)</u>	<u>\$ 1,780,404</u>	<u>\$ 3,106,322</u>

**MONTROSE COUNTY, COLORADO  
SOCIAL SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,996,087	\$ 1,996,087	\$ 2,021,195	\$ 25,108
Licenses and Permits	-	-	-	-
Intergovernmental	5,830,320	6,382,173	6,513,320	131,147
Charges for Services	20,000	18,300	14,812	(3,488)
Interest Earnings	-	-	253,525	253,525
Miscellaneous	31,800	45,220	24,533	(20,687)
Total Revenues	<u>7,878,207</u>	<u>8,441,780</u>	<u>8,827,385</u>	<u>385,605</u>
<b>EXPENDITURES</b>				
Current:				
Health and Human Services	8,456,393	8,456,393	8,067,681	388,712
Capital Outlay	-	-	-	-
Total Expenditures	<u>8,456,393</u>	<u>8,456,393</u>	<u>8,067,681</u>	<u>388,712</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(578,186)	(14,613)	759,704	774,317
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	27,802	-	(27,802)
Total Other Financing Sources (Uses)	<u>-</u>	<u>27,802</u>	<u>-</u>	<u>(27,802)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (578,186)</u>	<u>\$ 13,189</u>	<u>\$ 759,704</u>	<u>\$ 746,515</u>

**MONTROSE COUNTY, COLORADO  
PUBLIC SAFETY SALES TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 9,174,000	\$ 9,205,000	\$ 9,185,158	\$ (19,842)
Licenses and Permits	16,000	11,000	14,595	3,595
Charges for Services	155,000	843,564	187,925	(655,639)
Intergovernmental	940,500	182,397	944,936	762,539
Interest Earnings	-	-	450,908	450,908
Miscellaneous Income	36,500	46,500	87,307	40,807
Total Revenues	<u>10,322,000</u>	<u>10,288,461</u>	<u>10,870,829</u>	<u>582,368</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety and Protection	17,068,282	17,133,355	16,337,623	795,732
Capital Outlay	3,825,130	1,620,925	973,608	647,317
Total Expenditures	<u>20,893,412</u>	<u>18,754,280</u>	<u>17,311,231</u>	<u>1,443,049</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(10,571,412)	(8,465,819)	(6,440,402)	2,025,417
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	8,587,753	8,735,921	8,258,000	(477,921)
Total Other Financing Sources (Uses)	<u>8,587,753</u>	<u>8,735,921</u>	<u>8,258,000</u>	<u>(477,921)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<u>\$ (1,983,659)</u>	<u>\$ 270,102</u>	<u>\$ 1,817,598</u>	<u>\$ 1,547,496</u>

**MONTROSE COUNTY, COLORADO  
CAPITAL EXPENDITURES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest Earnings	\$ -	\$ 1,867,505	\$ 1,279,036	\$ (588,469)
Intergovernmental	7,725,000	-	-	-
Total Revenues	<u>7,725,000</u>	<u>1,867,505</u>	<u>1,279,036</u>	<u>(588,469)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	125,658	125,658	48,448	77,210
Capital Outlay	17,022,000	3,483,863	3,023,914	459,949
Total Expenditures	<u>17,147,658</u>	<u>3,609,521</u>	<u>3,072,362</u>	<u>537,159</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(9,422,658)	(1,742,016)	(1,793,326)	(51,310)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	1,867,505	1,867,505
Transfers In	4,800,000	1,820,832	5,519,753	3,698,921
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,800,000</u>	<u>1,820,832</u>	<u>7,387,258</u>	<u>5,566,426</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,622,658)</u>	<u>\$ 78,816</u>	<u>\$ 5,593,932</u>	<u>\$ 5,515,116</u>

**MONTROSE COUNTY, COLORADO  
NONMAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

Special revenue funds are used to account for revenues of the County, which finance specified activities as required, by law or administrative action.

*Conservation Trust Fund* accounts for revenue received from the state of Colorado to be used for the acquisition, development, and maintenance of new and existing parks and recreational sites. The funds are derived primarily from the Colorado State Lottery.

*County Clerk Technical Fund* accounts for a portion of fees to be used for technology advances in the Clerk and Recorder's office.

*Solid Waste Fund* formerly accounted for the operations of the County landfill and recycle activities. These activities were sold December 31, 1996. The fund now accounts for general government activities.

*Local Public Health Fund* accounts for revenue received to be used to provide for public health services for the citizens of Montrose County, Colorado.

*Event Center and Fairgrounds Fund* accounts for revenue received for events held at the Montrose County event center and fairgrounds.

**Debt Service Funds**

Debt service funds are used to account for the accumulation of resources and payment of principal and interest related to the County's long-term debt and special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for payment.

*General Debt Service Fund* accounts for debt service payments on the 2017 lease purchase agreement issued to construct the Events Center and road and bridge facility.

**MONTROSE COUNTY, COLORADO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	Special Revenue					Debt Service	Total Nonmajor Governmental Funds
	Conservation Trust	County Clerk Technical	Solid Waste	Local Public Health Fund	Event Center and Fairgrounds Fund	General Debt Service Fund	
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 272,785	\$ 28,768	\$ 3,331,652	\$ 354,708	\$ 351,285	\$ 7,211	\$ 4,346,409
Other Cash and Investments	-	-	-	300	253,035	-	253,335
Receivables							
Intergovernmental	-	-	-	332,516	6,015	-	338,531
Trade	-	-	37,638	84	1,213	3,643	42,578
Prepaid Items	-	10,793	-	1,622	-	-	12,415
	<u>-</u>	<u>10,793</u>	<u>-</u>	<u>1,622</u>	<u>-</u>	<u>-</u>	<u>12,415</u>
Total Assets	<u>\$ 272,785</u>	<u>\$ 39,561</u>	<u>\$ 3,369,290</u>	<u>\$ 689,230</u>	<u>\$ 611,548</u>	<u>\$ 10,854</u>	<u>\$ 4,993,268</u>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ -	\$ -	\$ 1,031	\$ 72,159	\$ 77,983	\$ -	\$ 151,173
Accrued Liabilities	-	-	-	57,337	44,235	-	101,572
Unearned Revenue	-	-	-	157,405	-	-	157,405
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,031</u>	<u>286,901</u>	<u>122,218</u>	<u>-</u>	<u>410,150</u>
<b>FUND BALANCES</b>							
Nonspendable	-	10,793	-	1,622	-	-	12,415
Restricted for:							
Landfill Financial Assurance	-	-	1,000,201	-	-	-	1,000,201
Parks and Recreation	272,785	-	-	-	-	-	272,785
Debt Service	-	-	-	-	-	10,854	10,854
Committed to:							
Solid Waste	-	-	2,368,058	-	-	-	2,368,058
Assigned	-	28,768	-	400,707	489,330	-	918,805
Total Fund Balances	<u>272,785</u>	<u>39,561</u>	<u>3,368,259</u>	<u>402,329</u>	<u>489,330</u>	<u>10,854</u>	<u>4,583,118</u>
Total Liabilities and Fund Balances	<u>\$ 272,785</u>	<u>\$ 39,561</u>	<u>\$ 3,369,290</u>	<u>\$ 689,230</u>	<u>\$ 611,548</u>	<u>\$ 10,854</u>	<u>\$ 4,993,268</u>

**MONTROSE COUNTY, COLORADO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	Special Revenue				Debt Service		Total Nonmajor Governmental Funds
	Conservation Trust	County Clerk Technical	Solid Waste	Local Public Health Fund	Event Center and Fairgrounds Fund	General Debt Service Fund	
<b>REVENUES</b>							
Licenses and Permits	\$ -	\$ -	\$ -	\$ 131,994	\$ -	\$ -	\$ 131,994
Charges for Services	-	9,228	-	906	498,806	-	508,940
Intergovernmental	179,799	6,105	-	1,223,402	97,043	-	1,506,349
Interest Earnings	12,337	1,373	112,835	-	-	339	126,884
Miscellaneous	-	-	168,530	8,112	66,099	-	242,741
Total Revenues	<u>192,136</u>	<u>16,706</u>	<u>281,365</u>	<u>1,364,414</u>	<u>661,948</u>	<u>339</u>	<u>2,516,908</u>
<b>EXPENDITURES</b>							
Current:							
General Government	-	6,324	27,279	-	1,570,285	-	1,603,888
Health and Human Services	-	-	-	1,521,254	-	-	1,521,254
Capital Outlay	-	-	-	-	380,674	-	380,674
Debt Service:							
Principal	-	-	-	-	-	875,855	875,855
Interest	-	-	-	-	-	284,124	284,124
Total Expenditures	<u>-</u>	<u>6,324</u>	<u>27,279</u>	<u>1,521,254</u>	<u>1,950,959</u>	<u>1,159,979</u>	<u>4,665,795</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	192,136	10,382	254,086	(156,840)	(1,289,011)	(1,159,640)	(2,148,887)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from Sale of Capital Assets	-	-	-	-	35,900	-	35,900
Transfers in	-	-	-	100,000	1,576,000	1,160,046	2,836,046
Transfers out	(160,000)	-	-	-	(331,442)	-	(491,442)
Total Other Financing Sources (Uses)	<u>(160,000)</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>1,280,458</u>	<u>1,160,046</u>	<u>2,380,504</u>
<b>NET CHANGE IN FUND BALANCES</b>	32,136	10,382	254,086	(56,840)	(8,553)	406	231,617
Fund Balances - Beginning of Year	<u>240,649</u>	<u>29,179</u>	<u>3,114,173</u>	<u>459,169</u>	<u>497,883</u>	<u>10,448</u>	<u>4,351,501</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 272,785</u>	<u>\$ 39,561</u>	<u>\$ 3,368,259</u>	<u>\$ 402,329</u>	<u>\$ 489,330</u>	<u>\$ 10,854</u>	<u>\$ 4,583,118</u>

**MONTROSE COUNTY, COLORADO  
 CONSERVATION TRUST FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE – BUDGET AND ACTUAL  
 YEAR ENDED DECEMBER 31, 2023**

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
State of Colorado	\$ 160,000	\$ 175,000	\$ 179,799	\$ 4,799
Interest Earnings	3,000	5,000	12,337	7,337
Total Revenues	163,000	180,000	192,136	12,136
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	 163,000	 180,000	 192,136	 12,136
 <b>OTHER FINANCING USES</b>				
Transfers Out	(160,000)	(160,000)	(160,000)	-
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ 3,000	 \$ 20,000	 \$ 32,136	 \$ 12,136

**MONTROSE COUNTY, COLORADO  
COUNTY CLERK TECHNICAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 33,555	\$ 33,555	\$ 6,105	\$ (27,450)
Interest Earnings	-	-	1,373	1,373
Charges for Services	12,000	12,000	9,228	(2,772)
Total Revenues	45,555	45,555	16,706	(28,849)
<b>EXPENDITURES</b>				
Current:				
General Government	41,600	41,600	6,324	35,276
Total Expenditures	41,600	41,600	6,324	35,276
<b>NET CHANGE IN FUND BALANCE</b>	\$ 3,955	\$ 3,955	\$ 10,382	\$ 6,427

**MONTROSE COUNTY, COLORADO  
SOLID WASTE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest Earnings	\$ 6,000	\$ 21,000	\$ 112,835	\$ 91,835
Charges for Services	192,000	178,000	168,530	(9,470)
Total Revenues	<u>198,000</u>	<u>199,000</u>	<u>281,365</u>	<u>82,365</u>
<b>EXPENDITURES</b>				
General Government	<u>73,620</u>	<u>73,620</u>	<u>27,279</u>	<u>46,341</u>
Total Expenditures	<u>73,620</u>	<u>73,620</u>	<u>27,279</u>	<u>46,341</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 124,380</u></u>	<u><u>\$ 125,380</u></u>	<u><u>\$ 254,086</u></u>	<u><u>\$ 128,706</u></u>

**MONTROSE COUNTY, COLORADO  
LOCAL PUBLIC HEALTH FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Other Revenues	\$ 5,500	\$ 2,800	\$ 8,112	\$ 5,312
Charges for Services	1,500	1,400	906	
Intergovernmental	1,274,500	1,307,950	1,223,402	(84,548)
Licenses and Permits	125,150	136,300	131,994	(4,306)
Total Revenues	<u>1,406,650</u>	<u>1,448,450</u>	<u>1,364,414</u>	<u>(83,542)</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>1,610,316</u>	<u>1,610,316</u>	<u>1,521,254</u>	<u>89,062</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(203,666)</u>	<u>(161,866)</u>	<u>(156,840)</u>	<u>5,520</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (103,666)</u>	<u>\$ (61,866)</u>	<u>\$ (56,840)</u>	<u>\$ 5,520</u>

**MONTROSE COUNTY, COLORADO  
EVENT CENTER AND FAIRGROUNDS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	<u>Original Budge</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 423,100	\$ 480,899	\$ 498,806	\$ 17,907
Miscellaneous	35,000	188,059	66,099	(121,960)
Intergovernmental	-	-	97,043	97,043
Total Revenues	<u>458,100</u>	<u>668,958</u>	<u>661,948</u>	<u>(7,010)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,683,246	1,751,516	1,570,285	181,231
Capital Outlay	448,955	380,685	380,674	11
Total Expenditures	<u>2,132,201</u>	<u>2,132,201</u>	<u>1,950,959</u>	<u>181,242</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,709,101)	(1,463,243)	(1,289,011)	174,232
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Sale of Capital Assets	-	-	35,900	35,900
Transfers In	1,966,000	1,797,000	1,576,000	(221,000)
Transfers Out	<u>(331,442)</u>	<u>(331,442)</u>	<u>(331,442)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,634,558</u>	<u>1,465,558</u>	<u>1,280,458</u>	<u>(185,100)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (74,543)</u>	<u>\$ 2,315</u>	<u>\$ (8,553)</u>	<u>\$ (10,868)</u>

**MONTROSE COUNTY, COLORADO  
GENERAL DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest Earnings	\$ 50	\$ 2,000	\$ 339	\$ (1,661)
Total Revenues	2,000	2,000	339	(1,661)
<b>EXPENDITURES</b>				
Debt Service:				
Principal	875,855	875,855	875,855	-
Interest	284,191	284,191	284,124	67
Total Expenditures	1,160,046	1,160,046	1,159,979	67
<b>EXCESS OF EXPENDITURES OVER (UNDER) REVENUES</b>	(1,159,996)	(1,158,046)	(1,159,640)	(1,594)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,160,046	1,160,046	1,160,046	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ 50	\$ 2,000	\$ 406	\$ (1,594)

**MONTROSE COUNTY, COLORADO  
PROPRIETARY FUNDS**

Proprietary funds are used to account for activities of the County that are managed similarly to for-profit businesses whereby the user fees are intended to cover a majority of the fund's expenses.

*Montrose County Airport Fund* accounts for the County's airports at Montrose (Montrose Regional Airport) and Nucla (Hopkins Field Airport), which provide services for both commercial and general aviation.

*Fleet Management Internal Service Fund* accounts for the capital assets, liabilities, and operational management of the Montrose County Fleet. The fleet-related services are provided to other County departments on a cost-reimbursement basis.

**MONTROSE COUNTY, COLORADO**  
**MONTROSE COUNTY AIRPORT ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –**  
**BUDGETARY BASIS – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OPERATING REVENUES</b>				
Charges for Service	\$ 7,669,700	\$ 7,532,500	\$ 7,146,504	\$ (385,996)
Total Operating Revenues	7,669,700	7,532,500	7,146,504	(385,996)
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	1,873,459	1,873,459	1,660,720	212,739
Non-Personnel Operating	2,579,943	2,579,943	1,746,916	833,027
Capital Outlay	20,048,445	20,460,635	19,276,194	1,184,441
Total Operating Expenses	24,501,847	24,914,037	22,683,830	2,230,207
<b>OPERATING LOSS</b>	(16,832,147)	(17,381,537)	(15,537,326)	1,844,211
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	-	-	637,213	637,213
Interest Expense	-	-	(203,000)	(203,000)
Debt Issuance Costs	-	-	-	-
Contributions/Grants	-	-	36,148	36,148
Passenger Facility Charges	884,960	884,960	884,960	-
Intergovernmental	3,655,681	3,952,584	3,860,786	(91,798)
Other	278,000	316,000	336,702	20,702
Total Nonoperating Revenues (Expenses)	4,818,641	5,153,544	5,552,809	399,265
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>\$ (12,013,506)</u>	<u>\$ (12,227,993)</u>	(9,984,517)	<u>\$ 2,243,476</u>
<b>ADJUSTMENTS FOR GAAP BASIS</b>				
Capital Outlay			19,276,194	
Depreciation			(3,364,058)	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>\$ 5,927,619</u>	

**MONTROSE COUNTY, COLORADO  
FLEET MANAGEMENT INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –  
BUDGETARY BASIS – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OPERATING REVENUES</b>				
Charges for Service	\$ 2,807,000	\$ 3,060,000	\$ 2,802,716	\$ (257,284)
Total Operating Revenues	<u>2,807,000</u>	<u>3,060,000</u>	<u>2,802,716</u>	<u>(257,284)</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	730,614	730,614	622,595	108,019
Services and Supplies	1,584,600	1,584,600	1,456,261	128,339
Capital Outlay	613,270	1,038,458	1,012,349	26,109
Total Operating Expenses	<u>2,928,484</u>	<u>3,353,672</u>	<u>3,091,205</u>	<u>262,467</u>
<b>OPERATING INCOME (LOSS)</b>	(121,484)	(293,672)	(288,489)	5,183
<b>NONOPERATING REVENUES</b>				
Other	100,000	195,000	360,543	165,543
Total Nonoperating Revenues	<u>100,000</u>	<u>195,000</u>	<u>360,543</u>	<u>165,543</u>
<b>NET INCOME (LOSS) - BUDGET BASIS</b>	<u>\$ (21,484)</u>	<u>\$ (98,672)</u>	72,053	<u>\$ 170,725</u>
<b>ADJUSTMENTS FOR GAAP BASIS</b>				
Capital Outlay			1,012,349	
Depreciation			(686,834)	
Net Book Value of Capital Assets Sold			<u>(40,682)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<u>\$ 356,887</u>	

## **MONTROSE COUNTY, COLORADO FIDUCIARY FUNDS**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

*County Clerk Custodial Fund* accounts for the County's property tax collections on behalf of other local governments. The County Clerk Custodial Fund remits the property tax collections to the local governments.

*Opioid Settlement Custodial Fund* accounts for the opioid settlement funding that was disbursed by the State of Colorado to local governments. Montrose County is the fiscal agent for region 14 which contains Delta, Gunnison, Ouray, San Miguel, and Hinsdale counties in addition to Montrose County. The first disbursement to region 14 was made in 2022 for \$512,900. Additional payments over the next 18 years could provide an additional \$3.2 million in opioid settlement funding to be used towards opioid abatement programs.

**MONTROSE COUNTY, COLORADO**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2023**

	County Clerk Custodial Fund	Opioid Settlement Custodial Fund	Custodial Funds
<b>ASSETS</b>			
Cash and Investments	\$ 1,748,494	\$ 819,732	\$ 2,568,226
Property Taxes Receivable	39,174,752	-	39,174,752
Total Assets	40,923,246	819,732	41,742,978
<b>LIABILITIES</b>			
Due to Other Governments	1,115,244	-	1,115,244
Deposits Held for Others	633,250	-	633,250
Total Liabilities	1,748,494	-	1,748,494
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	39,174,752	-	39,174,752
<b>NET POSITION</b>			
Restricted for Region 14 Opioid Settlement	-	819,732	819,732
Total Net Position	\$ -	\$ 819,732	\$ 819,732

**MONTROSE COUNTY, COLORADO**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>County Clerk Custodial Fund</u>	<u>Opioid Settlement Custodial Fund</u>	<u>Custodial Funds</u>
<b>ADDITIONS</b>			
Property Tax Collections on Behalf of Others	\$ 46,965,948	\$ -	\$ 46,965,948
State Opioid Settlement	<u>-</u>	<u>306,832</u>	<u>306,832</u>
Total Additions	46,965,948	306,832	47,272,780
<b>DEDUCTIONS</b>			
Property Tax Distributions on Behalf of Others	<u>46,965,948</u>	<u>-</u>	<u>46,965,948</u>
Net Increase (Decrease) in Net Position	-	306,832	306,832
<b>NET POSITION</b>			
Beginning of Year	<u>-</u>	<u>512,900</u>	<u>512,900</u>
End of Year	<u>\$ -</u>	<u>\$ 819,732</u>	<u>\$ 819,732</u>

**MONTROSE COUNTY, COLORADO  
MONTROSE COUNTY DEPARTMENT OF HUMAN SERVICES  
EBT AUTHORIZATION SCHEDULE  
FOR THE CALENDAR YEAR 2023**

	A	B	C	D	E
Programs	County EBT Authorizations	County Share of Authorizations	Expenditures by County Warrant	County EBT Authorizations and Expenditures By County Warrant (Col. A+Col. C)	Total Expenditures (Col. B+Col. C)
Administration			\$ 1,647,478	\$ 1,647,478	\$ 1,647,478
Adult Services			321,609.33	321,609.33	321,609.33
Aid to Needy Disabled	177,341	36,012		177,341.37	36,012.07
Chaffee Grant			35,272.06	35,272.06	35,272.06
Child Care Program	889,784	117,206	115,132.91	1,004,916.83	232,339.31
Child Support Services			740,925.53	740,925.53	740,925.53
Child Welfare	2,847,114	465,086	1,800,532.25	4,647,646.38	2,265,618.22
Colorado Works	312,015	68,736	1,073,569.11	1,385,583.74	1,142,305.00
CORE Services	356,282	51,145	691,316.05	1,047,598.38	742,461.22
Employment First	(0)		71,921.71	71,921.37	71,921.71
Food Assistance	11,194,915			11,194,914.99	-
LEAP	902,691		95,310.04	998,001.07	95,310.04
Medicaid Transportation				-	-
Old Age Pension	443,894		32,930.09	476,824.56	32,930.09
Parental Fees			26,528.82	26,528.82	26,528.82
Single Entry Point	7,225		676,965.23	684,190.23	676,965.23
Other Grants & Programs				-	-
County Only Costs (Including General Assistance)				-	-
<b>Total Programs</b>	<b>\$ 17,131,262</b>	<b>\$ 738,186</b>	<b>\$ 7,329,491</b>	<b>\$ 24,460,752</b>	<b>\$ 8,067,676</b>

Explanation of columns:

- A County EBT Authorizations - Payments for human service programs authorized by the County, net of refunds. These County authorizations are paid by the Colorado Department of Human Services by electronic benefit cards (EBT) and by electronic funds transfers (EFT).
- B County Share of EBT Authorizations - Amounts are settled monthly by a reduction of State cash advances to the County and are net of any refunds.
- C Expenditures By County Warrant - Expenditures made by County warrants or other County payment methods.
- D Represents the total cost of the human service programs that are administered by the County.
- E Equals the expenditures on the statement of revenues, expenditures, and changes in the fund balances - governmental funds, social services fund column of this document.

**MONTROSE COUNTY, COLORADO  
LOCAL HIGHWAY FINANCE REPORT (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

Financial Planning 02/01  
Form# 350-050-36

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Montrose County
		YEAR ENDING : December-23
This Information From The Records Of Montrose County:	Prepared By: Phone:	Carmen Sandoval (970) 964-2441

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 7,512,125.09
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 4,897,519.92
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 2,362.30
2. General fund appropriations		b. Snow and ice removal	\$ 417,216.45
3. Other local imposts (from page 2)	\$ 13,575,487.40	c. Other	\$ 187,105.29
4. Miscellaneous local receipts (from page 2)	\$ 904,550.00	d. Total (a. through c.)	\$ 606,684.04
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 4,695,363.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 17,711,692.05
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 14,480,037.40	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b> (from page 2)	\$ 5,614,738.51	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	\$ 225,921.57	a. Interest	\$ 202,993.40
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 20,320,697.48	b. Redemption	\$ 625,610.39
		c. Total (a. + b.)	\$ 828,603.79
		3. Total (1.c + 2.c)	\$ 828,603.79
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			\$ 18,540,295.84

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	\$ 7,122,576.43		\$ 625,610.39	\$ 6,496,966.04

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursement	D. Ending Balance	E. Reconciliation
	\$ 11,320,097.90	\$ 20,320,697.48	\$ 18,540,295.84	\$ 13,100,499.54	-

Notes and Comments:

**MONTROSE COUNTY, COLORADO  
LOCAL HIGHWAY FINANCE REPORT (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (12/23):	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	\$ 0.63	a. Interest on investments	\$ 405,358.29
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 11,898,922.19	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 284,489.00
4. Licenses	\$ 150.00	f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 1,676,414.58	g. Other Misc. Receipts	\$ 24,216.58
6. Total (1. through 5.)	\$ 13,575,486.77	h. Other	\$ 190,486.13
c. Total (a. + b.)	\$ 13,575,487.40	i. Total (a. through h.)	\$ 904,550.00
	(Carry forward to page 1)		(Carry forward to page 1)
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	\$ 5,066,223.83	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ 225,921.57
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 120,398.59	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	\$ 186,458.95	e. U.S. Corps of Engineers	
e. Other (Specify)	\$ 241,657.14	f. Other Federal	
f. Total (a. through e.)	\$ 548,514.68	g. Total (a. through f.)	\$ 225,921.57
4. Total (1. + 2. + 3.f)	\$ 5,614,738.51	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		\$ -	\$ -
b. Engineering Costs		\$ 476,224.66	\$ 476,224.66
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 7,035,900.43	\$ 7,035,900.43
(4). System Enhancement & Operation			\$ -
(5). Total Construction (1) + (2) + (3) + (4)	\$ -	\$ 7,035,900.43	\$ 7,035,900.43
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	\$ -	\$ 7,512,125.09	\$ 7,512,125.09
			(Carry forward to page 1)
<b>Notes and Comments:</b>			



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