



**ROUTT**  
**COUNTY**  

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**COLORADO**

2023 Financial &  
Compliance Report

136 6th Street, Steamboat Springs, CO 80487 | [www.co.routt.co.us](http://www.co.routt.co.us)

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**ROUTT COUNTY, COLORADO**  
**FINANCIAL AND COMPLIANCE REPORT**  
**For the Year Ended December 31, 2023**

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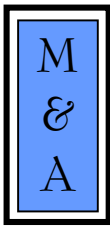
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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Routt County, Colorado (the "County"), as of and for the year ended December 31, 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 ("U.S. GAAP").

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

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

#### ***Emphasis-of-Matter***

As discussed in Note 1 to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Member: American Institute of Certified Public Accountants*

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

***Responsibilities of Management for the Financial Statements (continued)***

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

U.S. GAAP require that Management's Discussion and Analysis on pages 4 – 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

***Required Supplementary Information (continued)***

The budgetary comparison information on pages 90 – 96 is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information on pages 90 – 96 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Supplementary Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
July 22, 2024**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

ROUTT COUNTY, COLORADO

December 31, 2023

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In this Management's Discussion and Analysis (MD&A) section of the Annual Financial Report, we provide readers with a narrative overview and analysis of the financial activities of Routt County, Colorado (the County) for the fiscal year ended December 31, 2023. When analyzing financial activities of the current fiscal year, it is useful to compare current fiscal year information with comparable information of the previous fiscal year. This discussion and analysis is also intended to serve as an introduction to the County's basic financial statements. We encourage readers to consider the information presented here in conjunction with the information presented in the basic financial statements to enhance their understanding of the County's financial activity and performance.

## FINANCIAL HIGHLIGHTS

- The County's property tax revenue continued to grow in 2023. Governmental Activities property tax revenue increased \$1.6 million or 7% to \$25.6 million from the prior year. The primary reason for the increase is the revenue increase allowed under the Taxpayers Bill of Rights (TABOR) property tax revenue limitation, which is 9.8% in 2023 and is composed of a 1.5% increase from new construction and an 8.3% increase from inflation. The County's assessed valuation increased \$7.6 million or .57% to \$1.3 billion from the prior year.
- Governmental Activities sales tax revenue growth increased \$.4 million or 3% to \$14.5 million from the prior year. Sales tax collected on retail sales increased \$.5 million or 4% to \$11.8 million primarily due to sales tax on lodging and restaurant sales, construction and home goods, motor vehicles, and utilities. Building use tax collected on construction materials decreased \$.2 million or 11% to \$1.6 million from the prior year. Auto use tax collected on vehicles purchased outside of the county increased \$.1 million or 10% to \$1.1 million from the prior year. See the "GOVERNMENTAL ACTIVITIES - REVENUES" section for a more detailed discussion.
- The new Health and Human Services (HHS) building was completed in May 2023 for a total cost of \$13.5 million. The County funded the new HHS building with reserves. The HHS project came in under budget \$.6 million.
- Yampa Valley Regional Airport (YVRA) started the design and planning phase of the Terminal Expansion Project that is estimated to be \$88.9 million and project to start in 2026.
- YVRA completed the construction of the rental car wash facility for a total cost of \$4.2 million of which \$2.1 million was spent in 2023. The car wash facility was funded from reserves initially and over time, the reserves will be replenished from future customer facility charges (CFC) collections. CFCs are collected by the rental car agencies and submitted to YVRA to help with the operations, maintenance and capital improvements of the areas being used by the rental car agencies.
- The County chipped and sealed 31 miles and overlaid 5 miles of road for combined total of 36 miles or 23% of the County's paved road system.
- The replacement of the wastewater treatment plant in Phippsburg is estimated to cost \$4.1 million. Three sources are funding the project, the State Revolving Loan Fund for approximately \$1.5 million, the Department of Local Affairs for approximately \$.5 million, and \$2.1 million from the American Recovery Plan Act Funds. Design and engineering was completed in 2023 and construction is projected to start in 2024.
- The replacement of the wastewater treatment plant in Milner is estimated to cost \$3.5 million. Three sources are funding the project, the State Revolving Loan Fund for approximately \$1.5 million, the Department of Local Affairs for approximately \$.5 million, and \$1.5 million of American Recovery Act Plan Funds. Design and engineering was completed in 2023 and construction is projected to start in 2024.
- To remain a competitive employer in the Yampa Valley and address a rising costs of living, a 7% pay increase and an additional step increase for those eligible was approved; the step system was modified making the market average occur at step three versus step six resulting in a benefit for staff below step three and three additional steps at the end of the range; all position were surveyed again in 2022 but only those positions having at least a 5% increase were adjusted in 2023; and the County removed the one year wait to begin participating in the retirement plan, and allowing employees to begin participating upon their hire date.



## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

- 1) Government-wide statements include two statements that provide long-term and short-term information about the County's overall financial status.
  - 2) Fund financial statements focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
- The governmental funds' statements illustrate how general government services such as public safety, road and bridge, human services, and E911 communications are financed in the short term and what remains for future spending.
  - Proprietary funds statements include short and long-term financial information about the activities the County operates like a business, such as the Yampa Valley Regional Airport, the Regional Building Department, the Phippsburg Water and Sanitation System, the Milner Sanitation System, and the Internal Service Funds, which provide services to other departments in the County on a cost-reimbursement basis. The Internal Service Funds predominantly provide governmental benefits rather than business-type functions and therefore have been mainly included within Governmental Activities in the Government-wide financial statements.
  - Fiduciary fund statements provide information about the Custodial Fund assets and liabilities and the Retirement Plan for the County's employees. The County acts solely as a trustee or agent for the benefit of others to whom the resources belong.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
ROUTT COUNTY, COLORADO  
December 31, 2023

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The notes to the financial statements explain some of the financial statements' information and provide more detailed data. The statements are followed by a section of required supplementary information that provides actual to budget comparisons for the General Fund and the following major special revenue funds: Road and Bridge, Human Services, and E911 Communications. In addition to these required components, a section called supplemental information includes combining statements providing further detail about the County's nonmajor proprietary funds and internal service funds (each of which are added together and presented in single columns in each of the basic proprietary fund financial statements), proprietary and internal service funds budget to actual comparisons, combining fiduciary funds for the Retirement Plan and for the Custodial Funds.

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

## **Government-wide Statements**

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

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

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

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

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the County's most significant funds—not the County as a whole. Funds are accounting devices that the County uses to track specific funding sources and spending for particular purposes. Some funds are required by State law (Road and Bridge and Human Services), and other funds are established by the Board of County Commissioners to control and manage money for particular purposes (E911 Communications, and Yampa Valley Regional Airport). The County uses three types of funds as follows:

### Governmental Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
ROUTT COUNTY, COLORADO  
December 31, 2023

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Proprietary Funds

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

- The County's Proprietary Funds are the same as Business-type Activities, but more detailed information is provided in the Proprietary Fund statements, such as cash flow statements.
- The County's Internal Service Funds are used to report activities that provide supplies and services for the County's other programs and activities, such as information systems, emergency communication system, fleet services, facility management, and partially self-funded insurance plans for employee health and dental insurances and County casualty and property insurance.

Fiduciary Funds

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



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
 ROUTT COUNTY, COLORADO  
 December 31, 2023

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

The County's net position is \$294.6 million as of December 31, 2023, an increase of \$15.8 million or 6% from the prior year. Effective January 1, 2023, the County implemented GASB issued Statement No. 96 (GASB 96), Subscription-Based Information Technology Arrangements (SBITA). The prior year balance has been restated, see below for items noted in the Net Position table. The following table provides a comparative summary of the County's Governmental and Business-type Statement of Net Position for the current and prior year.

<b>Routt County, Colorado</b>						
<b>Net Position</b>						
(in millions)						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 82.7	\$ 82.7	\$ 44.2	\$ 34.0	\$ 126.9	\$ 116.7
Capital assets * **	140.5	138.1	72.9	68.7	213.4	206.8
Total assets	<u>223.2</u>	<u>220.8</u>	<u>117.1</u>	<u>102.7</u>	<u>340.3</u>	<u>323.5</u>
<b>Deferred Outflows of Resources</b>						
Deferred charge on refunding	-	0.1	-	-	-	0.1
Total assets and deferred outflows of resources	<u>223.2</u>	<u>220.9</u>	<u>117.1</u>	<u>102.7</u>	<u>340.3</u>	<u>323.6</u>
<b>Liabilities</b>						
Current and other liabilities	3.7	5.8	3.6	4.7	7.3	10.5
Long-term liabilities **	5.0	5.7	0.5	0.4	5.5	6.1
Total liabilities	<u>8.7</u>	<u>11.5</u>	<u>4.1</u>	<u>5.1</u>	<u>12.8</u>	<u>16.6</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue - property taxes	27.2	23.7	-	-	27.2	23.7
Lease related	0.7	0.6	5.0	3.9	5.7	4.5
Total deferred inflow of resources	<u>27.9</u>	<u>24.3</u>	<u>5.0</u>	<u>3.9</u>	<u>32.9</u>	<u>28.2</u>
<b>Net Position</b>						
Net investment in capital assets *	137.7	133.7	72.7	67.9	210.4	201.6
Restricted	9.1	9.5	0.5	0.3	9.6	9.8
Unrestricted	39.8	41.9	34.8	25.5	74.6	67.4
Total net position	<u>\$ 186.6</u>	<u>\$ 185.1</u>	<u>\$ 108.0</u>	<u>\$ 93.7</u>	<u>\$ 294.6</u>	<u>\$ 278.8</u>

\* See Note 14 Restatement of Net Position for more detailed explanation of the restatement of the beginning infrastructure balance. As this is a comparative statement, the December 31, 2022 balance is adjusted as compared to the beginning balance in the footnotes. Restatement of \$6.5 million.

\*\* As a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), \$4 million in subscription assets has been added to the December 31, 2022 balance presented above. As the SBITA assets are offset by an equal amount of SBITA liabilities, the County does not report a restatement of beginning net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
ROUTT COUNTY, COLORADO  
December 31, 2023

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Net Investment in Capital

The largest portion of net position is net investment in capital assets of \$210.4 million, which increased \$8.8 million or 4% from the prior year. Net investment in capital includes land, buildings and improvements, equipment, other, lease and subscription assets, and all road and bridge infrastructure, less depreciation and amortization, and associated debt. Although the net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used in a short period to liquidate these liabilities. The cost of these capital assets funded by capital grants and contributions does not offset these revenue sources as an expense in the government-wide Statement of Net Activities. Instead, these costs are capitalized and then depreciated over the useful life of the asset.

Net investment in capital assets for Governmental Activities increased \$4.0 million or 3% to \$137.7 million from the prior year. Net investment in capital assets for Business-type Activities increased \$4.8 million or 7% to \$72.7 million from the prior year. The major capital projects in 2023 are summarized in the section entitled "CAPITAL ASSETS AND DEBT ADMINISTRATION."

Unrestricted Net Position

The second-largest portion of net position is unrestricted of \$74.6 million, which increased by \$7.2 million or 11% from the prior year. This portion of net position is available to provide funds for capital asset replacements and additions, cash flow for ongoing operations, and cash flow for fluctuations between planned and actual resources and emergencies. Governmental Activities unrestricted net position is \$39.8 million, a decrease of \$2.1 million or 5% from the prior year. Business-type Activities unrestricted net position increased \$9.3 million or 36% to \$34.8 million from the prior year. Key elements of the changes in unrestricted net position can be found in the following sections entitled "Governmental Activities" and "Business-type Activities" and in the "FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS" sections.

Restricted Net Position

The remaining portion of the County's net position is restricted net position of \$9.6 million, which decreased \$.2 million or 2% from the prior year. Governmental Activities restricted net position decreased \$.4 million or 4% to \$9.1 million from the prior year. The change in Governmental Activities restricted net position is primarily due to the combination of the Purchase of Development Rights (PDR) restricted net position decrease of \$.6 million as more projects were completed in 2023 than in 2022 due to the timing and complexity of the projects, a \$.1 million increase in Lottery Funds as the Fair Grounds is saving for a future capital project in 2024, and a \$.2 million increase in Taxpayer Bill of Rights (TABOR) reserve. Business-type Activities restricted net position increased \$.5 million or 67% to \$.5 million due to additional state funding for the wastewater treatment plant design and engineering for the Phippsburg Water and Sanitation System and Milner Sanitation Systems.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
 ROUTT COUNTY, COLORADO  
 December 31, 2023

**Changes in Net Position**

Net position increased \$15.8 million or 6% in 2023 and the change in net position decreased \$8.8 million or 36% from the prior year. Governmental Activities decreased \$9.3 million or 86% and Business-type Activities increased \$.5 million or 4% from the prior year. The following table provides a comparative summary of the county's governmental and business-type Statement of Activities for the current and prior year.

<b>Routt County, Colorado</b>								
<b>Statement of Activities</b>								
(in millions)								
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>			
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenues</b>								
<b>Program revenues</b>								
Charges for services	\$ 4.7	\$ 4.9	\$ 11.8	\$ 11.1	\$ 16.5	\$ 16.0		
Operating grants and contributions	14.4	18.8	6.0	4.5	20.4	23.3		
Capital grants and contributions	-	0.1	3.6	9.3	3.6	9.4		
<b>General revenues</b>								
Property tax	25.6	24.0	-	-	25.6	24.0		
Sales tax	14.5	14.1	0.5	0.5	15.0	14.6		
Interest earnings	3.3	(0.3)	1.0	(0.1)	4.3	(0.4)		
Lease interest income	-	-	0.1	0.1	0.1	0.1		
Gain on disposal of capital assets	0.3	0.1	-	0.1	0.3	0.2		
<b>Total revenues</b>	<u>62.8</u>	<u>61.7</u>	<u>23.0</u>	<u>25.5</u>	<u>85.8</u>	<u>87.2</u>		
<b>Expenses</b>								
Administration	10.7	9.5	-	-	10.7	9.5		
Community services	11.4	9.1	-	-	11.4	9.1		
Property tax administration	2.8	2.6	-	-	2.8	2.6		
Public safety	13.3	11.5	-	-	13.3	11.5		
Road and bridge	12.5	12.4	-	-	12.5	12.4		
Human services	6.2	5.8	-	-	6.2	5.8		
Interest expense on long-term debt	0.2	0.2	-	-	0.2	0.2		
Airport	-	-	10.8	9.7	10.8	9.7		
Building department	-	-	1.9	1.6	1.9	1.6		
Water and sewer	-	-	0.2	0.2	0.2	0.2		
<b>Total expenses</b>	<u>57.1</u>	<u>51.1</u>	<u>12.9</u>	<u>11.5</u>	<u>70.0</u>	<u>62.6</u>		
<b>Increase in net position before transfers</b>	5.7	10.6	10.1	14.0	15.8	24.6		
Transfers	(4.2)	0.2	4.2	(0.2)	-	-		
<b>Increase in net position</b>	1.5	10.8	14.3	13.8	15.8	24.6		
Net position - beginning (as restated) *	185.1	174.3	93.7	79.9	278.8	254.2		
<b>Net position - ending</b>	<u>\$ 186.6</u>	<u>\$ 185.1</u>	<u>\$ 108.0</u>	<u>\$ 93.7</u>	<u>\$ 294.6</u>	<u>\$ 278.8</u>		

\* See Note 14 Restatement of Net Position for more detailed explanation of the restatement of the beginning infrastructure balance. As this is a comparative statement, the December 31, 2022 balance is adjusted as compared to the beginning balance in the footnotes. Restatement of \$6.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
ROUTT COUNTY, COLORADO  
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**Governmental Activities**

Total net position from Governmental Activities increased \$1.5 million or 1% to \$186.6 million from the prior year. Following is an overview of the primary changes from the prior year to the current year.

**Revenues**

Property Tax revenue increased \$1.6 million or 7% to \$25.6 million from the prior year. Base property taxes (General Fund, Road and Bridge, Human Services, and E911 Communications) increased \$1.3 million or 7% to \$20.1 million from the prior year. The primary reason for the increase is the Taxpayers Bill of Rights (TABOR) property tax revenue limitation, which is 9.8% in 2023 and is composed of a 1.5% increase from new construction and an 8.3% increase from inflation. Base specific ownership tax on vehicles increased \$.2 million or 15% to \$1.5 from the prior year due to pent up demand for vehicles from COVID-19 and improvements in the supply chain. The County's assessed valuation increased \$7.6 million or .57% to \$1.3 billion from the prior year. Voter approved property taxes (Purchase of Development Rights, Developmental Disabilities, and Museums), which are not subject to TABOR, increased \$.1 million or 3% from the prior year to \$4.0 million due to the increase in assessed valuation and no change in specific ownership tax.

Sales tax revenue increased \$.4 million or 3% to \$14.5 million from the prior year. Sales tax is collected on goods sold at retail, except for food and pharmaceuticals, and includes building and auto use taxes. Sales tax collected on retail sales increased \$.5 million or 4% to \$11.8 million. The primary reasons for the increase in retail sales tax collections are as follows: Lodging and restaurant sales tax increased \$.2 million or 5% primarily attributable to cost increases from inflation passed to consumers. Visitors are still flocking to the area on a year-round basis, but economic pressures from inflation and international travel opening up have kept lodging and restaurant sales steady as opposed to the large increases seen in 2021 and 2022. Construction and home goods sales increased \$.1 million or 9% attributable to inflation and continued demand for higher-end residential homes in the County, but again increases are not as robust as in 2021 and 2022. Utilities increased \$.1 million or 32% due to rate increases from suppliers and a higher demand during the colder winter of 2022-2023. Sales tax on motor vehicles purchased within the County increased \$.1 million or 16% due to pent up demand for vehicles after COVID-19 and improvements in the supply chain. Building use tax collected on construction materials decreased \$.2 million or 11% to \$1.6 million from the prior year from fewer residential, multi-family and commercial units being constructed due to growing economic uncertainty, inflation, higher interest rates, and a lack of buildable lots. The slowing construction activity is offset by continued higher-end home construction and price inflation for labor and materials. Auto use tax collected on vehicles purchased outside of the county increased \$.1 million or 10% to \$1.1 million for the same reasons mentioned above.

Operating grants and contributions decreased \$4.4 million or 23% to \$14.4 million from prior year. The decrease is primarily related to a decrease of \$6.0 million or 100% to \$0 million from prior year of COVID-19 funding. The County recognized in 2022 \$5.0 million of American Rescue Plan Act (ARPA) funding and \$1.0 million in Local Assistance and Tribal Consistency Fund (LATCF) funding. In 2022, the County applied all of the ARPA and LATCF funding towards "governmental services - payroll" in order to minimize the administrative burden for program reporting and indirectly creating \$6.0 million of reserves to use towards other county or non-county projects. The passing of Senate Bill 22-238 in late 2022, allowed the County to receive \$1.5 million from the state for possible lost property tax due to the reassessment that was done in 2022. The Epidemiologist Laboratory Capacity (ELC) grant decreased \$.5 million or 90% to \$.1 million as the grant award period ended in July 2023.

Interest earnings increased \$3.6 million or 1200% to \$3.3 million from the prior year's negative interest earnings of \$.3 million. The significant increase is due to a combination of rising interest rates as the Federal Reserve continued with a total of 4 interest rate hikes during 2023 and from an increase in the County's unrealized mark-to-market gains on investments in 2023.

**Expenses**

Administration expenses increased \$1.2 million or 13% to \$10.7 million from the prior year. The primary changes in Administrative expenses are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Administrative personnel costs increased \$.9 million or 15% to \$6.9 million from prior year. As noted in the financial highlights section above, in order to remain a competitive employer in the Yampa Valley and address the rising costs of living, a 7% pay increase, an additional step increase for those eligible was approved, the step system was modified to give more range for the employees, all positions were surveyed again in 2022 but only those positions having at least a 5% increase were adjusted in 2023, and the County started to allow employees to participate in the retirement plan upon being hired. There is an increase of 3.5 FTEs in Administration as follows. Accounting increased 1.75 FTE, .75 FTE for a temporary accounting manager and a 1.0 FTE for an accountant to help meet statutory and regulatory deadlines, gain efficiencies within the department and obtain a better work life balance. Attorney's Office increased 1.0 FTE for an assistant attorney due to the ongoing caseloads and anticipated increases in property tax appeals. Information Technology increased 1.0 FTE for a system analyst in order to address county growth, technology requirements, change and security requirements. Human Resources decreased .25 FTE due to a reduction in time for a Human Resource Coordinator from a 1.0 FTE in 2022 to a .75 FTE in 2023. The allocation of the net loss from the Health Insurance Pool was the result of an increase in the number and the amount of large claims in 2023 not covered by fees or insurance proceeds. See "FINANCIAL ANALYSIS OF THE COUNTY FUNDS, Proprietary Funds, Internal Service Funds, Insurance Pool" for further detail.

Information Technology (IT) personnel increased \$.2 million or 11% to \$1.7 million due primarily to the countywide personnel adjustments mentioned previously and salary survey adjustments specific to IT department personnel who were lower than market by the 5% threshold for needing an adjustment. Personnel increases were offset by decreases due to two open positions in 2023 for the Office Technician and Information Technology Helpdesk Technician and worker's compensation allocated based on a 3 year weighted- average for claims for the department is lower.

Depreciation and amortization expense increased \$.2 million or 100% to \$.2 million due to the implementation of GASB 96 SBITAs in 2023 and GASB 87 Leases in 2022. The costs are associated with contracts that are recognized as either a lease payable or a subscription liability and the associated asset is amortized over the life of the contract.

Community Resources expenses increased \$2.3 million or 25% to \$11.4 million from the prior year. The primary changes are as follows:

Affordable Housing decreased by \$.8 million or 76% to \$.3 million due to a one-time payment in 2022 of \$1.0 million to partially fund the Yampa Valley Housing Authority infrastructure design of the Brown Ranch Housing Development, and a one-time payment in 2023 of \$.2 million to the Town of Hayden to help fund the Prairie Run affordable housing project. Funding for both projects was available from reserves created indirectly by the American Rescue Plan Act (ARPA) funds.

Community Services decreased by \$.3 million or 18% to \$1.3 million and is related to the following four items. First is \$.1 million increase for the three-year Rural Economic Development Initiative (REDI) grant, which began in 2021 and was 100% completed at the end of 2023. The REDI grant is designed to generate economic resilience and diversification away from tourism, coal mining, and coal-fired power plants. REDI includes the counties of Routt, Moffat, and Rio Blanco and the major towns and municipalities in those counties. Funding is provided by various grants and contributions from local organizations. The total three-year cost of the project is \$.6 million. Second is a decrease of \$.5 million related to the County funding several projects indirectly with American Rescue Plan Act funds in 2022 that was not included in 2023, including assistance to the Town of Oak Creek to partially fund engineering costs to rehabilitate Sheriff's Reservoir; to Morrison Creek Water and Sanitation to partially fund wastewater system improvements; to the Town of Yampa to partially fund wastewater system improvements; to the Town of Oak Creek to partially fund broadband system improvements; and to the Town of Yampa and Yampa Valley Regional Airport to partially fund regional solar projects. Third is a decrease of \$.1 million for a one-time analysis in 2022 with Peak Health Services, a health insurance purchasing alliance, to evaluate the local cost of health care and identify solutions that could benefit all residents of Routt County. Fourth, in 2023 the County contributed \$.2 million to the City of Steamboat Springs to help pay for the construction/extension of the Yampa River Core Trail west of Steamboat Springs using American Rescue Plan Act Funds.

Elections increased \$.1 million or 22% to \$.4 million due to an increase in personnel costs of \$.1 million or 54% to \$.3 million from the prior year. The increase is due to allocating 45% of the Chief Deputy Clerk position to the Elections department in 2023, a change in health insurance benefit elections within the department, and a step and cost of living increases within the department as noted earlier.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Environmental Health increased \$.2 million or 25% to \$.8 million. Personnel costs increased \$.1 million as noted in the financial highlights section above and one position hired in 2022 had a full year of costs in 2023 as compared to a partial year in 2022. Operating costs increased \$.1 million or 33% to \$.2 million due to an increase in costs related to professional services for additional training, travel related costs due to an increase in personnel needing training in 2023, an increase in climate action plan collaborative costs for additional payments to Yampa Valley Sustainability Council, an increase in costs related to the Yampa River quality programs. There was a decrease in operating costs associated with the climate action plan initiative as it was a one-time study in 2022 and a decrease in costs related to the Re-Tree program as other programs were considered in place of the Re-Tree program.

Fair operations expenses increased by \$.1 million or 18% to \$.4 million for the County overhead expense allocation for Accounting and Treasurer's time related to the 2021 Junior Livestock sale and annual fair production expenses for entertainment and arena events. Administration of the Junior Livestock sale was moved to a local organization in 2022.

Purchase of Development Rights (PDR) increased by \$2.6 million or 584% to \$3.1 million as more projects were completed in 2023 than in 2022 due to timing and the complexity of the projects.

Planning operations increased \$.2 million or 48% to \$.7 million due to the following items: There was an increase of \$.1 million for the Regulation Update for the County's Land Use Code. The code revisions/updates pertain to housing and infrastructure regulations, historic regulations, recreation and tourism, open spaces, sustainability and climate action, and natural resources. The Regulation Update spans two years, 2023 & 2024, and was 93% complete at the end of 2023. An increase of \$.1 million for the County portion to fund the Steamboat Springs Area Community Plan, the County's share is 25% or \$.1 million split between 2023 and 2024.

Public Health operations decreased \$.1 million or 40% to \$.1 million due to the following items: There was a decrease in office and medical supplies as the department was establishing their walk in clinic for vaccines in 2022, a decrease in professional services due to the decline of COVID-19 in 2023, and a decrease in professional development due to a decrease in grant funding allowing professional development.

Property Tax Administration increased \$.2 million or 8% to \$2.3 million from the prior year.

Personnel costs increased \$.1 million or 3% to \$2.5 million from prior year. As noted in the financial highlights section above, in order to remain a competitive employer in the Yampa Valley and address the rising costs of living, a 7% pay increase, an additional step increase for those eligible was approved, the step system was modified to give more range for the employees, all positions were surveyed again in 2022 but only those positions having at least a 5% increase were adjusted in 2023, and the County started to allow employees to participate in the retirement plan upon being hired.

Public Safety expenses increased \$1.8 million or 16% to \$13.3 million from the prior year. The primary items that changed in Public Safety expenses are as follows:

Personnel costs increased \$1.9 million or 21% to \$11.1 million from prior year. As noted in the financial highlights section above, in order to remain a competitive employer in the Yampa Valley and address the rising costs of living, a 7% pay increase, an additional step increase for those eligible was approved, the step system was modified to give more range for the employees, all positions were surveyed again in 2022 but only those positions having at least a 5% increase were adjusted in 2023, and the County started to allow employees to participating in the retirement plan upon being hired. The allocation of the net loss from the Health Insurance Pool was the result of an increase in the number and the amount of large claims in 2023 not covered by fees or insurance proceeds. See "FINANCIAL ANALYSIS OF THE COUNTY FUNDS, Proprietary Funds, Internal Service Funds, Insurance Pool" for further detail.

Detention added a full-time Jail Based Behavioral Health Services (JBBS) Coordinator, which is fully grant-funded. The Sheriff's Department added a full-time patrol deputy. Additionally, costs increased for the Sheriff's Office and Detention Center due to annual step increases, with a higher change attributable to an accelerated 5-step plan versus the standard 11 step plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Communications personnel costs increased due to increased overtime, which is a result of staff vacancies, as well as more trainees in 2023, which results in fewer experienced dispatchers available to cover shifts as independent dispatchers. Additionally, an increase in termination pay was the result of two long-term employees retiring.

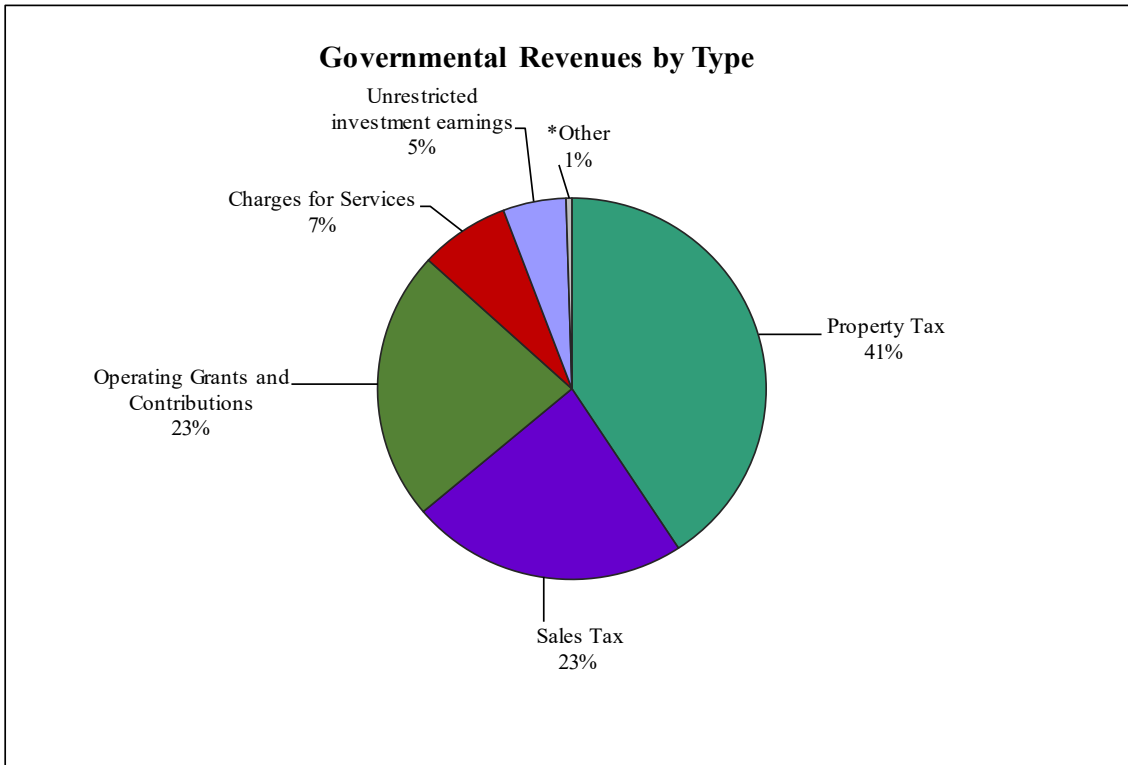
Based on state statute the County Coroner became full-time due to an increase in the number of cases and required additional documentation for cases.

Road and Bridge expenses increased \$.1 million or 1% to \$12.5 million from the prior year. The primary changes are as follows: Administration decreased \$.1 million or 25% as paving and small bridge surveys were completed in 2022. Surveys are not annual events. Dust retardant increased \$.1 million or 15% due to inflation and an increase in the number of gallons purchased. The cost went from \$.7724 per gallon to \$.99 in 2023 and an additional 25,000 gallons were purchased for a second application on county road (CR) 36 Strawberry Park, CR 38 Buff Pass and CR 16 Lynx Pass. Safety increased \$.2 million or 58% as a professional company was hired to complete work on posts and guardrails that were in poor condition. Chip and seal costs decreased \$.6 million. In 2023, 30.68 miles were chip and sealed compared to 37.41 miles in 2022, a decrease of 6.73 miles. The per square yard of chip and seal increased from \$3.06 in 2022 to \$3.17 in 2023.

Human Services expenses increased \$.4 million or 7% to \$6.2 million from the prior year. The primary change in Human Services expenses are as follows: Child Welfare personnel costs increased \$.2 million due primarily to the complexity of Child Welfare cases in 2023. First Impressions personnel costs increased \$.1 million due to the reclassification of the First Impressions Program Director to a Local Coordinating Organization Director. This position is funded 100% by federal, state, and local funds.

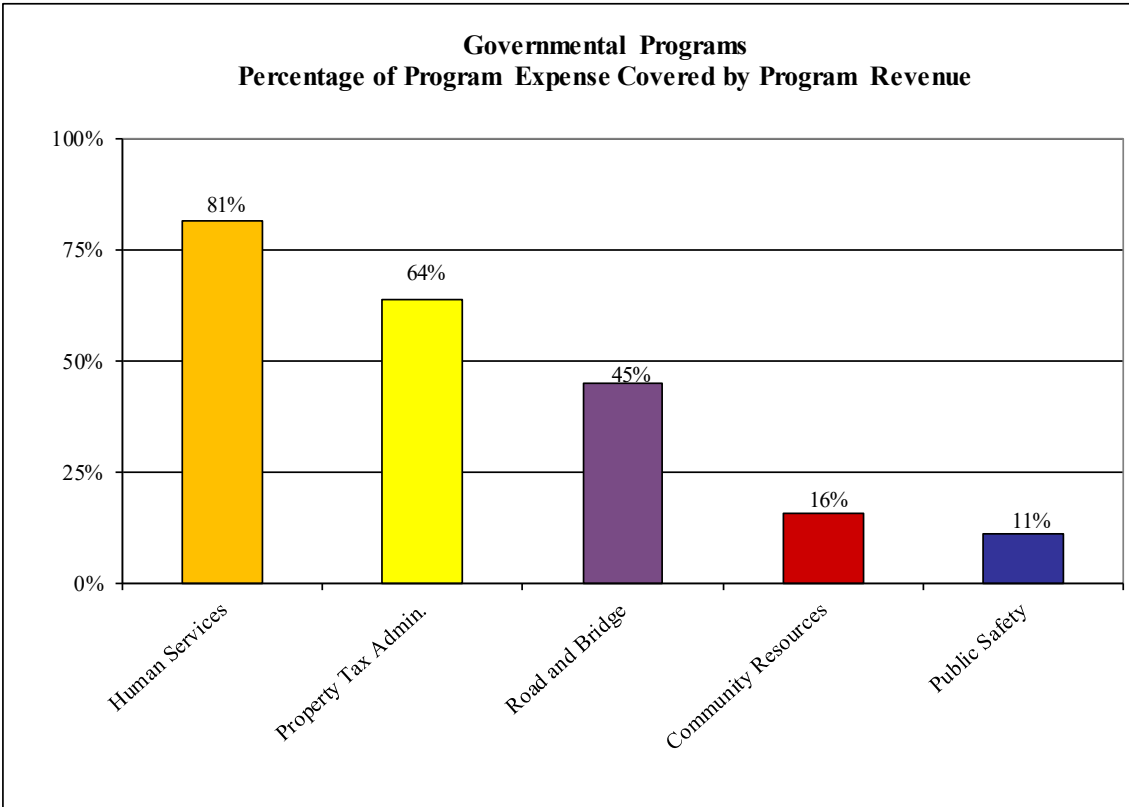
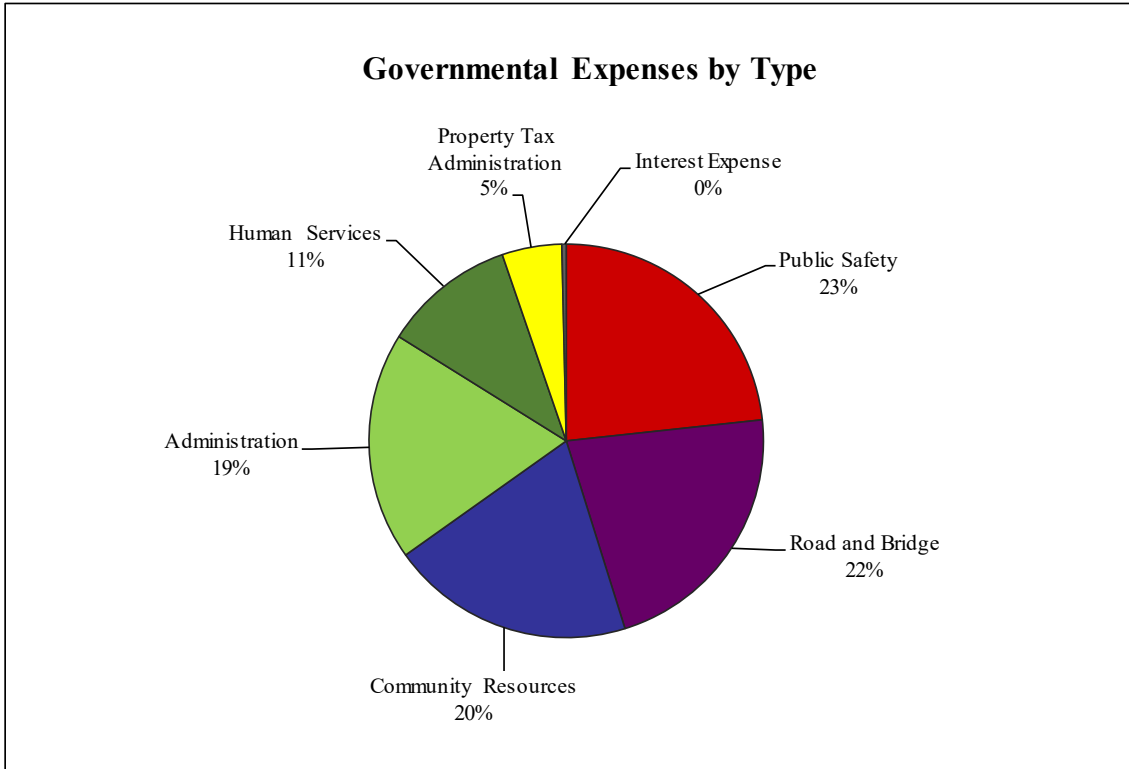
Transfers had a net decrease of \$4.4 million or 2,200% to \$4.2 million of transfers out as compared to a \$.2 million transfers in for 2022. The primary changes for the increase of \$4.4 million in transfers out are due to the transfers out of \$2.5 million to Phippsburg Water and Sanitation System and \$1.7 million to Milner Sanitation System to help fund the construction of the replacement wastewater treatment plant of each system.

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



\*Other: Capital grant and contributions and gain on disposal of capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Note: The program revenue shown in the above graph does not include capital grants, contributions, and charges for services related to capital. The costs related to capital acquisitions are capitalized as assets and depreciated over the useful lives of the assets. Only depreciation on those assets is included above.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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**Business-type Activities**

Total net position from Business-type Activities increased \$14.3 million or 15% to \$108.0 million from the prior year. The key factors related to this increase follow.

**Yampa Valley Regional Airport (YVRA)**

Total net position increased \$9.2 million or 10% to \$97.7 million from the prior year and consists of \$71.6 million in net investment in capital assets, \$25.8 million in unrestricted net position, and \$.3 million in restricted net position. Net investment in capital assets increased \$4.1 million or 6% to \$71.6 million from the prior year. Increases to net investment in capital assets consist of \$7.8 million of capital additions and the increase in retainage payable of \$.4 million. Decreases to net investment in capital assets consist of depreciation/amortization expense of \$3.9 million and deletion of assets of \$.2 million. Unrestricted net position increased \$5.1 million or 25% to \$25.8 million from the prior year. The following is an explanation of significant revenue and expense changes from the prior year:

YVRA loss from operations increased \$.3 million or 50% from a net loss of \$.6 million in 2022 to a net loss of \$.9 million in 2023. YVRA relies on federal and state grants as opposed to fees to fund a significant amount of capital additions and replacements. The \$.9 million operating loss is primarily generated from the following items:

YVRA operating revenues increased \$.9 million or 10% to \$9.9 million from the prior year. Charges for Services increased \$.9 million or 11% to \$9.4 million from the prior year. The increase is primarily due to the following items: The overall load factor per flight increased 3.26 or 5% from 70.23% to 73.49% of fully loaded capacity, enplanements increased 9,543 or 5% to 209,747 of which Southwest had an increase of 9,778 or 19% to 60,720 with an increase in load factor of 6% from 61.16% to 65.08% in 2023, while the number of flights decreased 80 or 3% to 2,384 in 2023 and the total landing weight decreased 5.4 million pounds or 2% to 267.3 million pounds. Fees related to the increased foot traffic or enplanements through the airport had an increase of \$.6 million or 14% to \$4.9 million. Taxi, bus, limousine, and car rental concessions increased \$.2 million or 33% due to an increase in luxury limousine companies from the prior year and the increase in foot traffic; restaurant and snack bar sales along with the general store and souvenir shop both increased \$.3 million or 18% and \$.1 million or 6%, respectively, due to increased foot traffic and irregular operations (IROPS) primarily during the winter months when flights are delayed or cancelled. Terminal rent increased \$.3 million or 20% to \$1.9 million from the prior year due to the increase in the square footage rent of the common space of the airport. Terminal Square footage rent increased \$6.89 or 20% to \$41.78 due to an overall increase in operating costs of the airport. Airline landing fees increased \$.1 million or 6% to \$1.8 million from prior year primarily due to security fees increasing \$.77 per passenger or 43% to \$2.56 per passenger due to the overall increase in operating costs while landing fees remained constant at \$4.28 per thousand pounds landing.

YVRA operating expenses increased \$1.2 million or 13% to \$10.8 million. The increase is primarily related to the following items: Personnel costs increased \$.7 million or 20% to \$4.2 million from the prior year. The change resulted from an increase in compensation and health insurance to remain competitive in the market, as noted above. An increase of 2.88 FTEs or 7% to 45.57 FTEs to add one full-time Assistant Security Coordinator and one full-time Operations and Safety (OSS) Captain as well as a variety of changes to temporary and seasonal positions, shifting them to be more part-time/year-round positions as they are easier to staff in the current employment market. Purchased services and supplies increased \$.3 million or 13% to \$2.2 million primarily related to an increase of \$.1 million or 12% to \$.5 million in costs of good sold for the restaurant and general store, an increase in fuel costs of \$.1 million or 74% to \$.2 million due to an increase in oil prices and heavier snow fall in November and December, and an increase in County overhead of \$.1 million or 11% to \$.6 million related to the replacement of Information Technology assets costing less than \$5,000 and FTE additions for Human Resources and County Commissioners. Depreciation expense increased \$.1 million or 3% to \$3.9 million.

Interest earnings increased \$1.1 million or 1,100% to \$1.1 million. The significant increase is due to a combination of rising interest rates as the Federal Reserve continued with a total of 4 interest rate hikes during 2023 and from an increase in the County's unrealized mark-to-market gains on investments in 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Capital Grants and contributions decreased \$6.1 million or 66% to \$3.1 million from the prior year primarily due to the deicing pad project that was completed in 2022 and the rental car wash facility that was started in 2022 and completed in 2023. The de-ice pad project cost is \$6.5 million and was mostly complete in 2022, which was primarily funded through the FAA (Federal Aviation Administration). FAA funding in 2023 for the de-ice pad project decreased \$5.6 million or 98% from the prior year. YVRA completed the rental car wash facility in 2023 for a total cost of \$4.2 million. The rental car wash facility project cost for 2023 was \$2.1 million and was partially paid for by customer facility charges (CFC) of \$.3 million charged to rental companies. CFC income decreased in 2023 \$1.5 million or 83% to \$.3 million, the decrease is related to the recognition of CFC income in 2022 that had been accruing and the Airport was able to use the balance to fund a portion of the costs in 2022 and 2023. The remaining costs in 2023 was funded from reserves and over time, the reserves will be replenished from future CFC collections. In 2023, YVRA collected \$.3 million in CFC fees, if this trend continues, the replenishment of the reserves for the car wash facility will take approximately 6 years. YVRA completed the runway pavement maintenance project in 2023 and received \$.7 million or a 100% increase in FAA funding from the prior year. The design and engineering of the taxiway and connector rehabilitation started in 2023 and YVRA received \$.5 million or a 100% increase in FAA funding from prior year.

Intergovernmental revenue increased \$1.5 million or 33% to \$6.0 million from the prior year due to the increase in personnel and operations for 2023. YVRA was awarded an \$18.7 million COVID-19 CARES Act grant in 2020, a \$1.3 million Airport Coronavirus Relief Grant Program (ACRGP) through the Coronavirus Response and Relief Supplemental Appropriation Act in 2021, and a \$1.9 million Airport Rescue Grant (ARG) through the American Rescue Plan Act in 2021. The CARES Act, ACRGP, and ARG funding were used to help cover the costs of personnel and operations during 2020, 2021, 2022 and 2023. All three grants are expected to be fully spent by the end of 2024.

#### Regional Building Department

Unrestricted net position for the Regional Building Department (RBD) increased \$.2 million or 4% to \$4.8 million compared to the prior year. Net operating income decreased \$.6 million or 75% from the prior year to \$.2 million. Significant changes in revenues and expenses are as follows:

Building permit fees decreased \$.4 million or 16% to \$2.1 million. The decrease in permit fees is due to a decrease in new residential construction but with a slight increase in new commercial construction in 2023.

Personnel costs for the Regional Building Department increased \$.2 million or 18% to \$1.3 million from the increase in compensation and health insurance to remain competitive in the market, as noted above and the Permit Technician having a full year with the County as the position was hired in late 2022.

Operating expenses remained consistent at \$.6 million as compared to prior year.

#### Non-major Business-type funds

Total net position increased \$4.9 million or 817% to \$5.6 million from the prior year and consists of \$1.1 million in net investment in capital assets, \$4.2 million in unrestricted net position, and \$.2 million in restricted net position. Net investment in capital assets increased \$.7 million or 175% to \$1.1 million from the prior year. Increases to net investment in capital assets consist of \$.7 million of capital additions. Unrestricted net position increased \$4.0 million or 2,000% to \$4.2 million from the prior year. The following is an explanation of significant revenue and expense changes from the prior year:

Capital grants increased \$.4 million or 100% to \$.4 million. Phippsburg Water and Sanitation System and Milner Sanitation System both received grants in 2023 for \$.2 million for the design and engineering costs for the replacement of the wastewater treatment plants for both systems.

Transfers in increased \$4.2 million or 100% to \$4.2 million. Phippsburg Water and Sanitation System and Milner Sanitation System received \$2.5 million and \$1.7 million, respectively, of transfers in from the General Fund to partially fund the replacement of the sanitation system for both systems.



## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

### Governmental Funds

The fund balance for governmental funds is \$35.4 million, a decrease of \$2.1 million, or 6% from the prior year. A description of the types and changes in fund balance follows.

Nonspendable fund balance remained consistent at \$.2 million. Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form or are legally, or contractually required to be maintained intact. Restricted fund balance decreased \$.4 million or 4% to \$9.2 million from the prior year. Restricted fund balances include amounts restricted to specific purposes pursuant to constraints either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balance decreased \$1.7 million or 6% to \$26.0 million from the prior year. Committed fund balances are amounts that can only be used for specific purposes according to constraints imposed by an adopted resolution of the Board of County Commissioners.

The key factors related to these changes are as follows:

#### General Fund

The General Fund's total fund balance decreased by \$1.3 million or 5% to \$22.8 million from the prior year.

Nonspendable fund balance remained consistent at \$.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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The restricted fund balance decreased \$.3 million or 3% to \$9.2 million from the prior year. The change in restricted fund balance is primarily due to the Purchase of Development Rights (PDR) decrease of \$.6 million or 8% to \$6.6 million from the prior year related to more projects being completed in 2023 than in 2022 due to timing and complexity of the projects, a \$.1 million increase in Lottery Funds as the Fair is saving for a future capital project in 2024, and the Taxpayer Bill of Rights (TABOR) restricted fund balance increasing \$.2 million or 11% to \$1.5 million related to an increase various revenues.

The committed reserve decreased \$1.0 million or 7% to \$13.5 million and is composed of the following items:

The 10% Committed Reserve increased \$.4 million or 15% to \$3.0 million from the prior year and the Capital Committed Reserve decreased by \$1.4 million or 12% to \$10.5 million from the prior year.

The 10% Committed Reserve Policy was adopted by a resolution of the Board of County Commissioners (Board) and establishes the year-end committed fund balance of the General Fund to be no less than 10% of General Fund expenditures of the prior year and shall exclude expenditures from voter-approved mill levies such as the Purchase of Development Rights, Developmental Disabilities, the Museum and Heritage Fund, and future voter-approved mill levies restricted for a specific purpose and transfers.

The Capital Committed Reserve Policy was adopted by a resolution of the Board to sets aside funds for the acquisition of capital assets additions and replacements as defined in the Routt County Capital Asset Policy. Funding for the Capital Committed Reserve will come from severance tax collected in a calendar year greater than \$45,000, building use tax revenue in a calendar year greater than \$235,000, and other funds as designated by the Board of County Commissioners.

The Capital Committed Reserve is funded in 2023 by \$.4 million of severance tax, \$1.4 million of building use tax, a \$.5 million of America Rescue Plan Act (ARPA) funding received, and \$4.3 million from various favorable budget variances in the General Fund and Road and Bridge Fund.

The Capital Committed Reserve provided \$2.2 million for the new Health and Human Service Building construction in 2023, \$3.9 million of ARPA related funding for various Routt County Community projects including \$3.4 million for the replacement of the sanitation treatment plants for Milner and Phippsburg, \$.2 million for the Core Trail, \$.2 million for the Town of Hayden Affordable Housing project, and \$.1 million for the Veteran's Center Building rehabilitation; and an additional \$.3 million and \$.5 million, respectively, in additional funding for the Milner and Phippsburg treatment plant projects.

The 2023 Capital Committed Reserve ending balance is for 2024 approved capital additions and projects, and inflationary related costs related to capital replacements.

#### Road and Bridge Fund

The Road and Bridge total fund balance decreased \$.9 million or 9% to \$8.8 million from the prior year.

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

The Road and Bridge committed fund balance decreased \$.9 million or 10% to \$8.7 million from the prior year. The original Road and Bridge budget anticipated a \$2.1 million decrease in committed fund balance due to the planned maintenance and replacement of various infrastructure items, but ended the year with a \$.9 million decrease. The following items explain the primary reasons for the change in the original budgeted committed fund balance and the actual ending committed fund balance.

Sales tax revenue had a 12% or \$.5 million favorable budget variance due to an increase in the percentage of total sales tax allocated to Road and Bridge from the County's total actual sales tax collections in 2023. The 2023 planned sales tax allocation was 68% to the General Fund and 32% to the Road and Bridge Fund. After meeting the 10% General Fund Committed Reserve Balance, the General Fund Capital Committed Reserve and the ability to fund the replacement of Road and Bridge infrastructure into the future for twenty years given certain assumptions in the 2024 budget, the 2023 actual sales tax allocation was decreased to 58% for the General Fund and increased to 42% for the Road and Bridge Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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The cost of chip and seal related to maintaining an asphalt road increased \$.12 or 2% to \$3.17 per square yard for an unfavorable budget variance of \$.2 million or 3% due to labor shortages, supply chain issues, inflation, etc.

The aforementioned unfavorable variance was offset by the following favorable variances: \$.1 million or 3% favorable variance in personnel related to turnover vacancy savings; Trout Creek Bridge replacement project was delayed to 2024 due to delays in the design and design review which results in a favorable variance of \$.2 million consisting of an unfavorable federal revenue variance of \$.6 million and a favorable capital outlay variance of \$.8 million; and \$.3 million or a 9% favorable variance in state highway users tax driven primarily by legislative changes including the implementation of road usage fees, retail delivery fees, and the end of a temporary reduction in the road safety surcharge. The cost of patching has a 64% or \$.2 million favorable variance due to paved roads fairing well in 2023 and not requiring as much patching. The cost of graveling roads had a favorable 30% or \$.1 million variance as a result of repairing flood damage gravel roads caused by the significant increase in snowfall. Staff was not able to re-gravel as many roads as planned in the budget.

#### Human Services

The Human Services Fund total fund balance decreased \$.1 million or 20% to \$.4 million from the prior year. The primary reasons for the decrease are the following: The Child Care program has a \$.1 million or 306% unfavorable budget variance. The Child Care program budgeted a county match of approximately 10%, however federal ARPA funds were over-anticipated resulting in excess budgeted revenue. The Child Welfare program had an unfavorable budget variance of \$.1 million or 31% due primarily to an unanticipated increase in personnel costs related to the complexity of cases and an unanticipated increase in out of home placement care cost due to an increase in the caseload. The unfavorable Child Welfare was offset by a favorable budget variance to the Enhanced Medicaid program due to a 10% increase in the reimbursement rate.

#### E911 Communications

The Communications Fund total fund balance increased \$.3 million or 8% to \$3.4 million from the prior year. Staff vacancies in Dispatch resulted in a \$.3 million favorable personnel budget variance.

#### **Proprietary Funds**

##### Enterprise Funds

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

##### Internal Service Funds

The Internal Service Funds' net position increased \$3.7 million or 6% to \$68.3 million. Unrestricted net position decreased \$1.0 million or 6% to \$14.9 million from the prior year. Net investment in capital assets increased \$4.7 million or 10% to \$53.4 million from the prior year.

##### Equipment Pool

Unrestricted net position, which can be used for the future replacement of capital, decreased \$.8 million or 6% to \$12.6 million from the prior year. Equipment Pool operations provided \$2.8 million to the unrestricted net position. Capital purchases in 2023 totaled \$6.5 million and after retainage of \$.6 million totaled \$7.1 million. Total transfers in from other funds are \$3.9 million to fund capital additions. Sale of assets provided \$.3 million in proceeds primarily from heavy equipment asset auctions. Interest income added \$.5 million. Debt service of \$1.2 million on the Refunding Certificates of Participation Series 2012 was paid as planned. Net investment in capital increased \$4.7 million or 10% to \$53.4 million from the prior year. Capital purchases of \$7.1 million, after retainage, and a principal payment of \$1.1 million on capital-related debt contributed to an increase of \$8.2 million. Depreciation of \$3.3 million and capital deletions net of depreciation of \$.2 million decreased net investment in capital. See "CAPITAL ASSETS AND DEBT ADMINISTRATION" for more details about significant capital and debt projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Insurance Pool

The Insurance Pool's (Pool) unrestricted net position decreased \$.2 million or 8% to \$2.3 million from the prior year. Unrestricted net position can be used to fund future claims for the County's three partially self-funded insurance plans: health and dental claims for employees and casualty and property claims for the County.

Health Insurance - Actual County and employee health insurance contributions to the pool are \$.5 million greater than budget at \$5.3 million due to increases in enrollment and employees electing different coverage after the budget was adopted, especially for positions vacant at the end of 2022 and hired in 2023. Actual medical claims are \$6.2 million and after stop loss revenue of \$1.8 million, total \$4.4 million in 2023 compared to the \$3.4 million budgeted. Stop loss insurance is for the County's losses greater than its \$75,000 per claim deductible and for losses greater than its aggregate maximum claims liability. In 2023, the County exceeded its maximum claims liability by \$30,000 due to the number and amount of large claims, which are claims above \$35,000. Operations expense for the health insurance plan is higher than budget by \$.1 million at \$1.0 million due to higher enrollment impacting individual and aggregate stop loss insurance premiums. Unrestricted net position decreased \$.1 million actual from health insurance plan activity, which is unfavorable compared to the \$.5 million increase budgeted. Individual contributions from the County and employees were the same in 2023 as in 2022 due to contributions exceeding the cost of claims in 2022, and sufficient reserves available to fund future unforeseen increases in claims. No changes were made to health insurance benefits and the County continues to offer competitive health insurance benefits to employees.

Dental Insurance - The County pays 70% and the employee pays 30% for dental insurance. Contributions to dental insurance by the County and employees are \$.2 million, which is flat compared to the budget. Actual claims expense is \$.3 million compared to \$.2 million budgeted and administration operations expense is flat compared to the budget. Employees are utilizing dental insurance at a higher rate than anticipated, which is not uncommon after an employer sponsors a new benefit. The County began its employer sponsored plan in 2022. Unrestricted net position decreased \$.1 million compared to the breakeven budgeted. Stop loss insurance is not necessary for the dental insurance plan because the County's maximum dental claims expense per member is capped at \$1,500. The goal with the dental plan is for revenues to cover expenses while retaining sufficient reserves for approximately one year of total expenses. Adding an employer contribution to the County's dental plan helps the County remain competitive with its employee benefits.

Casualty and Property Insurance - The County participates in a partially self-funded casualty and property (CAP) insurance plan to help contain price increases from national factors such as wild fires, inflation and high jury awards regarding law enforcement and employment-related claims. The County's CAP contribution to the pool is \$.6 million and equal to the amount budgeted. Contributions are budgeted to cover administrative and projected claims expense and to retain sufficient reserves to cover unforeseen increases in claims. Actual CAP claims expense is \$132,000 compared to the \$76,000 budgeted, which is budgeted based on the average annual claims expense for the past 5 years. Operating expenses were \$.6 million actual and flat compared to the budget. Operating expenses include plan administration, excess insurance coverage costs, and claims. The change in unrestricted net position is \$0 in 2023. There is no County aggregate stop loss insurance for the CAP plan. Excess insurance coverage is for County losses greater than its \$75,000 per claim deductible.

Total actual unrestricted net position decreased \$.2 million compared to the original \$.5 million budgeted in 2023.

The pool's ending balance of \$2.3 million is expected to be sufficient to cover the difference between the County's maximum liability for medical claims of \$4.3 million and budgeted net medical claims of \$3.4 million, which is gross claims after individual stop loss revenue, or \$.9 million and still have approximately \$1.4 million in reserves for dental claims and casualty and property claims.

## **General Fund Budgetary Highlights**

### **Budget Amendments**

#### Revenue Budget Amendments

The variance between the original revenue budget of \$38.6 million and the final amended revenue budget of \$39.0 million is a favorable variance of \$.4 million or 1%. The primary items amending the revenue budget are as follow:

The original sales tax revenue budget was amended by an increase of \$.1 million or 1% to \$8.5 million. The unanticipated sales tax revenue was primarily used to fund a partnership with the City of Steamboat Springs, the Colorado Department of Transportation (CDOT), and the Public-Private Partnership (P3) Office of the State of Colorado to develop a conceptual design for a joint childcare and housing facility for young children living in Routt County and snow removal staff, primarily employed by CDOT, on a property owned by CDOT.

The original intergovernmental revenue budget was amended by an increase of \$.2 million or 8% to \$2.7 million primarily for the following reasons. Search and Rescue received two grants for equipment replacement, training and other services. Community Services received the Regional Economic Development Initiative (REDI) grant designed to generate economic resilience and diversification away from tourism, coal mining, and coal-fired power plants.

#### Expenditure Budget Amendments

The variance between the original expense budget of \$43.4 million and the \$44.7 million final amended expense budget was an unfavorable variance of \$1.3 million or 3%. The significant expenditure budget amendments are as follows:

The Facilities Management operations budget amendment increased expenditures \$.2 million or 8% to \$2.8 million to fund furniture expense for the new Healthy and Human Services (HHS) building. These items are an operation expense because the expense is not eligible for capitalization in the Facilities Management Pool as the component costs of the furniture are less than the County's \$5,000 capitalization threshold.

Information Technology (IT) Department Operations, Capital and Debt Service increased \$.1 million or 3% to \$1.6 million. The Governmental Accounting Standards Board issued Statement Number 96 Subscription Based Information Technology Arrangements (SBITAs) to better meet the information needs of financial statement users. The Statement defines a SBITA, establishes that a SBITA results in a right to use a subscription asset - an intangible asset - and a corresponding subscription liability. A SBITA is defined as a contract that conveys control of the right to use another party's (SBITA vendor's) information technology software alone or in combination with tangible assets. The IT Department budget includes SBITA contracts for land management, property assessment, and geographical information systems software. The SBITA contract results in \$.1 million of subscription liability proceeds and \$.1 million of capital outlay for the subscription asset. The SBITA expense has been budgeted as a \$.2 million operating expense and should be budgeted as a \$.2 million of principal and interest payments related to the subscription liability.

The Affordable Housing operations budget amendment increased expenditures \$.2 million or 200% to \$.3 million to assist the Town of Hayden in funding the Prairie Run Affordable Housing project. The contribution was funded from the General Fund Committed Reserves.

The Community Services operations budget amendments increased expenditures \$.4 million or 50% to \$1.2 million to fund the following projects: \$.2 million contribution to the City of Steamboat Springs to help pay for the construction/extension of the Yampa River Core Trail, \$.1 million to fund the Regional Economic Development Initiative (REDI) project that spanned 2021 to 2023, (budgeted amounts were spread equally throughout the budgets and actual expenses in 2023 were more than the adopted 2023 budget due to the consultant completing more work in 2023 than in 2022), and \$.1 million to fund contributions to various organizations projects including Search and Rescue, and flooding mitigation for the Town of Hayden.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Other Financing Sources and Uses Amendments

Financing proceeds from leases increased \$.2 million or 100% to \$.2 million. The increase is due to several lease contracts recognizing the financing proceeds to offset the capital outlay.

Financing proceeds from SBITAs increased \$.2 million or 100% to \$.2 million. The increase is due to several SBITA contracts recognizing financing proceeds to offset the capital outlay.

Transfers out budget amendments increased \$4.0 million or 54% to \$11.4 million to partially fund the two wastewater treatment plant replacement projects in the Phippsburg Water and Sanitation System and Milner Sanitation System.

**Budget Variances**

Revenue Variances

Total actual revenues of \$43.2 million have a \$4.2 million or 10% favorable variance from the \$39.0 million final budget. The significant revenue budget variances are discussed as follows:

Sales tax revenues of \$10.0 million reflect a favorable variance of \$1.5 million, or 18%, compared to the final budget of \$8.5 million. The primary reasons for the favorable variance follow. Sales tax is composed of retail sales tax, building use tax and auto use tax. Sales tax in total for the County had a favorable \$2.0 million or 16% variance from the 2023 Budget. Retail sales tax for the 2023 budget anticipated a 29% increase from 2019 actual collections. The historical average increase for retail sales tax since inception of the sales tax is 5%, therefore a four year increase based on the historical average would be a 20% increase from 2019 actual collections. In addition, an increase of 9% was included to represent the positive impacts from the large stimulus packages approved by the Federal government to avoid a recession. Retail sales tax ended the 2023 budget with a favorable \$1.6 million or 15% variance, a significantly larger impact from the Federal stimulus than planned in the 2023 Budget. Building use tax for the 2023 budget was anticipated to increase 5% from the 2022 budget based on the continuance of high end house construction and a lack of available lots to construct houses. Building use tax ended the 2023 Budget with an unfavorable \$30,000 or 2% variance. Auto use tax for the 2023 budget was anticipated to be similar to 2019 actual collections prior to the pent up car buying post COVID phenomenon taking place in 2021 and 2022 as supply chain improvements resulted in increased vehicle sales. Auto use tax ended the 2023 Budget with a favorable \$.5 million or 79% variance. The remainder of the variance is attributable to a reallocation of sales tax between the General Fund and the Road and Bridge Fund to be in compliance with the 10% Committed Reserve policy, the Capital Committed reserve policy and to provide sufficient funds in the Road and Bridge fund to replace infrastructure in a timely manner based on certain assumption for the next twenty years.

Investment earnings of \$2.8 million has a \$2.0 million or 250% favorable variance from the \$.8 million final budget. The County's average interest rate is 4.7% in 2023 compared to the 2.0% budgeted mainly due to interest rates continuing to remain higher longer than anticipated to slow inflation. The County's average cash balance was higher than anticipated primarily due to Purchase of Development Rights projects budgeted but delayed due the complexity of the projects, and a significant increase in the valuations of the available properties and the delayed replacement of heavy equipment and motor pool vehicles due to supply chain shortages. With interest rates continuing to rise, favorable unrealized mark to market gains on investments contributed significantly to interest earnings in 2023 reversing the negative impacts of unrealized mark to market losses accumulated during 2022.

Expenditure Variances

Total actual expenditures, before Other Financing Sources and Uses, of \$36.6 million have a favorable \$8.1 million or 18% variance compared to the \$44.7 million final budget. The significant budget variances are discussed as follows:

The Board of County Commissioners has a favorable variance of \$.2 million or 20% compared to the final budget of \$1.0 million due to staffing vacancies and turnover in 2023. The position of Deputy County Manager remains unfilled in 2023.

Museums has a favorable variance of \$.1 million or 17% compared to final budget of \$.6 million due primarily to budgeting the maximum spending authority amount for Capacity Building Grants which fund historic preservation activities. The amount of spending depends on the number of active projects in any given year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Information Technology had a favorable variance of \$.4 million or 11% compared to the final budget of \$3.5 million due to the 2023 approval of a 1.0 FTE Systems Analyst position not hired, an open Office Technician position vacant for nine months, normal changes in the computer and equipment replacement cycle and replacements being delayed to 2024 due to the assets up for replacements were evaluated to have an additional year of useful life and the support and maintenance for the asset was still available, a slower rollout of Microsoft Office 365 than anticipated, and less travel by the staff for professional development in 2023.

Public Health personnel had a favorable variance of \$.1 million or 14% compared to the final budget of \$.7 million due to the Emergency Preparedness Coordinator and the Community Health Specialist position being filled in late 2023 but were budgeted for the full year.

Purchase of Development Rights (PDR) has a favorable variance of \$6.1 million or 66% compared to the final budget of \$9.2 million after existing projects were delayed due to the complexity and timing of the projects.

Office of Emergency Management has a favorable variance of \$.2 million or 67% compared to the final budget of \$.3 million due primarily to budgeting the Board of County Commissioner's maximum spending authority of \$.1 million for significant emergencies. During 2023, there were no incidents that required emergency spending authority. The mitigation plan had a \$.1 million favorable variance due to a timing difference as the costs were expected to be recognized in 2023 however some of the costs were recognized in late 2022.

Other Financing Sources and Uses Variance

Total actual other financing sources and uses of \$7.8 million have a \$3.2 million or 29% favorable variance from the \$11.0 million final budget. Transfers out have a favorable variance of \$3.2 million or 28% from the final budget of \$11.4 million. The favorable variance is primarily attributable to more construction being completed in 2022 versus 2023 for the Health and Human Services building.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

During 2023, the County's capital assets increased \$13.8 million or 4% to \$331.2 million. Capital assets include heavy equipment, motor vehicles, E911 communication equipment, buildings, road and bridge infrastructure, airport infrastructure, equipment and facilities, other, water and sewer systems, leased assets and subscription assets. Governmental Activities capital assets increased \$6.1 million or 3% to \$211.9 million. Business-type Activities capital assets increased \$7.7 million or 7% to \$119.3 million.

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

<b>Routt County, Colorado</b>						
<b>Capital Assets</b>						
(in millions)						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	2023	2022	2023	2022	2023	2022
Land and improvements	\$ 5.2	\$ 5.0	\$ 66.1	\$ 55.8	\$ 71.3	\$ 60.8
Buildings and improvements	56.5	44.8	27.9	28.1	84.4	72.9
Equipment	34.7	30.9	14.0	13.4	48.7	44.3
Infrastructure *	110.9	110.4	-	-	110.9	110.4
Water system	-	-	2.0	2.0	2.0	2.0
Sewer system	-	-	1.8	1.8	1.8	1.8
Other	2.5	2.4	0.2	0.2	2.7	2.6
Leased assets	0.2	-	-	-	0.2	-
Subscription assets **	0.5	0.4	-	-	0.5	0.4
Construction in progress	1.4	11.9	7.3	10.3	8.7	22.2
Total capital assets	211.9	205.8	119.3	111.6	331.2	317.4
Accumulated depreciation/amortization	(71.4)	(67.7)	(46.4)	(42.9)	(117.8)	(110.6)
Total	\$ 140.5	\$ 138.1	\$ 72.9	\$ 68.7	\$ 213.4	\$ 206.8

\* See Note 14 Restatement of Net Position for more detailed explanation of the restatement of the beginning infrastructure balance.

\*\* As a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), \$.4 million in subscription assets has been added to the December 31, 2022 balance presented above.

### Major Governmental-type Capital Asset Projects

During 2023, 5.0 miles of County Roads were overlaid for \$1.3 million. The 5.00 miles of overlaid roads represent 3% of the paved road system. Heavy equipment replacements purchases totaled \$1.9 million for two graders, two sand trucks, a water truck, two trailer backhoes, seven bottom dump trailers, a tree chipper, a weed sprayer, and a scoria shed.

The County completed \$2.8 million in Facilities Management capital projects in 2023. The HHS building construction costs in 2023 are \$2.2 million. Construction began in 2021 and the project was finished in May 2023. The final cost of the HHS building was \$13.5 million and was funded by reserves. The HHS project came in \$.6 million under budget. Security upgrades at the Historic Courthouse and Annex are \$.2 million in 2023 with \$.4 million completed in prior years. The security upgrades project is set for completion in early 2024. The Board of County Commissioner's (BCC) Hearing Room in the Historic Courthouse was upgraded in 2023 and cost \$.2 million. The BCC Hearing Room upgrades included audio and visual equipment, furniture and blinds. Other 2023 capital project expenses totaling \$.2 million include an energy efficiency assessment of all County buildings, restroom and office remodel in the Historic Courthouse, security system network video recorder replacement at the Detention Center, two electric vehicle charging stations at the HHS building (partially funded by a state grant), and a water heater at the Justice Center.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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The County completed the majority of the E911 Communications VHF system replacement project in 2023 for \$.3 million, with a remaining cost of \$.2 million to be completed in 2024. The E911 Communications computer aided dispatch recording system was replaced at a cost of \$.1 million.

The County completed \$.7 million in Information Technologies capital projects in 2023. Four digital archiving projects for the Clerk, Environmental Health, Building Department, and Treasurer totaled \$.1 million. Digital documents being archived include Historical Deed Records/ Land Survey Plats, Septic Permit Files, Building Permits, and Tax Rolls. The County's virtual server environment and E911/communications computer-aided dispatch/records management (CAD/RMS) hardware were replaced at \$.3 million and \$.2 million, respectively. Other capital in 2023 includes a copier for Human Services, replacement of a network router and a new electronic ticketing software for the Sheriff.

Major Business-type Capital Asset Projects

YVRA completed construction on the rental car wash facility in 2023. The car wash facility accumulated \$2.1 million in costs during 2023 for a total cost of \$4.2 million. In 2023, YVRA completed the relocation of County Road (CR) 51B for a total cost of \$.8 million, completed the employee parking lot and rental car storage parking lot for \$2.4 million, started the design and engineering of runway 28 blast pad and the taxiway connector and rehabilitation for \$.7 million and continued the design process for the terminal expansion incurring \$.5 million with a total cost of \$.8 million.

Phippsburg Water and Sanitation System and Milner Sanitation System both had design and engineering costs incurred for their wastewater treatment plants that are scheduled to replace the lagoons in 2024. Total design and engineering costs incurred for Phippsburg Water and Sanitation System and Milner Sanitation System in 2023 are \$.3 million and \$.3 million, respectively.

**Routt County, Colorado**  
**Outstanding Debt**  
 (in millions)

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	2023	2022	2023	2022	2023	2022
Certificates of participation	\$ 2.4	\$ 3.5	\$ -	\$ -	\$ 2.4	\$ 3.5
Leases	0.2	-	-	-	0.2	-
Subscription liability *	0.4	0.4	-	-	0.4	0.4
<b>Total</b>	<b>\$ 3.0</b>	<b>\$ 3.9</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3.0</b>	<b>\$ 3.9</b>

\* As a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), \$.4 million in subscription liability for governmental activities have been added to the December 31, 2022 balance presented above.

Long-term Debt

After making a principal payment of \$1.1 million in 2023 on the Series 2012 Refunding Certificates of Participation, the outstanding balance for Governmental Activities, certificate of participation is \$2.4 million.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
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Governmental Activities entered into \$.2 million of contracts in 2023 that are considered “Leases” for body and vehicle dash cameras for the Sheriff’s Office and Detention Center. Governmental Activities made principal payment of \$.1 million on those Leases. The outstanding balance of Governmental Activities on the Lease liability is \$.2 million. See NOTE 1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES and NOTE 6. LONG TERM DEBT OBLIGATIONS for more information on Leases.

Effective January 1, 2023 the County implemented GASB Statement No. 96 (GASB 96), Subscription-Based Information Technology Arrangements (SBITA). This standard requires the recognition of right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. As the Management’s Discussion and Analysis is presented as a comparison between 2022 and 2023, 2022 ending balance was adjusted to show \$.4 million in ending Subscription Liabilities. In 2023, Governmental Activities entered into \$.2 million in new SBITAs for a land management system, property assessment, geographical information system software, body camera, vehicle dash camera, and electronic charging stations. Governmental Activities made principal payments of \$.2 million and the outstanding balance of Subscription Liabilities of \$.4 million. See NOTE 1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES and NOTE 6. LONG TERM DEBT OBLIGATIONS for more information on SBITAs.

Long-term debt for Business-type Activities is less than \$.1 million for the Phippsburg Water and Sanitation System to finance a portion of the water filtration and wastewater systems, consisting of two loans with the State of Colorado under the Energy and Mineral Assistance program. Phippsburg Water and Sanitation System paid off the Energy and Mineral Assistant loans in March 2024.



## NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The 2024 Routt County budget projects \$101.4 million in revenues and \$112.0 in expenses resulting in \$10.6 million of expenses over revenues, and after removing \$.8 million of non-cash expenses such as depreciation, the use of reserves is \$9.8 million. The 2024 budget as compared to the 2023 budget includes a \$21.1 million or 26% increase in revenues and a \$21.8 million or 24% increase in expenses. Revenues, expenditures, and reserves are balanced twenty years into the future. The 2024 budget is separated into Governmental Activities and Business-Type Activities as follows. The entire ROUTT COUNTY 2024 BUDGET is published on the County's website at [co.routt.co.us](http://co.routt.co.us).

**Governmental Activities** include the County's basic services such as Property Tax Administration, Public Safety, Human Services, Community Services, Road and Bridge, and Administration. Revenues are anticipated to increase \$6.6 million or 11% to \$66.4 million, expenses are anticipated to increase \$1.5 million or 2% to \$76.8 million and results in expenses over revenues of \$10.4 million.

The primary reasons for the decrease in reserves are \$6.4 million for Purchase of Development Rights acquisitions, \$.3 million to the City of Steamboat Springs to extend the Yampa core trail, \$.1 million to help fund improvements to the Steamboat Springs Veteran's building, \$.9 million for planned Road and Bridge overlay and chip and seal projects, \$1.7 million for planned Road and Bridge equipment additions, \$.6 million for planned equipment replacements, and \$.2 million for anticipated Museum's projects.

### **Revenue**

Governmental Activities revenues are anticipated to increase by \$6.6 million or 11% to \$66.4 million budgeted for 2024. Noted below are the primary reasons for the changes in revenues.

#### **Property Taxes**

Property tax revenue from all sources is anticipated to increase \$3.6 million or 14% to \$28.8 million over the 2023 budget. The primary changes in property tax are as follows:

The County's base property tax revenue (General Fund, Road and Bridge, E911/Communications, and Human Services) is anticipated to increase by \$1.4 million or 7.0% to \$21.5 million and is limited by the Taxpayers Bill of Rights (TABOR). The TABOR property tax revenue limit increase of 7.0% is comprised of a 1.8% increase from new construction and a 5.2% increase from inflation. The 2024 budget variance for tax abatements/refunds, the consumer price index (CPI) estimation and CPI estimation penalty is a favorable \$.2 million. Voter-approved property tax revenue for the Purchase of Development Rights Program, Museums, and Developmental Disabilities increased by \$1.9 million or 52% to \$5.6 million due to an increase in assessed valuation. Overall, Routt County's 2024 net assessed valuation increased by \$685.3 million or 52% to \$2.0 billion. The increases to voter approved mill levies are as follows:

Specific ownership tax is collected on vehicles and allocated to the County and each taxing entity based on the percentage allocation of property tax to each taxing entity. Based on 2023 actual collections, specific ownership taxes allocated to the County are anticipated to increase \$.2 million or 10% to \$1.7 million from the prior year. An increase is projected in 2024 due to improvements in the supply chain.

#### **Sales Tax**

Sales tax from all sources is anticipated to increase by \$.9 million or 7% to \$13.3 million above the 2023 budget. Sales tax is composed of a 1% sales tax, a 1% building use tax, and a 1% auto use tax.

Sales tax is anticipated to increase by \$.8 or 8% to \$11.0 over the 2023 budget. Projected 2023 is forecast to increase 2.6% compared to actual 2022 sales tax revenue. A recession is a possibility depending on the Federal Reserve interest rate policy, foreign wars, and consumer confidence. The 2023 projection is forecast to increase 14% over the 2023 budget. The 2024 budget is anticipating an 8% increase from the 2023 budget. The difference between the 2023 sales tax projection and the 2024 budget provides a 6% "cushion" in terms of an economic slow down.

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Building use tax of \$1.7 million for the 2024 budget is anticipated to remain flat with the 2023 budget and 2023 projections. Building activity in 2023 is slowing based on fewer average single-family dwellings being constructed due to project delays from a long winter, skilled labor shortages, and a lack of supply in buildable lots. Other construction activity is approximately equal to 2023. The slowing construction activity is offset by continued higher-end home construction and price inflation for labor and materials.

Auto use tax is anticipated to increase by \$.1 million or 12% to \$.7 million over the 2023 budget. The projected 2023 auto use tax revenue is \$1.0 million or 70% over the 2023 budget. The 2024 budget is nominally higher than the 2023 budget due to the easing of supply chain issues and an improvement in vehicle availability, but 51% lower than the projected 2023 revenue due to a slowdown in pent-up demand for cars as the inventory of available cars increases, rising interest rates, a possible loss of consumer confidence due to recession concerns, and the current auto workers strike.

#### State

State revenues are anticipated to increase by \$.3 million or 4% to \$6.4 million over the 2023 budget. The primary changes in state revenues are noted below:

Community Services is anticipated to increase by \$.1 million or 81% to \$.3 million over the 2023 budget. The County anticipates receiving a grant from the Office of Just Transition (OJT). The proceeds will assist in implementing the project results of the Rural Economic Development Initiative (REDI), which educated the regional counties, towns, and municipalities on how to grow economic diversity to balance a solid revenue base as they pursue economic resilience and diversification and move away from reliance on tourism, coal mining, and coal-fired power plants as primary sources of revenue. Projects have been created through REDI for development in the areas of clean energy, value-added agriculture/food processing, healthcare expansion, light manufacturing, housing, and childcare. OJT matching funds of \$.1 million are from the counties of Routt, Moffat, and Rio Blanco and the major towns and municipalities in those counties. The OJT project spans 2024-2025. The total two-year cost of the project is \$.6 million.

Facilities Management is anticipated to increase by \$.2 million or 456% to \$.2 million above the 2023 budget as the County anticipates receiving a \$.2 million grant from the state historical fund to offset a \$.3 million Historical Courthouse preservation project estimated to begin in 2023 and finish in 2024.

Road and Bridge Highway User Tax Funds (HUTF) increased by \$.2 million or 8% to \$3.2 million above the 2023 budget. HUTF is anticipated to increase by \$.2 million due to Senate Bill 21-260 passed in 2021, which created a road usage fee on gasoline and diesel fuel, retail delivery fees, and other transportation-related fee adjustments. These road usage fees were delayed until April 2023. The national and Colorado economy has slowed but continues to grow at a slower pace.

Fair is anticipated to decrease \$.2 million or 100% to \$0 under the 2023 budget. The County applied for but did not receive a Great Outdoors Colorado (GOCO) grant for the outdoor arena at the Fairgrounds in 2023 and does not plan to apply for the grant in 2024 given the County's inability to meet the competitive nature of the grant.

#### Federal

Federal revenues are anticipated to increase by \$.5 million or 6% to \$8.2 million over the 2023 budget. The primary changes in federal revenues are noted below:

Community Services increased by \$.1 million or 100% over the 2023 budget for the following items. The County anticipates receiving a \$.1 million grant to help fund the purchase of a replacement van for the Routt County Council on Aging.

Public Health is anticipated to decrease \$.1 million or 25% to \$.3 million below the 2023 budget. CORE FUNDING increased by \$.1 million or 124% to \$.1 million above the 2023 budget. Core services include Local Public Health Agency (LPHA), Emergency Preparedness Regional (EPR), Maternal Child Health (MCH), Child Fatality Program, and Immunizations. NON-CORE FUNDING decreased by \$.2 million or 49% to \$.2 million below the 2023 budget. Non-Core funding includes COVID-19 Immunizations, Community Health Assessment Plan (CHAP), Epidemiologist Laboratory Capacity (ELC), and the CDC Workforce program. COVID-19 immunization is anticipated to remain consistent at \$.1 million. ELC decreased \$.1 million or 100% to \$0 as the grant funding period expired in 2023.

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Human Services is anticipated to increase by \$.4 million or 10% to \$4.9 million over the 2023 budget due primarily to the following programs. First Impressions increased by \$.1 million or 83% to \$.3 million over the prior year due to the addition of several new Colorado Department of Early Childhood (CDEC) funding streams that will increase the quality and accessibility of early childhood services. Administration increased \$.1 million or 28% to \$.4 million primarily due to the increase in indirect costs allocated to Human Services as a result of the construction of the new Health and Human Services building. Child Care increased \$.1 million or 14% to \$.7 million due primarily to an allocation of Base Stimulus Funds intended to support the ongoing costs of pandemic relief efforts.

Fees

Fee revenues are anticipated to increase by \$.5 million or 9% to \$6.3 million over the 2023 budget. The primarily changes in fees revenues are noted below:

Regional Building Department overhead is anticipated to increase by \$.1 million or 18% to \$.5 million, primarily related to the impacts of the salary survey and the bi-weekly arrears gap pay for the Accounting Department, County Attorney, and Human Resource (HR) Department. The HR Department was fully staffed for the majority of the year, and the affirmative action plan was updated. Facilities Management costs increased due to casualty and property insurance, janitorial services, and natural gas. Information Technology costs increased due to land management support fees and controllable asset purchases.

Human Services overhead costs are anticipated to increase by \$.1 million or 26% to \$.6 million, primarily related to the demolition costs of the old Health and Human Services Building and renting an offsite location during the construction.

Planning Department overhead costs are anticipated to increase by \$.1 million or 29% to \$.6 million primarily related to County Attorney time pertaining to the Master Plan and updated County Planning regulations.

Yampa Valley Regional Airport overhead is anticipated to increase by \$.1 million or 8% to \$.7 million, primarily related to the impacts of the salary survey and the bi-weekly arrears gap pay for the Accounting Department, County Attorney, and Human Resources Department.

E911/Communications is anticipated to increase \$.1 million or 20% to \$.8 million over the 2023 budget. E911 surcharges increased \$.08 or 4% to \$2.05 per line and actual collections from 2023 increased 9% resulting in a total increase in surcharge fees of \$.1 million or 13% to \$.8 million over the prior year. The increase will go into effect on January 1, 2024 and is the result of an increase in the rate threshold set by the Public Utilities Commission (PUC).

Other Revenue

Other revenues are anticipated to increase by \$.9 million or 38% to \$3.1 million over the 2023 budget. The primary changes in other revenues are noted below:

Community Services other revenue is projected to increase by \$.1 million or 413% to \$.2 million above the prior year's budget. The County anticipates receiving a grant from the Just Transition Fund (JTF). The proceeds will assist in implementing the project results of the Rural Economic Development Initiative (REDI), which educated the regional counties and municipalities on how to grow economic diversity to balance a solid revenue base as they pursue economic resiliency and diversification and move away from reliance on tourism, coal mining, and coal-fired power plants as primary sources of income. Projects have been created through REDI for development in the areas of clean energy, value-added agriculture/food processing, healthcare expansion, light manufacturing, housing, and childcare.

Information Technology local revenue is anticipated to decrease \$.1 million or 55% to \$.1 million below the prior year's budget. The decrease is primarily due to the completion in 2023 of the hardware replacement of the County's E911 computer-aided dispatch/records management system. The total project was \$.2 million of which \$.1 million of local revenue came from the City. The County and City split the cost 50/50 for this system.

Human Services local revenue is anticipated to decrease \$.1 million or 29% to \$.2 million below the prior year's budget. The change is primarily from the following programs. First Impressions local revenues decreased \$.1 million or 24% to \$.2 million below the prior year. First Impressions is a program that serves as the hub for all early childhood resources in Routt County and is designed to be funded primarily through outside sources including federal, state, and local sources.

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Interest revenue is anticipated to increase \$.8 million or 75% to \$1.9 million above the 2023 budget, primarily due to increased interest rates and estimating the negative impacts of Federal Reserve interest rate increases in relation to mark to market adjustments significantly greater than actual results in 2023. The County's budgeted interest rate on investments is increasing from 2.0% in 2023 to 3.0% in 2024 due to the impacts of the Federal Reserve Board's action to increase interest rates to a target range of 5.25% - 5.50% and maintain these rates for "longer". Governmental Activities reserves are anticipated to decrease in 2024 primarily due to the purchase of development rights, equipment additions and replacements, and Road and Bridge infrastructure replacement.

Road and Bridge local revenue is budgeted to increase by \$.1 million or 617% to \$.1 million above the 2023 budget for anticipated reimbursements from the Town of Hayden for chip and seal and paving County Road (CR) 51 and 51A inside the Town of Hayden town limits. Per an Intergovernmental Agreement with the Town of Hayden, the County maintains CR 51 and 51A and is compensated for maintenance by the Town of Hayden.

Gain on the sale of assets is anticipated to decrease \$.1 million or 13% to \$.4 million due to the following reasons. The Heavy Equipment Pool (HEP) is budgeted to decrease \$.2 million or 56% to \$.2 million below the prior year's budget, primarily due to the sale of fewer large pieces of equipment. The 2023 budget included the sale of three large pieces of equipment, whereas the 2024 budget included two large pieces of equipment. The Motor Pool is budgeted to increase by \$.1 million or 149% to \$.2 million primarily due to the anticipated sale of more vehicles. The 2023 budget included the sale of fourteen vehicles, whereas the 2024 budget includes the sale of seventeen vehicles.

**Expense**

Governmental Activities expenses are anticipated to increase by \$1.5 million or 2% to \$76.8 million above the 2023 budget. Noted below are the primary reasons for the change in expenses.

**Personnel**

Governmental Activities personnel expenses increased \$3.8 million or 12% to \$34.8 million above the 2023 budget. The primary changes in personnel costs are noted below:

2024 Compensation Initiatives - The 2024 budget includes a 5% across-the-board increase and an anniversary step for eligible employees at \$1.7 million.

Full Time Equivalents (FTEs) in Governmental Activities increased 3.27 FTEs or 1% to 264.20 FTEs. The primary changes in FTEs are as follows:

Clerk, Motor Vehicle and Elections increased .5 FTE or 4% to a combined 11.82 FTEs up from 11.32. The addition of a .5 FTE is for a part-time Deputy Clerk in Motor Vehicle to better balance workloads and improve efficiencies. The budget reflects a promotion into the Chief Deputy Clerk position and a slightly different allocation of effort between the functional areas.

Commissioners increased 1.82 FTEs due to the combination of the Public Information Office and Grant Administration Office into the Commissioners Department. Overall, the net change was a decrease of .18 FTE or 2% to a combined 8.51 FTEs down from 8.69. The remaining FTE change is a net of adding a third Hearing Referee for the Board of Equalization and reducing the Grant Administrator from 1.0 to .80 FTE.

District Attorney increased by 0.66 FTEs or 8% to 9.35 FTEs for Routt County. Most of the increase is the addition of a full time Deputy District Attorney of which Routt County's share is .47 FTE. The remainder of the increase in FTE is due to Routt County's allocation of all staff by 1% to 47% up from 46%. Personnel costs for the tri-county 14th Judicial District are allocated based on a population percentage per Colorado statute. The budget includes a 5% salary increase for inflation and an 8% increase for medical insurance. The District Attorney's office is independent of Routt County's personnel system other than the budget.

Planning increased by 0.63 FTE or 10% to 6.99 FTEs. This change includes returning a full time Planner II position back to 1.0 from .75 FTE; and, adding a .38 FTE as a result of retaining a Planner II in a part-time capacity to satisfy employee work-life balance with the current workforce challenge of staffing shortages. The 2024 budget also includes reclassification of three positions.

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Sheriff increased by 1.0 FTE or 3% to 30.87 FTEs for a full-time Public Safety Records Supervisor. This position will contribute to the overall effectiveness and efficiency of the department by ensuring records are being kept more current. The 2024 budget also includes a reclassification/promotion of a Public Safety Records Clerk to Supervisor.

Weed increased by .67 FTE or 25% to 3.30 FTEs. The changes include adding benefits for one .50 FTE Weed Sprayer (1.0 FTE shared half the year with Facilities Management); and, changing a .23 FTE seasonal Weed Enforcement Technician to be a .90 FTE position to insure lands in Routt County are in compliance with the Colorado Noxious Weed Act. The department will continue to have another .50 FTE Weed Sprayer position (1.0 FTE shared half the year with the Airport). These changes are expected to improve successful recruiting and retention for the Weed department while aligning with the initiative to convert more part-time/seasonal positions to full-time benefited positions across the County.

Health insurance expenses increased due to higher enrollment and a significant increase in claims expenses. The County is partially self-insured for health insurance and sets the employer and employee contributions and reserve balance to cover claims, stop-loss insurance, administrative expenses, and the exposure between the County's maximum liability and anticipated claims. In 2023 and 2024, projected medical claims expenses increased \$1.3 million or 42% to \$4.5 million above the prior three-year average due to an increase in small and large claims. Large claims are individual claims greater than \$35,000. As a result of the high claims year in 2023, the County's 2024 stop-loss insurance expense increased 43% and the maximum claims liability increased \$2.5 million to \$7.0 million or 54% from the prior year. The County budgeted a transfer of \$1.1 million in 2024 from the General Fund to the Insurance Pool (Pool) to cover the increase in the maximum claims liability and to help ensure the Pool is stable for 2024. Based on historical plan performance, employer and employee contributions for health insurance will remain flat for 2024 with the understanding the claims level in 2023 may be a standard outlier that seems to happen once every several years followed by a decrease in claims in subsequent years. The County recognizes the need to continue to offer these valuable benefits at an affordable cost to the employees. The overall impact of these changes to the County's Governmental Activities is a \$1.1 million increase in costs for 2024. The County's goal is to fund the medical costs of County staff consistently and sustainably while offering a competitive health insurance benefit to employees.

Dental insurance expenses increased due to higher enrollment and higher than anticipated plan utilization. The County is self-insured for dental insurance and sets the employer and employee contributions to cover claims and administrative expenses. Dental insurance expense is capped at \$1,250 per member per year. The County budgeted a transfer of \$.1 million in 2024 from the General Fund to the Insurance Pool (Pool) to help ensure the Pool is stable for 2024 with the higher enrollment and plan utilization. Dental insurance contributions are increasing by 33% for 2024, and the entire increase has been added to the employer's portion of the premium versus sharing any portion of the increase with the employee. This change will shift the employer contribution from 70% to 77% and the employee contribution from 30% to 23% and provide a more competitive benefit within the local market. The County recognizes the need to continue to offer these valuable benefits at an affordable cost to the employees. The overall impact of these changes to the County's Governmental Activities is a \$.1 million increase in costs for 2024. The County's goal is to fund dental insurance benefits consistently and sustainably while offering a competitive dental insurance benefit to employees.

Wellness Program is a new benefit in 2024 where all benefited full-time status employees and elected officials will receive \$300 to use for personal health improvement. The countywide cost of the program is \$.1 million of which \$.1 million is for Governmental Activities.

Retirement increased by \$.1 million in 2024 due to increased enrollment from a special open enrollment period for existing employees due to changing the plan to where newly hired employees will only have the opportunity to enroll upon employment.

Other personnel increases of \$.3 million include hours in excess of 2,080, turnover in staff, promotions, reclassifications, and related benefit costs such as changes to health insurance and retirement elections.

### **Operations**

Governmental Activities operating costs are budgeted to increase by \$2.9 million or 10% to \$32.3 million above the 2023 budget. The major changes in operating costs are noted below:

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Casualty and Property Pool (CAPP) Insurance expense for Governmental Activities increased by \$.2 million or 45% to \$.7 million above the prior year's budget primarily driven by national factors such as hurricanes, inflation, and high jury awards regarding law enforcement and employment-related claims. The County is partially self-insured with a \$75,000 - \$100,000 per claim deductible, depending on the type of loss. The County budgeted a transfer of \$.2 million in 2024 from the General Fund to the Insurance Pool (Pool) to help ensure the Pool is stable for 2024 and provide some protection from rising costs and future CAPP claims. The County's expense for self-insurance administration and excess insurance increased by \$.2 million or 34% to \$.7 million in 2024. The excess insurance covers the County for losses greater than the County's per claim deductible, and there is no aggregate stop-loss insurance in the partially self-insured plan.

Community Services increased \$.8 million or 85% to \$1.6 million over the 2023 budget due to the following items: Economic increased by \$.3 million or 95% to \$.6 million as the Office of Just Transition (OJT), the Just Transition Fund, the Rural Technical Assistance Program (RTAP), and the Colorado Office of Economic Development and International Trade (OEDIT) are providing grants to implement the project results of the Rural Economic Development Initiative (REDI) grant. REDI educated the regional counties and municipalities on how to grow economic diversity to balance a solid revenue base as they pursue economic resiliency and diversification and move away from reliance on tourism, coal mining, and coal-fired power plants as primary sources of revenue. Projects have been created through REDI for development in the areas of clean energy, value-added agriculture/food processing, healthcare expansion, light manufacturing, housing, and childcare. Recreation includes a \$.3 million contribution to the City of Steamboat Springs to expand the Yampa River Core Trail. The total 2023-2024 project cost is \$.5 million.

Developmental Disabilities increased \$.7 million or 49% to \$2.1 million over the 2023 budget due to the increase in property tax to be distributed as the result of the increased assessed valuation of property in 2023.

Elections increased \$.2 million or 296% to \$.2 million over the 2023 budget. The Election's budget is cyclical in nature. Even-year elections have increased operational costs compared to odd-year elections. There are three elections in 2024. These include the March Presidential Primary Election, the June regular Primary Election, and the November Presidential Election. Odd years only have one election. Printing increased as three elections require three times the printing for ballots, envelopes, secrecy sleeves, and notices. Costs rose due to a new contract with a different ballot printing vendor after the previous vendor canceled the existing contract.

Office of Emergency Management decreased \$.1 million or 43% to \$.2 million below the prior year budget due primarily to the completion of the grant-funded Community Wildfire Protection Plan (CWPP). The CWPP is a plan developed by local communities to guide long-term wildfire mitigation strategies across defined areas.

Purchase of Development Rights costs increased by \$.5 million or 5% to \$9.7 million above the 2023 budget due to the increase in property tax to be distributed as the result of the increased assessed valuation of property in 2023. The 2023 reserves and 2024 revenues are budgeted to be spent 100% in 2024.

Road and Bridge operations are anticipated to decreased \$.2 million or 4% to \$4.2 million below the 2023 budget due to the following items:

Bridge Maintenance increased by \$.2 million or 200% to \$.4 million due to the anticipated bridge repairs based on the 2022 bridge inspection report. Projects include scour repair for the County Road (CR) 62 bridge and routine maintenance. Minor Bridges (bridges less than 20 feet) maintenance increased by \$.4 million or 100% to \$.4 million. The 2024 budget includes the replacement of the Salt Creek bridge located on CR 52E. Road Maintenance increased by \$.2 million or 18% to \$1.1 million due to an increase in dust retardant. The cost per gallon increased by \$.05 or 5% to \$1.04, and the gallons purchased increased by 20,000 or 2% to 880,000 to include extra gallons for the additional spraying on the coal mine haul road that the County will acquire at the end of 2023 or the beginning of 2024. Safety increased by \$.2 million or 37% to \$.6 million as the cost of pavement marking supplies increased from \$27 per gallon in 2023 to \$29.70 per gallon in 2024. In addition, guardrail and post repairs increased due to needed improvements that were delayed by COVID-19 and increased winter driving accidents. Chip and Seal decreased \$1.0 million or 76% to \$.3 million. In 2024, only 4.27 miles of road will be chip and sealed compared to 30.68 miles in 2023, a decrease of 26.41 miles. In 2024, it is anticipated that chip and seal costs will increase from \$3.06 to \$3.17 or 4% per square yard of material due to the increases in material costs. As part of the scheduled maintenance plan, the County anticipates overlaying two and a half miles of road in 2024 compared to five miles in 2023. Patching decreased \$.2 million or 47% to \$.2 million due to fewer miles of road being overlaid in 2024.

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Human Services operations increased \$.3 million or 6% to \$4.7 million over the 2023 budget due primarily to the following. Administration increased \$.1 million or 32% to \$.6 million due primarily to a \$.1 million increase in indirect costs allocated to Human Services associated with the construction of the new Health and Human Services building.

Heavy Equipment Pool increased by \$.2 million or 15% to \$1.2 million over the 2023 budget due to the following items. Administration, which includes fuel tank testing and repairs, supplies for blades and bits supplies increased by \$.1 million or 10% to \$.7 million. Fuel tank testing and repairs that require additional costs every four years for tank cleaning. Blades and bits are anticipated to increase due to inflation. Based on the US Short-Term Energy Outlook data, the diesel price budgeted for 2024 is anticipated to be \$3.30 per gallon. The 2023 budget was \$3.13 per gallon. The difference is an estimated increase of \$.17 or 5% per gallon. Equipment repair and maintenance increased by \$.1 million or 24% to \$.5 million and includes repairs to a wheeled excavator and renting a crusher for two months. Renting the crusher to crush gravel for county roads, will postpone the need to replace the existing crusher which has a \$1.0 million estimated replacement cost.

### **Capital**

Governmental Activities capital costs are anticipated to decrease \$4.5 million or 38% to \$7.2 million under the 2023 budget. Noted below are the primary reasons for the changes in capital.

E911/Communications Pool is projected to decrease \$.5 million or 72% to \$.2 million below the prior year. The decrease is primarily due to the Very High Frequency (VHF) System replacement included in the 2023 budget, which has been substantially completed in 2023. The remaining cost to complete the VHF system in 2024 is \$.2 million.

Information Technology (IT) capital expense is anticipated to decrease \$.9 million or 61% to \$.5 million below the 2023 budget. Capital additions are \$.4 million, and replacements are \$.2 million. The Regional Building Department (RBD) digital archiving project addition is \$.3 million for archiving historical documents and is funded 100% by RBD reserves. This project began in 2023 and will be completed in 2024 for a total cost of \$.5 million. Capital replacements include \$.1 million to replace most of the County's copiers and \$.1 million for network switches.

Facilities Management Pool capital expense is budgeted to decrease \$4.4 million or 67% to \$2.2 million below the 2023 budget. Capital additions are \$1.9 million and replacements are \$.3 million. Capital additions decreased by \$4.6 million due to completing the new Health and Human Services (HHS) building in the early summer of 2023. The budget for the HHS building was \$14.1 million and the project came in under budget at \$13.5 million and is funded with County reserves. Capital additions budgeted in 2024 include the \$.5 million outdoor arena track railing project at the Fairgrounds, funded 88% by lottery proceeds, and \$.3 million for several other projects at the Fairgrounds that include paving the mid-way, a lean-to structure for storage, a restroom remodel, and a heated work space for the maintenance staff. Other additions include masonry wall capstone replacement repairs at the Justice Center for \$.1 million, facility energy efficiency upgrades such as windows, doors, vapor and airflow barriers and controls, and equipment replacements for \$.2 million, and Historic Courthouse preservation repairs for \$.3 million with \$.2 million anticipated from a state historical fund grant. Three capital projects are a combination of additions and replacements: replacement of the roof and lighting protection system at the Detention Center for \$.5 million total, two HVAC (heating, ventilation, and air conditioning) rooftop units at the Historic Courthouse for \$.1 million, and HVAC controls at the Historic Courthouse for \$.1 million.

Heavy Equipment Pool capital expense is anticipated to increase by \$1.1 million or 48% to \$3.3 million above the 2023 budget. Capital additions are \$1.7 million, and replacements are \$1.6 million. The 2024 planned additions include a scoria shed, a flail mower, a trackhoe, two Electric Vehicle (EV) charging stations, professional services for fuel farm redesign, fuel tank mitigation, and two sanders. The 2024 planned replacements include a water truck, a forklift, a snowblower, a bulldozer, and a broom, a fuel farm for the Hayden District shop, a service truck, and a grader. The overall increase relates to having more replacements in 2024 than in 2023 combined with rising replacement costs for equipment due to inflation.

Motor Pool capital expense is projected to increase by \$.2 million or 29% to \$1.0 million above the 2023 budget. Capital additions are \$.3 million and replacements are \$.7 million. Additions include a patrol vehicle and an off-road, side-by-side unit for the Sheriff's office. Replacements include four Electric Vehicles (EV) for Environmental Health, the Assessor, and Road and Bridge, two vehicles for the Weed Department, six vehicles for the Sheriff, one vehicle for Communications, one vehicle for Road and Bridge, and one vehicle for the Routt County Council On Aging which is 80% funded by a federal grant from the Department of Transportation. The overall increase relates to 2024 having more replacements than 2023 combined with rising costs for vehicles due to inflation.

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Infrastructure costs are anticipated to decrease \$.6 million or 33% to \$1.3 million below the 2023 budget. The decrease is due to a reduction in overlay of \$.6 million or 50% to \$.6 million due to fewer miles being overlaid in 2024. Bridge work decreased by \$.1 million or 8% to \$.7 million, as the Trout Creek bridge replacement on County Road (CR) 179 has been split between 2024 and 2025. This is due to delays in the approvals for the bridge design from the Colorado Department of Transportation. Design work for the Moon Hill bridge on CR 56 for \$.1 million is included in the 2024 budget. As part of the scheduled maintenance plan, the County anticipates overlaying two and a half miles of road in 2024 compared with five miles in 2023. The cost of a ton of asphalt is budgeted to increase by \$11.57 or 9% to \$138.75. The average cost to overlay a mile of road is \$.3 million. The increase in the price per ton of asphalt results in a \$.2 million annual cost increase over the paved road system's 21-year estimated life.

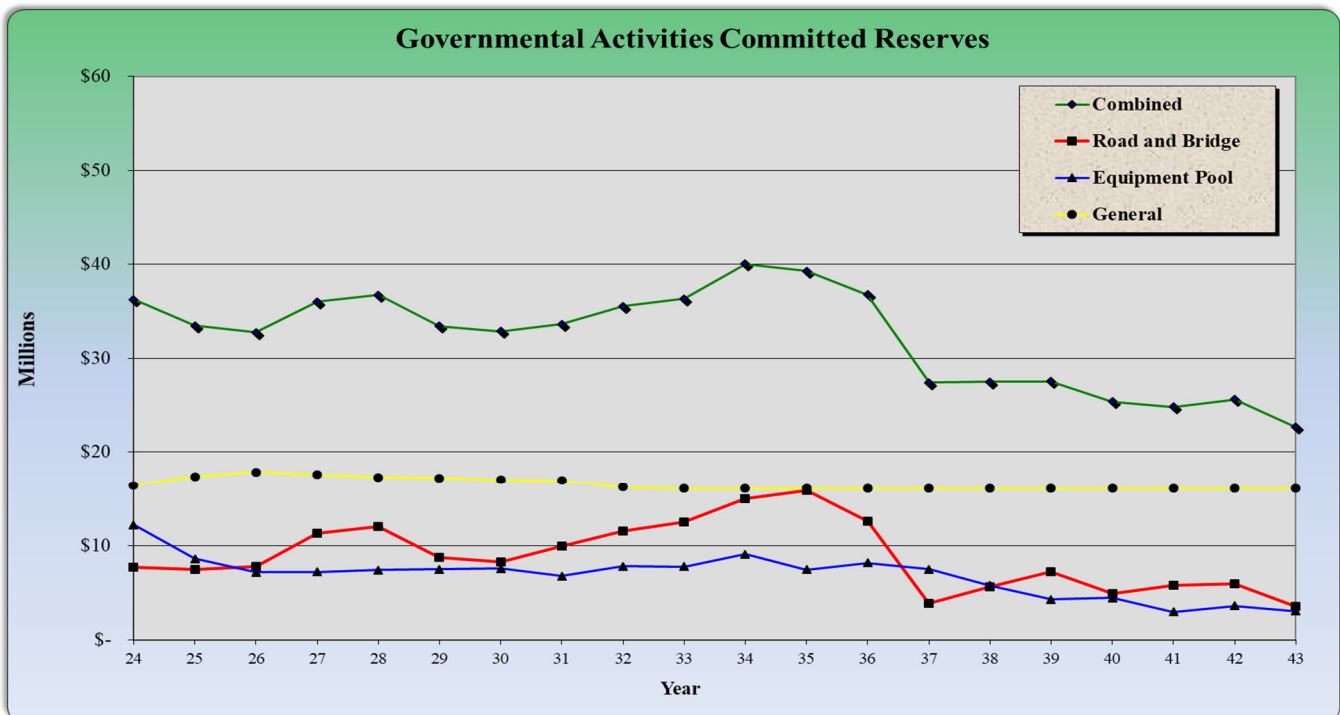
**Long-term Debt**

The 2012 Series Refunding Certificates of Participation (COP) debt service costs remain consistent at \$1.1 million in the 2023 budget. The \$1.2 million in debt service is for the Justice Center. The COPs outstanding balance is \$1.2 million at the end of 2024. The County does not anticipate issuing any governmental debt in 2024.

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

Major revenues are forecast to increase in 2024 with modest growth anticipated in property tax revenue due to the TABOR revenue limitation. Interest revenue is projected to increase in 2024 as interest rates increase and the County's investment portfolio is reinvested in higher-yield investments. In 2023, strong growth in sales tax, auto use tax, building use tax, and motor vehicle fees continued while real estate recording fees slowed. The County remains cautious given the general uncertainty of the local and national economy due to looming recession concerns related to inflation, interest rates, unemployment, wage growth, consumer spending, fluctuating consumer confidence, supply chain and labor shortages, and stimulus packages. What will the future hold given the current federal administration, the increasing cost of health care, high fuel prices, labor shortages, etc.?

The long-term forecast projects a balanced budget through 2043, as seen below in the Governmental Activities Committed Reserves graph; however, changes in the items discussed in the above paragraph may cause the following graph to change positively or negatively.



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**Business-Type Activities** include the Yampa Valley Regional Airport (YVRA), the Regional Building Department, the Phippsburg Water and Sanitation System, and the Milner Sanitation System. Revenues are anticipated to increase \$14.5 million or 70% to \$35.3 million, and expenses are anticipated to increase \$20.2 million or 132% to \$35.5 million and results in expenses over revenues of \$.1 million. After removing \$.8 million of non-cash expenses such as depreciation, reserves increase by \$.7 million.

YVRA's budget includes a net operating income of \$2.7 million due to maintaining the increase in flights and enplanements from 2023. Other non-operating income and expense include Coronavirus Aid, Relief and Economic Security (CARES) Act income of \$2.3 million, net capital expenses of \$2.2 million, non-operating expense of \$.2 million, non-cash items such as depreciation of \$.8 million, and interest income of \$.8 million for a total of \$1.5 million. Net operating income after other non-operating income and expense is \$4.2 million, resulting in an end of year reserve balance of \$28.0 million. The reserve balance is anticipated to be used primarily to fund the terminal area plan improvements.

The Regional Building Department's budget includes a net operating loss of \$.1 million and a transfer out of \$.3 million to the Information Technology Pool for a data conversion project resulting in a net decrease in reserves of \$.4 million and an end of year reserve balance of \$5.1 million. The reserve has been established to provide the Regional Building Department a "graceful slow down" in the event of a recession.

Phippsburg Water and Sewer System budget includes a net operating income of \$.1 million due to an increase in fees. Other non-operating income and expense include a net capital expense of \$1.2 million for the replacement of the wastewater treatment plant, net debt service of \$.8 million, and interest income of \$.1 million for a net loss of \$1.8 million, and an end of year reserve balance of \$.9 million, which is anticipated to be sufficient for ongoing operations.

The Milner Sewer System's operating budget is break even. Other non-operating income and expense include a net capital expense of \$.6 million for the replacement of the wastewater treatment plant and net debt service of \$.7 million for a net loss of \$1.3 million, and an end of year reserve balance of \$.4 million, which is anticipated to be sufficient for ongoing operations.

The Business-Type Activities are fundamentally financially self-sufficient by charging fees for services and receiving grants. See the Business-Type Activities Reserves section for more detailed information on the change in reserves.

### **Revenues**

Business-Type Activities revenues are anticipated to increase \$14.5 million or 70% to \$35.3 million above the 2023 budget. Noted below are the primary reasons for the changes in revenues.

#### **State**

State revenues are anticipated to increase \$3.6 million or 706% to \$4.1 million above the 2023 budget. The primary changes in state revenue are noted below:

Phippsburg Water and Sanitation System is projected to increase \$1.8 million or 100% to \$1.8 million above the 2023 budget. The Phippsburg Water and Sanitation System anticipates receiving two state grants, a \$1.0 million Department of Local Affairs (DOLA) Tier II grant, and a \$.8 million State Revolving Fund (SRF) grant, to fund the replacement of the wastewater treatment plant and the remediation of its lagoons in 2024.

Milner Sanitation System is projected to increase \$1.8 million or 100% to \$1.8 million above the 2023 budget. The Milner Sanitation System anticipates receiving two state grants, a \$1.0 million DOLA Tier II grant and a \$.8 million SRF grant, to fund the replacement of the wastewater treatment plant and the remediation of its lagoons in 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
ROUTT COUNTY, COLORADO  
December 31, 2023

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Federal

Federal revenues are anticipated to increase \$7.2 million or 88% to \$15.4 million above the 2023 budget. The primary changes in federal revenue are noted below:

Yampa Valley Regional Airport (YVRA) is budgeted to increase \$8.0 million or 108% to \$15.4 million above the 2023 budget. Capital related federal revenues are anticipated to increase \$10.1 million or 335% to \$13.1 million above the 2023 budget. The primary reasons for the increase are as follows. Airport Improvement Program (AIP) funding increased \$5.4 million or 233% to \$7.7 million above the 2023 budget. AIP funding is comprised of \$1.3 million of annual entitlement funding and \$6.3 million of discretionary funding being awarded to complete the runway 28 blast pad, taxiway and connector rehabilitation, taxiway shoulders, and relocation of connector A4 project. The Airport anticipates receiving \$4.7 million of Bi-Partisan Infrastructure Law (BIL) funding to complete the Terminal Expansion Phase I design, environmental studies, and hangar demolition.

YVRA has been awarded three separate grants related to the COVID-19 pandemic; the Coronavirus Aid, Relief, and Economic Security (CARES) Act for \$18.7 million, the Airport Coronavirus Response Grant Program (ACRGP) for \$1.3 million, and the American Rescue Plan Act (ARPA) for \$1.9 million. The COVID-19 funding is anticipated to decrease \$2.1 million or 48% to \$2.3 million below the 2023 budget. In 2024, YVRA will spend the remaining CARES Act, ACRGP, and ARPA grants, approximately \$2.3 million, to fund the operation and maintenance of the airport.

Phippsburg Water and Sanitation System is anticipated to decrease \$.4 million or 100% to \$0 below the 2023 budget. The decrease in funding is due to the completion of the design of the wastewater treatment plant replacement and the remediation of its lagoons in 2024.

Milner Sanitation System is anticipated to decrease \$.4 million or 100% to \$0 below the 2023 budget. The decrease in funding is due to the completion of the design of the wastewater treatment plant replacement and the remediation of its lagoons in 2024.

Fees

Fees are anticipated to increase \$1.8 million or 16% to \$12.9 million above the 2023 budget. The primary changes in fee revenue are noted below.

Yampa Valley Regional Airport (YVRA) fees are anticipated to increase by \$1.7 million or 20% to \$10.6 million above the 2023 budget primarily for the following reasons. Airside fees are expected to increase \$.3 million or 13% to \$2.3 million above the 2023 budget due to the following items. Commercial landing fees are anticipated to increase \$.2 million due to an increase in flights of 140 or 6% to 2,609 for 2024 compared to 2,469 in 2023. Enplanements for the fiscal year 2024 are expected to increase by 42,000 or 21% to 238,000 due to several additional routes being added to the winter schedule, the use of larger planes, and the overall load factor increasing from 69% to 73% in 2024. Terminal fees are anticipated to increase \$.3 million or 15% to \$2.1 million due to the increase in rates being charged to the airlines, car rental agencies, ground handling, and taxis due to increases in personnel and operating costs from inflation. Parking concession, Taxi/Bus/Limo, restaurant, and snack bar fees are anticipated to increase \$.3 million or 35% to \$1.1 million, \$.4 million or 70% to \$.9 million, and \$.4 million or 29% to \$1.9 million, respectively, due to increased traffic through the airport.

Other Revenue

Other revenues are anticipated to increase \$.4 million or 47% to \$1.4 million over the 2023 budget. The primary changes in other revenue are noted below.

Interest revenue is anticipated to increase \$.4 million or 88% to \$.9 million above the 2023 budget, primarily due to an increase in the interest rates and estimating the negative impacts of Federal Reserve interest rate increases in relation to mark to market adjustments significantly greater than actual results in 2023. Business-Type Activities reserves are anticipated to increase in 2024 due to increased flights and projected enplanements and the CARES Act funding personnel and operating expenses for the airport through 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
ROUTT COUNTY, COLORADO  
December 31, 2023

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**Expenses**

Business-Type Activities expenses are anticipated to increase \$20.2 million or 132% to \$35.5 million above the 2023 budget. Noted below are the primary reasons for the change in expenses.

**Personnel**

Business-Type Activities personnel expenses are projected to increase \$.6 million or 10% to \$6.0 million above the 2023 budget. The primary changes in personnel costs are noted below.

Compensation Initiatives - 5% cost of living adjustment and step.

Full-Time Equivalents (FTEs) in Business-Type Activities increased by .25 FTEs or 0% to 58.04 FTEs. This change includes a .22 increase in FTEs and a 0.03 change in FTEs related to overtime.

Health Insurance expenses are anticipated to increase due to higher enrollment and a significant increase in claims expenses. See the Governmental Activities Health Insurance section above for a detailed explanation. The overall impact of these changes on the County's Business-type Activities is a \$.2 million increase in costs for 2024.

**Operations**

Business-Type Activities operating costs are budgeted to increase \$1.1 million or 28% to \$4.8 million above the 2023 budget. The major changes in operating costs are noted below.

Yampa Valley Regional Airport operations are anticipated to increase \$1.0 million or 34% to \$3.8 million above the 2023 budget. This increase is primarily due to the following items. County Overhead allocated to Yampa Valley Regional Airport increased by \$.1 million or 8% to \$.7 million due to increase support from other departments. Rate Making Depreciation expense is anticipated to increase \$.3 million or 72% to \$.7 million. The primary reason for the increase is due to the completion of the terminal expansion. Administration has an anticipated increase of \$.2 million or 292% to \$.3 million above the 2023 budget due to an advertising cost increase of \$.2 million or 100% to \$.2 million. The advertising cost increase is for airline incentives that will be paid to a third-party marketing firm to help attract more flights during the non-ski season months. In addition, a \$.4 million increase is anticipated in YVRA operating costs related to the terminal, restaurant, snack bar and the general store.

Regional Building operations are anticipated to increase \$.2 million or 29% to \$.8 million above the prior year's budget due to the following changes: County overhead is anticipated to increase \$.1 million or 15% to \$.4 million due to increase support from other departments. Additionally, professional services is anticipated to increase \$.1 million or 106% to \$.2 million due to several non-recurring costs. These include wildfire mitigation to the public, contractors, and professionals in relation to the building code, contractor and professional education for updated code adoption years, land management software configured for Colorado Open Records Act (CORA) requests and the climate action plan committee for new Green Building Code regulations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
ROUTT COUNTY, COLORADO  
December 31, 2023

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**Capital**

Business-Type Activities capital costs are anticipated to increase \$17.1 million or 301% to \$22.8 million above the 2023 budget. The primary changes in capital are noted below.

Yampa Valley Regional Airport's (YVRA) capital expense is anticipated to increase by \$11.1 million or 227% to \$16.0 million above the 2023 budget. YVRA is planning for seven projects, one new vehicle, three replacement vehicles, and three pieces of equipment in 2024 compared to eleven projects, one vehicle, three replacement vehicles, and zero pieces of equipment in 2023. The following is a more detailed explanation of the capital increases. In 2023, Airside completed the following projects. The General Aviation (GA) Development plan for \$1.0 million, the runway seal for \$.7 million, and the Runway 28 blast pad, taxiway and connector rehab, taxiway shoulders, and relocation connector A4 design and engineering for \$.9 million. In 2024, Airside is budgeting for the following projects. A runway 28 blast pad, taxiway and connector rehabilitation taxiway shoulders, and relocation connector A4 construction for \$8.5 million and the replacement of two plow trucks for \$.8 million. In 2023, the Terminal area plan was completed for \$.5 million. In 2024, Terminal is budgeting \$5.1 million for Phase I of the terminal area plan design, engineering, environmental studies, and hangar demolition. In 2023, Landside anticipates the completion of the employee parking lot relocation and paving for \$1.0 million and the completion of the rental car wash facility for \$2.1 million. In 2024, Landside includes construction of a maintenance shop/storage building for \$1.0 million. The remainder of the increases in capital expenditures are for other minor capital additions.

Phippsburg Water and Sanitation System capital expense increased \$3.3 million or 825% to \$3.7 million above the 2023 budget. The 2024 budget includes \$3.7 million for the replacement of the mechanical wastewater treatment plant that will replace the lagoons for the sanitation system. The County anticipates funding this project phase with state grants of \$1.8 million and state loans of \$.8 million. The County by the end of 2023 will have irrevocably pledged Phippsburg Water and Sanitation reserves for the pay off of this loan in 2024 to be in compliance with the Taxpayer Bill of Rights (TABOR) election requirements. The reserves to pay the loan off are from the American Rescue Plan Act (ARPA) funds. The new wastewater system is expected to be completed by the end of 2024.

Milner Sanitation System capital expense increased \$2.7 million or 675% to \$3.1 million above the 2023 budget. The 2024 budget includes \$3.1 million for the replacement of the mechanical wastewater treatment plant that will replace the lagoons for the sanitation system. The County anticipates funding this project phase with state grants of \$1.8 million and a state loan of \$.8 million. The County by the end of 2023 will have irrevocably pledged Milner Sanitation reserves for the pay off of this loan in 2024 to be in compliance with the TABOR election requirements. The reserves to pay the loan off are from the ARPA funds. The new wastewater system is expected to be completed by the end of 2024.

Business-Type Activities debt proceeds are expected to increase \$1.6 million or 100% to \$1.6 million over the 2023 budget.

Phippsburg Water and Sanitation System debt proceeds are expected to increase \$.8 million or 100% to \$.8 million over the 2023 budget. The increase is due to the anticipated loan through the Colorado Water Resources and Power Development Authority (Power Authority) to help with the construction of the new wastewater treatment plant to replace the lagoons in 2024.

Milner Sanitation System debt proceeds are expected to increase \$.8 million or 100% to \$.8 million over the 2023 budget. The increase is due to the anticipated loan through the Power Authority to help with the construction of the new wastewater treatment plant to replace the lagoons in 2024.

**Long-term Debt**

Debt service is projected to increase by \$1.6 million or 13,773% to \$1.6 million above the 2023 budget.

Phippsburg Water and Sanitation System debt service increased \$.8 million or 6,735% to \$.8 million in the 2024 budget. Power Authority - Debt service increased \$.8 million or 100% to \$.8 million above the 2023 budget. The debt represents the pay off of 100% of the principal balance and interest for a full year on the Power Authority loan issued above. The County by the end of 2023 will have irrevocably pledged \$.8 million of Phippsburg Water and Sanitation reserves for the pay off of the above debt to be in compliance with the TABOR election requirements. The reserves to pay the loan off and interest are from the ARPA funds. Department of Local Affairs (DOLA) Loans - DOLA debt service remained the same at \$11,000 in the 2024 budget. Debt service for 2023 of \$11,000 represents a full year of interest and principal payments on two loans issued to fund a portion of the upgrades to the wastewater treatment lagoons and a portion of a water filtration system. As noted in the "NOTE 13. SUBSEQUENT EVENTS", the two outstanding loan as of December 31, 2023 were paid off in March 2024.

Milner Sanitation System debt service increased \$.8 million or 100% to \$.8 million above the 2023 budget. The debt service represents the pay off of 100% of the principal balance and interest for a full year on the Power Authority loan issued above. The County by the end of 2023 will have irrevocably pledged \$.8 million of Phippsburg Water and Sanitation reserves for the pay off of the above debt to be in compliance with the TABOR election requirements. The reserves to pay the loan off and interest are from the ARPA funds.

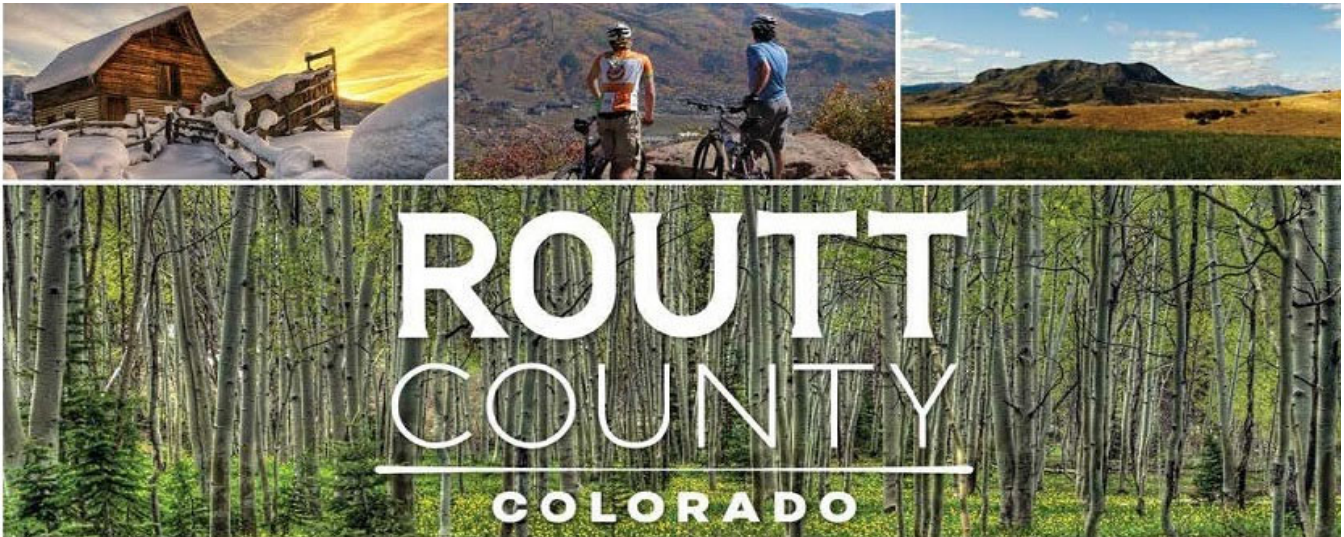
**Conclusion**

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

Right now, the long-term forecast projects a balanced budget. The 2024 budget is a snapshot in time based on both known factors and certain assumptions. This financial plan will need to be revised by the County to respond to changing economic conditions. As new financial information becomes available, management will respond appropriately to maintain the County's overall financial well-being.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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



**Routt County, Colorado**  
**Statement of Net Position**  
**December 31, 2023**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 49,450,879	\$ 34,097,529	\$ 83,548,408
Receivables (net of allowance for uncollectibles)	1,087,482	777,036	1,864,518
Lease receivable	677,659	5,047,236	5,724,895
Due from other governments	4,657,352	3,301,238	7,958,590
Internal balances	(869,033)	869,033	-
Prepays and inventories	350,592	134,535	485,127
Property tax receivable	27,174,709	-	27,174,709
Noncurrent assets:			
Non-depreciable/amortizable capital assets	62,449,298	31,331,269	93,780,567
Depreciable/amortizable capital assets, net of accumulated depreciation/amortization	78,119,429	41,587,907	119,707,336
Total assets	<u>223,098,367</u>	<u>117,145,783</u>	<u>340,244,150</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	35,631	-	35,631
Total assets and deferred outflows of resources	<u>223,133,998</u>	<u>117,145,783</u>	<u>340,279,781</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other current liabilities	2,490,565	1,830,680	4,321,245
Unearned revenue	1,175,576	1,731,023	2,906,599
Noncurrent liabilities:			
Due within one year	2,700,692	225,566	2,926,258
Due in more than one year	2,329,753	304,950	2,634,703
Total liabilities	<u>8,696,586</u>	<u>4,092,219</u>	<u>12,788,805</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	27,174,709	-	27,174,709
Leases	677,659	5,047,236	5,724,895
Total liabilities and deferred inflows of resources	<u>36,548,954</u>	<u>9,139,455</u>	<u>45,688,409</u>
<b>NET POSITION</b>			
Net investment in capital assets	137,706,423	72,668,951	210,375,374
Restricted	9,146,539	493,539	9,640,078
Unrestricted	39,732,082	34,843,838	74,575,920
Total net position	<u>\$ 186,585,044</u>	<u>\$ 108,006,328</u>	<u>\$ 294,591,372</u>

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

**Routt County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental activities:							
Administration	\$ 10,667,098	\$ 1,110,101	\$ 2,232,515	\$ -	\$ (7,324,482)	\$ -	\$ (7,324,482)
Community resources	11,367,770	697,541	1,103,672	-	(9,566,557)	-	(9,566,557)
Property tax administration	2,847,069	1,816,248	-	17,208	(1,013,613)	-	(1,013,613)
Public safety	13,327,716	950,341	541,276	-	(11,836,099)	-	(11,836,099)
Road and bridge	12,565,854	118,462	5,501,629	-	(6,945,763)	-	(6,945,763)
Human services	6,169,937	-	5,011,187	-	(1,158,750)	-	(1,158,750)
Interest expense on long-term debt, leases, SBITAs	163,950	-	-	-	(163,950)	-	(163,950)
Total governmental activities	<u>57,109,394</u>	<u>4,692,693</u>	<u>14,390,279</u>	<u>17,208</u>	<u>(38,009,214)</u>	<u>-</u>	<u>(38,009,214)</u>
Business-type activities:							
Yampa Valley Regional Airport	10,775,684	9,389,311	6,006,374	3,097,183	-	7,717,184	7,717,184
Regional Building Department	1,897,735	2,129,380	-	-	-	231,645	231,645
Water and sewer	188,170	231,484	9,295	464,243	-	516,852	516,852
Total business-type activities	<u>12,861,589</u>	<u>11,750,175</u>	<u>6,015,669</u>	<u>3,561,426</u>	<u>-</u>	<u>8,465,681</u>	<u>8,465,681</u>
Total primary government	<u>\$ 69,970,983</u>	<u>\$ 16,442,868</u>	<u>\$ 20,405,948</u>	<u>\$ 3,578,634</u>	<u>(38,009,214)</u>	<u>8,465,681</u>	<u>(29,543,533)</u>
General revenues:							
Property taxes					25,600,591	-	25,600,591
Sales taxes					14,517,305	475,861	14,993,166
Unrestricted investment earnings					3,277,932	996,457	4,274,389
Lease interest income					20,135	118,606	138,741
Gain on disposal of capital assets					302,818	-	302,818
Transfers					(4,198,464)	4,198,464	-
Total general revenues and transfers					<u>39,520,317</u>	<u>5,789,388</u>	<u>45,309,705</u>
Change in net position					1,511,103	14,255,069	15,766,172
Net position - beginning (restated)					185,073,941	93,751,259	278,825,200
Net position - ending					<u>\$ 186,585,044</u>	<u>\$ 108,006,328</u>	<u>\$ 294,591,372</u>

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

**Routt County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

	General Fund	Road & Bridge	Human Services	Communications	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 22,558,126	\$ 8,678,161	\$ 576,773	\$ 3,351,223	\$ 35,164,283
Accounts receivable (net of allowance for uncollectibles)	100,532	955	1,894	114,975	218,356
Property taxes receivable	24,087,861	811,905	629,026	1,645,917	27,174,709
Lease receivable	-	243,081	-	434,578	677,659
Due from other governments	1,870,913	873,972	338,594	17,849	3,101,328
Prepaid expenses	141,553	15,415	1,727	39,288	197,983
Inventory	-	41,408	-	-	41,408
Total assets	<u>48,758,985</u>	<u>10,664,897</u>	<u>1,548,014</u>	<u>5,603,830</u>	<u>66,575,726</u>
<b>LIABILITIES</b>					
Accounts payable	1,662,809	200,981	164,293	82,283	2,110,366
Due to other governments	-	-	954	-	954
Unearned revenue	241,788	606,603	327,185	-	1,175,576
Total liabilities	<u>1,904,597</u>	<u>807,584</u>	<u>492,432</u>	<u>82,283</u>	<u>3,286,896</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	24,087,861	811,905	629,026	1,645,917	27,174,709
Leases	-	243,081	-	434,578	677,659
Total deferred inflow of resources	<u>24,087,861</u>	<u>1,054,986</u>	<u>629,026</u>	<u>2,080,495</u>	<u>27,852,368</u>
Total liabilities and deferred inflows of resources	<u>25,992,458</u>	<u>1,862,570</u>	<u>1,121,458</u>	<u>2,162,778</u>	<u>31,139,264</u>
<b>FUND BALANCES</b>					
Nonspendable	141,553	56,823	1,727	39,288	239,391
Restricted	9,146,539	-	-	-	9,146,539
Committed					
General fund	13,478,435	-	-	-	13,478,435
Special revenue funds	-	8,745,504	424,829	3,401,764	12,572,097
Total fund balances	<u>22,766,527</u>	<u>8,802,327</u>	<u>426,556</u>	<u>3,441,052</u>	<u>35,436,462</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,758,985</u>	<u>\$ 10,664,897</u>	<u>\$ 1,548,014</u>	<u>\$ 5,603,830</u>	<u>\$ 66,575,726</u>

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

**Routt County, Colorado**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Governmental Activities Statement of Net Position**  
**December 31, 2023**

<b>Total governmental fund balances</b>	\$	35,436,462
<p>Internal service funds are used by management to charge the cost of fleet management, information technologies, emergency communications, facilities management, casualty and property insurance, and employee health and dental insurance to individual funds. In addition, internal service funds provide a systematic method to replace capital assets and to finance partially self-insured casualty and property, health, and dental insurance programs. The assets and liabilities of the internal service funds are included in governmental activities statement of net position, except for the cross over adjustment required for the consolidation of the insurance pool, an internal service fund for casualty and property insurance, and employee health and dental insurance, to the business-type activities.</p>		
		67,440,977
<p>Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
		(2,134,331)
<p>Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
		139,761
<p>Road and bridge infrastructure used in governmental activities is not a financial resource and, therefore, is not reported in the funds.</p>		
		84,285,491
<p>Long-term liabilities and related items, including subscription liabilities and leases are not due and payable in the current year and, therefore, are not reported in the funds.</p>		
		(139,401)
<p>Current assets not collected within 60 days of December 31, 2023 and are not available as a current period resource, therefore, not included in governmental funds.</p>		
		1,556,085
<b>Net position of governmental activities</b>	<b>\$</b>	<b>186,585,044</b>

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

**Routt County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2023**

	General Fund	Road & Bridge	Human Services	Communications	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 22,359,656	\$ 944,616	\$ 591,543	\$ 1,704,776	\$ 25,600,591
Sales taxes	9,993,263	4,524,042	-	-	14,517,305
Intergovernmental	2,942,342	5,501,629	4,817,960	47,008	13,308,939
Charges for sales and services	5,068,517	64,546	-	765,180	5,898,243
Investment earnings	2,798,999	3,396	-	-	2,802,395
Lease interest income	-	7,719	-	12,416	20,135
Operating grants	-	-	182,707	-	182,707
Total revenues	<u>43,162,777</u>	<u>11,045,948</u>	<u>5,592,210</u>	<u>2,529,380</u>	<u>62,330,315</u>
<b>EXPENDITURES</b>					
Administration	11,030,446	-	-	-	11,030,446
Community resources	11,352,453	-	-	-	11,352,453
Property tax administration	2,793,476	-	-	-	2,793,476
Public safety	10,764,935	-	-	2,278,469	13,043,404
Road and bridge	-	11,737,167	-	-	11,737,167
Human services	-	-	6,091,988	-	6,091,988
Capital outlay	396,144	-	-	-	396,144
Debt service					
Principal	250,505	-	-	-	250,505
Interest	22,334	-	-	-	22,334
Total expenditures	<u>36,610,293</u>	<u>11,737,167</u>	<u>6,091,988</u>	<u>2,278,469</u>	<u>56,717,917</u>
Excess (deficiency) of revenues over expenditures	<u>6,552,484</u>	<u>(691,219)</u>	<u>(499,778)</u>	<u>250,911</u>	<u>5,612,398</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt financing from leases	214,420	-	-	-	214,420
Debt financing from SBITAs	175,486	-	-	-	175,486
Transfers in	-	-	377,705	-	377,705
Transfers out	(8,237,754)	(255,874)	-	-	(8,493,628)
Total other financing sources (uses)	<u>(7,847,848)</u>	<u>(255,874)</u>	<u>377,705</u>	<u>-</u>	<u>(7,726,017)</u>
Net change in fund balances	(1,295,364)	(947,093)	(122,073)	250,911	(2,113,619)
Fund balances - beginning	24,061,891	9,749,420	548,629	3,190,141	37,550,081
Fund balances - ending	<u>\$ 22,766,527</u>	<u>\$ 8,802,327</u>	<u>\$ 426,556</u>	<u>\$ 3,441,052</u>	<u>\$ 35,436,462</u>

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

**Routt County, Colorado**  
**Reconciliation of the Statement of Revenues**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Governmental Statement of Activities**  
**For the Year Ended December 31, 2023**

Net change in fund balance - total governmental funds	\$	(2,113,619)
<p>The internal service funds are used by management to charge the cost of fleet management, information systems, emergency communications, building and plant and employee health insurance to individual funds. In addition, the internal service funds provide a systematic method to replace capital assets and to finance a partially self-insured health insurance program.</p>		
		3,787,541
<p>Change in compensated absences, which do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
		(355,224)
<p>Governmental funds reports capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays of 396,144 were less than the depreciation/amortization of \$256,383 in the current period.</p>		
		139,761
<p>The Road and Bridge fund reports infrastructure capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$1,288,423 were less than the depreciation of \$1,839,932 and loss on disposal of assets of \$147,895 in the current period.</p>		
		(699,404)
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, there is no effect on net position.</p>		
		250,505
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items; debt financing from leases (\$214,420) and subscriptions (\$175,486).</p>		
		(389,906)
<p>Revenue reported in governmental activities, which is not a current financial resource and therefore, not reported in the funds.</p>		
		891,449
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>1,511,103</b>

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

**Routt County, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2023**

	Business-type Activities				Governmental
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 23,339,299	\$ 6,530,458	\$ 4,227,772	\$ 34,097,529	\$ 14,286,596
Accounts receivable (net of allowance for uncollectibles)	765,954	-	11,082	777,036	865,173
Lease receivable	5,047,236	-	-	5,047,236	-
Due from other governments	3,058,797	-	242,441	3,301,238	3,893
Prepaid expenses	5,900	-	-	5,900	66,833
Inventory	128,635	-	-	128,635	44,368
Total current assets	<u>32,345,821</u>	<u>6,530,458</u>	<u>4,481,295</u>	<u>43,357,574</u>	<u>15,266,863</u>
Noncurrent assets:					
Land and improvements (non-depreciable/non-amortizable)	24,004,712	-	39,894	24,044,606	3,092,916
Land improvements (depreciable/amortizable)	42,061,127	-	-	42,061,127	2,030,417
Buildings	27,902,982	-	-	27,902,982	56,523,251
Equipment	14,044,173	-	-	14,044,173	34,704,240
Water system	1,006,010	-	977,962	1,983,972	-
Sewer system	473,873	-	1,311,645	1,785,518	-
Other (depreciable)	210,732	-	-	210,732	1,943,061
Other (non-depreciable)	-	-	-	-	539,996
Subscription asset	40,656	-	-	40,656	10,638
Construction in progress	6,581,485	-	705,178	7,286,663	1,205,084
Accumulated depreciation/amortization	(44,492,518)	-	(1,948,735)	(46,441,253)	(44,279,999)
Total noncurrent assets	<u>71,833,232</u>	<u>-</u>	<u>1,085,944</u>	<u>72,919,176</u>	<u>55,769,604</u>
Total assets	<u>104,179,053</u>	<u>6,530,458</u>	<u>5,567,239</u>	<u>116,276,750</u>	<u>71,036,467</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on refunding	-	-	-	-	35,631
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,631</u>
Total assets and deferred outflows of resources	<u>104,179,053</u>	<u>6,530,458</u>	<u>5,567,239</u>	<u>116,276,750</u>	<u>71,072,098</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	1,477,464	114,385	40,134	1,631,983	140,469
Compensated absences	138,183	66,838	-	205,021	25,817
Claims liability	-	-	-	-	211,137
Accrued interest	-	-	590	590	6,378
Due to other governments	-	499	-	499	-
Retainage payable	197,609	-	-	197,609	21,259
Unearned revenue	-	1,731,023	-	1,731,023	-
Current portion of long-term debt (net of unamortized discount)	-	-	9,483	9,483	1,158,789
Current portion of lease payable	-	-	-	-	3,553
Current portion of subscription payable	11,062	-	-	11,062	-
Total current liabilities	<u>1,824,318</u>	<u>1,912,745</u>	<u>50,207</u>	<u>3,787,270</u>	<u>1,567,402</u>
Noncurrent liabilities:					
Compensated absences	242,024	31,249	-	273,273	-
Loans payable	-	-	25,921	25,921	-
Certificates of participation (net of unamortized discount)	-	-	-	-	1,194,385
Lease payable	-	-	-	-	301
Subscription payable	5,756	-	-	5,756	-
Total noncurrent liabilities	<u>247,780</u>	<u>31,249</u>	<u>25,921</u>	<u>304,950</u>	<u>1,194,686</u>
Total liabilities	<u>2,072,098</u>	<u>1,943,994</u>	<u>76,128</u>	<u>4,092,220</u>	<u>2,762,088</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	5,047,236	-	-	5,047,236	-
Total deferred inflows of resources	<u>5,047,236</u>	<u>-</u>	<u>-</u>	<u>5,047,236</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	71,618,411	-	1,050,540	72,668,951	53,426,948
Restricted	344,503	-	149,036	493,539	-
Unrestricted	25,096,805	4,586,464	4,291,535	33,974,804	14,883,062
Total net position	<u>\$ 97,059,719</u>	<u>\$ 4,586,464</u>	<u>\$ 5,491,111</u>	<u>\$ 107,137,294</u>	<u>\$ 68,310,010</u>

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

**Routt County, Colorado**  
**Reconciliation of Enterprise Funds Statement of Net Position**  
**to Business-Type Activities Statement of Net Position**  
**December 31, 2023**

<b>Total enterprise funds net position</b>	\$ 107,137,294
Cross over adjustment to reflect the consolidation of the insurance pool, an internal service fund for employee health insurance, to the business-type activities.	<u>869,034</u>
<b>Net position of business-type activities</b>	<u><u>\$ 108,006,328</u></u>

**Routt County, Colorado**  
**Reconciliation of the Statement of Revenues,**  
**Expenses, and Changes in Net Position of Enterprise Funds**  
**to the Business-Type Statement of Activities**  
**For the Year Ended December 31, 2023**

<b>Change in net position - total enterprise funds</b>	\$ 14,277,977
Cross over adjustment to reflect the consolidation of the insurance pool, an internal service fund for employee health insurance, to the business-type activities.	<u>(22,908)</u>
<b>Change in net position of business-type activities</b>	<u><u>\$ 14,255,069</u></u>

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

**Routt County, Colorado**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	Business-type Activities				Governmental
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>					
Sales taxes	\$ 475,861	\$ -	\$ -	\$ 475,861	\$ -
Charges for sales and services	9,389,311	2,129,380	231,484	11,750,175	-
Operating grants	29,870	-	-	29,870	-
Internal service fees	-	-	-	-	11,036,268
Insurance proceeds	-	-	-	-	1,879,747
Total operating revenues	<u>9,895,042</u>	<u>2,129,380</u>	<u>231,484</u>	<u>12,255,906</u>	<u>12,916,015</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	4,089,053	1,260,510	-	5,349,563	422,985
Depreciation	3,896,568	-	20,368	3,916,936	3,308,146
Amortization	24,132	-	-	24,132	3,445
Claims	-	-	-	-	6,568,844
Repairs and maintenance	539,551	-	21,466	561,017	1,675,826
Purchased services and supplies	2,085,711	632,065	140,838	2,858,614	1,640,204
Total operating expenses	<u>10,635,015</u>	<u>1,892,575</u>	<u>182,672</u>	<u>12,710,262</u>	<u>13,619,450</u>
Operating income (loss)	<u>(739,973)</u>	<u>236,805</u>	<u>48,812</u>	<u>(454,356)</u>	<u>(703,435)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	973,317	-	23,139	996,456	475,553
Lease interest income	118,606	-	-	118,606	-
Interest expense	-	-	(2,071)	(2,071)	(141,617)
Interest expense - interfund	-	-	(3,396)	(3,396)	-
Interest expense - SBITA	(1,064)	-	-	(1,064)	-
Amortization of refunding debt insurance	-	-	-	-	(5,543)
Gain (loss) on disposal of capital assets	(121,887)	-	-	(121,887)	222,218
Total nonoperating revenues (expenses)	<u>968,972</u>	<u>-</u>	<u>17,672</u>	<u>986,644</u>	<u>550,611</u>
Income (loss) before contributions and transfers	228,999	236,805	66,484	532,288	(152,824)
Transfers in	-	-	4,252,000	4,252,000	3,917,459
Transfers out	-	(53,536)	-	(53,536)	-
Tap fees	-	-	3,000	3,000	-
Capital grants	3,097,183	-	461,243	3,558,426	-
Intergovernmental	5,976,504	-	9,295	5,985,799	-
Change in net position	9,302,686	183,269	4,792,022	14,277,977	3,764,635
Total net position - beginning	87,757,033	4,403,195	699,089	92,859,317	64,545,375
Total net position - ending	<u>\$ 97,059,719</u>	<u>\$ 4,586,464</u>	<u>\$ 5,491,111</u>	<u>\$ 107,137,294</u>	<u>\$ 68,310,010</u>

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

**Routt County, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts for customers and users	\$ 9,977,720	\$ 2,711,796	\$ 246,292	\$ 12,935,808	\$ -
Receipts from interfund services provided	-	-	-	-	11,133,706
Receipts from insurance	-	-	-	-	1,611,493
Payments to suppliers	(2,463,208)	(629,744)	(164,245)	(3,257,197)	(3,454,620)
Payments to employees	(3,969,118)	(1,217,336)	-	(5,186,454)	(414,933)
Payments to claims	-	-	-	-	(6,848,740)
Net cash provided (used) by operating activities	<u>3,545,394</u>	<u>864,716</u>	<u>82,047</u>	<u>4,492,157</u>	<u>2,026,906</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Collections for other governments	5,144,849	55,938	-	5,200,787	-
Payments to other governments for collections	-	(55,439)	-	(55,439)	-
Lease interest	118,606	-	-	118,606	-
State grants	-	-	9,295	9,295	-
Tap fees	-	-	3,000	3,000	-
Net cash provided (used) by noncapital financing activities	<u>5,263,455</u>	<u>499</u>	<u>12,295</u>	<u>5,276,249</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from the sale of capital assets	-	-	-	-	300,507
Capital grants	3,844,358	-	218,802	4,063,160	-
Acquisition and construction of capital assets	(9,682,246)	-	(543,600)	(10,225,846)	(8,376,149)
Principal paid on capital debt	-	-	(77,474)	(77,474)	(1,125,000)
Interest paid on capital debt	-	-	(5,903)	(5,903)	(113,194)
Principal paid on leased liability	-	-	-	-	(3,445)
Interest paid on leased liability	-	-	-	-	(177)
Principal paid on SBITA liability	(23,838)	-	-	(23,838)	-
Interest paid on SBITA liability	(1,064)	-	-	(1,064)	-
Transfers in	-	-	4,252,000	4,252,000	3,917,459
Transfers out	-	(53,536)	-	(53,536)	-
Net cash provided (used) by capital and related financing activities	<u>(5,862,790)</u>	<u>(53,536)</u>	<u>3,843,825</u>	<u>(2,072,501)</u>	<u>(5,399,999)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Earnings on investments	973,316	-	23,139	996,455	475,552
Net purchases and sales of investments	10,333,631	3,342,624	(3,542,878)	10,133,377	1,054,838
Net cash provided (used) by investing activities	<u>11,306,947</u>	<u>3,342,624</u>	<u>(3,519,739)</u>	<u>11,129,832</u>	<u>1,530,390</u>
Net increase (decrease) in cash and cash equivalents	14,253,006	4,154,303	418,428	18,825,737	(1,842,703)
Cash and cash equivalents - beginning of year	3,881,659	1,143,754	53,293	5,078,706	3,436,824
Cash and cash equivalents - end of the year	18,134,665	5,298,057	471,721	23,904,443	1,594,121
Investments	5,204,634	1,232,401	3,756,051	10,193,086	12,692,475
Cash and investments - end of the year	<u>\$ 23,339,299</u>	<u>\$ 6,530,458</u>	<u>\$ 4,227,772</u>	<u>\$ 34,097,529</u>	<u>\$ 14,286,596</u>

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

**Routt County, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (739,973)	\$ 236,805	\$ 48,812	\$ (454,356)	\$ (703,435)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	3,896,568	-	20,368	3,916,936	3,308,146
Amortization	24,132	-	-	24,132	3,445
Noncapital financing activities					
Due from other governments	831,655	-	-	831,655	-
Capital financing activities					
Capital grants and transfers					
Accounts receivable	5,472	-	-	5,472	-
Due from other governments	(752,647)	-	242,441	(510,206)	-
Capital assets					
Prepaid expenses	-	-	-	-	6,000
Accounts payable	1,559,123	-	(32,954)	1,526,169	1,350,987
Retainage payable	441,209	-	-	441,209	572,873
Debt Service					
Accrued interest	-	-	(151)	(151)	2,930
Changes in assets and liabilities:					
(Increase) decrease					
Accounts receivable	56,602	-	14,808	71,410	(170,816)
Due from other governments	(67,174)	-	(242,441)	(309,615)	3,428
Inventory	(15,098)	-	-	(15,098)	20,737
Prepaid expenses	5,900	-	-	5,900	(46,833)
Increase (decrease)					
Accounts payable	(1,354,306)	7,262	31,013	(1,316,031)	(1,468,921)
Accrued interest	-	-	151	151	(2,930)
Compensated absences	95,140	38,233	-	133,373	4,064
Claims liability	-	-	-	-	(279,896)
Unearned revenue	-	582,416	-	582,416	-
Retainage payable	(441,209)	-	-	(441,209)	(572,873)
Total adjustments	4,285,367	627,911	33,235	4,946,513	2,730,341
Net cash provided (used) by operating activities	<u>\$ 3,545,394</u>	<u>\$ 864,716</u>	<u>\$ 82,047</u>	<u>\$ 4,492,157</u>	<u>\$ 2,026,906</u>
<b>Noncash investing, capital and financing activities</b>					
Increase (decrease) in fair value of investments	\$ 301,867	\$ 84,514	\$ 54,661	\$ 441,042	\$ 37,211
Capital asset trade-ins	53,414	-	-	53,414	-
Loss on sale of capital asset	(121,887)	-	-	(121,887)	-
Amortization related to refunding debt issue	-	-	-	-	(36,719)

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

**Routt County, Colorado**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2023**

	Employee Retirement Plan	Custodial Funds	Total
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 1,556,269	\$ 1,556,269
Investments restricted for retirement benefits	39,390,220	-	39,390,220
Due from other governments	-	1,624,735	1,624,735
Property tax receivable	-	76,101,278	76,101,278
Total assets	39,390,220	79,282,282	118,672,502
<b>LIABILITIES</b>			
Due to other governments	-	2,950,613	2,950,613
Funds held for others	-	113,936	113,936
Total liabilities	-	3,064,549	3,064,549
<b>DEFERRED INFLOW OF RESOURCES</b>			
Property taxes	-	76,101,278	76,101,278
Total deferred inflow of resources	-	76,101,278	76,101,278
<b>NET POSITION</b>			
Restricted			
Individuals, organizations and other governments	-	116,455	116,455
Retirement benefits	39,390,220	-	39,390,220
Total net position	\$ 39,390,220	\$ 116,455	\$ 39,506,675

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

**Routt County, Colorado**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2023**

	Employee Retirement Plan	Custodial Funds	Total
<b>ADDITIONS</b>			
Employee contributions	\$ 1,297,925	\$ -	\$ 1,297,925
Employer contributions	1,297,925	-	1,297,925
Total contributions	<u>2,595,850</u>	<u>-</u>	<u>2,595,850</u>
Investment gain / (loss)	5,471,032	-	5,471,032
Transfers from other plans	103,330	-	103,330
Tax collections for other governments	-	75,847,774	75,847,774
Public trustee activity	-	46,451	46,451
Funds held for others	-	9,776,628	9,776,628
Sales	-	24,141	24,141
Total additions	<u>8,170,212</u>	<u>85,694,994</u>	<u>93,865,206</u>
<b>DEDUCTIONS</b>			
Benefits paid to participants	2,138,465	-	2,138,465
Taxes disbursed to other governments	-	75,847,774	75,847,774
Public trustee disbursements	-	46,451	46,451
Disbursements of funds held for others	-	9,768,984	9,768,984
Cost of goods sold	-	17,426	17,426
Total deductions	<u>2,138,465</u>	<u>85,680,635</u>	<u>87,819,100</u>
Net increase (decrease) in fiduciary net position	6,031,747	14,359	6,046,106
Net position, beginning	<u>33,358,473</u>	<u>102,096</u>	<u>33,460,569</u>
Net position, ending	<u>\$ 39,390,220</u>	<u>\$ 116,455</u>	<u>\$ 39,506,675</u>

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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**NOTE 1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

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

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

**Blended Component Units**

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

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

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

On March 18, 2004, the County issued Meadowgreen at Stagecoach Local Improvement District No. 2002-1 (District) special assessment bonds in the amount of \$1,375,000 and taxable assessment bonds of \$195,000 for a total amount of \$1,570,000. The bonds had an interest rate of 6.50% through August 1, 2024, and were paid off early in 2021. The bonds were payable by the property owners within the District through special assessments levied on assessable land. The bonds did not constitute a debt of the County, were not a general obligation of the County, and the County was not obligated for the debt. The bonds were issued for construction within the District to include grading and paving streets, water and sewer lines, and the extension of electrical and telephone utilities. There are no separately issued financial statements for the District.

The County has collected all District assessments from the property owners in the District as of June 30, 2024. As of December 31, 2023, cash on hand is \$177,936. Upon dissolution of the District by the Board of County Commissioners, any moneys remaining to the credit of the District may be used for any County purpose as determined by the Board.

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Government-wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The County reports the following major governmental funds:

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

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

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

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

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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

The County reports the following major proprietary funds:

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

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

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

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

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

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

The County reports the following fiduciary funds:

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

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

### **Measurement Focus and Basis of Accounting**

The government-wide financial statements, proprietary fund statements, and the employee retirement plans (one of the two fiduciary funds) statements report government activities using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, transactions that do not involve the receipt of revenue for financial or capital resources of approximately equal value, include property taxes, grants, and donations. Grant and donation revenue is recognized in the fiscal year in which all eligibility requirements have been met. Further, grants and entitlements received for proprietary fund operating purposes are recognized as non-operating revenue.

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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For this purpose, Routt County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Typically, property taxes are levied in December and attached as a lien on the property in January. For budget year 2024, due to state legislation related to significant increase in property tax assessments, the 2024 property taxes were not levied until January 2024, in compliance with the new legislation. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. The County bills and collects its own property taxes as well as those for other taxing districts in the County. Collections for other districts are accounted for in the Custodial Funds. Property taxes are reported as a receivable and a deferred inflow of resources when levied, and as a revenue when due for collection in the following year. During November, the County holds a tax sale for delinquent property taxes. The property tax base is primarily dependent on businesses in the tourism industry.

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

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

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

**Cash and Investments**

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

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

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

**Accounts Receivable**

The County’s allowance for uncollectible accounts is \$266,418 in the Human Services Fund.

**Prepaid Items**

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Capital Assets and Depreciation/Amortization**

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

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

Assets	Years
Land improvements	5-30
Buildings	5-30
Sewer and water transmission and distribution lines	10-30
Equipment	4-30
Other	4-20
Leased asset	4-20
Subscription asset	2-5
Roads	10-20
Bridges	50

**Compensated Absences**

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

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

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

**Long-term Obligations**

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Fund Balance**

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

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

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

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

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

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is the deferred charges on refunding for its certificates of participation and reported in the government-wide statement of net position and the proprietary funds statement of net position. The deferred charges on refunding item is comprised of (1) an amount equal to the difference in the carrying value of old or refunded certificates of participation and the reacquisition price of the new or refunding certificates of participation and (2) prepaid insurance for the refunding certificates of participation. The total amount of the deferred charges on refunding is being amortized over the remaining life of the refunding certificates of participation in a systematic and rationale basis based on the debt outstanding at the beginning of each calendar year.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category, unavailable revenue on property taxes and leases. Unavailable revenue on property taxes are reported in the government-wide statement of net position, the governmental funds balance sheet and the fiduciary fund statement of net position. Leases related revenue are reported in the government-wide statement of net position, the governmental funds balance sheet and the proprietary funds statement of net position. This amount is deferred and recognized as an inflow of resources in the period that it becomes available.

**Leases**

**Lessee**

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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

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

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

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

#### Lessors

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

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the 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.

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

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

#### **Subscription Based Information Technology Arrangements (SBITA)**

The County has entered into various SBITAs. The County recognizes a SBITA liability and an intangible right-to-use the subscription asset (subscription asset) in the government-wide financial statements and proprietary statement of net position. The County recognizes subscription assets and liabilities with an initial, contract value of \$5,000 or more for subscriptions.

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the third party is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.
- The subscription term includes the noncancelable period of the subscription.
- Subscription payments included in the measurement of the subscription liability is composed of the fixed payments.

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

**Net Position**

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

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The County considers restricted net position to have been depleted before unrestricted net position is applied.

**Reclassifications**

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

**Estimates**

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

**Basis of Budgeting**

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

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

Public hearings are conducted by the Commissioners to obtain taxpayer comments. Typically on or prior to December 15, the budget is adopted by formal resolution. The 2023 budget followed the stated time line and was adopted prior to December 15, 2022. For budget year 2024, due to the approval of state legislation related to the significant increases in property tax assessments, the 2024 budget was approved on January 10, 2024 in compliance with the new legislation. The County recognized the property tax receivable and deferred inflow of resources as of December 31, 2023, to be consistent with historical presentations.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

Expenditures may not legally exceed appropriations for personnel, operations, capital, debt service or transfers at the department level. Changes in the total budget of any department must be approved by the Board of County Commissioners and accompanied by a public hearing for taxpayer comments. Final budgeted amounts included in the financial statements are based on the final, legally amended budget. During 2023, no department exceeded its budget. All budget amounts presented in the Required Supplementary Information and Supplementary Information reflect the original budget and the final amended budget. Budget appropriations lapse at the end of the year.

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

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

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

**Implementation of new GASB Statements**

As of January 1, 2023, the County implemented GASB Statement No. 96 (GASB 96), Subscription-Based Information Technology Arrangements (SBITA). This standard requires the recognition of right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the SBITA term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

**NOTE 2: DEPOSITS AND INVESTMENTS**

Investment Type	Investment Maturities			
	Fair Market Value	Up to 120 days	120 Days up to 1 year	More than 1 year and less than 3 years
U.S. Treasuries	\$ 57,218,822	\$ 4,772,161	\$ 19,431,431	\$ 33,015,230
Commercial Paper	1,452,210	-	1,452,210	-
U.S. Instrumentalities	15,078,401	2,012,385	3,970,819	9,095,197
Total	73,749,433	\$ 6,784,546	\$ 24,854,460	\$ 42,110,427

Deposits and Other Investments:

Cash on Hand	95,937
Demand Deposits	2,827,198
Certificates of Deposit	1,859,129
Government Investment Pools	6,572,980
Retirement Plans	39,390,220
Total Deposits and Investments	<u>\$ 124,494,897</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Investments**

The County's investment policy, described in the following sections, requires that County funds shall only be invested in instruments as allowed by Colorado state statutes. Investments are valued using fair value measurements, and interest income is accrued as realized.

The County categorizes its fair value measurements based on the valuation inputs used to measure the fair value of the asset using the following hierarchy: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. As of December 31, 2023, the County has U.S. Treasury securities, Commercial Paper, and U.S. Instrumentalities of \$57,218,822, \$1,452,210, and \$15,078,401, respectively, with fair value measurements valued using quoted market prices in active markets, pricing models or pricing matrices (Level 2 inputs).

The County recognizes gains or losses on investments at the time the investment matures, which is a separate calculation from the net change in fair market value of the investment and recorded as an increase or decrease in investment income. As of December 31, 2023, the County has an unrealized gain from the net change in fair market value of investments of \$1,100,315 due to higher interest rates in 2023.

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

**Interest Rate Risk**

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

**Credit Risk**

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

Government investment pools are reported at net asset value or amortized cost, with each share valued at \$1.00. COLOTRUST reports its underlying investments of \$3,399,365 at fair value. CSAFE reports its underlying investments of \$3,173,615 at amortized cost. The Colorado Division of Securities routinely monitors the investment pools with regard to operations and investments. Investments consist of U.S. Treasury Notes and other similar investments. Financial statements for the County's government investment pools are available at [www.colotrust.com](http://www.colotrust.com) and [www.csafe.org](http://www.csafe.org).

As of December 31, 2023, the local government investment pools in which the County participates, CSAFE and COLOTRUST, were both rated AAAM by Standard and Poor's.

**Concentration of Credit Risk**

The County investments are concentrated in U.S. Treasury investments (76%), U.S. Instrumentalities (20%), Commercial Paper (2%), and certificates of deposit (2%). More than 5% of the County's investments are in Federal Home Loan Bank and Federal Farm Credit Bank representing 12% and 8%, respectively of the County's total investments.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Custodial Credit Risk - Investments**

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

**Custodial Credit Risk – Deposits**

The carrying amount of the County's deposits as of December 31, 2023, was \$4,686,327. The bank balances were \$4,798,849, of which \$1,233,187 was covered by federal deposit insurance, and the remainder is collateralized according to Colorado state statutes. The Colorado Public Deposit Protection Act for banks and savings and loans requires the state regulators to certify eligible depositories for public deposits. The Act requires the qualified depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments, and obligations secured by first-lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair market value of the assets in the pool must be in excess of one hundred and two percent of the financial institution's total uninsured public deposits.

**NOTE 3. INTERFUND TRANSACTIONS**

**Interfund Loans**

Milner Sanitation System (Milner) anticipated receiving a loan from the Colorado Department of Local Affairs (DOLA) to finance sewer line modifications to meet state and federal discharge guidelines. Due to state budget constraints, the DOLA loan program had been discontinued at the time when Milner needed the funding. In addition, the County evaluated a state/federal loan program, which resulted in prohibitive administrative costs. As a result of the aforementioned attempts to finance the sewer project, the County decided to loan funds from the Road and Bridge Fund in 2011. The \$120,000 interfund loan has annual payments of \$9,629, 5% interest, and maturity in 2031. The loan payment will be paid from sanitation fees. In 2023, Milner paid off the interfund loan to aid in the grant application process for the replacement of the wastewater treatment plant and to help make customer fees more attainable. As of December 31, 2023, Milner has a remaining balance of \$0.

**Transfers**

Transfers are primarily made for additions and replacements of capital assets in the Internal Service funds. Additionally, transfers were made to Phippsburg Water and Sanitation System and Milner Sanitation System to help fund the construction of the new wastewater treatment plant for both systems.

	Transfers In				Total
	Human Services	Phippsburg Water & Sanitation System	Milner Sanitation System	Internal Service Funds	
Transfers Out					
General Fund	\$ 377,705	\$ 2,531,000	\$ 1,721,000	\$ 3,608,049	\$ 8,237,754
Road & Bridge Building	-	-	-	255,874	255,874
	-	-	-	53,536	53,536
<b>Total</b>	<b>\$ 377,705</b>	<b>\$ 2,531,000</b>	<b>\$ 1,721,000</b>	<b>\$ 3,917,459</b>	<b>\$ 8,547,164</b>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

**NOTE 4. CAPITAL ASSETS**

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

	Balances				Balances
	December 31				December 31,
	2022	2023	2023	2023	2023
	Restated	Additions	Deletions	Transfers	
<b>Governmental Activities:</b>					
Capital assets, not being depreciated/amortized:					
Land and improvements	\$ 3,092,916	\$ -	\$ -	\$ 38,135	\$ 3,131,051
Infrastructure *	57,353,002	-	-	-	57,353,002
Other	539,996	-	-	-	539,996
Construction in progress	11,909,421	7,219,290	(17,665,327)	(38,135)	1,425,249
<b>Total capital assets, not being depreciated/amortized</b>	<b>72,895,335</b>	<b>7,219,290</b>	<b>(17,665,327)</b>	<b>-</b>	<b>62,449,298</b>
Capital assets, being depreciated/amortized:					
Land improvements	1,902,009	128,408	-	-	2,030,417
Buildings	44,815,289	11,707,962	-	-	56,523,251
Equipment	30,900,992	4,934,374	(1,131,127)	-	34,704,239
Other	1,897,332	77,259	(31,530)	-	1,943,061
Leased asset	10,638	214,420	-	-	225,058
Subscription asset **	373,870	181,724	-	-	555,594
Infrastructure	53,043,443	1,277,166	(739,767)	-	53,580,842
<b>Total capital assets being depreciated/amortized</b>	<b>132,943,573</b>	<b>18,521,313</b>	<b>(1,902,424)</b>	<b>-</b>	<b>149,562,462</b>
Less accumulated depreciation/amortization for:					
Land improvements	(654,483)	(63,231)	-	-	(717,714)
Buildings	(20,458,686)	(1,114,199)	-	-	(21,572,885)
Equipment	(19,788,083)	(1,988,741)	1,118,532	-	(20,658,292)
Other	(1,202,287)	(141,976)	19,938	-	(1,324,325)
Leased assets	(3,340)	(62,250)	-	-	(65,590)
Subscription assets	-	(197,578)	-	-	(197,578)
Infrastructure	(25,660,071)	(1,839,932)	593,354	-	(26,906,649)
<b>Total accumulated depreciation/amortization</b>	<b>(67,766,950)</b>	<b>(5,407,907)</b>	<b>1,731,824</b>	<b>-</b>	<b>(71,443,033)</b>
<b>Total capital assets being depreciated/amortized, net</b>	<b>65,176,623</b>	<b>13,113,406</b>	<b>(170,600)</b>	<b>-</b>	<b>78,119,429</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 138,071,958</b>	<b>\$ 20,332,696</b>	<b>\$ (17,835,927)</b>	<b>\$ -</b>	<b>\$ 140,568,727</b>

\* See Note 14 Restatement of Net Position for more detailed explanation of the restatement of the beginning infrastructure balance.

\*\* As a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), \$373,870 in subscription assets has been added to the December 31, 2022 balance presented above. As the SBITA assets are offset by an equal amount of SBITA liabilities, the County does not report a restatement of beginning net position.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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

	Balances			Balances	
	December 31,	2023		December 31,	
	2022	Additions	2023	2023	
			Deletions		
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land and improvements	\$ 24,044,606	\$ -	\$ -	\$ 24,044,606	
Construction in progress	10,321,921	8,172,400	(11,207,658)	7,286,663	
<b>Total capital assets, not being depreciated/amortized</b>	<b>34,366,527</b>	<b>8,172,400</b>	<b>(11,207,658)</b>	<b>31,331,269</b>	
Capital assets, being depreciated/amortized:					
Land improvements	31,759,084	10,302,043	-	42,061,127	
Buildings	28,058,580	-	(155,598)	27,902,982	
Equipment	13,378,299	1,121,317	(455,443)	14,044,173	
Water system	1,983,972	-	-	1,983,972	
Sewer system	1,785,518	-	-	1,785,518	
Subscription asset*	40,656	-	-	40,656	
Other	210,732	-	-	210,732	
<b>Total capital assets being depreciated/amortized</b>	<b>77,216,841</b>	<b>11,423,360</b>	<b>(611,041)</b>	<b>88,029,160</b>	
Less accumulated depreciation/amortization for:					
Land improvements	(20,773,967)	(2,070,457)	-	(22,844,424)	
Buildings	(11,504,204)	(951,395)	132,259	(12,323,340)	
Equipment	(7,580,764)	(833,071)	227,261	(8,186,574)	
Water system	(1,258,075)	(43,800)	-	(1,301,875)	
Sewer system	(1,531,964)	(18,213)	-	(1,550,177)	
Subscription assets	-	(24,132)	-	(24,132)	
Other	(210,731)	-	-	(210,731)	
<b>Total accumulated depreciation/amortization</b>	<b>(42,859,705)</b>	<b>(3,941,068)</b>	<b>359,520</b>	<b>(46,441,253)</b>	
<b>Total capital assets being depreciated/amortized, net</b>	<b>34,357,136</b>	<b>7,482,292</b>	<b>(251,521)</b>	<b>41,587,907</b>	
<b>Business-type activities capital assets, net</b>	<b>\$ 68,723,663</b>	<b>\$ 15,654,692</b>	<b>\$ (11,459,179)</b>	<b>\$ 72,919,176</b>	

\* As a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), \$68,610 in subscription assets has been added to the December 31, 2022 balance presented above. As the SBITA assets are offset by an equal amount of SBITA liabilities, the County does not report a restatement of beginning net position.

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

<b>Governmental activities:</b>	
Administration	\$ 2,273,888
Community Resources	14,970
Public Safety	446,526
Road and Bridge	2,671,882
Human Services	641
<b>Total depreciation/amortization expense - governmental activities</b>	<b>\$ 5,407,907</b>
<b>Business-type activities:</b>	
Yampa Valley Regional Airport	\$ 3,920,700
Phippsburg Water and Sanitation System	12,581
Milner Sanitation System	7,787
<b>Total depreciation/amortization expense - business-type activities</b>	<b>\$ 3,941,068</b>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**NOTE 5. LEASE RECEIVABLE**

Summary of governmental activities and business-type activities lease receivable balance for the year ended December 31, 2023 is as follows:

<u>Receivable Fund</u>	<u>Lease Receivable</u>	<u>Deferred Inflow of Resources</u>
Governmental Activities		
Road and Bridge	\$ 243,080	\$ 243,080
Communications	434,579	434,579
Total Governmental activities	<u>\$ 677,659</u>	<u>\$ 677,659</u>
Business-Type Activities		
YVRA	\$ 5,047,236	\$ 5,047,236
Total Business-type activities	<u>\$ 5,047,236</u>	<u>\$ 5,047,236</u>

**Summary of Governmental Activities - Lease Receivable**

Lease receivable activity for the years following December 31, 2023, for governmental type activities is as follows:

<u>Year Ending December 31,</u>	<u>Lease Revenue</u>	<u>Interest Revenue</u>	<u>Total Payment</u>
2024	\$ 39,771	\$ 20,379	\$ 60,150
2025	41,018	19,133	60,151
2026	42,303	17,848	60,151
2027	43,629	16,521	60,150
2028	41,548	15,163	56,711
2029-2033	172,167	59,784	231,951
2034-2038	200,892	31,060	231,952
2039-2042	96,331	5,624	101,955
	<u>\$ 677,659</u>	<u>\$ 185,512</u>	<u>\$ 863,171</u>

**Road and Bridge Ground Lease**

In February 2019, the County entered into a five-year non-cancelable lease with CommNet Cellular Inc, dba Verizon Wireless (lessee) for a 700 square-foot ground lease located at 2300 County Shop Road with non-exclusive right for ingress and egress. The County will receive payments of \$15,735 annually beginning February 15, 2019. Annually the lease payment shall increase three percent for the proceeding twelve-month term. The lease shall automatically be extended for three additional five-year terms unless the lessee terminates the agreement at the end of the current term, given their intent to terminate at least six months prior to the end of the term. The lease has an interest rate of 3.09%. The County recognized \$12,376 in lease revenue and \$7,719 in interest revenue during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, the County's lease receivable and deferred inflow of resources is \$243,080.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

Communication Tower Leases

In August 2022, the County entered into a five-year non-cancelable lease with L3Harris Technologies, Inc. (lessee) on the premises of 25692 County Road 27, Oak Creek for the purpose of operating a communication site to support the lessee's contract with the Federal Aviation Administration (FAA) to replace the Wide Area Multilateration (WAM) Phase 1 system in Colorado. The County will receive \$1,250 monthly beginning October 1, 2022. The monthly lease payment shall increase three percent annually at the anniversary of the commencement date. For the current year, the County received \$15,113 in payments. The lessee shall have the option to renew the lease for three additional terms of five years each. The lease has an interest rate of 3.09%. The County recognized \$15,357 in lease revenue and \$11,811 in interest revenue during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, the County's lease receivable and deferred inflow of resources is \$373,860.

In July 2018, the County entered into three, five-year non-cancelable leases with the U.S. Department of Transportation Federal Aviation Administration (FAA), to operate four Wide Area Multilateration sites located in the Towns of Hayden and Oak Creek and the communication center in Steamboat Springs. The County will receive \$327, \$327, and \$402 monthly beginning October 1, 2018. For the current year, the County received \$9,494 in payments. The lease has an interest rate of 3.09%. The County recognized \$9,372 in lease revenue and \$122 in interest revenue for Communications during the current fiscal year. Communications has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, the County's lease receivable and deferred inflow of resources is \$0 for Communications.

In June 2023, the County entered into three, five-year non-cancelable leases with the U.S. Department of Transportation Federal Aviation Administration (FAA) to operate four Wide Area Multilateration sites located in the Towns of Hayden and Oak Creek and the communication center in Steamboat Springs. The County will receive \$359, \$359, and \$442 monthly beginning October 1, 2023. For the current year, the County received \$3,480 in payments. The lease has an interest rate of 3.57%. The County recognized \$2,956 in lease revenue and \$484 in interest revenue for Communications during the current fiscal year. Communications has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$40 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, the County's lease receivable and deferred inflow of resources is \$60,719 for Communications.

**Summary of Business-Type Activities**

Business-type activities lease and regulated receivable activity for the years following December 31, 2023, is as follows:

Year Ending December 31,	Lease Revenue	Interest Revenue	Total Payment	Regulated Leases	Total
2024	\$ 450,745	\$ 157,205	\$ 607,950	\$ 26,129	\$ 634,079
2025	428,248	142,007	570,255	26,129	596,384
2026	439,171	126,950	566,121	-	566,121
2027	454,702	111,420	566,122	-	566,122
2028	417,881	95,550	513,431	-	513,431
2029-2033	397,268	411,939	809,207	-	809,207
2034-2038	463,550	345,657	809,207	-	809,207
2039-2043	498,328	269,026	767,354	-	767,354
2044-2048	430,331	199,505	629,836	-	629,836
2049-2053	502,129	127,707	629,836	-	629,836
2054-2058	564,883	43,958	608,841	-	608,841
	<u>\$ 5,047,236</u>	<u>\$ 2,030,924</u>	<u>\$ 7,078,160</u>	<u>\$ 52,258</u>	<u>\$ 7,130,418</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Business-Type Activities - Regulated Leases**

Regulated lease activity for the years following December 31, 2023 for business type activities is as follows:

For the Year-Ended December 31,	Payment
2024	\$ 26,129
2025	26,129
	\$ 52,258

**Airlines**

YVRA leases a portion of its terminal to airlines under non-cancelable leases. Lease terms for the airlines is 12 months, December 1 through November 30. Under the lease terms, the airlines are required to pay monthly exclusive and joint-use space rents and landing fees. Exclusive space areas include ticketing and management offices, etc. Joint-use spaces are primarily the holding room and baggage claim areas. There are six airlines that service YVRA: Alaskan, American, Delta, Jet Blue, Southwest, and United Airlines. YVRA recognized \$239,568 in exclusive space rent, \$1,508,035 in joint use rent, and \$1,145,026 in landing fees from the airlines during the current year.

**Ground Handlers**

In December 2022, YVRA entered into a three-year non-cancelable lease with G2 Secure Staff, LLC and United Ground Express to provide ground-handling service to the airlines. The lease agreement gives the right to use the airport facilities, equipment and improvements at the airport for the operation of the airline’s ground handling business and all activities reasonably necessary to such operations serving air carriers possessing a current airline-airport use and lease agreement. The ground handlers will pay YVRA exclusive rent for use of designated office space within the terminal. G2 Secure Staff, LLC is leasing 520 square feet and United Ground Express is leasing 155 square feet. The rate charged will be adjusted annually on December 1 to the rate charged for exclusive space assigned to the airlines. The ground handlers are required to make four payments on the first of the month for December, January, February, and March. YVRA will receive annual payments for exclusive rent of \$20,129 from G2 Secure Staff, LLC and \$6,000 from United Ground Express.

YVRA will receive from the ground handlers a ground handling service fee of two percent of the ground handler’s monthly gross revenue. In the current year, YVRA recognized \$57,974 and \$5,177 of ground handling service fees from G2 Secure Staff, LLC and United Ground Express, respectively.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Business-Type Activities - Lease Receivable**

Fixed Based Operations Lease

In November 2019, YVRA entered into a 39-year non-cancelable ground lease, A through F, with the exception of lease D, which is a five-year non-cancelable ground lease with Atlantic Aviation Steamboat-Hayden LLC, to operate Fixed Based Operations (FBO) at the airport. YVRA will receive \$10,497 monthly for ground leases A, B, C, E, and F (main ground leases) and \$3,652 for ground lease D beginning December 1, 2021, and \$11,666 monthly for ground leases A, B, C, E and F (main ground leases) and \$3,643 for ground lease D beginning December 1, 2022. Annual adjustments to the lease payments will be based on the percentage increase of the U.S. City Average Consumer Price Index (CPI) and a market rate rental adjustment shall be made on each five-year anniversary date of this agreement. The lease has an interest rate of 3.09%. In the current year, YVRA received payments of \$137,899 and \$43,825 for ground leases A, B, C, and E and ground lease D, respectively. YVRA recognized \$42,283 and \$38,447 in lease revenue and \$83,684 and \$1,768 in interest revenue for the main ground leases and ground lease D during the current fiscal year, respectively. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$11,932 and \$3,610 of inflow of resources related to the main ground leases and ground lease D, respectively, as a result of the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$2,685,223 and \$36,302, respectively, for the main ground leases and ground leases. See below for the main ground leases and ground lease D amortization schedules.

Main Ground Leases			
For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 43,608	\$ 82,359	\$ 125,967
2025	44,975	80,993	125,968
2026	46,384	79,583	125,967
2027	47,838	78,129	125,967
2028	49,337	76,630	125,967
2029-2033	270,873	358,963	629,836
2034-2038	316,066	313,769	629,835
2039-2043	368,799	261,036	629,835
2044-2048	430,331	199,505	629,836
2049-2053	502,129	127,707	629,836
2054-2058	564,883	43,958	608,841
	\$ 2,685,223	\$ 1,702,632	\$ 4,387,855

Ground Lease D			
For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 36,302	\$ 563	\$ 36,865

The FBO is obligated to remit to YVRA \$0.10 per gallon of fuel pumped for general aviation purposes and 75% of landing fees collected monthly. In 2023, FBO remitted to the airport \$106,501 for fuel flow and \$242,402 for landing fees.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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Rental Car Leases

In December 2017, YVRA entered into a five-year non-cancelable lease with the Avis Budget Car Rental, LLC (lessee) for terminal counter space, ready return parking spaces, overflow vehicle storage spaces, and fuel farm access. In November 2022, YVRA amended and extended the contract through November 30, 2023. The lease includes 207 square feet of counter space within the terminal of the airport, exclusive use of 91 parking spaces for ready return vehicles, exclusive use of 18,112 square feet of overflow vehicle storage, and 7,159 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease, the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by the percentage change of the U.S. City Average Consumer Price Index (CPI) for All Urban Consumers. The lease has an interest rate of 3.09%. For the current year, YVRA collected \$122,859 for terminal counter space, ready return parking spaces, overflow vehicle storage spaces, and fuel farm access.

The lessee has agreed to pay a minimum annual guarantee (MAG) of \$20,418 per month or ten percent of the monthly gross revenue, whichever is greater. For the current year, YVRA collected \$597,079 in fees, of which \$224,598 in MAG fees and \$372,481 in variable payments.

YVRA recognized \$327,981 in lease revenue and \$5,089 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$386,868 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$0.

In December 2023, YVRA entered into a five-year non-cancelable lease with the Avis Budget Car Rental, LLC (lessee) for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 207 square feet of counter space within the terminal of the airport, exclusive use of 73 parking spaces for ready return vehicles, exclusive use of 44,796 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease, the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3 percent. The lease has an interest rate of 3.57%. For the current year, YVRA collected \$13,050 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a minimum annual guarantee (MAG) of 10% of gross revenue for the first year of the contract. For the remaining years of the contract, a base MAG will be determined based on the first year of revenues. For the current year, YVRA collected \$51,075 in MAG fees.

YVRA recognized \$11,742 in lease revenue and \$2,291 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$50,092 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$758,289.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 143,653	\$ 24,736	\$ 168,389
2025	148,865	19,522	168,387
2026	154,267	14,120	168,387
2027	159,865	8,522	168,387
2028	151,639	2,720	154,359
	\$ 758,289	\$ 69,620	\$ 827,909

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

In December 2017, YVRA entered into a five-year non-cancelable lease with the Hertz Corporation (Lessee) for terminal counter space, ready return parking spaces, overflow vehicle storage spaces, and fuel farm access. In November 2022, the Airport amended and extended the contract through November 30, 2023. The lessee is leasing 162 square feet of counter space within the terminal of the airport, exclusive use of 55 parking spaces for ready return vehicles, and exclusive use of 18,112 square feet of overflow vehicle storage. The lessee is leasing 7,159 square feet of non-exclusive right of use of the fuel farm at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate has to be adjusted in line with the rates charged to the airlines for counter space. Effective December 1 in each year of the lease, the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by the percentage change of the U.S. City Average Consumer Price Index (CPI) for All Urban Consumers. As of December 1, 2017, the MAG is \$12,184 monthly. The lease has an interest rate of 3.09%. For the current year, YVRA collected \$75,548 for terminal counter space, ready return parking spaces, overflow vehicle storage spaces, and fuel farm access.

The lessee has agreed to pay a minimum annual guarantee (MAG) of \$12,184 per month or ten percent of the monthly gross revenue, whichever is greater. For the current year, YVRA collected \$286,848 in fees, of which \$134,024 in MAG fees and \$152,299 in variable payments.

YVRA recognized \$206,887 in lease revenue and \$3,210 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$152,299 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$0.

In December 2023, YVRA entered into a five-year non-cancelable leases with the Hertz Corporation (Lessee) for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 162 square feet of counter space within the terminal of the airport, exclusive use of 44 parking spaces for ready return vehicles, exclusive use of 26,676 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease, the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3 percent. The lease has an interest rate of 3.57%. For the current year, YVRA collected \$8,963 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a minimum annual guarantee (MAG) of 10% of gross revenue for the first year of the contract. For the remaining years of the contract, a base MAG will be determined based on the first year of revenues. For the current year, YVRA collected \$24,298 in MAG fees.

YVRA recognized \$7,888 in lease revenue and \$1,539 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$23,834 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$509,416.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 96,506	\$ 16,617	\$ 113,123
2025	100,007	13,115	113,122
2026	103,635	9,486	113,121
2027	107,396	5,725	113,121
2028	101,872	1,827	103,699
	\$ 509,416	\$ 46,770	\$ 556,186

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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In December 2023, YVRA entered into five-year non-cancelable leases with the Enterprise Leasing Company of Denver, LLC (Lessee) for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 162 square feet of counter space within the terminal of the airport, exclusive use of 29 parking spaces for ready return vehicles, exclusive use of 17,916 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3 percent. The lease has an interest rate of 3.57%. For the current year, YVRA collected \$6,909 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a minimum annual guarantee (MAG) of 10% of gross revenue for the first year of the contract. For the remaining years of the contract, a base MAG will be determined based on the first year of revenues. For the current year, YVRA collected \$13,531 in MAG fees.

YVRA recognized \$6,027 in lease revenue and \$1,176 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$13,237 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$389,234.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 73,738	\$ 12,697	\$ 86,435
2025	76,413	10,021	86,434
2026	79,185	7,248	86,433
2027	82,059	4,374	86,433
2028	77,839	1,396	79,235
	\$ 389,234	\$ 35,736	\$ 424,970

**Taxi Leases**

In May 2018, YVRA entered into a five-year non-cancelable lease with Alpine Taxi/Limo, Inc. (lessee) for the right to use a 415-square-foot customer service booth in the terminal of the airport. YVRA will receive \$1,207 monthly for the customer service space. Annually, commencing on December 1, 2018, the rental rate shall be adjusted to the rental rate charged for exclusive space assigned by signatory airlines operating in the terminal building. The lease has an interest rate of 3.09%. In the current year, YVRA received \$2,040 in payments. YVRA recognized \$6,256 in lease revenue and \$48 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$0.

The lessee is also required to pay monthly eleven percent of gross revenue. During 2023, the lessee paid \$75,188 to YVRA.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

In April 2023, YVRA entered into a five-year non-cancelable lease with Steamboat Express, Inc. (lessee), formerly Alpine Taxi/Limo, Inc, for the right to use a 415-square-foot customer service booth in the terminal of the airport. YVRA will receive \$1,540 monthly for the customer service space. Annually, commencing on December 1, 2023, the rental rate shall be adjusted to the rental rate charged for exclusive space assigned by signatory airlines operating in the terminal building. The lease has an interest rate of 3.57%. In the current year, YVRA received \$18,614 in payments. YVRA recognized \$10,414 in lease revenue and \$1,903 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$6,297 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$74,075.

The lessee is also required to pay monthly eleven percent of gross revenue. During 2023, the lessee paid \$147,899 to YVRA.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 16,093	\$ 2,383	\$ 18,476
2025	16,677	1,799	18,476
2026	17,282	1,194	18,476
2027	17,910	566	18,476
2028	6,113	46	6,159
	\$ 74,075	\$ 5,988	\$ 80,063

In April 2023, YVRA entered into a five-year non-cancelable lease with Storm Mountain Express, Inc (lessee), for the right to use a 225 square foot customer service booth in the terminal of the airport. YVRA will receive \$835 monthly for the customer service space. Annually, commencing on December 1, 2023, the rental rate shall be adjusted to the rental rate charged for exclusive space assigned by signatory airlines operating in the terminal building. The lease has an interest rate of 3.57%. In the current year, YVRA received \$10,980 in payments. YVRA recognized \$5,707 in lease revenue and \$892 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$4,381 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$40,100.

The lessee is also required to pay monthly eleven percent of gross revenue. During 2023, the lessee paid \$200,639 to YVRA.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 8,784	\$ 1,116	\$ 9,900
2025	9,059	840	9,899
2026	9,343	556	9,899
2027	9,636	263	9,899
2028	3,278	21	3,299
	\$ 40,100	\$ 2,796	\$ 42,896

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

In April 2023, YVRA entered into a five-year non-cancelable lease with NDW Enterprises LLC, doing business as Ski Town Transportation (lessee), for the right to use a 56-square-foot customer service booth in the terminal of the airport. YVRA will receive \$205 monthly for the customer service space. Annually, commencing on December 1, 2023, the rental rate shall be adjusted to the rental rate charged for exclusive space assigned by signatory airlines operating in the terminal building. The lease has an interest rate of 3.57%. In the current year, YVRA received \$2,735 in payments. YVRA recognized \$1,537 in lease revenue and \$281 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$917 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$10,929.

The lessee is also required to pay monthly eleven percent of gross revenue. During 2023, the lessee paid \$109,944 to YVRA.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 2,374	\$ 352	\$ 2,726
2025	2,461	265	2,726
2026	2,550	176	2,726
2027	2,642	84	2,726
2028	902	7	909
	<u>\$ 10,929</u>	<u>\$ 884</u>	<u>\$ 11,813</u>

**Tower Lease**

In July 2018, the County entered into one five-year non-cancelable lease with the U.S. Department of Transportation Federal Aviation Administration (FAA) to operate four Wide Area Multilateration sites located at YVRA. The County will receive \$402 monthly beginning October 1, 2022. The lease has an interest rate of 3.09%. In the current year, YVRA received \$3,614 in payments. The County recognized \$3,568 in lease revenue and \$46 in interest revenue for the Airport during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue of the lease term. For the current year, the County had \$9 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, the Airport's lease receivable and deferred inflow of resources is \$0.

In June 2023, the County entered into one five-year non-cancelable lease with the U.S. Department of Transportation Federal Aviation Administration (FAA) to operate four Wide Area Multilateration sites located at YVRA. The County will receive \$441 monthly beginning October 1, 2023. The lease has an interest rate of 3.57%. In the current year, YVRA received \$1,325 in payments. The County recognized \$1,125 in lease revenue and \$184 in interest revenue for the Airport during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue of the lease term. For the current year, the County had \$16 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, the Airport's lease receivable and deferred inflow of resources is \$23,116.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 4,589	\$ 650	\$ 5,239
2025	4,733	506	5,239
2026	4,881	357	5,238
2027	5,034	205	5,239
2028	3,879	50	3,929
	<u>\$ 23,116</u>	<u>\$ 1,768</u>	<u>\$ 24,884</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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Office Space Lease

In November 2022, YVRA entered into a ten-year non-cancelable lease with the U.S. General Service Administration (lessee) for office space totaling 1,164 square feet. YVRA will receive \$35,874 annually payable monthly in arrears beginning December 1, 2022. The lessee may renew the lease for an additional two option terms of five years. Annually, on the lease term commencement date, the annual payment shall be adjusted by the cost of living adjustment published for the prior month. The lease has an interest rate of 3.09%. YVRA recognized \$19,730 in lease revenue and \$16,144 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$511,730.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2024	\$ 20,348	\$ 15,526	\$ 35,874
2025	20,986	14,888	35,874
2026	21,644	14,230	35,874
2027	22,322	13,552	35,874
2028	23,022	12,853	35,875
2029-2033	126,395	52,976	179,371
2034-2038	147,484	31,888	179,372
2039-2042	129,529	7,990	137,519
	<u>\$ 511,730</u>	<u>\$ 163,903</u>	<u>\$ 675,633</u>

Farm Ground Lease

In November 2019 and 2020, YVRA entered into two five-year non-cancelable leases for 65.08 grazing acreage and 17.86 hay acreage rights and one six year lease for 119.14 farmable land acreage and 109.63 alfalfa acreage rights with three farmers (lessees). The lessees shall pay \$5.60 per acre for grazing and hay rights, \$18.59 per farmable acre and \$25 per acre for alfalfa. YVRA will receive \$4,680 annually for the farm leases. The lease has an interest rate of 3.09%. In the current year, YVRA received \$4,680 in payments. YVRA recognized \$4,605 in lease revenue and \$350 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term.

As of December 31, 2023, YVRA's lease receivable and deferred inflow of resources is \$8,822.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

**NOTE 6. LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended December 31, 2023 is as follows:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023	Due Within One Year
<b>Governmental activities:</b>					
Certificates of participation	\$ 3,480,000	\$ -	\$ (1,125,000)	\$ 2,355,000	\$ 1,160,000
Unamortized discount, certificates of participation	(3,615)	-	1,789	(1,826)	(1,211)
Total certificates of participation	3,476,385	-	(1,123,211)	2,353,174	1,158,789
Leases	7,299	214,420	(62,250)	159,469	46,422
Subscription liability *	373,870	175,486	(191,701)	357,655	210,928
Compensated absences	1,800,857	2,680,825	(2,321,535)	2,160,147	1,284,553
Total governmental activities	5,658,411	3,070,731	(3,698,697)	5,030,445	2,700,692
<b>Business-type activities:</b>					
Loans payable:					
Revenue loans	44,436	-	(9,032)	35,404	9,483
Subscription liability *	40,656	-	(23,838)	16,818	11,062
Compensated absences	344,921	539,764	(406,391)	478,294	205,021
Total business-type activities	430,013	539,764	(439,261)	530,516	225,566
Total long-term obligations	\$ 6,088,424	\$ 3,610,495	\$ (4,137,958)	\$ 5,560,961	\$ 2,926,258

\* As a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), \$373,870 and \$40,656 in subscription liability for governmental activities and business-type activities have been added to the December 31, 2022 balance presented above. As the subscription liabilities are offset by an equal amount of Subscription assets, the County does not report a restatement of beginning net position.

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

**Governmental Activities – Long Term Obligations**

**Certificates of Participation**

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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The acquisition price of the new refunding certificates exceeded the net carrying amount of the old certificates by \$823,554. This amount is shown as a deferred charge on refunding and amortized over the remaining life of the refunding debt or 13 years. In 2023, a total of \$29,387 was amortized and the unamortized refunding cost as of December 31, 2023 is \$29,978. The County advance refunded the Certificates of Participation, Series 2006 to reduce its total debt service payments over 13 years by \$852,164 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new certificates) of \$674,430.

The prepaid insurance policy premium and cost of the surety bond for the refunding certificates of participation totaled \$155,347. This amount is shown as a deferred charge on refunding and amortized over the remaining life of the refunding debt or 13 years. In 2023, a total of \$5,543 was amortized and the unamortized refunding cost as of December 31, 2023, is \$5,653. Total deferred charges are reported as a deferred outflow of resources and the total unamortized balance as of December 31, 2023, is \$35,631.

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

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

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

Year Ending December 31,	Principal	Interest	Total
2024	\$ 1,160,000	\$ 76,538	\$ 1,236,538
2025	1,195,000	38,835	1,233,835
Total	<u>\$ 2,355,000</u>	<u>\$ 115,373</u>	<u>\$ 2,470,373</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Governmental Activities - Lease Payable**

Governmental activities lease payable activity for the years following December 31, 2023, is as follows:

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2024	\$ 46,422	\$ 4,624	\$ 51,046
2025	44,599	3,127	47,726
2026	41,161	1,656	42,817
2027	19,117	664	19,781
2028	8,170	73	8,243
	<u>\$ 159,469</u>	<u>\$ 10,144</u>	<u>\$ 169,613</u>

Postage Machine Lease

The Equipment Pool entered into a five-year lease agreement for the use of a postage machine. An initial lease liability was recorded in the amount of \$10,639. As of December 31, 2023, the value of the lease liability is \$3,854. The County is required to make monthly payments of \$302. The lease has an interest rate of 3.09%. The equipment has a useful life of 5 years. The value of the right to use the asset as of December 31, 2023, is \$10,638 with accumulated amortization of \$6,785 are shown in Footnote 4 under governmental activities as an intangible lease asset.

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2024	\$ 3,553	\$ 69	\$ 3,622
2025	301	1	302
	<u>\$ 3,854</u>	<u>\$ 70</u>	<u>\$ 3,924</u>

Body Cameras

The General Fund entered into a five-year lease agreement for body cameras for the Sheriff's Office and Detention center. An initial lease liability was recorded in the amount of \$123,963. As of December 31, 2023, the value of the lease liability is \$74,900. The County is required to make monthly payments of \$2,303. The lease has an interest rate of 3.09%. The equipment has a useful life of five years. The value of the right to use the asset as of December 31, 2023, is \$123,963 with an accumulated amortization of \$49,063 are shown in Footnote 4 under governmental activities as an intangible lease asset.

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2024	\$ 25,691	\$ 1,953	\$ 27,644
2025	26,496	1,147	27,643
2026	22,713	323	23,036
	<u>\$ 74,900</u>	<u>\$ 3,423</u>	<u>\$ 78,323</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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Dash Cameras

The General Fund entered into a five-year lease agreement for dash cameras for the Sheriff’s Office. An initial lease liability was recorded in the amount of \$90,457. As of December 31, 2023, the value of the lease liability is \$80,715. The County is required to make monthly payments of \$1,648. The lease has an interest rate of 3.57%. The equipment has a useful life of 5 years. The value of the right to use asset as of December 31, 2023, is \$90,457 with accumulated amortization of \$9,742 and are shown in Footnote 4 under governmental activities as an intangible lease asset.

For the Year- Ended December	<u>31,</u>	<u>Lease Expense</u>	<u>Interest Expense</u>	<u>Total Payment</u>
2024	\$	17,178	\$ 2,602	\$ 19,780
2025		17,802	1,979	19,781
2026		18,448	1,333	19,781
2027		19,117	664	19,781
2028		8,170	73	8,243
	\$	<u>80,715</u>	<u>\$ 6,651</u>	<u>\$ 87,366</u>

**Governmental Activities - Subscription-Based Information Technology Arrangements**

The County has various SBITAs, including subscriptions for land management, property assessment, geographical information systems, client data tracking software, and body and vehicle dash cameras. The SBITA arrangements expire in various years through 2028. As of December 31, 2023, SBITA assets and the related accumulated amortization totaled \$555,594 and \$197,578, respectively. For the current year, the County has no additional outflow of resources for variable payments, termination penalties, commitments before the commencement of the subscription term or any components related to a loss impairment. The future subscription payments under SBITA agreements are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 210,928	\$ 9,281	\$ 220,209
2025	72,146	4,041	76,187
2026	47,004	1,725	48,729
2027	19,320	670	19,990
2028	8,257	74	8,331
Total	<u>\$ 357,655</u>	<u>\$ 15,791</u>	<u>\$ 373,446</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Business-Type Activities – Long-Term Obligations**

Loans - Phippsburg Water and Sanitation System

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

Year Ending December 31,	Principal	Interest	Total
2024	\$ 7,973	\$ 1,257	\$ 9,230
2025	8,372	859	9,231
2026	8,792	439	9,231
Total	<u>\$ 25,137</u>	<u>\$ 2,555</u>	<u>\$ 27,692</u>

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

Year Ending December 31,	Principal	Interest	Total
2024	\$ 1,510	\$ 513	\$ 2,023
2025	1,584	438	2,022
2026	1,664	359	2,023
2027	1,747	275	2,022
2028	1,835	187	2,022
2029	1,927	96	2,023
Total	<u>\$ 10,267</u>	<u>\$ 1,868</u>	<u>\$ 12,135</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

**Business-Type Activities - Subscription-Based Information Technology Arrangements**

The County has various SBITAs, including subscriptions for the restaurants point of sale software, and flight information display system software. The SBITA arrangements expire in various years through 2025. As of December 31, 2023, SBITA assets and the related accumulated amortization totaled \$40,656 and \$24,132, respectively. For the current year, the County has no additional outflow of resources for variable payments, termination penalties, commitments before the commencement of the subscription term or any components related to a loss impairment. The future subscription payments under SBITA agreements are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 11,062	\$ 380	\$ 11,442
2025	5,756	77	5,833
Total	<u>\$ 16,818</u>	<u>\$ 457</u>	<u>\$ 17,275</u>

**NOTE 7. FUND BALANCE AND NET POSITION**

	Fund Balance					Net Position	
	General Fund	Road & Bridge	Human Services	Communications	Total Governmental Funds	Governmental Activities	Business Activities
Nonspendable							
Prepays/Inventory/Deposit	\$ 141,553	\$ 56,823	\$ 1,727	\$ 39,288	\$ 239,391		
Restricted							
Lottery	419,013	-	-	-	419,013	419,013	-
Museums and Heritage	224,902	-	-	-	224,902	224,902	-
Developmental Disabilities	396	-	-	-	396	396	-
Purchase of Development Rights	6,632,920	-	-	-	6,632,920	6,632,920	-
Public Trustee	47,074	-	-	-	47,074	47,074	-
Recycling	60,840	-	-	-	60,840	60,840	-
Sheriff Investigations	5,293	-	-	-	5,293	5,293	-
Contraband Forfeiture Act	37,757	-	-	-	37,757	37,757	-
Affordable Housing	75,000	-	-	-	75,000	75,000	-
County Manager severance	111,679	-	-	-	111,679	111,679	-
E-Recording	30,330	-	-	-	30,330	30,330	-
TABOR reserve for emergencies:							
General Fund	1,501,335	-	-	-	1,501,335	1,501,335	-
Yampa Valley Regional Airport	-	-	-	-	-	-	344,503
Phippsburg Water and Sanitation System	-	-	-	-	-	-	88,045
Milner Sanitation System	-	-	-	-	-	-	60,991
	<u>9,146,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,146,539</u>	<u>9,146,539</u>	<u>493,539</u>
Committed							
General Fund - 10%	2,948,216	-	-	-	2,948,216		
General Fund - Capital	10,530,219	-	-	-	10,530,219		
Road & Bridge	-	8,745,504	-	-	8,745,504		
Human Services	-	-	424,829	-	424,829		
Communications	-	-	-	3,401,764	3,401,764		
	<u>13,478,435</u>	<u>8,745,504</u>	<u>424,829</u>	<u>3,401,764</u>	<u>26,050,532</u>		
	<u>\$ 22,766,527</u>	<u>\$ 8,802,327</u>	<u>\$ 426,556</u>	<u>\$ 3,441,052</u>	<u>\$ 35,436,462</u>	<u>\$ 9,146,539</u>	<u>\$ 493,539</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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On December 31, 2023, the committed fund balance of the General Fund complied with the Board of County Commissioner's resolution to establish the year-end committed fund balance of the General Fund to be no less than 10% of General Fund expenditures of the prior year. It shall exclude expenditures from voter-approved mill levies such as the purchase of development rights, developmental disabilities, the museum and heritage, and future voter-approved mill levies restricted for a specific purpose and transfers. Additionally, the committed fund balance complies with the Board of County Commissioner's resolution to set aside funds to acquire capital assets. The capital committed fund balance will be comprised of Severance Tax collected in a calendar year greater than \$45,000, Building Use Tax collected in a calendar year greater than \$235,000 and other funds designated by the Commissioners. The 10% committed fund balance will be funded prior to the capital committed fund balance in the General Fund.

**NOTE 8. DEFINED CONTRIBUTION PLANS**

The County provides pension benefits through two defined contribution plans. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The day-to-day administration of the plan is provided by Mission Square Retirement Corporation. Plan provisions are established and may be amended by the Board of County Commissioners.

The County provides pension benefits for all of its employees working 30 hours or more per week for the entire year through an Internal Revenue Code Section 401(a) defined contribution plan. As of January 1, 2022, employees are eligible to participate upon employment with the County, and at that time the County starts contributing to the plan. The County's contribution for each employee and earnings allocated to the employee's account is fully vested after five years of continuous service. County contributions for, and earnings forfeited by, employees who leave employment before five years of service are used to reduce the County's contribution requirement. Plan members and the County are required to contribute 6% of the annual covered salary. The required contributions by the County matching those actually made by the employees in 2023 totaled \$1,297,925. The forfeitures for employees who left employment with the County in 2023 totaled \$25,452.

In addition, the County provides pension benefits for all of its employees working 20 hours or more per week for the entire year through an Internal Revenue Code Section 457 plan. Participation in the plan is optional and employees are eligible to participate from their date of employment. The County is not required to contribute to the plan and plan members may contribute anywhere from 1% to 25% of the annual covered salary or the plan year maximum. The financial statements for the Section 457 plan have not been included as part of this report per GASB Statement No. 97, Certain Component Unit Criteria, and Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.

**NOTE 9. RISK MANAGEMENT**

**County Workers' Compensation Pool**

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

**Insurance Pool**

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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Casualty and Property Insurance

The County is exposed to various risks of loss related to property and casualty losses. In 1986, the County joined together with other counties in the State of Colorado to form Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. As of January 1, 2022, the County is self-funded for the first \$75,000 per claim per year. CAPP funds claims in excess of \$75,000. The County pays an annual contribution to CAPP for the administration of the self-insured plan and for property and casualty insurance coverage. The intergovernmental agreement for the formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary. The pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. In the past three years, the amount of settlement for any claim has not exceeded the insurance coverage.

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

	Year Ended 12/31/2023
Unpaid claims, beginning of fiscal year	\$ 3,314
Incurred claims (including IBNRs)	131,570
Claim payments	(135,194)
Unpaid claims, end of fiscal year	\$ (310)

Health and Dental Insurance

The County provides medical and dental coverage for eligible employees and is partially self-funded for these plans. The County is self-funded for the first \$75,000 per claim per year for health insurance and \$1,200 per member per year for dental insurance. A third party administers claim processing services. Commercial aggregate and individual stop loss insurance policies for health insurance are purchased to limit the risk of loss to the County. The individual stop loss policy covers individual claims in excess of \$75,000 annually with no annual or lifetime maximum. The aggregate stop loss policy covers total annual claims in excess of the 2023 aggregate deductible of \$4,534,959 up to \$1,000,000 per coverage period. In the past three years, the amount of settlement for any claim and the aggregate have not exceeded the insurance coverage.

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

	Year Ended 12/31/2023
Unpaid claims, beginning of fiscal year	\$ 487,720
Incurred claims (including IBNRs)	6,548,895
Claim payments	(6,849,716)
Unpaid claims, end of fiscal year	\$ 186,899

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**NOTE 10. CONSTRUCTION COMMITMENTS**

Facilities Management has a security design contract for the Historic Courthouse and Annex. Funding for the County’s facilities project is provided by reserves.

Information Technologies has four contracts for archiving historical deed records documents, which are funded by reserves.

YVRA has three projects; building a car wash facility for the rental car companies, the Taxiway A connector rehabilitation, and the replacement of the parking lots access control equipment. The car wash facility project has two contracts; one contract for design and project management and one contract for construction. While the taxiway project only has a contract for design and parking lot access control project only has a construction contract. Funding for the taxiway project is provided by federal grants, state grants and reserves. The car wash facility and parking lot access controls projects are funded by YVRA reserves.

Milner Sanitation System has a design and engineer contract for the wastewater treatment plant project. Funding for the project is provided by a federal grant, state grant and reserves.

Phippsburg Water and Sanitation System has a design and engineer contract for the wastewater treatment plant project. Funding for the project is provided by a federal grant, state grant and reserves.

Project	Spent to Date	Remaining Commitment
Facilities Management projects	\$ 521,666	\$ 33,730
Information Technologies projects	250,286	297,400
YVRA car wash facility	4,051,359	26,913
YVRA taxiway A connector rehab	535,122	114,476
YVRA parking access controls	217,024	52,244
Milner wastewater treatment plant	362,213	37,787
Phippsburg wastewater treatment plant	342,965	57,035
Total	\$ 6,280,635	\$ 619,585

**NOTE 11. CONTINGENCIES**

**Taxpayer’s Bill of Rights**

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

TABOR also requires local governments to establish emergency reserves for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending, excluding certain expenditures as detailed in the amendment. The County has restricted a portion of its 2023 year-end fund balance/net position in the General Fund, Yampa Valley Regional Airport, Phippsburg Water and Sanitation and Milner Sanitation for emergencies as required under TABOR. As of December 31, 2023, the County had a restricted fund balance/net position of \$1,501,335, \$344,503, \$88,045 and \$66,991 in the General Fund, Yampa Valley Regional Airport, Phippsburg Water and Sanitation and Milner Sanitation respectively, for this purpose.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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

On September 17, 2002, by resolution, the Routt County Board of County Commissioners approved the Phippsburg Water and Sanitation System (System) as an Enterprise under Article X, Section 20 of the Colorado Constitution. The resolution states, “The System’s service charges and fees shall be set to maintain the System as a self-funding enterprise and, in that regard, the System’s operations and capital expenditures shall be financed so that it shall not, in any year, receive ten percent or more of its funding from state or local governments.” During 2023, Phippsburg Water and Sanitation System received state and County funding for the design and construction of the replacement wastewater treatment facility. The state and General Fund transfer represent more than ten percent of Phippsburg Water and Sanitation System's funding from state and local governments and results in restricting net position \$88,045.

On May 8, 2008, by resolution, the Routt County Board of County Commissioners approved the Milner Sanitation System (System) as an Enterprise under Article X, Section 20 of the Colorado Constitution. The resolution states, “The System’s service charges and fees shall be set to maintain the System as a self-funding enterprise and, in that regard, the System’s operations and capital expenditures shall be financed so that it shall not, in any year, receive ten percent or more of its funding from state or local governments.” During 2023, Milner Sanitation System received state and County funding for the design and construction of the replacement wastewater treatment facility. The state and General Fund transfer represent more than ten percent of Milner Sanitation System's funding from state and local governments and results in restricting net position \$60,991.

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

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

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

In 2005, the County electorate approved a .5 mill levy increase to the existing 1.0 mill levy for a total 1.5 mill levy for the purchase of development rights. This ballot issue allows the revenue and spending limitation to be increased to 1.5 mills. This tax sunsets in the assessment year 2024, with final taxes for 2024 collected in 2025. On November 8, 2022, the electorate approved the extension of the 1.5 mill property tax for the purchase of development rights through assessment year 2034, with final taxes for 2034 collected in 2035.

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

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Contingent Liabilities**

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

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

**NOTE 12. JOINTLY GOVERNED ORGANIZATIONS**

**Affordable Housing Fund**

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

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

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

**Combined Law Enforcement Facility (CLEF)**

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

**Initial Ownership of the Premises and Ownership upon Termination of the Lease**

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

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

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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The County shall retain possession of the Communication Center and its share of the CLEF. The County's share shall be located in the County Premise in accordance with the following criteria: a) providing each party with useable space, b) recognizing each party's need to relocate the functions performed in the space vacated by that party, and c) separating incompatible uses. The County shall vacate and surrender possession to the City the remainder of the space which will no longer house the RSCO.

Lease Term

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

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

Operations and Maintenance Costs

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

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

**NOTE 13. SUBSEQUENT EVENTS**

**Routt County Power Plant and Mine**

In 2021, the owner of the power plant located in Hayden, Colorado, announced that it will close Unit Two in 2027 and Unit One in 2028, which is earlier than the previously anticipated time frame of 2030 to 2036. The Hayden power plant is a coal driven plant and gets the majority of its coal from the 20 Mile Mine. Both the power plant and mine are located in Routt County. In 2023, the County has a base property tax temporary mill levy credit of 5.457 mills, which would allow the County to decrease assessed valuation by \$678,132,687 or 33.7% before there would be a reduction in the base property tax to the County. If the power plant and coal mine were to close in 2024, based on 2023 assessed valuation, the County's assessed valuation would decrease by \$79,411,410 or 4.0% of the total assessed valuation of the County. Voter approved property taxes, based on 2023 assessed valuation less the assessed valuation of the power plant and the mine, would decrease \$222,352 in 2023. County base property taxes using data from 2023 will not decrease with the closure of the power plant and mine. This is because of a significant increase in the county's assessed valuation for 2023, which increased by \$685,294,830 or 51.7%, to \$2,009,666,416. The assessed valuation of the power plant and coal mine in 2023 is not substantial enough to affect the county's property tax revenue. However, uncertainties remain regarding other potential impacts on Routt County operations resulting from the planned closure of the power plant.

**Phippsburg Water and Sanitation System Debt Issuance**

On April 30, 2024, Phippsburg Water and Sanitation System was awarded a loan through the Water Pollution Control Revolving Fund (WPCRF) Disadvantaged Communities Loan Program. The loan has a principal amount of \$1,500,000, of which amount includes up to \$781,915 of up-front principal forgiveness with a remaining loan balance of \$718,085 for 30 years at an annual interest rate of 2.25%. The proceeds of the loan will be used to replace the lagoon wastewater treatment system with a mechanical wastewater treatment facility in 2024.

**ROUTT COUNTY, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2023**

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**Milner Sanitation System Debt Issuance**

On April 30, 2024, Milner Sanitation System was awarded a loan through the WPCRF Disadvantaged Communities Loan Program. The loan has a principal amount of \$1,500,000, of which amount includes up to \$781,915 of up-front principal forgiveness with a remaining loan balance of \$718,085 for 30 years at an annual interest rate of 1.25%. The proceeds of the loan will be used to replace the lagoon wastewater treatment system with a mechanical wastewater treatment facility in 2024.

**Phippsburg Loan Advance Payoff**

In March 2024, Phippsburg Water and Sanitation System paid off its 2006 and 2009 Energy and Mineral Impact Loans that had remaining balances as of December 31, 2023 of \$25,137 and \$10,267, respectively. The advance repayment of the loans was done to aid in the grant application process for the replacement of the wastewater treatment plant and to help make customer fees more attainable.

**State Bill 24-233**

In 2024, State Bill (SB) 24-233 was passed by the state legislation. This bill limits the increase in assessed valuation to 5.5 percent. SB 24-233 will have an impact on voter approved property taxes and will allow for a vote to increase the mill levy.

**NOTE 14. RESTATEMENT OF NET POSITION**

As part of the operation of a coal mine, a gravel haul road had been constructed between County Road (CR) 27 and CR 53 to transport coal from the mine to the shipping point. The haul road was designed and constructed to accommodate individual coal trucks transporting tens of yards of coal. The coal mine is no longer in need of the haul road, so the County agreed to acquire the right of way from various property owners, in order to provide an effective and efficient means of travel in the County. The cost of the right of way (ROW) does not reflect the construction cost of the haul road. During the years of 2016, 2017, 2019 and 2020 the County acquired portions of the haul road ROW, but did not record the cost of the haul road construction. The beginning balance of the infrastructure asset (not being depreciated) was restated from its ending December 31, 2022 balance as summarized below.

	Net Position		
	December 31, 2022	Haul Road	January 1, 2023
Infrastructure (not being depreciated)	\$ 50,871,180	\$ 6,481,822	\$ 57,353,002
	\$ 50,871,180	\$ 6,481,822	\$ 57,353,002

**Routt County, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 22,022,406	\$ 22,039,406	\$ 22,359,656	\$ 320,250
Sales taxes	8,374,967	8,454,317	9,993,263	1,538,946
Intergovernmental	2,519,643	2,680,509	2,942,342	261,833
Charges for sales and services	4,904,272	4,969,272	5,068,517	99,245
Investment earnings	828,256	828,256	2,798,999	1,970,743
Total revenues	<u>38,649,544</u>	<u>38,971,760</u>	<u>43,162,777</u>	<u>4,191,017</u>
<b>EXPENDITURES</b>				
<b>Administration</b>				
Accounting				
Salaries and benefits	1,509,443	1,509,443	1,488,609	20,834
Operations	104,835	104,835	91,393	13,442
Total	<u>1,614,278</u>	<u>1,614,278</u>	<u>1,580,002</u>	<u>34,276</u>
Attorney				
Salaries and benefits	733,803	733,803	654,321	79,482
Operations	18,135	18,135	7,489	10,646
Total	<u>751,938</u>	<u>751,938</u>	<u>661,810</u>	<u>90,128</u>
Commissioners				
Salaries and benefits	1,007,063	1,007,063	816,577	190,486
Operations	198,949	198,949	185,085	13,864
Total	<u>1,206,012</u>	<u>1,206,012</u>	<u>1,001,662</u>	<u>204,350</u>
Facilities management				
Salaries and benefits	934,497	934,497	858,346	76,151
Operations	2,585,335	2,801,470	2,734,279	67,191
Capital outlay	-	6,240	6,238	2
Total	<u>3,519,832</u>	<u>3,742,207</u>	<u>3,598,863</u>	<u>143,344</u>
Geographical information systems				
Salaries and benefits	399,926	399,926	374,778	25,148
Operations	32,100	32,100	29,458	2,642
Total	<u>432,026</u>	<u>432,026</u>	<u>404,236</u>	<u>27,790</u>
Grant administration				
Salaries and benefits	110,570	110,570	94,531	16,039
Operations	2,425	2,425	139	2,286
Total	<u>112,995</u>	<u>112,995</u>	<u>94,670</u>	<u>18,325</u>
Information technology				
Salaries and benefits	1,881,997	1,881,997	1,704,308	177,689
Operations	1,503,460	1,337,675	1,147,700	189,975
Capital outlay	-	84,075	84,071	4
Debt service	-	165,785	165,774	11
Total	<u>3,385,457</u>	<u>3,469,532</u>	<u>3,101,853</u>	<u>367,679</u>
Human resources				
Salaries and benefits	508,406	508,406	504,102	4,304
Operations	120,460	120,460	70,285	50,175
Total	<u>628,866</u>	<u>628,866</u>	<u>574,387</u>	<u>54,479</u>
Public information office				
Salaries and benefits	126,825	126,825	124,701	2,124
Operations	14,325	14,325	10,713	3,612
Total	<u>141,150</u>	<u>141,150</u>	<u>135,414</u>	<u>5,736</u>
Purchasing				
Salaries and benefits	132,729	132,829	132,767	62
Operations	895	895	865	30
Total	<u>133,624</u>	<u>133,724</u>	<u>133,632</u>	<u>92</u>
Total Administration	<u>\$ 11,926,178</u>	<u>\$ 12,232,728</u>	<u>\$ 11,286,529</u>	<u>\$ 946,199</u>

**Routt County, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Community Resources</b>				
Developmental disabilities				
Operations	\$ 1,408,466	\$ 1,425,466	\$ 1,425,444	\$ 22
Total	1,408,466	1,425,466	1,425,444	22
Museums				
Salaries and benefits	1,785	1,785	1,332	453
Operations	611,503	611,503	455,853	155,650
Total	613,288	613,288	457,185	156,103
Elections				
Salaries and benefits	269,443	337,443	335,298	2,145
Operations	62,015	79,265	78,941	324
Total	331,458	416,708	414,239	2,469
Multi modal transportation				
Operations	75,000	75,000	71,753	3,247
Total	75,000	75,000	71,753	3,247
Affordable housing				
Operations	50,000	254,000	254,000	-
Total	50,000	254,000	254,000	-
Community services				
Operations	839,101	1,236,314	1,229,132	7,182
Total	839,101	1,236,314	1,229,132	7,182
Planning				
Salaries and benefits	711,474	711,474	680,302	31,172
Operations	745,600	745,600	727,687	17,913
Total	1,457,074	1,457,074	1,407,989	49,085
Recycling				
Operations	66,350	66,350	51,805	14,545
Total	66,350	66,350	51,805	14,545
Surveyor				
Salaries and benefits	7,197	7,197	7,196	1
Total	7,197	7,197	7,196	1
Taylor grazing				
Operations	37,287	37,287	23,450	13,837
Total	37,287	37,287	23,450	13,837
Noxious weed				
Salaries and benefits	224,886	224,886	196,842	28,044
Operations	93,011	93,011	87,310	5,701
Total	317,897	317,897	284,152	33,745
Environmental health				
Salaries and benefits	659,884	659,884	653,243	6,641
Operations	166,236	181,636	181,316	320
Total	826,120	841,520	834,559	6,961
Public health				
Salaries and benefits	736,390	736,390	632,006	104,384
Operations	147,285	141,355	81,172	60,183
Debt service	-	5,930	5,928	2
Total	883,675	883,675	719,106	164,569
Extension				
Salaries and benefits	298,985	298,985	288,078	10,907
Operations	81,590	81,590	73,210	8,380
Total	380,575	380,575	361,288	19,287
Veterans				
Salaries and benefits	34,244	34,244	32,428	1,816
Operations	900	900	667	233
Total	35,144	35,144	33,095	2,049
Purchase of development rights				
Salaries and benefits	10,084	27,084	20,870	6,214
Operations	9,188,213	9,171,213	3,092,077	6,079,136
Total	\$ 9,198,297	\$ 9,198,297	\$ 3,112,947	\$ 6,085,350

**Routt County, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Fair</b>				
Salaries and benefits	\$ 269,767	\$ 269,767	\$ 245,486	\$ 24,281
Operations	458,185	458,185	425,555	32,630
Total	<u>727,952</u>	<u>727,952</u>	<u>671,041</u>	<u>56,911</u>
Total Community Resources	<u>17,254,881</u>	<u>17,973,744</u>	<u>11,358,381</u>	<u>6,615,363</u>
<b>Property Tax Administration</b>				
<b>Clerk</b>				
Salaries and benefits	324,474	254,974	248,570	6,404
Operations	27,921	29,421	29,142	279
Total	<u>352,395</u>	<u>284,395</u>	<u>277,712</u>	<u>6,683</u>
<b>Motor vehicle</b>				
Salaries and benefits	444,479	444,479	402,389	42,090
Operations	36,367	42,367	37,497	4,870
Total	<u>480,846</u>	<u>486,846</u>	<u>439,886</u>	<u>46,960</u>
<b>Public trustee</b>				
Salaries and benefits	57,140	57,140	43,089	14,051
Operations	30,635	30,635	5,539	25,096
Total	<u>87,775</u>	<u>87,775</u>	<u>48,628</u>	<u>39,147</u>
<b>Assessor</b>				
Salaries and benefits	1,313,045	1,315,545	1,315,375	170
Operations	48,980	54,980	54,688	292
Total	<u>1,362,025</u>	<u>1,370,525</u>	<u>1,370,063</u>	<u>462</u>
<b>Treasurer</b>				
Salaries and benefits	491,930	491,930	484,395	7,535
Operations	185,556	185,556	172,792	12,764
Total	<u>677,486</u>	<u>677,486</u>	<u>657,187</u>	<u>20,299</u>
Total Property Tax Administration	<u>2,960,527</u>	<u>2,907,027</u>	<u>2,793,476</u>	<u>113,551</u>
<b>Public Safety</b>				
<b>Coroner</b>				
Salaries and benefits	182,095	182,095	162,261	19,834
Operations	97,905	97,905	92,341	5,564
Total	<u>280,000</u>	<u>280,000</u>	<u>254,602</u>	<u>25,398</u>
<b>Detention center</b>				
Salaries and benefits	3,494,440	3,494,440	3,430,329	64,111
Operations	505,015	490,155	431,875	58,280
Debt service	-	14,860	14,853	7
Total	<u>3,999,455</u>	<u>3,999,455</u>	<u>3,877,057</u>	<u>122,398</u>
<b>Emergency medical</b>				
Salaries and benefits	904	904	834	70
Operations	17,200	17,200	16,744	456
Total	<u>18,104</u>	<u>18,104</u>	<u>17,578</u>	<u>526</u>
<b>Sheriff</b>				
Salaries and benefits	4,311,623	4,445,623	4,444,607	1,016
Operations	916,661	746,341	718,516	27,825
Capital outlay	-	305,925	305,835	90
Debt service	-	86,320	86,284	36
Total	<u>5,228,284</u>	<u>5,584,209</u>	<u>5,555,242</u>	<u>28,967</u>
<b>Office of Emergency Management</b>				
Salaries and benefits	308,669	318,669	314,782	3,887
Operations	321,350	321,350	132,188	189,162
Total	<u>630,019</u>	<u>640,019</u>	<u>446,970</u>	<u>193,049</u>
<b>District attorney</b>				
Salaries and benefits	982,720	978,845	926,212	52,633
Operations	92,108	95,983	94,246	1,737
Total	<u>1,074,828</u>	<u>1,074,828</u>	<u>1,020,458</u>	<u>54,370</u>
Total Public Safety	<u>11,230,690</u>	<u>11,596,615</u>	<u>11,171,907</u>	<u>424,708</u>
Total expenditures	<u>43,372,276</u>	<u>44,710,114</u>	<u>36,610,293</u>	<u>8,099,821</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4,722,732)</u>	<u>\$ (5,738,354)</u>	<u>\$ 6,552,484</u>	<u>\$ 12,290,838</u>

**Routt County, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Financing proceeds from leases	\$ -	\$ 214,420	\$ 214,420	\$ -
Financing proceeds from SBITAs	-	175,580	175,486	(94)
Transfers out	(7,356,797)	(11,386,422)	(8,237,754)	3,148,668
Total other financing sources (uses)	(7,356,797)	(10,996,422)	(7,847,848)	3,148,574
Net change in fund balance	(12,079,529)	(16,734,776)	(1,295,364)	15,439,412
Fund balance - beginning	24,061,891	24,061,891	24,061,891	-
Fund balance - ending	\$ 11,982,362	\$ 7,327,115	\$ 22,766,527	\$ 15,439,412

**Routt County, Colorado**  
**Road & Bridge Fund - Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual - With Reconciliation to GAAP Basis**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 890,352	\$ 890,352	\$ 944,616	\$ 54,264
Sales taxes	4,057,094	4,035,934	4,524,042	488,108
Intergovernmental	5,792,070	5,792,070	5,501,629	(290,441)
Charges for sales and services	145,865	145,865	64,546	(81,319)
Investment earnings	3,425	3,425	3,396	(29)
Lease interest income	-	-	7,719	7,719
Interfund loan principal	6,210	6,210	68,442	62,232
Total revenues	<u>10,895,016</u>	<u>10,873,856</u>	<u>11,114,390</u>	<u>240,534</u>
<b>EXPENDITURES</b>				
Salaries and benefits	3,908,330	3,908,330	3,797,575	110,755
Operations	6,852,188	6,852,188	6,651,168	201,020
Infrastructure	1,925,470	1,925,470	1,288,424	637,046
Total expenditures	<u>12,685,988</u>	<u>12,685,988</u>	<u>11,737,167</u>	<u>948,821</u>
Excess (deficiency) of revenues over expenditures	<u>(1,790,972)</u>	<u>(1,812,132)</u>	<u>(622,777)</u>	<u>1,189,355</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(266,500)	(266,500)	(255,874)	10,626
Total other financing sources (uses)	<u>(266,500)</u>	<u>(266,500)</u>	<u>(255,874)</u>	<u>10,626</u>
Net change in fund balance - Budgetary basis	(2,057,472)	(2,078,632)	(878,651)	1,199,981
Fund balance - Beginning	9,749,420	9,749,420	9,749,420	-
Fund balance - Ending - Budgetary basis	<u>\$ 7,691,948</u>	<u>\$ 7,670,788</u>	8,870,769	<u>\$ 1,199,981</u>
<b>Reconciliation to Generally Accepted Accounting Principles (GAAP) basis</b>				
Interfund loan principal received			(68,442)	
Fund balances - Ending GAAP basis			<u>\$ 8,802,327</u>	

**Routt County, Colorado**  
**Human Services Fund - Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 579,414	\$ 579,414	\$ 591,543	\$ 12,129
Intergovernmental	5,943,904	5,971,904	4,817,960	(1,153,944)
Operating grants	239,500	239,500	182,707	(56,793)
Total revenues	<u>6,762,818</u>	<u>6,790,818</u>	<u>5,592,210</u>	<u>(1,198,608)</u>
<b>EXPENDITURES</b>				
Salaries and benefits	2,620,017	2,655,017	2,651,492	3,525
Operations	4,467,080	4,467,080	3,440,496	1,026,584
Total expenditures	<u>7,087,097</u>	<u>7,122,097</u>	<u>6,091,988</u>	<u>1,030,109</u>
Excess (deficiency) of revenues over expenditures	<u>(324,279)</u>	<u>(331,279)</u>	<u>(499,778)</u>	<u>(168,499)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	324,988	324,988	377,705	52,717
Total other financing sources (uses)	<u>324,988</u>	<u>324,988</u>	<u>377,705</u>	<u>52,717</u>
Net change in fund balance	709	(6,291)	(122,073)	(115,782)
Fund balance - beginning	548,629	548,629	548,629	-
Fund balance - ending	<u>\$ 549,338</u>	<u>\$ 542,338</u>	<u>\$ 426,556</u>	<u>\$ (115,782)</u>

**Routt County, Colorado**  
**Communications Fund - Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,706,291	\$ 1,706,291	\$ 1,704,776	\$ (1,515)
Intergovernmental	50,000	50,000	47,008	(2,992)
Charges for sales and services	703,165	703,165	765,180	62,015
Lease interest income	-	-	12,416	12,416
Total revenues	<u>2,459,456</u>	<u>2,459,456</u>	<u>2,529,380</u>	<u>69,924</u>
<b>EXPENDITURES</b>				
Salaries and benefits	1,980,926	1,980,926	1,711,761	269,165
Operations	614,804	614,804	566,708	48,096
Total expenditures	<u>2,595,730</u>	<u>2,595,730</u>	<u>2,278,469</u>	<u>317,261</u>
Net change in fund balance	(136,274)	(136,274)	250,911	387,185
Fund balance - beginning	3,190,141	3,190,141	3,190,141	-
Fund balance - ending	<u>\$ 3,053,867</u>	<u>\$ 3,053,867</u>	<u>\$ 3,441,052</u>	<u>\$ 387,185</u>

**ROUTT COUNTY, COLORADO**  
**EXPLANATION OF FUNDS**  
**December 31, 2023**

**EXPLANATION OF PROPRIETARY FUNDS**

**Enterprise Funds**

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

Non-major Enterprise Funds

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

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

**Routt County, Colorado**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**December 31, 2023**

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 2,702,889	\$ 1,524,883	\$ 4,227,772
Accounts receivable (net of allowance for uncollectibles)	7,356	3,726	11,082
Due from other governments	112,623	129,818	242,441
Total current assets	<u>2,822,868</u>	<u>1,658,427</u>	<u>4,481,295</u>
Noncurrent assets:			
Land and improvements (non-depreciable)	21,284	18,610	39,894
Water system	977,962	-	977,962
Sewer system	753,670	557,975	1,311,645
Construction in progress	342,965	362,213	705,178
Accumulated depreciation	(1,471,611)	(477,124)	(1,948,735)
Total noncurrent assets	<u>624,270</u>	<u>461,674</u>	<u>1,085,944</u>
Total assets	<u>3,447,138</u>	<u>2,120,101</u>	<u>5,567,239</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	24,701	15,433	40,134
Accrued interest	590	-	590
Current portion of long-term debt (net of unamortized discount)	9,483	-	9,483
Total current liabilities	<u>34,774</u>	<u>15,433</u>	<u>50,207</u>
Noncurrent liabilities:			
Loans payable	25,921	-	25,921
Total noncurrent liabilities	<u>25,921</u>	<u>-</u>	<u>25,921</u>
Total liabilities	<u>60,695</u>	<u>15,433</u>	<u>76,128</u>
<b>NET POSITION</b>			
Net investment in capital assets	588,866	461,674	1,050,540
Restricted	88,045	60,991	149,036
Unrestricted	2,709,532	1,582,003	4,291,535
Total net position	<u>\$ 3,386,443</u>	<u>\$ 2,104,668</u>	<u>\$ 5,491,111</u>

**Routt County, Colorado**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2023**

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 163,088	\$ 68,396	\$ 231,484
Total operating revenues	<u>163,088</u>	<u>68,396</u>	<u>231,484</u>
<b>OPERATING EXPENSES</b>			
Depreciation	12,581	7,787	20,368
Repairs and maintenance	18,083	3,383	21,466
Purchased services and supplies	98,604	42,234	140,838
Total operating expenses	<u>129,268</u>	<u>53,404</u>	<u>182,672</u>
Operating income (loss)	<u>33,820</u>	<u>14,992</u>	<u>48,812</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	18,640	4,499	23,139
Interest expense	(2,071)	-	(2,071)
Interest expense - interfund	-	(3,396)	(3,396)
Total nonoperating revenues (expenses)	<u>16,569</u>	<u>1,103</u>	<u>17,672</u>
Income (loss) before contributions and transfers	50,389	16,095	66,484
Transfers in	2,531,000	1,721,000	4,252,000
Tap fees	3,000	-	3,000
Capital grants	222,102	239,141	461,243
Intergovernmental	9,295	-	9,295
Change in net position	<u>2,815,786</u>	<u>1,976,236</u>	<u>4,792,022</u>
Total net position - beginning	<u>570,657</u>	<u>128,432</u>	<u>699,089</u>
Total net position - ending	<u>\$ 3,386,443</u>	<u>\$ 2,104,668</u>	<u>\$ 5,491,111</u>

**Routt County, Colorado**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2023**

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts for customers and users	\$ 172,326	\$ 73,966	\$ 246,292
Payments to suppliers	(119,333)	(44,912)	(164,245)
<b>Net cash provided (used) by operating activities</b>	<u>52,993</u>	<u>29,054</u>	<u>82,047</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State grants	9,295	-	9,295
Tap fees	3,000	-	3,000
<b>Net cash provided (used) by noncapital financing activities</b>	<u>12,295</u>	<u>-</u>	<u>12,295</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Transfer in	2,531,000	1,721,000	4,252,000
Capital grants	109,479	109,323	218,802
Acquisition and construction of capital assets	(258,403)	(285,197)	(543,600)
Principal paid on capital debt	(9,032)	(68,442)	(77,474)
Interest paid on capital debt	(2,222)	(3,681)	(5,903)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>2,370,822</u>	<u>1,473,003</u>	<u>3,843,825</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Earnings on investments	18,640	4,499	23,139
Net purchases and sales of investments	(2,202,805)	(1,340,073)	(3,542,878)
<b>Net cash provided (used) by investing activities</b>	<u>(2,184,165)</u>	<u>(1,335,574)</u>	<u>(3,519,739)</u>
Net increase (decrease) in cash and cash equivalents	251,945	166,483	418,428
Cash and cash equivalents, beginning	49,627	3,666	53,293
<b>Cash and cash equivalents, ending</b>	<u>301,572</u>	<u>170,149</u>	<u>471,721</u>
<b>Investments</b>	<u>2,401,317</u>	<u>1,354,734</u>	<u>3,756,051</u>
<b>Cash and investments - end of the year</b>	<u>\$ 2,702,889</u>	<u>\$ 1,524,883</u>	<u>\$ 4,227,772</u>

**Routt County, Colorado**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2023**

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ 33,820	\$ 14,992	\$ 48,812
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	12,581	7,787	20,368
Capital financing activities			
Capital grants and transfers			
Due from other governments	112,623	129,818	242,441
Capital assets			
Accounts payable	(19,226)	(13,728)	(32,954)
Interest expense			
Accrued interest	(151)	-	(151)
Changes in assets and liabilities:			
(Increase) decrease			
Accounts receivable	9,238	5,570	14,808
Due from other governments	(112,623)	(129,818)	(242,441)
Increase (decrease)			
Accounts payable	16,580	14,433	31,013
Accrued interest	151	-	151
Total adjustments	<u>19,173</u>	<u>14,062</u>	<u>33,235</u>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 52,993</b>	<b>\$ 29,054</b>	<b>\$ 82,047</b>
<b>Noncash investing, capital and financing activities</b>			
Increase (decrease) in fair value of investments	\$ 34,946	\$ 19,715	\$ 54,661

**Routt County, Colorado**  
**Yampa Valley Regional Airport - Enterprise Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Sales taxes	\$ 473,480	\$ 473,480	\$ 475,861	\$ 2,381
Charges for sales and services	8,918,713	9,097,123	9,389,311	292,188
Operating grants	20,725	20,725	29,870	9,145
Total revenues	<u>9,412,918</u>	<u>9,591,328</u>	<u>9,895,042</u>	<u>303,714</u>
<b>EXPENSES</b>				
Salaries and benefits	4,318,282	4,318,282	4,089,053	229,229
Repairs and maintenance	497,573	526,923	539,551	(12,628)
Purchased services and supplies	1,974,716	2,098,866	2,085,711	13,155
Depreciation	406,933	406,933	406,933	-
Total expenses	<u>7,197,504</u>	<u>7,351,004</u>	<u>7,121,248</u>	<u>229,756</u>
Excess (deficiency) of revenues over expenditures	<u>2,215,414</u>	<u>2,240,324</u>	<u>2,773,794</u>	<u>533,470</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Investment earnings	403,196	403,196	973,317	570,121
Lease interest income	-	-	118,606	118,606
Capital outlay	(4,884,034)	(8,440,094)	(7,811,548)	628,546
Principal payments - SBITA	-	(23,845)	(23,838)	7
Interest expense - SBITA	-	(1,065)	(1,064)	1
Capital grants	3,485,415	3,485,415	3,097,183	(388,232)
Intergovernmental	4,357,997	4,357,997	5,976,504	1,618,507
Total other financing sources (uses)	<u>3,362,574</u>	<u>(218,396)</u>	<u>2,329,160</u>	<u>2,547,556</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 5,577,988</u>	<u>\$ 2,021,928</u>	<u>\$ 5,102,954</u>	<u>\$ 3,081,026</u>

**Routt County, Colorado**  
**Regional Building Department - Enterprise Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for sales and services	\$ 2,001,000	\$ 2,070,800	\$ 2,711,796	\$ 640,996
Total revenues	<u>2,001,000</u>	<u>2,070,800</u>	<u>2,711,796</u>	<u>640,996</u>
<b>EXPENSES</b>				
Salaries and benefits	1,190,762	1,260,562	1,260,510	52
Purchased services and supplies	760,296	760,296	632,065	128,231
Total expenses	<u>1,951,058</u>	<u>2,020,858</u>	<u>1,892,575</u>	<u>128,283</u>
Excess (deficiency) of revenues over expenditures	<u>49,942</u>	<u>49,942</u>	<u>819,221</u>	<u>769,279</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(355,500)	(355,500)	(53,536)	301,964
Total other financing sources (uses)	<u>(355,500)</u>	<u>(355,500)</u>	<u>(53,536)</u>	<u>301,964</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (305,558)</u>	<u>\$ (305,558)</u>	<u>\$ 765,685</u>	<u>\$ 1,071,243</u>

**Routt County, Colorado**  
**Phippsburg Water & Sanitation System - Enterprise Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for sales and services	\$ 169,510	\$ 169,510	\$ 163,088	\$ (6,422)
Total revenues	<u>169,510</u>	<u>169,510</u>	<u>163,088</u>	<u>(6,422)</u>
<b>EXPENSES</b>				
Repairs and maintenance	17,500	20,500	18,083	2,417
Purchased services and supplies	83,850	101,850	98,604	3,246
Total expenses	<u>101,350</u>	<u>122,350</u>	<u>116,687</u>	<u>5,663</u>
Excess (deficiency) of revenues over expenditures	<u>68,160</u>	<u>47,160</u>	<u>46,401</u>	<u>(759)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Investment earnings	45,750	45,750	18,640	(27,110)
Capital outlay	(400,000)	(400,000)	(277,628)	122,372
Principal payments	(9,030)	(9,030)	(9,032)	(2)
Interest expense	(2,225)	(2,225)	(2,071)	154
Transfers in	-	-	2,531,000	2,531,000
Tap fees	6,000	6,000	3,000	(3,000)
Capital grants	400,000	400,000	222,102	(177,898)
Intergovernmental	-	-	9,295	9,295
Total other financing sources (uses)	<u>40,495</u>	<u>40,495</u>	<u>2,495,306</u>	<u>2,454,811</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 108,655</u>	<u>\$ 87,655</u>	<u>\$ 2,541,707</u>	<u>\$ 2,454,052</u>

**Routt County, Colorado**  
**Milner Sanitation System - Enterprise Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for sales and services	\$ 69,160	\$ 69,160	\$ 68,396	\$ (764)
Total revenues	<u>69,160</u>	<u>69,160</u>	<u>68,396</u>	<u>(764)</u>
<b>EXPENSES</b>				
Repairs and maintenance	15,000	15,000	3,383	11,617
Purchased services and supplies	38,735	38,735	42,234	(3,499)
Total expenses	<u>53,735</u>	<u>53,735</u>	<u>45,617</u>	<u>8,118</u>
Excess (deficiency) of revenues over expenditures	<u>15,425</u>	<u>15,425</u>	<u>22,779</u>	<u>7,354</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Investment earnings	29,420	29,420	4,499	(24,921)
Capital outlay	(400,000)	(400,000)	(298,926)	101,074
Principal payments - interfund	(6,210)	(68,440)	(68,442)	(2)
Interest expense - interfund	(3,425)	(3,400)	(3,396)	4
Transfers in	-	-	1,721,000	1,721,000
Capital grants	400,000	400,000	239,141	(160,859)
Total other financing sources (uses)	<u>19,785</u>	<u>(42,420)</u>	<u>1,593,876</u>	<u>1,636,296</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 35,210</u>	<u>\$ (26,995)</u>	<u>\$ 1,616,655</u>	<u>\$ 1,643,650</u>

**Routt County, Colorado**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2023**

	Equipment Pool	Insurance Pool	Total Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 12,675,998	\$ 1,610,598	\$ 14,286,596
Accounts receivable (net of allowance for uncollectibles)	984	864,189	865,173
Due from other governments	3,893	-	3,893
Prepaid expenses	6,000	60,833	66,833
Inventory	44,368	-	44,368
Total current assets	<u>12,731,243</u>	<u>2,535,620</u>	<u>15,266,863</u>
Noncurrent assets:			
Land and improvements (non-depreciable/non-amortizable)	3,092,916	-	3,092,916
Land improvements (depreciable/amortizable)	2,030,417	-	2,030,417
Buildings	56,523,251	-	56,523,251
Equipment	34,704,240	-	34,704,240
Other (depreciable)	1,943,061	-	1,943,061
Other (non-depreciable)	539,996	-	539,996
Leased asset	10,638	-	10,638
Construction in progress	1,205,084	-	1,205,084
Accumulated depreciation/amortization	(44,279,999)	-	(44,279,999)
Total noncurrent assets	<u>55,769,604</u>	<u>-</u>	<u>55,769,604</u>
Total assets	<u>68,500,847</u>	<u>2,535,620</u>	<u>71,036,467</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	35,631	-	35,631
Total deferred outflows of resources	<u>35,631</u>	<u>-</u>	<u>35,631</u>
Total assets and deferred outflows of resources	<u>68,536,478</u>	<u>2,535,620</u>	<u>71,072,098</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	128,628	11,841	140,469
Compensated absences	25,817	-	25,817
Claims liability	-	211,137	211,137
Accrued interest	6,378	-	6,378
Retainage payable	21,259	-	21,259
Current portion of long-term debt (net of unamortized discount)	1,158,789	-	1,158,789
Current portion of lease payable	3,553	-	3,553
Total current liabilities	<u>1,344,424</u>	<u>222,978</u>	<u>1,567,402</u>
Noncurrent liabilities:			
Certificates of participation (net of unamortized discount)	1,194,385	-	1,194,385
Lease payable	301	-	301
Total noncurrent liabilities	<u>1,194,686</u>	<u>-</u>	<u>1,194,686</u>
Total liabilities	<u>2,539,110</u>	<u>222,978</u>	<u>2,762,088</u>
<b>NET POSITION</b>			
Net investment in capital assets	53,426,948	-	53,426,948
Unrestricted	12,570,420	2,312,642	14,883,062
Total net position	<u>\$ 65,997,368</u>	<u>\$ 2,312,642</u>	<u>\$ 68,310,010</u>

**Routt County, Colorado**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	Equipment Pool	Insurance Pool	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Internal service fees	\$ 4,856,011	\$ 6,180,257	\$ 11,036,268
Insurance proceeds	98,422	1,781,325	1,879,747
Total operating revenues	<u>4,954,433</u>	<u>7,961,582</u>	<u>12,916,015</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	422,985	-	422,985
Depreciation	3,308,146	-	3,308,146
Amortization	3,445	-	3,445
Claims	-	6,568,844	6,568,844
Repairs and maintenance	1,675,826	-	1,675,826
Purchased services and supplies	92,956	1,547,248	1,640,204
Total operating expenses	<u>5,503,358</u>	<u>8,116,092</u>	<u>13,619,450</u>
Operating income (loss)	<u>(548,925)</u>	<u>(154,510)</u>	<u>(703,435)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	475,553	-	475,553
Interest expense	(141,617)	-	(141,617)
Amortization of refunding debt insurance	(5,543)	-	(5,543)
Gain (loss) on disposal of capital assets	222,218	-	222,218
Total nonoperating revenues (expenses)	<u>550,611</u>	<u>-</u>	<u>550,611</u>
Income (loss) before transfers	1,686	(154,510)	(152,824)
Transfers in	3,917,459	-	3,917,459
Change in net position	<u>3,919,145</u>	<u>(154,510)</u>	<u>3,764,635</u>
Total net position - beginning	62,078,223	2,467,152	64,545,375
Total net position - ending	<u>\$ 65,997,368</u>	<u>\$ 2,312,642</u>	<u>\$ 68,310,010</u>

**Rout County, Colorado**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	Equipment Pool	Insurance Pool	Total
<b>Cash flows from operating activities</b>			
Receipts from interfund services provided	\$ 4,953,449	\$ 6,180,257	\$ 11,133,706
Receipts from insurance	-	1,611,493	1,611,493
Payments to suppliers	(1,799,215)	(1,655,405)	(3,454,620)
Payments to employees	(414,933)	-	(414,933)
Payments to claims	-	(6,848,740)	(6,848,740)
	<u>2,739,301</u>	<u>(712,395)</u>	<u>2,026,906</u>
<b>Net cash provided (used) by operating activities</b>			
<b>Cash flows from capital and related financing activities</b>			
Proceeds from sale of capital assets	300,507	-	300,507
Acquisition and construction of capital assets	(8,376,149)	-	(8,376,149)
Principal payments on certificates of participation	(1,125,000)	-	(1,125,000)
Interest payments on certificates of participation	(113,194)	-	(113,194)
Principal payments on leased asset	(3,445)	-	(3,445)
Interest payments on leased asset	(177)	-	(177)
Transfers in	3,917,459	-	3,917,459
Net cash provided (used) by capital and related financing activities	<u>(5,399,999)</u>	<u>-</u>	<u>(5,399,999)</u>
<b>Cash flows from investing activities</b>			
Earnings on investments	475,552	-	475,552
Net purchases and sales of investments	627,329	427,509	1,054,838
Net cash provided (used) by investing activities	<u>1,102,881</u>	<u>427,509</u>	<u>1,530,390</u>
Net increase (decrease) in cash and cash equivalents	(1,557,817)	(284,886)	(1,842,703)
Cash and cash equivalents, beginning	2,972,225	464,599	3,436,824
Cash and cash equivalents, ending	1,414,408	179,713	1,594,121
Investments	11,261,590	1,430,885	12,692,475
Cash and investments	<u>\$ 12,675,998</u>	<u>\$ 1,610,598</u>	<u>\$ 14,286,596</u>

**Rout County, Colorado**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	Equipment Pool	Insurance Pool	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ (548,925)	\$ (154,510)	\$ (703,435)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,308,146	-	3,308,146
Amortization	3,445	-	3,445
Capital assets			
Prepaid expenses	6,000	-	6,000
Accounts payable	1,350,987	-	1,350,987
Retainage payable	572,873	-	572,873
Interest expense			
Accrued interest	2,930	-	2,930
Change in assets and liabilities:			
(Increase) decrease			
Accounts receivable	(984)	(169,832)	(170,816)
Due from other governments	3,428	-	3,428
Inventory	20,737	-	20,737
Prepaid expenses	(6,000)	(40,833)	(46,833)
Increase (decrease)			
Accounts payable	(1,401,597)	(67,324)	(1,468,921)
Accrued interest	(2,930)	-	(2,930)
Compensated absences	4,064	-	4,064
Claims liability	-	(279,896)	(279,896)
Retainage payable	(572,873)	-	(572,873)
Total adjustments	3,288,226	(557,885)	2,730,341
Net cash provided (used) by operating activities	\$ 2,739,301	\$ (712,395)	\$ 2,026,906
<b>Noncash investing, capital, and financing activities:</b>			
Increase (decrease) in fair value of investments	\$ 16,388	\$ 20,823	\$ 37,211
Amortization related to refunding debt issue	(36,719)	-	(36,719)

**Routt County, Colorado**  
**Equipment Pool - Internal Service Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Internal service fees	\$ 4,863,647	\$ 4,863,647	\$ 4,856,011	\$ (7,636)
Insurance proceeds	27,000	27,000	98,422	71,422
Total revenues	<u>4,890,647</u>	<u>4,890,647</u>	<u>4,954,433</u>	<u>63,786</u>
<b>EXPENSES</b>				
Salaries and benefits	529,083	518,083	422,985	95,098
Repairs and maintenance	1,378,150	1,704,150	1,675,826	28,324
Purchased services and supplies	73,550	134,550	92,956	41,594
Total expenses	<u>1,980,783</u>	<u>2,356,783</u>	<u>2,191,767</u>	<u>165,016</u>
Excess (deficiency) of revenues over expenditures	<u>2,909,864</u>	<u>2,533,864</u>	<u>2,762,666</u>	<u>228,802</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Investment earnings	236,760	236,760	475,553	238,793
Capital outlay	(11,627,859)	(11,401,859)	(6,472,091)	4,929,768
Principal payments	(1,125,000)	(1,125,000)	(1,125,000)	-
Principal payments - leases	-	(3,445)	(3,445)	-
Interest expense	(110,520)	(110,520)	(110,264)	256
Interest expense - leases	-	(180)	(177)	3
Gain (loss) on disposal of capital assets	444,800	444,800	222,218	(222,582)
Transfers in	7,653,809	7,431,434	3,917,459	(3,513,975)
Total other financing sources (uses)	<u>(4,528,010)</u>	<u>(4,528,010)</u>	<u>(3,095,747)</u>	<u>1,432,263</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (1,618,146)</u>	<u>\$ (1,994,146)</u>	<u>\$ (333,081)</u>	<u>\$ 1,661,065</u>

**Routt County, Colorado**  
**Insurance Pool - Internal Service Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Internal service fees	\$ 5,707,800	\$ 6,200,990	\$ 6,180,257	\$ (20,733)
Insurance proceeds	-	2,389,280	1,781,325	(607,955)
Total revenues	<u>5,707,800</u>	<u>8,590,270</u>	<u>7,961,582</u>	<u>(628,688)</u>
<b>EXPENSES</b>				
Claims	3,691,140	7,358,835	6,568,844	789,991
Purchased services and supplies	1,483,340	1,483,340	1,547,248	(63,908)
Total expenses	<u>5,174,480</u>	<u>8,842,175</u>	<u>8,116,092</u>	<u>726,083</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 533,320</u>	<u>\$ (251,905)</u>	<u>\$ (154,510)</u>	<u>\$ 97,395</u>

**Routt County, Colorado**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**December 31, 2023**

	County Treasurer Fund	Public Trustee Fund	Inmate Commissary Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ 1,364,225	\$ 67,839	\$ 124,205	\$ 1,556,269
Due from other governments	1,624,735	-	-	1,624,735
Property tax receivable	76,101,278	-	-	76,101,278
Total assets	<u>79,090,238</u>	<u>67,839</u>	<u>124,205</u>	<u>79,282,282</u>
<b>LIABILITIES</b>				
Due to other governments	2,950,613	-	-	2,950,613
Funds held for others	38,347	67,839	7,750	113,936
Total liabilities	<u>2,988,960</u>	<u>67,839</u>	<u>7,750</u>	<u>3,064,549</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Property taxes	76,101,278	-	-	76,101,278
Total deferred inflow of resources	<u>76,101,278</u>	<u>-</u>	<u>-</u>	<u>76,101,278</u>
<b>NET POSITION</b>				
Restricted				
Individuals, organizations, and other governments	-	-	116,455	116,455
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,455</u>	<u>\$ 116,455</u>

**Routt County, Colorado**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended December 31, 2023**

	County Treasurer Fund	Public Trustee Fund	Inmate Commissary Fund	Total
<b>ADDITIONS</b>				
Taxes collected for other governments	\$ 75,847,774	\$ -	\$ -	\$ 75,847,774
Public trustee activity	-	46,451	-	46,451
Funds held for others	9,488,355	-	288,273	9,776,628
Sales	-	-	24,141	24,141
Total additions	<u>85,336,129</u>	<u>46,451</u>	<u>312,414</u>	<u>85,694,994</u>
<b>DEDUCTIONS</b>				
Taxes disbursed to other governments	75,847,774	-	-	75,847,774
Public trustee disbursements	-	46,451	-	46,451
Disbursements of funds held for others	9,488,355	-	280,629	9,768,984
Cost of goods sold	-	-	17,426	17,426
Total deductions	<u>85,336,129</u>	<u>46,451</u>	<u>298,055</u>	<u>85,680,635</u>
Net increase (decrease) in fiduciary net position	-	-	14,359	14,359
Net position, beginning	-	-	102,096	102,096
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,455</u>	<u>\$ 116,455</u>

**ROUTT COUNTY, COLORADO**  
**NOTES TO THE SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

**NOTE 1. RECONCILIATION OF BUDGET TO GAAP**

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

	Yampa Valley Regional Airport	Regional Building Department	Phippsburg Water & Sanitation System	Milner Sanitation System	Equipment Pool
<b>GAAP basis</b>	<b>\$ 9,302,686</b>	<b>\$ 183,269</b>	<b>\$ 2,815,786</b>	<b>\$ 1,976,236</b>	<b>\$ 3,919,145</b>
<b>Revenues</b>					
Unearned revenue	-	582,416	-	-	-
<b>Expenditures</b>					
Depreciation/amortization	3,489,635	-	12,581	7,787	3,311,591
Amortization of SBITA	24,132	-	-	-	-
Capital outlay	(7,811,548)	-	(277,628)	(298,926)	(6,472,091)
Loss on capital asset disposals	121,887	-	-	-	-
Gain on capital asset disposals	-	-	-	-	-
Amortization of refunding debt insurance	-	-	-	-	5,543
Interest expense, amortization of the deferred charge for refunding debt	-	-	-	-	29,387
Interest expense, amortization of the issue discount on refunding debt	-	-	-	-	1,789
Proceeds from leases	-	-	-	-	-
Debt principal payments	-	-	(9,032)	(68,442)	(1,125,000)
SBITA principal payments	(23,838)	-	-	-	-
Lease principal payments	-	-	-	-	(3,445)
<b>Budget basis</b>	<b>\$ 5,102,954</b>	<b>\$ 765,685</b>	<b>\$ 2,541,707</b>	<b>\$ 1,616,655</b>	<b>\$ (333,081)</b>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: COLORADO			
		YEAR ENDING : 12/23			
This Information From The Records Of: The County of Routt		Prepared By: Gina Goodman Norton	Phone: 970-870-5372		
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
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)	1,288,424		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,600,041		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	0		
c. Total (a.+b.)		a. Traffic control operations	0		
2. General fund appropriations	998,620	b. Snow and ice removal	2,619,792		
3. Other local imposts (from page 2)	5,485,788	c. Other	13,621		
4. Miscellaneous local receipts (from page 2)	75,661	d. Total (a. through c.)	2,633,413		
5. Transfers from toll facilities	0	4. General administration & miscellaneous	1,471,164		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	998,620		
a. Bonds - Original Issues	0	6. Total (1 through 5)	12,991,662		
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>			
c. Notes	0	1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	0		
7. Total (1 through 6)	6,560,069	b. Redemption	0		
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0		
<b>C. Receipts from State government</b> (from page 2)	3,308,809	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	2,175,691	a. Interest	0		
<b>E. Total receipts (A.7 + B + C + D)</b>	12,044,569	b. Redemption	0		
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		<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>	12,991,662		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>	0	0	0	0	
1. Bonds (Refunding Portion)	0	0	0	0	
<b>B. Notes (Total)</b>	0	0	0	0	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 9,749,420	12,044,569	12,991,662	8,802,327	0
<b>Notes and Comments:</b>					

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
12/23

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

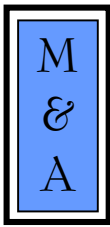
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	885,172	a. Interest on investments	7,719
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	4,524,042	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	64,318
5. Other	76,574	g. Other Misc. Receipts	3,396
6. Total (1. through 5.)	4,600,616	h. Capital Credits	228
c. Total (a. + b.)	5,485,788	i. Total (a. through h.)	75,661
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	3,201,876	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle	61,933	d. Federal Transit Administration	0
d. Severance Tax	45,000	e. U.S. Corps of Engineers	0
e. State P.U.C. and EIAF funds	0	f. Other Federal	2,175,691
f. Total (a. through e.)	106,933	g. Total (a. through f.)	2,175,691
4. Total (1. + 2. + 3.f)	3,308,809	3. Total (1. + 2.g)	2,175,691
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0	5,500	5,500
b. Engineering Costs	0	5,758	5,758
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	1,277,166	1,277,166
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,277,166	1,277,166
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,288,424	1,288,424
			(Carry forward to page 1)

Notes and Comments:



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Routt County, Colorado (the "County") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 22, 2024.

### ***Internal Control Over Financial Reporting***

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

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

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

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

***Compliance and Other Matters***

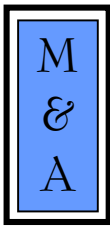
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

***Purpose of this Report***

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

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
July 22, 2024**



# MCMAHAN AND ASSOCIATES, L.L.C.

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

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

### ***Report on Compliance for Each Major Federal Program***

We have audited the compliance of Routt County, Colorado (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023 and its compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its Passenger Facility Charge program for the year ended December 31, 2023. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "Uniform Guidance"), and the Guide. Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

***Report on Internal Control Over Compliance***

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

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

***Report on Internal Control Over Compliance (continued)***

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

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

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

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
July 22, 2024**

**Routt County, Colorado**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2023**

**Part I – Summary of Auditor’s Results**

*Financial Statements:*

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

*Federal Awards:*

Internal control over major programs:

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

Major programs:

Airport Improvement Program	ALN 20.106
Medicaid	ALN 93.778

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

Identified as low-risk auditee Yes

**Part II – Findings Related to Financial Statements**

Findings related to financial statements as required by *Government Auditing Standards* None noted

Auditor-assigned reference number Not applicable

**Part III – Findings Related to Federal Awards**

Internal control findings None noted

Compliance findings None noted

Questioned costs None noted

Auditor-assigned reference number Not applicable

**Routt County, Colorado**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2023**  
**(Continued)**

There were no audit findings for the year ended December 31, 2022.

**ROUTT COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2023**

<u>Federal Department/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditure Amount</u>	<u>Cluster Ref</u>
<u>Department of Health and Human Services</u>				
Passed through Colorado Department of Human Services:				
Child Care and Development Block Grant	CDHS - FFA	93.575	\$ 608,618	A
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CDHS - FFA	93.596	90,175	A
Guardianship Assistance	CDHS - FFA	93.090	4,800	
Temporary Assistance for Needy Families	CDHS - FFA	93.558	293,584	
Child Support Enforcement	CDHS - FFA	93.563	297,020	
Low-Income Home Energy Assistance	CDHS - FFA	93.568	692	
Stephanie Tubbs Jones Child Welfare Services Program	CDHS - FFA	93.645	17,642	
Foster Care -Title IV-E	CDHS - FFA	93.658	202,995	
Adoption Assistance	CDHS - FFA	93.659	17,127	
Social Services Block Grant	CDHS - FFA	93.667	91,819	
Promoting Safe and Stable Families	CDHS - FFA	93.556	11,191	
Elder Abuse Prevention Interventions Program	CDHS - FFA	93.747	2,989	
Passed through Department of Health Care Policy and Financing:				
Medical Assistance Program	n/a	93.778	322,295	B
Passed through Colorado Department of Local Affairs:				
Community Services Block Grant	L21CSBG39	93.569	17,442	
Passed through Colorado Department of Public Health and Environment:				
Local Core Public Health Services (Maternal and Child Health, Child Fatality, Local Public Health Agency) Block Grant to the States	25 FAA 00052 B044202	93.994	13,796	
Immunization Cooperative Agreements	NH23IP922600	93.268	11,199	
COVID-19 Immunization #3	FHJA202100010309	93.268	50,199	
Total Immunization Cooperative Agreement Grants			<u>61,398</u>	
Public Health Emergency Preparedness Program	N5 NU90TP922028-04-00	93.069	39,596	
Preventative Health and Health Services Block Grant	NB01OT009445	93.991	1,217	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC-2)	FHJA202100010532	93.323	48,441	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC-2.1)	FHJA202400002878	93.323	9,811	
Total Epidemiology and Laboratory Capacity for Infectious Diseases Grant			<u>58,252</u>	
Voluntary School and Child Care Lead Testing and Reduction Grant	FEGA, 202300004745	66.444	13,191	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ROUTT COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2023**

<u>Federal Department/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditure Amount</u>	<u>Cluster Ref</u>
Passed through Centers for Disease Control and Prevention:				
Strengthening Public Health Systems and Services through National Partnership to Improve and Protect the Nation's Health	6NU38OT000306-03-06	93.421	908	
Public Health Crisis Response Awards	75-0943-0-1-999	93.354	84,633	
Total Department of Health and Human Services			\$ 2,251,380	
 <u>Department of Agriculture</u>				
Direct:				
Forest Service Cooperative Law Enforcement Agreement	20-LE-11020600-004	10.704	\$ 4,805	
Forest Service Participating Agreement	22-PA-11020600-019	10.unknown	2,822	
Passed through Colorado Department of Human Services:				
Supplemental Nutrition Assistance Program	n/a	10.551	193	C
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	n/a	10.561	217,232	C
Total Department of Agriculture			225,052	
 <u>Department of Interior</u>				
Direct:				
U.S. Geological Survey Cooperative Funding Authority Agreement	22REJFACO 117	15.unknown	15,416	
Total Department of Interior			15,416	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ROUTT COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2023**

<u>Federal Department/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditure Amount</u>	<u>Cluster Ref</u>
<u>Department of Transportation</u>				
Direct:				
Airport Improvement Program	3-08-0031-053-2021	20.106	135,963	
Airport Improvement Program	3-08-0031-050-2021	20.106	(2,426)	
Airport Improvement Program	3-08-0031-056-2022	20.106	9,803	
Airport Improvement Program	3-08-0031-057-2022	20.106	473,364	
Airport Improvement Program	3-08-0031-059-2023	20.106	663,325	
Airport Improvement Program	3-08-0031-060-2024	20.106	481,610	
Airport Improvement Program				
CARES Act Airport Improvement Grant	3-08-0031-049-2020; DOT-FA20NM-K1055	20.106	5,489,659	
CARES Act Airport Improvement Grant	3-08-0031-054-2021; DOT-FA21NM-K1182	20.106	189,486	
CARES Act Airport Improvement Grant	3-08-0031-05-2021; DOT-FA21NM-K1064	20.106	283,268	
Total Airport Improvement Program			<u>7,724,052</u>	
Passed through Colorado Department of Transportation:				
Division of Transportation Development				
CMAQ	22-HA3-ZL-00092	20.205	64,203	D
Federal Transit Administration				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program	22-HTR-ZL-00251	20.505	<u>29,402</u>	
			93,605	
Total Department of Transportation			<u>\$ 7,817,657</u>	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ROUTT COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2023**

<u>Federal Department/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditure Amount</u>	<u>Cluster Ref</u>
<u>Department of Homeland Security</u>				
Direct:				
Transportation Security Administration - Law Enforcement Reimbursement Program	70T02021T6114N208	97.unknown	\$ 19,870	
Passed through Colorado Department of Public Safety, Division of Homeland Security and Emergency Management:				
Emergency Management Performance Grants	EMD-2023-EP-00004	97.042	75,387	
BRIC GRANT	EMD-2020-BR-094	97.047	<u>62,266</u>	
			137,653	
Total Department of Homeland Security			<u>157,523</u>	
<u>Department of Treasury</u>				
Passed through Colorado Department of Human Services:				
Coronavirus State and Local Fiscal Recovery Funds	n/a	21.027	<u>2,392</u>	
Total Department of Treasury			<u>2,392</u>	
Total Federal Expenditures			<u><u>\$ 10,469,420</u></u>	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**ROUTT COUNTY, COLORADO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2023**

<u>Additional Information for Clusters:</u>	<u>Amount</u>
<i>A Child Care Cluster (CCDF)</i>	\$ 698,793
<i>B Medicaid Cluster</i>	\$ 322,295
<i>C SNAP Cluster</i>	\$ 217,425
<i>D Highway Planning and Construction Cluser</i>	\$ 64,203

**Note 1. Program Costs**

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

**Note 2. Basis of Accounting**

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

**Note 3. Indirect Facilities and Administration costs**

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

**ROUTT COUNTY, COLORADO**  
**SCHEDULE OF PASSENGER FACILITY CHARGES ("PFC")**  
**COLLECTED AND EXPENDED**  
**For the Year Ended December 31, 2023**

	<u>Amounts for Current Year</u>	<u>Unliquidated Balance</u>
Unliquidated PFC revenues - beginning		\$ -
Revenues:		
Revenues from air carriers	\$ 766,493	
Total PFC revenues	766,493	766,493
Expenditures:		
Application 19-10-C-00-HDN	766,493	
Total PFC expenditures	\$ 766,493	766,493
Unliquidated PFC revenues - ending		\$ -