

CHAFFEE COUNTY, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

**CHAFFEE COUNTY, COLORADO
ELECTED AND APPOINTED OFFICIALS
December 31, 2024**

ELECTED OFFICIALS

Gina Lucrezi Commissioner District #1
David Armstrong, Commissioner District #2
P.T. Wood, Commissioner District #3
Dee Dee Copper, County Treasurer
Jeffery Graf, County Coroner
Lori Mitchell, County Clerk and Recorder
Rick Roberts, County Assessor
Andy Rohrich, County Sheriff

MANAGEMENT

Beth Helmke, Interim County Administrator
Dan Short, Director of Finance and Personnel

INDEPENDENT AUDITOR

DMC Auditing and Consulting, LLC

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Chaffee County, Colorado
Salida, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County, 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, business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 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 County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The accompanying combining and individual fund statements, the budget comparison schedules, 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*, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, 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 September 30, 2025, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

DMC Auditing and Consulting, LLC

September 30, 2025
Bailey, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Chaffee County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Chaffee County for the fiscal year ended December 31, 2024.

Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$56,736,885 (net position). Of this amount, \$16,969,793 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designation and fiscal policies.
- The County's total net position increased by \$6,069,093.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$28,702,510, a decrease of \$1,441,950 in comparison with the prior year. Approximately thirty-one percent (37%) of this total amount, or \$10,593,954, is available for use within the County's policies (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund represented forty-seven percent (47%) of total general fund expenditures and other financing uses.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, community and economic development, public safety, health and welfare, public works, parks and recreation, and airport operations. The business-type activities of the County include solid waste landfill operations, emergency services and sewer debt recovery operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also the Chaffee County Facilities Corporation (Facilities Corporation) which was created with the sole purpose of facilitating County financings. The Facilities Corporation is included in the County's financial statements because the County has financial accountability for the Facilities Corporation and they, in turn, are fiscally dependent upon the County. The Facilities Corporation activities are reported as a debt service fund.

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

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

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

The County maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, health and human services fund, and capital expenditures fund, all of which are considered to be major funds. Data from the other fifteen nonmajor governmental funds (airport fund, conservation trust fund, retirement fund, contingent reserve fund, asset replacement fund, lodging visitors bureau fund, American Rescue Plan fund, animal shelter fund, marijuana excise tax fund, forest health fund, rural conservation fund, recreation impact fund, unallocated 2018 1A fund, lodging tax reallocation fund, and Chaffee County Facilities Corporation fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste landfill operations, emergency services, and sewer debt recovery operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the cost of insurance and estimated damaged property claims allocated to County departments. Because this cost allocation predominately effects governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The County adopts an annual appropriated

budget for its general fund and major special revenue funds. Budgetary comparison statements have been provided for the general fund, road and bridge fund, and health and human services fund to demonstrate compliance with these budgets.

Other Supplemental Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information. Individual fund statements and schedules and other miscellaneous schedules can also be found under other supplemental information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Chaffee County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$56,736,885 as of December 31, 2024.

A large portion of the County's net position (41%) reflects its investment in capital assets (land, construction in progress, buildings and improvements, vehicles, and machinery and equipment), net of any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (29%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$16,969,793) may be used to meet the County's ongoing obligations to citizens and creditors.

Condensed Net Position

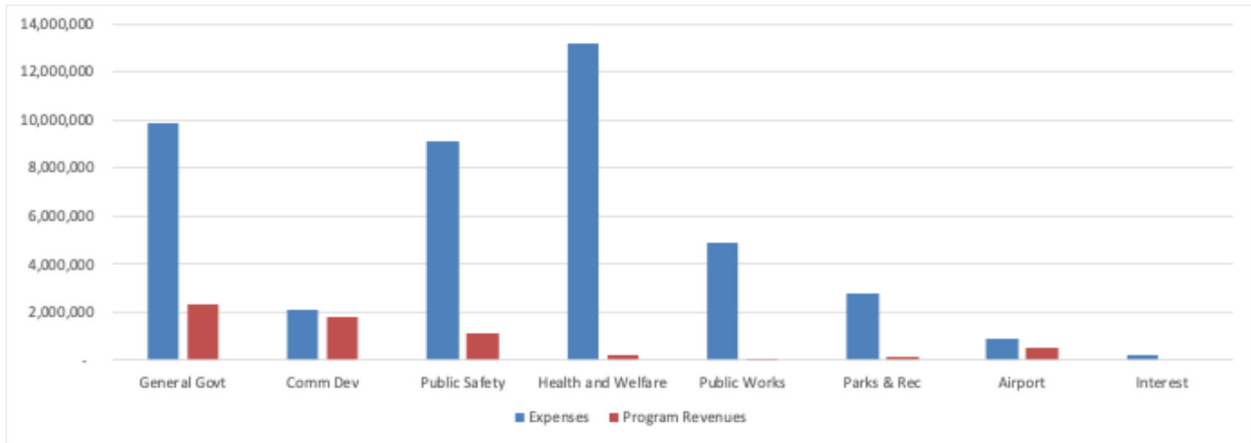
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$39,931,851	\$41,262,577	\$4,445,441	\$4,801,248	\$44,377,292	\$46,063,825
Capital Assets, net	39,571,049	26,813,179	4,574,878	4,634,456	44,145,927	31,447,635
Total Assets	79,502,900	68,075,756	9,020,319	9,435,704	88,523,219	77,511,460
Deferred Outflows of Resources	38,627	60,571	-	-	38,627	60,571
Other Liabilities	4,307,043	5,033,816	685,883	636,704	4,992,926	5,670,520
Noncurrent Liabilities	19,901,043	15,385,760	669,549	452,114	20,570,592	15,837,874
Total Liabilities	24,208,086	20,419,576	1,355,432	1,088,818	25,563,518	21,508,394
Deferred Inflows of Resources	6,261,443	5,771,292	-	-	6,261,443	5,771,292
Net Position:						
Net Investment in Capital Assets	19,124,201	12,573,760	4,223,089	4,268,997	23,347,290	16,842,757
Restricted	16,419,802	17,901,546	-	-	16,419,802	17,901,546
Unrestricted	13,527,995	11,140,153	3,441,798	4,087,889	16,969,793	15,228,042
Total Net Position	\$49,071,998	\$41,615,459	\$7,664,887	\$8,356,886	\$56,736,885	\$49,972,345

Change in Net Position

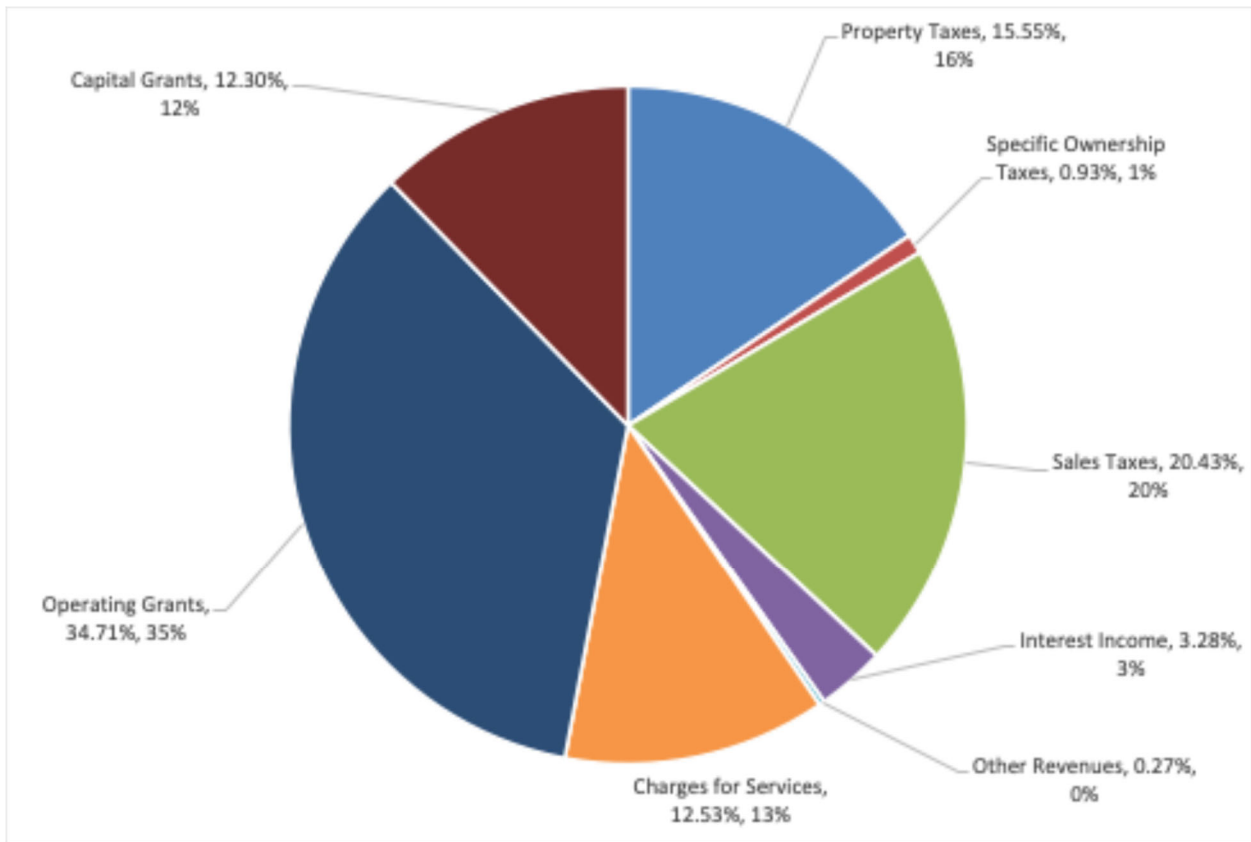
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues:						
Charges for Services	\$ 6,147,026	\$ 4,595,716	\$ 3,558,279	\$ 3,663,076	\$ 9,705,305	\$ 8,258,792
Operating Grants and Contributions	17,031,547	18,477,518	48,679	91,769	17,080,226	18,569,287
Capital Grants and Contributions	6,034,647	679,017	-	-	6,034,647	679,017
General Revenues:						
Taxes						
Property Taxes	7,631,022	5,391,067	-	-	7,631,022	5,391,067
Sales and Lodging Taxes	10,022,768	11,166,356	3,666,443	3,586,762	13,689,211	14,753,118
Other Taxes	456,027	746,818	-	-	456,027	746,818
Unrestricted Investment Earnings	1,608,438	910,502	78,355	72,973	1,686,793	983,475
Miscellaneous	130,485	1,645,225	113,510	-	243,995	1,645,225
Total Revenues	49,061,960	43,612,219	7,465,266	7,414,580	56,527,226	51,026,799
EXPENSES						
Program Activities:						
General Government	9,861,437	12,840,186	-	-	9,861,437	12,840,186
Community/Economic Development	2,118,385	1,988,001	-	-	2,118,385	1,988,001
Public Safety	9,082,269	7,507,608	-	-	9,082,269	7,507,608
Health and Welfare	13,178,689	12,620,853	-	-	13,178,689	12,620,853
Public Works	4,886,221	4,514,418	-	-	4,886,221	4,514,418
Parks and Recreation	2,765,746	846,265	-	-	2,765,746	846,265
Airport Operations	903,337	1,043,778	-	-	903,337	1,043,778
Interest on Long-Term Debt	221,278	698,268	-	-	221,278	698,268
Business-type Activities					-	-
Landfill Operations	-	-	1,920,906	1,723,615	1,920,906	1,723,615
Emergency Services	-	-	5,486,415	5,052,993	5,486,415	5,052,993
Sewer Enterprise	-	-	32,850	33,536	32,850	33,536
Total Expenses	43,017,362	42,059,377	7,440,171	6,810,144	50,457,533	48,869,521
Excess (Deficiency) Before Transfers and Contributions	6,044,598	1,552,842	25,095	604,436	6,069,693	2,157,278
Transfers In (Out)	609,000	377,000	(609,000)	(353,800)	-	23,200
Increase (Decrease) in Net Position	6,653,598	1,929,842	(583,905)	250,636	6,069,693	2,180,478
Net Position, Beginning, as Restated	42,418,400	40,015,617	8,248,792	8,106,250	50,667,192	48,121,867
Net Position, Ending	\$ 49,071,998	\$ 41,945,459	\$ 7,664,887	\$ 8,356,886	\$ 56,736,885	\$ 50,302,345

Governmental Activities. Governmental activities increased the County's net position by \$6,653,598 in 2024. The cost of all governmental activities in 2024 was \$43,017,362, a 2% increase from the prior year. Revenues from governmental activities increased 12% from the prior year.

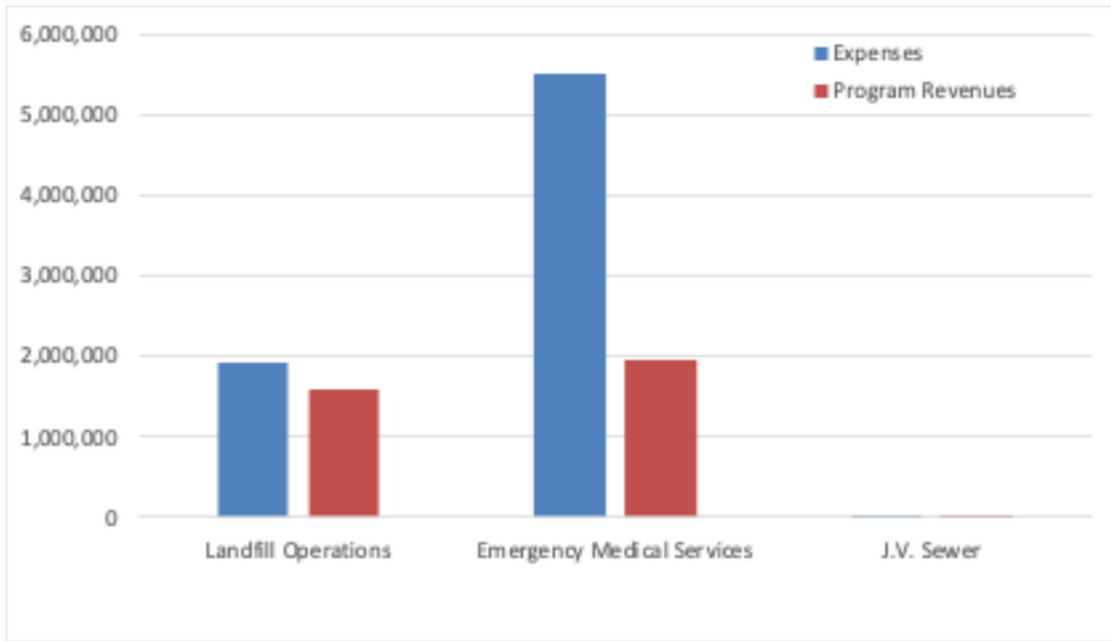
Expenses and Program Revenues – Governmental Activities



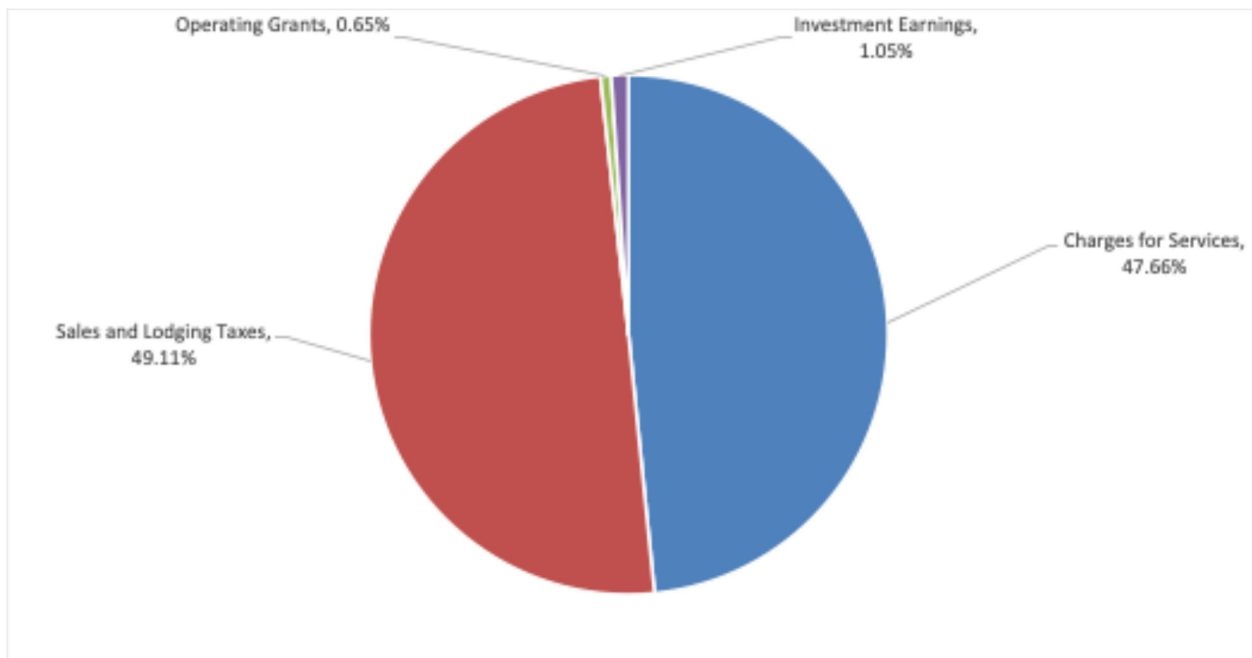
Revenues by Source – Governmental Activities



Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the County's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2024, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Revenues</u>	<u>2024 Amount</u>	<u>Percent of Total</u>	<u>2023 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Taxes	\$18,109,817	36.90%	\$17,304,241	805,576	4.66%
Licenses and Permits	1,937,374	3.95%	1,803,525	133,849	7.42%
Intergovernmental	22,707,669	46.27%	18,099,227	4,608,442	25.46%
Charges for Services	2,837,433	5.78%	2,413,668	423,765	17.56%
Fines and Forfeitures	215,800	0.44%	205,443	10,357	5.04%
Investment Earnings	1,608,438	3.28%	1,939,853	(331,415)	(17.08%)
Miscellaneous	1,661,678	3.39%	1,514,233	147,445	9.74%
Total	<u>\$49,078,209</u>	<u>100.00%</u>	<u>\$43,280,190</u>	<u>\$5,798,019</u>	

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2024, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	<u>2024 Amount</u>	<u>Percent of Total</u>	<u>2023 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Current					
General Government	\$9,075,222	16.04%	\$10,901,669	(1,826,447)	(16.75%)
Community / Economic Development	2,103,621	3.72%	2,060,700	42,921	2.08%
Public Safety	8,835,267	15.62%	7,331,613	1,503,654	20.51%
Health and Welfare	13,123,245	23.20%	12,636,276	486,969	3.85%
Public Works	4,501,403	7.96%	4,544,315	(42,912)	(0.94%)
Parks and Recreation	2,598,105	4.59%	749,167	1,848,938	246.80%
Airport Operations	689,123	1.22%	663,494	25,629	3.86%
Arbitrage Rebate	54,208	0.10%	240,546	(186,338)	(77.46%)
Capital Outlay	14,339,978	25.35%	8,254,845	6,085,133	73.72%
Debt Service – Principal	754,165	1.33%	635,315	118,850	18.71%
Debt Service – Interest	492,976	0.87%	467,156	25,820	5.53%
Total	<u>\$56,567,313</u>	<u>100%</u>	<u>\$48,485,096</u>	<u>\$8,082,217</u>	

Fund Balances

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

The County's governmental funds reported combined ending fund balances of \$28,702,510, a decrease of \$1,441,950 from the prior year. Of this total, \$16,419,802 is restricted due to external limitations on its use, such as by debt covenants and legal restrictions. A total of \$306,125 is considered unspendable because it has been used for prepaid items (inventories). A total of \$1,382,629 has been committed or assigned, meaning there are

limitations resulting from its intended use, such as construction of capital assets, and for other purposes. The remaining \$10,593,954 is unassigned and can be used for any lawful purpose.

The general fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,593,954. The fund balance of the general fund increased by \$545,452 or 4.5%, in 2023. As a measure of the general fund's liquidity, it can be useful to compare unassigned fund balances to total fund expenditures. Unassigned fund balance represents 47% of total fund expenditures or the equivalent of just under 6 months of operations. The County's fund balance provides the resources necessary to be financially adaptable to unforeseen circumstances.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2024, totals \$44,145,928 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, and machinery and equipment (see table below). The total increase in the County's net capital assets for the current fiscal year was 40.4% (a 47.6% increase for governmental activities and a 1.3% decrease for business-type activities).

Major capital assets purchased or placed in service during the current fiscal year include the CR397 bridge replacement (\$3,891,398), fairground improvements (\$433,178), Valley View Schoolhouse renovation (\$645,007), airport Automated Weather Observation System (\$1,037,992), patrol vehicles for the Sheriff (\$391,231), Road and Bridge heavy equipment (\$176,701), and ambulances (\$625,854). Construction-in-progress additions included the Chaffee County North Public Safety EMS building (\$9,469,628).

County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,654,478	\$ 2,654,478	\$ 281,526	\$ 281,526	\$ 2,936,004	\$ 2,936,004
Construction in Progress	11,666,893	4,634,821	-	850,635	11,666,893	5,485,456
Buildings and Improvements	20,085,414	15,479,226	1,354,163	663,756	21,439,577	16,142,982
Utility Lines	-	-	317,218	333,914	317,218	333,914
Vehicles	1,495,523	1,259,026	1,394,671	935,024	2,890,194	2,194,050
Machinery and Equipment	3,084,309	2,452,380	1,227,301	1,569,601	4,311,610	4,021,981
Right-to-Use Assets	492,139	161,847	-	-	492,139	161,847
SBITAs	92,293	171,401	-	-	92,293	171,401
Total	\$ 39,571,049	\$ 26,813,179	\$ 4,574,879	\$ 4,634,456	\$ 44,145,928	\$ 31,447,635

Bonds Payable At the end of the current fiscal year, the County had total bonds payable outstanding in the amount of \$12,246,791. Of this amount, \$11,895,000 are Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements. The remainder of the County's bonds payable \$351,791, represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Revenue Bonds	\$ -	\$ -	\$ 351,791	\$ 365,459	\$ 351,791	\$ 365,459
Certificates of Participation	11,895,000	12,475,000	-	-	11,895,000	12,475,000
Total	\$ 11,895,000	\$ 12,475,000	\$ 351,791	\$ 365,459	\$ 12,246,791	\$ 12,840,459

The County's total outstanding debt decreased by a net \$593,668 during the current fiscal year. The County issued no new debt during the fiscal year. All scheduled debt service payments on long-term debt obligations were made during the current fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chaffee County Finance Department, 132 Crestone, Salida, CO 81201.

BASIC FINANCIAL STATEMENTS

CHAFFEE COUNTY, COLORADO

STATEMENT OF NET POSITION

December 31, 2024

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
ASSETS			
Cash and Investments	\$ 30,266,586	\$ 3,483,776	\$ 33,750,362
Accounts Receivable	5,884	380,411	386,295
Taxes Receivable	8,082,131	-	8,082,131
Grants Receivable	1,271,125	581,254	1,852,379
Inventory	284,327	-	284,327
Prepaid Expenses	21,798	-	21,798
Capital Assets, <i>Not Being Depreciated</i>	14,321,371	281,526	14,602,897
Capital Assets, <i>Net of Accumulated Depreciation</i>	25,249,678	4,293,352	29,543,030
TOTAL ASSETS	79,502,900	9,020,319	88,523,219
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding of Debt	38,627	-	38,627
LIABILITIES			
Accounts Payable	1,890,052	76,751	1,966,803
Accrued Closure and Post-Closure Costs	-	469,249	469,249
Retainage Payable	525,395	-	525,395
Accrued Liabilities	296,755	-	296,755
Accrued Salaries and Benefits	582,251	138,702	720,953
Accrued Interest Payable	72,597	1,181	73,778
Unearned Revenues	939,993	-	939,993
Noncurrent Liabilities			
Due Within One Year	932,077	14,322	946,399
Due in More Than One Year	18,968,966	655,227	19,624,193
TOTAL LIABILITIES	24,208,086	1,355,432	25,563,518
DEFERRED INFLOWS OF RESOURCES			
Grants Receivable	123,599	-	123,599
Property Taxes	6,137,844	-	6,137,844
TOTAL DEFERRED INFLOWS OF RESOURCES	6,261,443	-	6,261,443
NET POSITION			
Net Investment in Capital Assets	19,708,633	4,223,089	23,931,722
Restricted for:			
Emergencies	790,154	-	790,154
Roads and Bridges	1,602,816	-	1,602,816
Forest Health and Conservation	1,852,800	-	1,852,800
Social Services	1,478,815	-	1,478,815
Capital Projects	6,559,096	-	6,559,096
Retirement	1,752,257	-	1,752,257
Purposes of Voters/Grantors	744,950	-	744,950
Community/Economic Development	1,638,914	-	1,638,914
Unrestricted	12,943,563	3,441,798	16,385,361
TOTAL NET POSITION	\$ 49,071,998	\$ 7,664,887	\$ 56,736,885

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

CHAFFEE COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
					GOVERNMENT/ ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	\$ 9,861,437	\$ 2,295,197	\$ 2,093,921	\$ -	\$ (5,472,319)	\$ -	\$ (5,472,319)
Community/Economic Development	2,118,385	1,830,703	113,473	-	(174,209)	-	(174,209)
Public Safety	9,082,269	1,116,247	522,433	2,909,026	(4,534,563)	-	(4,534,563)
Health and Welfare	13,178,689	222,092	11,276,261	-	(1,680,336)	-	(1,680,336)
Public Works	4,886,221	24,547	2,332,197	2,247,281	(282,196)	-	(282,196)
Parks and Recreation	2,765,746	162,321	593,262	383,332	(1,626,831)	-	(1,626,831)
Airport Operations	903,337	495,919	100,000	495,008	187,590	-	187,590
Interest on Long-Term Debt	221,278	-	-	-	(221,278)	-	(221,278)
Total Governmental Activities	43,017,362	6,147,026	17,031,547	6,034,647	(13,804,142)	-	(13,804,142)
Business-Type Activities							
Landfill Operations	1,920,906	1,581,057	-	-	-	(339,849)	(339,849)
Emergency Medical Services	5,486,415	1,941,591	48,679	-	-	(3,496,145)	(3,496,145)
Sewer	32,850	35,631	-	-	-	2,781	(35,631)
Total Business-Type Activities	7,440,171	3,558,279	48,679	-	-	(3,833,213)	(3,871,625)
TOTAL PRIMARY GOVERNMENT	\$ 50,457,533	\$ 9,705,305	\$ 17,080,226	\$ 6,034,647	(13,804,142)	(3,833,213)	(13,839,773)
GENERAL REVENUES							
Property Taxes					7,631,022	-	7,631,022
Specific Ownership Taxes					456,027	-	456,027
Sales Taxes					10,022,768	3,666,443	13,689,211
Investment Earnings					1,608,438	78,355	1,686,793
Other Revenues					130,485	113,510	243,995
Transfers					609,000	(609,000)	-
TOTAL GENERAL REVENUES					20,457,740	3,249,308	23,707,048
CHANGE IN NET POSITION							
NET POSITION, Beginning, as Originally Stated					41,945,459	8,356,886	50,302,345
Restatement - Correction of Errors					472,941	(108,094)	364,847
NET POSITION, Beginning, as Restated					<u>42,418,400</u>	<u>8,248,792</u>	<u>50,667,192</u>
NET POSITION, Ending					<u>\$ 49,071,998</u>	<u>\$ 7,664,887</u>	<u>\$ 56,736,885</u>

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

CHAFFEE COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	GENERAL	ROAD AND BRIDGE	PUBLIC WELFARE
ASSETS			
Cash and Investments	\$ 11,817,811	\$ 1,496,017	\$ 1,757,572
Accounts Receivable	-	-	-
Due from Other Governments	180,238	292,443	452,445
Taxes Receivable	5,249,046	206,992	959,645
Prepaid Expenditures	21,798	-	-
Interfund Receivable	28,125	-	-
Inventories	-	235,681	-
	17,297,018	2,231,133	3,169,662
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	37,160	12,400	53,302
Retainage Payable	-	-	-
Accrued Liabilities	-	2,000	-
Salaries and Benefits Payable	413,979	47,645	111,528
Interfund Payable	-	-	-
Unearned Revenues	365,717	-	574,276
	816,856	62,045	739,106
DEFERRED INFLOWS OF RESOURCES			
Grants Receivable	-	123,599	-
Property Taxes	3,922,409	206,992	951,741
	3,922,409	330,591	951,741
FUND BALANCES			
Nonspendable Balances	21,798	235,681	-
Restricted for:			
Emergencies	790,154	-	-
Roads and Bridges	-	1,602,816	-
Forest Health and Conservation	-	-	-
Social Services	-	-	1,478,815
Capital Projects	-	-	-
Retirement	1,080,000	-	-
Purposes of Voters/Grantors	71,847	-	-
Community/Economic Development	-	-	-
Committed to:			
Airport	-	-	-
Unanticipated Obligations	-	-	-
Assigned for:			
Capital Improvements	-	-	-
Debt Service	-	-	-
Unassigned	10,593,954	-	-
	12,557,753	1,838,497	1,478,815
TOTAL FUND BALANCES	12,557,753	1,838,497	1,478,815
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 17,297,018	\$ 2,107,534	\$ 3,169,662

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

<u>CAPITAL EXPENDITURE</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
\$ 8,649,869	\$ 5,811,865	\$ 29,533,134
-	5,884	5,884
280,301	65,698	1,271,125
206,992	1,459,456	8,082,131
-	-	21,798
-	-	28,125
-	48,646	284,327
<u>9,137,162</u>	<u>7,391,549</u>	<u>39,226,524</u>
1,550,924	236,266	1,890,052
525,395	-	525,395
294,755	-	296,755
-	9,099	582,251
-	28,125	28,125
-	-	939,993
<u>2,371,074</u>	<u>273,490</u>	<u>4,262,571</u>
-	-	123,599
<u>206,992</u>	<u>849,710</u>	<u>6,137,844</u>
<u>206,992</u>	<u>849,710</u>	<u>6,261,443</u>
-	48,646	306,125
-	-	790,154
-	-	1,602,816
-	1,852,800	1,852,800
-	-	1,478,815
6,559,096	-	6,559,096
-	672,257	1,752,257
-	673,103	744,950
-	1,638,914	1,638,914
-	277,779	277,779
-	692,522	692,522
-	-	-
-	348,780	348,780
-	63,548	63,548
-	-	10,593,954
<u>6,559,096</u>	<u>6,268,349</u>	<u>28,702,510</u>
<u>\$ 9,137,162</u>	<u>\$ 7,391,549</u>	<u>\$ 39,102,925</u>

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

CHAFFEE COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	28,702,510
Capital assets and lease right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		39,571,049
Internal Service Funds are blended into Governmental Activities		733,452
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Bonds Payable		(11,895,000)
Financed Purchases Payable		(5,347,498)
Leases Payable		(497,609)
SBITAs Payable		(35,446)
Unamortized Loss on Refunding		38,627
Unamortized Bond Premium		(890,110)
Accrued Interest Payable		(72,597)
Accrued Compensated Absences		(1,235,380)
		(11,895,000)
Total Net Position of Governmental Activities	\$	49,071,998

CHAFFEE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	GENERAL	ROAD AND BRIDGE	PUBLIC WELFARE
REVENUES			
Taxes	\$ 12,445,876	\$ 168,804	\$ 994,228
Licenses and Permits	1,930,556	6,818	-
Intergovernmental	4,667,684	4,579,478	9,447,640
Charges for Services	2,323,785	17,729	-
Fines and Forfeitures	215,800	-	-
Investment Earnings	1,091,837	102,641	2,712
Miscellaneous	1,541,937	808	-
TOTAL REVENUES	24,217,475	4,876,278	10,444,580
EXPENDITURES			
General Government	7,792,072	-	-
Community/Economic Development	1,618,722	-	-
Public Safety	8,835,267	-	-
Health and Welfare	2,642,610	-	10,480,635
Public Works	1,221,512	3,279,891	-
Parks and Recreation	474,810	-	-
Airport Operations	-	-	-
Arbitrage Rebate	-	-	-
Capital Outlay	-	3,271,605	-
Debt Service			
Principal	89,527	50,879	-
Interest	29,357	9,056	-
TOTAL EXPENDITURES	22,703,877	6,611,431	10,480,635
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,513,598	(1,735,153)	(36,055)
OTHER FINANCING SOURCES (USES)			
Proceeds from Financed Purchase / Lease	438,154	-	-
Transfers In	613,700	2,200,000	-
Transfers Out	(2,020,000)	-	(162,000)
TOTAL OTHER FINANCING SOURCES (USES)	(968,146)	2,200,000	(162,000)
CHANGE IN FUND BALANCES	545,452	464,847	(198,055)
FUND BALANCES, Beginning, as Originally Stated	11,696,467	1,407,389	1,760,424
Restatement - Correction of Errors	315,834	(33,739)	(83,554)
FUND BALANCES, Beginning, as Restated	12,012,301	1,373,650	1,676,870
FUND BALANCES, Ending	12,557,753	1,838,497	1,478,815

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

CAPITAL EXPENDITURE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
215,751	\$ 4,285,158	\$ 18,109,817
-	-	1,937,374
904,238	3,108,629	22,707,669
-	495,919	2,837,433
-	-	215,800
253,888	157,360	1,608,438
-	118,933	1,661,678
<u>1,373,877</u>	<u>8,165,999</u>	<u>49,078,209</u>
88,105	1,195,045	9,075,222
-	484,899	2,103,621
-	-	8,835,267
-	-	13,123,245
-	-	4,501,403
-	2,123,295	2,598,105
-	689,123	689,123
54,208	-	54,208
10,311,514	756,859	14,339,978
-	613,759	754,165
-	454,563	492,976
<u>10,453,827</u>	<u>6,317,543</u>	<u>56,567,313</u>
<u>(9,079,950)</u>	<u>1,848,456</u>	<u>(7,489,104)</u>
5,000,000	-	5,438,154
2,388,120	2,180,000	7,381,820
-	(4,590,820)	(6,772,820)
<u>7,388,120</u>	<u>(2,410,820)</u>	<u>6,047,154</u>
(1,691,830)	(562,364)	(1,441,950)
8,250,926	6,556,313	29,671,519
-	274,400	472,941
<u>8,250,926</u>	<u>6,830,713</u>	<u>30,144,460</u>
<u>6,559,096</u>	<u>6,268,349</u>	<u>28,702,510</u>

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

CHAFFEE COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$ (1,441,950)
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Governmental funds report capital outlays and leases as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:

Depreciation Expense	(1,796,112)
Amortization Expense	(186,970)
Capital Outlay	14,757,201

Internal Service Funds activities are blended into Governmental Activities	(100,421)
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Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

This includes the changes in the following:

Financed Purchase Proceeds	(5,000,000)
Lease Proceeds	(438,154)
Gain (Loss) on Disposal of Capital Assets	(16,249)
Principal on Bonds Payable, Leases Payable and Financed Purchases	754,165
Amortization of Bond Loss on Refunding and Premium	296,372
Change in Accrued Interest	(24,674)
Accrued Compensated Absences	(149,610)

Change in Net Position of Governmental Activities	\$ <u>6,653,598</u>
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CHAFFEE COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WASTE DISPOSAL	EMERGENCY SERVICES	J.V. SEWER	TOTAL	INTERNAL SERVICE FUND
ASSETS					
Cash and Investments	\$ 1,043,353	\$ 2,327,296	\$ 113,127	\$ 3,483,776	\$ 733,452
Accounts Receivable	128,960	242,543	8,908	380,411	-
Taxes Receivable	-	581,254	-	581,254	-
Capital Assets, <i>Not Being Depreciated</i>	135,678	139,848	6,000	281,526	-
Capital Assets, <i>Net of Accumulated Depreciation</i>	1,826,127	2,150,007	317,218	4,293,352	-
TOTAL ASSETS	3,134,118	5,440,948	445,253	9,020,319	733,452
LIABILITIES					
Accounts Payable	59,682	17,069	-	76,751	423
Accrued Salaries and Benefits	23,445	115,257	-	138,702	-
Accrued Interest Payable	-	-	1,181	1,181	-
Accrued Closure and Post-Closure Costs	469,249	-	-	469,249	-
Noncurrent Liabilities					
Due Within One Year	-	-	14,322	14,322	-
Due in More Than One Year	70,686	247,074	337,467	655,227	-
TOTAL LIABILITIES	623,062	379,400	352,970	1,355,432	423
NET POSITION					
Net Investment in Capital Assets	1,961,805	2,289,855	(28,571)	4,223,089	-
Unrestricted	549,251	2,771,693	120,854	3,441,798	733,029
TOTAL NET POSITION	\$ 2,511,056	\$ 5,061,548	\$ 92,283	\$ 7,664,887	\$ 733,029

CHAFFEE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2024

	BUSINESS-TYPE ACTIVITIES			TOTAL	GOVERNMENTAL ACTIVITIES
	WASTE DISPOSAL	EMERGENCY SERVICES	J.V. SEWER		INTERNAL SERVICE FUND
OPERATING REVENUES					
Charges for Services	\$ 1,581,057	\$ 1,941,591	\$ 35,631	\$ 3,558,279	\$ 1,002,798
Miscellaneous	26,531	26,979	-	53,510	8,071
TOTAL OPERATING REVENUES	1,607,588	1,968,570	35,631	3,611,789	1,010,869
OPERATING EXPENSES					
Cost of Operations	1,484,570	5,153,766	-	6,638,336	1,141,607
Depreciation	436,336	332,649	16,696	785,681	-
TOTAL OPERATING EXPENSES	1,920,906	5,486,415	16,696	7,424,017	1,141,607
NET OPERATING INCOME (LOSS)	(313,318)	(3,517,845)	18,935	(3,812,228)	(130,738)
NONOPERATING REVENUES (EXPENSES)					
Sales Tax	-	3,666,443	-	3,666,443	-
Investment Earnings	78,355	-	-	78,355	29,894
Gain (Loss) on Sale of Capital Assets	-	60,000	-	60,000	-
Grants	-	48,679	-	48,679	-
Interest Expense	-	-	(16,154)	(16,154)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	78,355	3,775,122	(16,154)	3,837,323	29,894
NET INCOME (LOSS) BEFORE TRANSFERS	(234,963)	257,277	2,781	25,095	(100,844)
TRANSFERS					
Transfers Out	(40,000)	(569,000)	-	(609,000)	-
CHANGE IN NET POSITION	(274,963)	(311,723)	2,781	(583,905)	(100,844)
NET POSITION, Beginning, as Originally Stated	2,803,489	5,463,895	89,502	8,356,886	833,873
Restatement - Correction of Errors	(17,470)	(90,624)	-	(108,094)	-
NET POSITION, Beginning, as Restated	2,786,019	5,373,271	89,502	8,248,792	833,873
NET POSITION, Ending	\$ 2,511,056	\$ 5,061,548	\$ 92,283	\$ 7,664,887	\$ 733,029

CHAFFEE COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2024

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL
	WASTE DISPOSAL	EMERGENCY SERVICES	J.V. SEWER	TOTAL	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 1,547,065	\$ 2,066,462	\$ 26,723	\$ 3,640,250	\$ 1,010,869
Cash Payments to Employees	(564,672)	(3,142,937)	-	(3,707,609)	-
Cash Payments to Vendors and Suppliers	(835,754)	(1,969,128)	-	(2,804,882)	(1,141,607)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>146,639</u>	<u>(3,045,603)</u>	<u>26,723</u>	<u>(2,872,241)</u>	<u>(130,738)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Sales Tax Received	-	3,910,822	-	3,910,822	-
Grants Received	-	48,679	-	48,679	-
Net Transfers from (to) Other Funds	(40,000)	(569,000)	-	(609,000)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(40,000)</u>	<u>3,390,501</u>	<u>-</u>	<u>3,350,501</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(61,064)	(665,040)	-	(726,104)	-
Gain on Disposal of Capital Assets	-	60,000	-	60,000	-
Debt Service					
Interest	-	-	(16,327)	(16,327)	-
Principal	-	-	(13,668)	(13,668)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(61,064)</u>	<u>(605,040)</u>	<u>(29,995)</u>	<u>(696,099)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Earnings	85,136	-	-	85,136	32,513
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	130,711	(260,142)	(3,272)	(132,703)	(98,225)
CASH AND CASH EQUIVALENTS, Beginning	912,642	2,587,438	116,399	3,616,479	831,677
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,043,353</u>	<u>\$ 2,327,296</u>	<u>\$ 113,127</u>	<u>\$ 3,483,776</u>	<u>\$ 733,452</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Net Operating Income (Loss)	\$ (313,318)	\$ (3,517,845)	\$ 18,935	\$ (3,812,228)	\$ (130,738)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	436,336	332,649	16,696	785,681	-
Changes in Assets and Liabilities:					
Accounts Receivable	(70,737)	51,591	(8,908)	(28,054)	-
Accounts Payable	59,682	17,069	-	76,751	-
Accrued Closure and Post-Closure Costs	18,487	-	-	18,487	-
Accrued Payroll	5,975	24,632	-	30,607	-
Compensated Absences Payable	10,214	46,301	-	56,515	-
Total Adjustments	<u>459,957</u>	<u>472,242</u>	<u>7,788</u>	<u>939,987</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 146,639</u>	<u>\$ (3,045,603)</u>	<u>\$ 26,723</u>	<u>\$ (2,872,241)</u>	<u>\$ (130,738)</u>

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

CHAFFEE COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2024

	CUSTODIAL FUNDS					TOTAL FIDUCIARY FUNDS
	COUNTY TREASURER	PUBLIC TRUSTEE	EXTENSION	DETENTION CENTER	COUNTY FAIRGROUNDS	
ASSETS						
Cash and Investments	\$ 1,453,347	\$ 29,475	\$ 24,089	\$ 51,290	\$ 27,269	\$ 1,585,470
NET POSITION						
Due to Other Governments	240,823	29,475	24,089	51,290	27,269	372,946
Funds Held for Others	1,212,524	-	-	-	-	1,212,524
TOTAL NET POSITION	<u>\$ 1,453,347</u>	<u>\$ 29,475</u>	<u>\$ 24,089</u>	<u>\$ 51,290</u>	<u>\$ 27,269</u>	<u>\$ 1,585,470</u>

CHAFFEE COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2024

	CUSTODIAL FUNDS					TOTAL FIDUCIARY FUNDS
	COUNTY TREASURER	PUBLIC TRUSTEE	EXTENSION	DETENTION CENTER	COUNTY FAIRGROUNDS	
ADDITIONS						
Taxes and Fees Collected for Other Governments	\$ 56,303,342	\$ 1,890,316	\$ -	\$ -	\$ -	\$ 58,193,658
Fines and Fees Collected for Other Governments	-	-	11,792	895,170	122,463	1,029,425
TOTAL ADDITIONS	<u>56,303,342</u>	<u>1,890,316</u>	<u>11,792</u>	<u>895,170</u>	<u>122,463</u>	<u>59,223,083</u>
DEDUCTIONS						
Taxes and Fees Disbursed to Other Governments	58,092,354	1,877,933	-	-	-	59,970,287
Fines and Fees Disbursed to Other Governments	-	-	13,044	887,568	152,602	1,053,214
TOTAL DEDUCTIONS	<u>58,092,354</u>	<u>1,877,933</u>	<u>13,044</u>	<u>887,568</u>	<u>152,602</u>	<u>61,023,501</u>
CHANGE IN NET POSITION	(1,789,012)	12,383	(1,252)	7,602	(30,139)	(1,800,418)
NET POSITION, Beginning	<u>3,242,359</u>	<u>17,092</u>	<u>25,341</u>	<u>43,688</u>	<u>57,408</u>	<u>3,385,888</u>
NET POSITION, Ending	<u>\$ 1,453,347</u>	<u>\$ 29,475</u>	<u>\$ 24,089</u>	<u>\$ 51,290</u>	<u>\$ 27,269</u>	<u>\$ 1,585,470</u>

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: Summary of Significant Accounting Policies

Chaffee County (the County) was formed in 1879 and is governed by applicable Colorado Statutes. The County is managed by three Commissioners and provides the following services: public safety, highways and roads, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, tax and license assessments and collections, sewer debt recovery, a solid waste landfill, emergency services, an airport and general administrative services.

The accounting policies of the County conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the County's significant policies.

Reporting Entity

The financial reporting entity consists of the County, organizations for which the County is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the County. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the County. Legally separate organizations for which the County is financially accountable are considered part of the reporting entity. Financial accountability exists if the County appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the County.

The Public Trustee is a State statutorily mandated position, appointed by the Board of County Commissioners, but whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund, except those required to be accounted for in a Custodial Fund.

Blended Component Units

The *Chaffee County Facilities Corporation (Corporation)* was created as a nonprofit corporation in 2001 in order to assist in the financing of various County facilities. The Corporation's activities are reported as a debt service fund. The Corporation is included in the County's financial statements because the Corporation is fiscally dependent upon the County. This component unit does not issue separate financial statements.

The *Chaffee County Sewer Enterprise Fund* was created to finance and construct a wastewater distribution system in an area of the County known as "Johnson Village".

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the County and its component unit. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds, proprietary funds, and fiduciary funds identified by management are reported as separate columns in the fund financial statements.

In the fund financial statements, the County reports the following major governmental funds:

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

The *Road and Bridge Fund* is used to account for the operations of the County Road Department. Financing is provided by transfers, state contributions and other miscellaneous revenues.

The *Health and Human Services Fund* is used to account for the operations of the County Welfare Department. Financing is provided by state grants and property taxes.

The *Capital Expenditures Fund* is used to account for capital additions. Financing is provided by federal and state grants, property taxes and occasional transfers.

The County reports the following major proprietary funds:

The *Waste Disposal Fund* is used to account for the activities involved in operating the County's solid waste landfill.

The *Emergency Services Fund* is used to account for the operations of the County's ambulance and related emergency services.

The *J.V. Sewer Fund* (a blended component unit of the County) is used to account for the collection of monies and subsequent payment of debt service related to a wastewater distribution system construction in an area of the County known of Johnson Village.

Additionally, the County reports the following fund types:

The *Fiduciary Funds* account for Custodial Fund assets held by the County in a custodial capacity or as an agent on behalf of others. *Fiduciary Funds* are accounted for using the accrual basis of accounting. The County's Custodial Funds include the Treasurer's Office, the Public Trustee, the Extension Activity Fund, the Detention Center and the County Fairgrounds Fund.

The *Insurance Fund* is an internal service fund. This fund charges other County funds for their allocated cost of insurance premiums and estimated damaged property claims not covered by insurance.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current year.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the County.

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, are recorded only when payment is due.

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

When both restricted and unrestricted resources are available for a specific use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash and Investments— Cash and investments of each of the County's funds are pooled and invested by the County into liquid investment with maturities of three months or less. Investments are reported at fair value. For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year for collection in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the County on a monthly basis. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

Prepaid Expenses / Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses using the consumption method.

Inventories – Inventories are stated at cost on a lower average cost or market. The costs of inventories are recorded as expenditures or expenses when consumed rather than when purchased.

Capital Assets - Capital assets include property, equipment, and infrastructure. These are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. They are also reported in the proprietary funds in the fund financial statements.

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Buildings and Improvements	15 – 50 years
Improvements Other Than Buildings	10 – 50 years
Infrastructure	40 – 50 years
Vehicles	3 – 20 years
Machinery and Equipment	5 – 20 years

Deferred Inflows of Resources – This separate financial statement element represents an acquisition of net assets by the County that is applicable to a future reporting period. Deferred inflows of resources in the governmental fund financial statements include the amortizable portion of leases receivable not available as current financial resources.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations, including financed purchases, are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Leases – The County determines if an arrangement is a lease at inception. For leasing arrangements where the County is the lessee, leases are reported as right-to-use assets and noncurrent liabilities in the statement of net position.

Lease assets represent the County’s control of the right-to-use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date on the initial measurement of the lease liabilities, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Leased assets are defined by the County as assets with an initial, individual cost of more than \$5,000.

Lease liabilities represent the County’s obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

For individual lease contracts where information about the discount rate implicit in the lease is not included, the County has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Compensated Absences – It is the County’s policy to permit employees to accumulate earned but unused vacation and certain sick pay benefits. Unused accumulated leave benefits are paid upon separation/termination at their current pay rate. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned. Governmental funds recognize a liability only when payment is due.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. Governmental fund balances are classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances include resources which are subject to limitations the County imposes on itself by action of County Council through ordinances. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Commitments may be established, modified, or rescinded only through ordinances approved by the Board of County Commissioners. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

Property Taxes

Property taxes normally attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the County on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Investments

At December 31, 2024, the County had the following cash and investments:

Cash on Hand	\$ 5,122
Deposits	10,347,043
Investments	<u>24,983,667</u>
Total	<u><u>\$ 35,335,832</u></u>

Cash and cash equivalents are reported in the financial statements as follows:

Primary Government	\$ 33,750,362
Fiduciary Funds	<u>1,585,470</u>
Total	<u><u>\$ 35,335,832</u></u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the County had bank deposits of \$10,025,832 collateralized with securities held by the financial institution’s agent but not in the County’s name.

Investments

The County is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

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

At December 31, 2024, the County had the following investments:

Investment Type	Rating	Fair Value	Maturity		Percentage of Investments	Fair Value Hierarchy
			Less Than One Year	1-5 Years		
Local Government Pools	Aaa-mf	18,581,046	18,581,046	-	74%	NAV
U.S. Agency Securities	AA+	2,167,548	229,095	1,938,453	9%	Level 1
U.S. Treasury Securities	AA+	3,039,241	1,270,575	1,768,666	12%	Level 1
Corporate Bonds	AA+	394,745	100,501	294,244	2%	Level 1
Money Market	Aaa-m	10,933	10,933	-	0%	Level 2
Corporate Stocks	N/A	790,154	N/A	N/A	3%	Level 1
Total Investments		\$ 24,983,667	\$ 20,192,150	\$ 4,001,363	100%	

Fair Value Measurements - At December 31, 2024, the County's investments in the local government investment pools reported at the net asset value per share.

The fair value measurements are categorized by the fair value hierarchy. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1, which is the highest priority, to Level 3, which is the lower priority and are based on the following criteria:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are observable.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the County may invest in a single issuer of investment securities, except for corporate securities.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pools - At June 30, 2025, the County had \$8,180,111 invested in the Colorado Surplus Asset Fund Trust, and \$10,400,935 invested in the Colorado Local Government Liquid Asset Trust (the Pools), investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. The Pools operate in conformity with the Securities and Exchange Commission’s Rule 2a-7. The Pools are reported at the net asset value per share, with each share valued at \$1. The Pools are rated AAAM by Standard and Poor’s. Investments of the Pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

NOTE 3: Interfund Balances and Transfers

During the year end December 31, 2024, the County transferred the following amounts between funds:

Transfer Out	Transfer In	Purpose	Amount
General	Road and Bridge	Capital Projects	\$ 2,200,000
General	Airport	Capital Projects	100,000
General	County Facilities Corp.	Debt Service	470,000
General	Asset Replacement	Capital Projects	250,000
Waste Disposal	General	Administration and Engineering	40,000
Retirement	General	County Pension Contributions	450,000
Lodging Visitors Bureau	General	Administration	2,700
EMS	General	Administration	9,000
EMS	County Facilities Corp.	Debt Service	560,000
ARPA	Capital Expenditures	Capital Projects	2,388,120
Public Welfare	General	Administration	162,000
Unallocated 2018 1A	Forest Health	Parks and Recreation	300,000
Unallocated 2018 1A	Rural Conservation	Parks and Recreation	450,000
Total			<u>\$ 7,381,820</u>

General Fund transferred \$2,300,000 to the Road and Bridge Fund and Airport Fund to finance capital projects. ARPA Fund transferred \$2,388,120 to the Capital Expenditures Fund to finance various capital projects. The General Fund charged administration fees to the Lodging Visitors Bureau Fund, EMS Fund, Public Welfare Fund, and the Waste Disposal Fund. The Retirement Fund reimbursed the General Fund using property taxes collected for employer contributions. EMS Fund transferred \$2,388,120 to the County Facilities Corporation to cover the annual debt service on the certificates of participation. Unallocated 2018 1-A Fund contributed \$300,000 and \$450,000 to the Forest Health Fund and Rural Conservation Fund, respectively, to finance projects.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 4: Capital Assets

Capital asset activity for the year ended December 31, 2024, is summarized below:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,654,478	\$ -	\$ -	\$ 2,654,478
Construction in Progress	4,634,821	13,414,212	6,382,140	11,666,893
Total Capital Assets, Not Being Depreciated	7,289,299	13,414,212	6,382,140	14,321,371
Capital Assets, Being Depreciated/Amortized:				
Buildings and Improvements	29,640,998	5,507,142	-	35,148,140
Vehicles	4,872,566	645,942	59,500	5,459,008
Machinery and Equipment	8,217,322	1,133,891	452,808	8,898,405
Right-to-Use Assets	182,078	438,154	-	620,232
SBITAs	237,324	-	-	237,324
Total Capital Assets, Being Depreciated/Amortized	43,150,288	7,725,129	512,308	50,363,109
Less Accumulated Depreciation/Amortization:				
Buildings and Improvements	(14,161,772)	(900,954)	-	(15,062,726)
Vehicles	(3,613,540)	(409,445)	(59,500)	(3,963,485)
Machinery and Equipment	(5,764,942)	(485,713)	(436,559)	(5,814,096)
Right-to-Use Assets	(20,231)	(107,862)	-	(128,093)
SBITAs	(65,923)	(79,108)	-	(145,031)
Total Accumulated Depreciation/Amortization	(23,626,408)	(1,983,082)	(496,059)	(25,113,431)
Total Capital Assets, Being Depreciated/Amortized, Net	19,523,880	5,742,047	16,249	25,249,678
Capital Assets, Governmental Activities, Net	\$ 26,813,179	\$ 19,156,259	\$ 6,398,389	\$ 39,571,049

Depreciation and amortization expense was allocated for governmental activities as follows:

General Government	\$ 461,045
Community/Economic Development	14,764
Public Safety	685,156
Public Works	384,818
Health and Welfare	55,444
Parks and Recreation	167,641
Airport	214,214
Total	\$ 1,983,082

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 4: Capital Assets (Continued)

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 281,526	-	-	\$ 281,526
Construction in Progress	850,635	-	850,635	-
Total Capital Assets, Not Being Depreciated	<u>1,132,161</u>	<u>-</u>	<u>850,635</u>	<u>281,526</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,562,452	850,635	-	3,413,087
Utility Lines	710,584	-	-	710,584
Vehicles	2,386,724	686,920	360,127	2,713,517
Machinery and Equipment	5,505,223	39,184	-	5,544,407
Total Capital Assets, Being Depreciated	<u>11,164,983</u>	<u>1,576,739</u>	<u>360,127</u>	<u>12,381,595</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,898,696)	(160,228)	-	(2,058,924)
Utility Lines	(376,670)	(16,696)	-	(393,366)
Vehicles	(1,451,700)	(227,273)	(360,127)	(1,318,846)
Machinery and Equipment	(3,935,622)	(381,484)	-	(4,317,106)
Total Accumulated Depreciation	<u>(7,662,688)</u>	<u>(785,681)</u>	<u>(360,127)</u>	<u>(8,088,242)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,502,295</u>	<u>791,058</u>	<u>-</u>	<u>4,293,353</u>
Capital Assets, Business-Type Activities, Net	<u>\$ 4,634,456</u>	<u>\$ 791,058</u>	<u>\$ 850,635</u>	<u>\$ 4,574,879</u>

NOTE 5: Long-Term Debt

The following is a summary of long-term debt for the year ended December 31, 2024.

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Governmental Activities					
Certificates of Participation	\$ 12,475,000	\$ -	\$ 580,000	\$ 11,895,000	\$ 600,000
Premium on COPs	1,208,426	-	318,316	890,110	-
Compensated Absences	1,085,770	149,610	-	1,235,380	-
Financed Purchases	398,377	5,000,000	50,879	5,347,498	202,035
Lease Liabilities	148,982	438,154	89,527	497,609	94,596
SBITA (Tyler)	69,205	-	33,759	35,446	35,446
Total Governmental Activities	<u>\$ 15,385,760</u>	<u>\$ 5,587,764</u>	<u>\$ 1,072,481</u>	<u>\$ 19,901,043</u>	<u>\$ 932,077</u>
Business-Type Activities					
USDA Revenue Bonds	365,459	-	13,668	351,791	14,323
Compensated Absences	261,245	56,515	-	317,760	-
Total Business-Type Activities	<u>\$ 626,704</u>	<u>\$ 56,515</u>	<u>\$ 13,668</u>	<u>\$ 669,551</u>	<u>\$ 14,323</u>
Total Long-Term Debt	<u>\$ 16,012,464</u>	<u>\$ 5,644,279</u>	<u>\$ 1,086,149</u>	<u>\$ 20,570,594</u>	<u>\$ 946,400</u>

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 5: Long-Term Debt (Continued)

Certificates of Participation

In 2009, the County issued Certificates of Participation in order to finance the County’s share of the acquisition and renovation of a Community Services Complex. On May 25, 2018, the County issued \$1,395,000 of Series 2018A Taxable Refunding Certificates of Participation with interest rates ranging from 3.417% to 4.05% per annum in order to refund the outstanding Certificates of Participation, Series 2009, in the aggregate principal amount of \$1,490,000. The refunding resulted in an economic gain of \$32,567 with a cash flow savings of \$265,786.

On May 25, 2018, the County issued Certificates of Participation, Series 2018B, in the amount of \$3,920,000 with interest rates ranging from 3.0% to 4.0% per annum in order to finance the acquisition, construction, installation and equipping of various public improvements.

On July 20, 2021 the County issued Certificates of Participation, Series 2021, in the amount of \$8,265,000 in order to (a) finance the construction, improvement and equipping of various County capital improvement projects, including, but not limited to, the construction of improvements to the County’s Emergency Medical Services building, the remodeling of the County Assessor’s office, the construction of a new facility for the County’s Road and Bridge Department and the construction of a new addition to the County’s administrative building.

Certificate of Participation payments to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 600,000	\$ 423,337	\$ 1,023,337
2026	625,000	399,923	1,024,923
2027	665,000	375,068	1,040,068
2028	690,000	348,450	1,038,450
2029	715,000	324,150	1,039,150
2030-2034	4,025,000	1,180,800	5,205,800
2035-2039	3,490,000	459,750	3,949,750
2040-2041	1,085,000	49,050	1,134,050
Total	<u>\$ 11,895,000</u>	<u>\$ 3,560,528</u>	<u>\$ 15,455,528</u>

Financed Purchases

In 2021, the County entered into a financed purchase agreement for the purchase of John Deere equipment. The financed purchase agreement includes an imputed interest rate of 2.25% per annum, with five annual payments of \$59,935 from 2021 to 2025, with a final payment of \$295,453 on April 5, 2026. The equipment was capitalized by the County and will be depreciated using the straight-line method over its useful life.

In December 2024, the County entered into a financed purchase agreement for the purchase of equipment. The County borrowed initial funds of \$5,000,000 with an interest rate of 4.67% per annum. Proceeds will be used to purchase the equipment in 2025.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 5: Long-Term Debt (Continued)

Financed Purchases (Continued)

Financed purchase payments to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 202,035	\$ 227,130	\$ 429,165
2026	460,463	233,212	693,675
2027	170,000	218,789	388,789
2028	180,000	210,850	390,850
2029	190,000	202,444	392,444
2030-2034	1,080,000	871,189	1,951,189
2035-2039	1,360,000	594,024	1,954,024
2040-2044	1,705,000	246,342	1,951,342
Total	<u>\$ 5,347,498</u>	<u>\$ 2,803,980</u>	<u>\$ 8,151,478</u>

Lease Liabilities (Equipment)

During the year ended December 31, 2023, the County entered into a long-term lease agreement as the lessee for the acquisition and use of voting equipment. The County is required to make increasing principal and interest payments through 2031. The lease has an implied interest rate of 5% per annum. Upon the initiation of the lease, the County recognized a lease liability and an equal right-to-use asset of \$182,078. The right-to-use asset will be amortized using the straight-line method over the term of the lease.

During the year ended December 31, 2024, the County entered into a long-term lease agreement for the purchase of public safety technology and equipment. The County is required to make increasing principal and interest payments through 2028. The lease has an implied interest rate of 5% per annum. Upon the initiation of the lease, the County recognized a lease liability and an equal right-to-use asset of \$438,154. The right-to-use asset will be amortized using the straight-line method over the term of the lease. In 2024, amortization expense was \$107,862 and accumulated amortization at December 31, 2024, was \$128,093 for both lease-related right-to-use assets. Lease payments to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 94,595	\$ 26,653	\$ 121,248
2026	103,054	20,151	\$123,205
2027	112,075	14,998	\$127,073
2028	121,692	88,660	\$210,352
2029	20,532	3,310	\$23,842
2030-2031	45,661	3,464	49,125
Total	<u>\$ 497,609</u>	<u>\$ 157,236</u>	<u>\$ 654,845</u>

Subscription-Based Information Technology Arrangement (SBITA)

In 2023, the County entered into subscription-based information technology arrangement (SBITA) involving a software as a service (SaaS) agreement for an enterprise resource planning (ERP) system for its financial management and human resources management systems. Upon the initiation of the subscription, the County recognized a SBITA of \$106,424 and a corresponding right-to-use asset of \$237,324, due to an upfront cost of \$130,900. The right-to-use asset will be amortized using the straight-line method over the term of the subscription. In 2024, amortization expense was \$79,108 and accumulated amortization at December 31, 2024, was \$145,031. At December 31, 2024, the remaining payment was \$37,219 with a principal of \$35,447 and interest of \$1,772.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 5: Long-Term Debt (Continued)

Revenue Bonds

In 2017, the County issued bonds through the United States Department of Agriculture – Rural Development in order to finance the construction of a sewage collection line to be used by customers of a local sanitation district, Buena Vista Sanitation, in an area of the County known as Johnson Village. In order to repay the debt, the Sewer Enterprise entered into an intergovernmental agreement with the Buena Vista Sanitation District whereby the Sewer Enterprise would develop a monthly surcharge to be imposed on the property owners in Johnson Village who are connected to the sewage collection line. The bonds carry an interest rate of 4.5% per annum and semi-annual payments of \$14,997 due by June 1 and December 1, through 2042.

Bond payments to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,323	\$ 15,671	\$ 29,994
2026	14,975	15,019	29,994
2027	15,656	14,338	29,994
2028	16,368	13,626	29,994
2029	17,113	12,881	29,994
2030-2034	97,981	51,989	149,970
2035-2039	122,398	27,572	149,970
2040-2042	52,977	2,783	55,760
Total	<u>\$ 351,791</u>	<u>\$ 153,879</u>	<u>\$ 505,670</u>

NOTE 6: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters.

County Worker’s Compensation Pool

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 of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and 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.

Colorado Counties Casualty and Property Pool

In 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP) for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and 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.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 6: Risk Management (Continued)

County Health Pool

The County is a member of the County Health Pool (CHP) which is administered by County Technical Services, Inc. The CHP provides medical, dental, vision and life insurance benefits to more than 5,300 employees for 73 local government agencies. CHP is the only county-owned health plan provider in Colorado with benefits, contribution rates, and coverage determined by representatives from member counties. The CHP board meets every other month to discuss the industry, plan changes, coverages, and renewal, as well as vote on appeals.

All three of the above plans are administered by County Technical Services, Inc.

NOTE 7: Employee Retirement Plans

Defined Contribution Plan

The County participates in the Colorado County Officials and Employee Retirement Association (CCOERA), a multi-employer defined contribution retirement plan, of which there were 290 participants as of December 31, 2024. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Six months of service are required prior to participation in CCOERA.

Employees contribute 6% of their salary to the plan with an equal amount contributed by the County. Employees may contribute up to an additional 10% of base salary on a post-tax basis. The County does not match these additional contributions. Vesting occurs at the rate of 20% per year. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled their account becomes fully vested regardless of length of service. County contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the County. During 2024 employer contributions were \$1,062,873. The County had no outstanding liability for this plan at year end. The seven-member Governing Board of the Association makes all necessary rules and is responsible for the administration of the funds in the Retirement Plan.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The plan is administered by CCOERA and allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2024, there were 36 participants in the plan.

NOTE 8: Commitments and Contingencies

Claims and Judgments

The County participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. At December 31, 2024, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the County.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The County is subject to the Amendment.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 8: Commitments and Contingencies (Continued)

Tabor Amendment (Continued)

In 2008, the registered voters of the County approved the County's request to retain its excess revenue for fiscal year spending. As such the fiscal year spending limitations and refunding of excess revenue to its citizens as defined by the Amendment no longer apply. However, the County remains subject to other provisions of the Amendment.

The Amendment requires the County to establish a reserve for emergencies, representing 3% of qualifying expenditures. At December 31, 2024, the County's emergency reserve was reported as restricted fund balance in the General Fund in the amount of \$1,080,000.

Litigation

The County from time to time is involved in various legal matters. In the opinion of the County's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the County.

NOTE 9: Landfill Closure and Post-Closure Liability

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County is required to maintain, in written documented form, current cost estimates to close its landfill site and to conduct post-closure care of this site. Financial assurance is required to be established in amounts sufficient to ensure payment of such costs. Chaffee County uses the "Local Government Financial Test" as its financial mechanism to financially assure full payment of all closure, post-closure, and if applicable, corrective action estimated costs. Although the closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The landfill closure and post-closure care liability at December 31, 2024, is \$469,249. This liability consists of closure and post-closure cost of \$237,707 and \$231,542, respectively, and represents the cumulative amount reported to date based on the use of approximately 19.70% of the estimated capacity of the landfill.

The County will recognize the remaining estimated costs of closure and post-closure care of approximately \$1,912,895 as the remaining estimated capacity of the landfill is used. Closure costs are based on an estimate of the closure cost in 2024 dollars as adjusted for inflation. Post-closure costs are calculated based on the present value in 2024 dollars of the future annual cost to perform post-closure care over a ninety-nine-year period. Actual costs may be higher or lower due to unknown factors such as changes in technology or regulations. It is estimated that the County landfill has a remaining useful life of eighty-nine years.

CHAFFEE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 10: Restatement - Corrections of errors

The County identified corrections of errors to the beginning net position and fund balance in the governmental activities and business-type activities, certain major funds, and the aggregate fund information. This includes corrections to the beginning fund balances of the General Fund, Road and Bridge Fund, Public Welfare Fund, Airport Fund, ARPA Fund, Waste Disposal Fund and Emergency Services Fund for the prior fiscal year ended December 31, 2023. The corrections of errors were related to accrued salaries, cash and investments, and unearned revenue. The corrections were related to revenue recognition of grants in the proper period for compliance with GASB Statement No. 33. In addition, the correction to the prior year included recording certain expenditures in the proper fiscal year. Lastly, correction was made to a bank account balance that was held in the County name but not reported in the on the County's financial statements in prior years. The County restated net position and fund balances for the corrections of errors was for the fiscal year ended December 31, 2023, as follows:

	General Fund	Road and Bridge Fund	Public Welfare Fund	Non-Major Funds	Total Governmental Funds	Governmental Activities
Governmental Activities						
Net Position/Fund Balance, Beginning, as Originally Stated	\$ 11,696,467	\$ 1,407,389	\$ 1,760,424	\$ 6,556,313	\$ 29,671,519	\$ 41,945,459
Cash and Investments	654,798	-	-	127,075	781,873	781,873
Accrued Liabilities	(338,964)	(33,739)	(83,554)	(4,996)	(461,253)	(461,253)
Unearned Revenue	-	-	-	152,321	152,321	152,321
Net Position/Fund Balance, Beginning, as Restated	<u>\$ 12,012,301</u>	<u>\$ 1,373,650</u>	<u>\$ 1,676,870</u>	<u>\$ 6,830,713</u>	<u>\$ 30,144,460</u>	<u>\$ 42,418,400</u>
Business-Type Activities						
Net Position, Beginning, as Originally Stated				\$ 2,803,489	\$ 5,463,895	\$ 8,356,886
Accrued Liabilities				(17,470)	(90,624)	(108,094)
Net Position, Beginning, as Restated				<u>\$ 2,786,019</u>	<u>\$ 5,373,271</u>	<u>\$ 8,248,792</u>

REQUIRED SUPPLEMENTARY INFORMATION

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Taxes	\$ 16,261,200	\$ 12,445,876	\$ (3,815,324)
Licenses and Permits	1,386,000	1,930,556	544,556
Intergovernmental	4,368,300	4,667,684	299,384
Charges for Services	1,954,900	2,323,785	368,885
Fines and Forfeitures	205,000	215,800	10,800
Investment Income	819,000	1,091,837	272,837
Miscellaneous	1,082,900	1,541,937	459,037
	<u>26,077,300</u>	<u>24,217,475</u>	<u>(1,859,825)</u>
TOTAL REVENUES			
EXPENDITURES			
General Government	7,336,967	7,792,072	(455,105)
Community/Economic Development	1,746,000	1,618,722	127,278
Public Safety	8,038,779	8,835,267	(796,488)
Health and Welfare	3,027,110	2,642,610	384,500
Public Works	1,412,720	1,221,512	191,208
Parks and Recreation	441,920	474,810	(32,890)
Debt Service			
Principal	-	89,527	(89,527)
Interest	-	29,357	(29,357)
	<u>22,003,496</u>	<u>22,703,877</u>	<u>(700,381)</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,073,804</u>	<u>1,513,598</u>	<u>(2,560,206)</u>
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	-	438,154	438,154
Transfers In	623,700	613,700	(10,000)
Transfers Out	(1,910,000)	(2,020,000)	(110,000)
	<u>(1,286,300)</u>	<u>(968,146)</u>	<u>318,154</u>
TOTAL OTHER FINANCING SOURCES (USES)			
CHANGE IN FUND BALANCE	2,787,504	545,452	(2,242,052)
FUND BALANCE, Beginning, as Originally Stated	9,902,610	11,696,467	1,793,857
Restatement - Correction of Errors	-	315,834	315,834
	<u>9,902,610</u>	<u>12,012,301</u>	<u>2,109,691</u>
FUND BALANCE, Beginning, as Restated			
FUND BALANCE, Ending	<u>\$ 12,690,114</u>	<u>\$ 12,557,753</u>	<u>\$ (448,195)</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 162,700	\$ 168,804	\$ 6,104
Licenses and Permits	7,500	6,818	(682)
Intergovernmental	4,825,000	4,579,478	(245,522)
Charges for Services	20,000	17,729	(2,271)
Investment Earnings	65,000	102,641	37,641
Miscellaneous	6,000	808	(5,192)
TOTAL REVENUES	5,086,200	4,876,278	(209,922)
EXPENDITURES			
Current:			
Public Works	3,850,200	3,279,891	570,309
Capital Outlay	4,710,000	3,271,605	1,438,395
Debt Service			
Principal	-	50,879	(50,879)
Interest	-	9,056	(9,056)
TOTAL EXPENDITURES	8,560,200	6,611,431	1,948,769
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,474,000)	(1,735,153)	1,738,847
OTHER FINANCING SOURCES (USES)			
Transfers In	3,400,000	2,200,000	(1,200,000)
CHANGE IN FUND BALANCE	(74,000)	464,847	538,847
FUND BALANCE, Beginning, as Originally Stated	1,454,809	1,407,389	(47,420)
Restatement - Correction of Errors	-	(33,739)	(33,739)
FUND BALANCE, Beginning, as Restated	1,454,809	1,373,650	(81,159)
FUND BALANCE, Ending	<u>\$ 1,380,809</u>	<u>\$ 1,838,497</u>	<u>\$ 457,688</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
HEALTH AND HUMAN SERVICES FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 1,038,641	\$ 994,228	\$ (44,413)
Intergovernmental	9,728,556	9,447,640	(280,916)
Investment Earnings	-	2,712	2,712
	<u>10,767,197</u>	<u>10,444,580</u>	<u>(322,617)</u>
TOTAL REVENUES			
EXPENDITURES			
Health and Welfare	<u>11,136,000</u>	<u>10,480,635</u>	<u>655,365</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(368,803)</u>	<u>(36,055)</u>	<u>332,748</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(162,000)</u>	<u>(162,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	(530,803)	(198,055)	332,748
FUND BALANCE, Beginning, as Originally Stated	991,078	1,760,424	769,346
Restatement - Correction of Errors	<u>-</u>	<u>(83,554)</u>	<u>(83,554)</u>
FUND BALANCE, Beginning, as Restated	<u>991,078</u>	<u>1,676,870</u>	<u>685,792</u>
FUND BALANCE, Ending	<u>\$ 460,275</u>	<u>\$ 1,478,815</u>	<u>\$ 1,018,540</u>

CHAFFEE COUNTY, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The County adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Prior to September 1, the Chief Finance Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
- The County Commissioners approve all budget transfers or revisions.
- Budgets are legally adopted for all funds of the County except the Fiduciary Funds. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain interfund transactions that are reported as revenues and expenditures on the budgetary basis but not the GAAP basis of accounting. Budgetary comparisons presented for the Proprietary Funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.
- All budget appropriations lapse at fiscal year-end.

Budget Compliance

At December 31, 2024, the County's General Fund, Airport Fund, ARPA Fund, Animal Shelter Fund, Marijuana Excise Tax Fund, Forest Health Fund, Recreation Impact Fund, Lodging Tax Reallocation Fund, Chaffee County Facilities Corporation Fund, and Emergency Services Fund actual expenditures/expenses exceeded budgeted appropriations by \$810,381, \$160,841, \$1,588,120, \$3,711, \$15,727, \$219,323, \$299,233, \$15,162, \$2,103, and \$156,656, respectively. These may be a violations of state statutes.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
BUDGET COMPARISON SCHEDULES**

OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Airport Fund – To account for the operations and development of the Harriet Alexander Field Airport. Revenues are principally derived from rental of airport facilities, tie-down fees, sales of fuel, and federal grants.

Conservation Trust Fund – To account for State of Colorado lottery proceeds that are restricted to capital parks and recreation expenditures.

Retirement Fund – To account for County contributions to the County employee retirement plan. Financing is provided by an annual property tax levy.

Contingent Reserve Fund – To account for emergency funds set aside in compliance with Article X, Section 20 of the Colorado Constitution (known as the TABOR amendment).

Asset Replacement Fund – To account for the accumulation of reserves through capital grants and contributions by departments and funds of the County for the replacement of vehicles and equipment.

Lodging Visitors Bureau Fund – To account for funds raised through a 1.9% lodging tax used for marketing and tourism promotion purposes.

American Rescue Plan / Local Assistance & Tribal Consistency Fund – To account the receipt and expenditure of State and Local Fiscal Recovery Funds authorized by the American Rescue Plan Act of 2021.

Animal Shelter Fund – To account for revenues received from a one-half mill property tax levy and remitted to the Ark-Valley Humane Society.

Marijuana Excise Tax Fund – To account for the collection of the County excise tax on the cultivation of retail marijuana.

Forest Health Fund – To account for funds generated through a .25% sales tax used to reduce the risk of catastrophic wildfires that threaten County communities, water supplies and economy.

Rural Conservation Fund – to account for funds generated through a .25% sales tax used to conserve and support County working ranches, farms and rural landscapes, protect water quality, water quantity and wildlife habitat.

Recreation Impact Fund – To account for funds generated through a .25% sales tax to help manage the impacts of growth and increased recreation by protecting County trails, campsites and scenic rivers.

Unallocated 2018 1A Fund – To account for funds generated through a .25% sales tax to be allocated among the Forest Health Fund, the Rural Conservation Fund, and the Recreation Impact Fund at the discretion of the Board of County Commissioners following the recommendation of the citizens advisory committee based on current needs and opportunity.

Lodging Tax Reallocation Fund – To account for 60% of annual County lodging tax revenues to be used for housing and childcare for the local workforce and for facilitating and enhancing visitor experience.

Debt Service Fund

Debt service funds are used for the accumulation of resources and payment of bond principal and interest from government resources.

Chaffee County Facilities Corporation – To account for the accumulation of resources and the payment of principal and interest on the County's Certificates of Participation.

CHAFFEE COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2024

	AIRPORT	CONSERVATION TRUST	RETIREMENT	CONTINGENT RESERVE	ASSET REPLACEMENT	LODGING VISITORS BUREAU	AMERICAN RESCUE PLAN
ASSETS							
Cash and Investments	\$ 255,629	\$ 349,320	\$ 685,205	\$ 692,522	\$ 348,780	\$ 972,061	\$ 602,468
Accounts Receivable	5,884	-	-	-	-	-	-
Taxes Receivable	-	-	414,853	-	-	127,647	-
Due from Other Governments	65,698	-	-	-	-	-	-
Inventories	48,646	-	-	-	-	-	-
TOTAL ASSETS	375,857	349,320	1,100,058	692,522	348,780	1,099,708	602,468
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	40,333	-	12,948	-	-	485	2,500
Salaries and Benefits Payable	9,099	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	28,125
TOTAL LIABILITIES	49,432	-	12,948	-	-	485	30,625
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	-	-	414,853	-	-	-	-
FUND BALANCES							
Nonspendable Inventories	48,646	-	-	-	-	-	-
Restricted for:							
Retirement	-	-	672,257	-	-	-	-
Purposes of Voters/Grantors	-	-	-	-	-	-	571,843
Community/Economic Development	-	-	-	-	-	1,099,223	-
Forest Health and Conservation	-	349,320	-	-	-	-	-
Committed to:							
Airport	277,779	-	-	-	-	-	-
Unanticipated Obligations	-	-	-	692,522	-	-	-
Assigned for:							
Capital Improvements	-	-	-	-	348,780	-	-
Debt Service	-	-	-	-	-	-	-
TOTAL FUND BALANCES	326,425	349,320	672,257	692,522	348,780	1,099,223	571,843
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 375,857	\$ 349,320	\$ 1,100,058	\$ 692,522	\$ 348,780	\$ 1,099,708	\$ 602,468

ANIMAL SHELTER	MARIJUANA EXCISE TAX	FOREST HEALTH	RURAL CONSERVATION	RECREATION IMPACT	UNALLOCATED 2018 1A	CHAFFEE COUNTY		TOTAL
						LODGING TAX REALLOCATION	FACILITIES CORPORATION	
2,275	\$ 98,985	\$ 165,148	\$ 304,902	\$ 117,833	\$ 624,968	\$ 528,221	\$ 63,548	\$ 5,811,865
-	-	-	-	-	-	-	-	5,884
434,857	-	72,658	72,658	14,531	130,782	191,470	-	1,459,456
-	-	-	-	-	-	-	-	65,698
-	-	-	-	-	-	-	-	48,646
<u>437,132</u>	<u>98,985</u>	<u>237,806</u>	<u>377,560</u>	<u>132,364</u>	<u>755,750</u>	<u>719,691</u>	<u>63,548</u>	<u>7,391,549</u>
-	-	-	-	-	-	180,000	-	236,266
-	-	-	-	-	-	-	-	9,099
-	-	-	-	-	-	-	-	28,125
-	-	-	-	-	-	180,000	-	273,490
<u>434,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,710</u>
-	-	-	-	-	-	-	-	48,646
-	-	-	-	-	-	-	-	672,257
2,275	98,985	-	-	-	-	-	-	673,103
-	-	-	-	-	-	539,691	-	1,638,914
-	-	237,806	377,560	132,364	755,750	-	-	1,852,800
-	-	-	-	-	-	-	-	277,779
-	-	-	-	-	-	-	-	692,522
-	-	-	-	-	-	-	-	348,780
-	-	-	-	-	-	-	63,548	63,548
<u>2,275</u>	<u>98,985</u>	<u>237,806</u>	<u>377,560</u>	<u>132,364</u>	<u>755,750</u>	<u>539,691</u>	<u>63,548</u>	<u>6,268,349</u>
<u>437,132</u>	<u>98,985</u>	<u>237,806</u>	<u>377,560</u>	<u>132,364</u>	<u>755,750</u>	<u>719,691</u>	<u>63,548</u>	<u>7,391,549</u>

CHAFFEE COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	AIRPORT	CONSERVATION TRUST	RETIREMENT	CONTINGENT RESERVE	ASSET REPLACEMENT	LODGING VISITORS BUREAU	AMERICAN RESCUE PLAN
REVENUES							
Taxes	\$ 3,249	\$ -	\$ 430,565	\$ -	\$ -	\$ 632,328	\$ -
Intergovernmental	595,008	125,501	-	-	-	-	2,388,120
Charges for Services	495,919	-	-	-	-	-	-
Investment Earnings	-	20,856	21,096	-	19,242	15,312	-
Miscellaneous	12,441	-	86,492	-	-	20,000	-
TOTAL REVENUES	1,106,617	146,357	538,153	-	19,242	667,640	2,388,120
EXPENDITURES							
General Government	-	-	-	-	-	-	-
Community/Economic Development	-	-	-	-	-	484,899	-
Parks and Recreation	-	106,300	-	-	-	-	-
Airport Operations	689,123	-	-	-	-	-	-
Capital Outlay	502,968	-	-	-	253,891	-	-
Debt Service	-	-	-	-	-	-	-
Principal	-	-	-	-	33,759	-	-
Interest and Fiscal Charges	-	-	-	-	3,460	-	-
TOTAL EXPENDITURES	1,192,091	106,300	-	-	291,110	484,899	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(85,474)	40,057	538,153	-	(271,868)	182,741	2,388,120
OTHER FINANCING SOURCES (USES)							
Transfers In	100,000	-	-	-	250,000	-	-
Transfers Out	-	-	(450,000)	-	-	(2,700)	(3,388,120)
TOTAL OTHER FINANCING SOURCES (USES)	100,000	-	(450,000)	-	250,000	(2,700)	(3,388,120)
CHANGES IN FUND BALANCES	14,526	40,057	88,153	-	(21,868)	180,041	(1,000,000)
FUND BALANCES, Beginning, as Originally Stated	189,820	309,263	584,104	692,522	370,648	919,182	1,419,522
Restatement - Correction of Errors	122,079	-	-	-	-	-	152,321
FUND BALANCES, Beginning, as Restated	311,899	309,263	584,104	692,522	370,648	919,182	1,571,843
FUND BALANCES, Ending	\$ 326,425	\$ 349,320	\$ 672,257	\$ 692,522	\$ 348,780	\$ 1,099,223	\$ 571,843

							CHAFFEE COUNTY		
ANIMAL SHELTER	MARIJUANA EXCISE TAX	FOREST HEALTH	RURAL CONSERVATION	RECREATION IMPACT	UNALLOCATED 2018 1A	LODGING TAX REALLOCATION	FACILITIES CORPORATION	TOTAL	
\$ 366,776	\$ 70,974	\$ 458,307	\$ 458,307	\$ 91,661	\$ 824,949	\$ 948,042	\$ -	\$ 4,285,158	
-	-	-	-	-	-	-	-	3,108,629	
-	-	-	-	-	-	-	-	495,919	
-	-	-	-	-	80,854	-	-	157,360	
-	-	-	-	-	-	-	-	118,933	
<u>366,776</u>	<u>70,974</u>	<u>458,307</u>	<u>458,307</u>	<u>91,661</u>	<u>905,803</u>	<u>948,042</u>	<u>-</u>	<u>8,165,999</u>	
374,156	175,727	-	-	-	-	645,162	-	1,195,045	
-	-	-	-	-	-	-	-	484,899	
-	-	1,097,630	392,081	506,233	21,051	-	-	2,123,295	
-	-	-	-	-	-	-	-	689,123	
-	-	-	-	-	-	-	-	756,859	
-	-	-	-	-	-	-	580,000	613,759	
-	-	-	-	-	-	-	451,103	454,563	
<u>374,156</u>	<u>175,727</u>	<u>1,097,630</u>	<u>392,081</u>	<u>506,233</u>	<u>21,051</u>	<u>645,162</u>	<u>1,031,103</u>	<u>6,317,543</u>	
<u>(7,380)</u>	<u>(104,753)</u>	<u>(639,323)</u>	<u>66,226</u>	<u>(414,572)</u>	<u>884,752</u>	<u>302,880</u>	<u>(1,031,103)</u>	<u>1,848,456</u>	
-	50,000	300,000	-	450,000	-	-	1,030,000	2,180,000	
-	-	-	-	-	(750,000)	-	-	(4,590,820)	
<u>-</u>	<u>50,000</u>	<u>300,000</u>	<u>-</u>	<u>450,000</u>	<u>(750,000)</u>	<u>-</u>	<u>1,030,000</u>	<u>(2,410,820)</u>	
(7,380)	(54,753)	(339,323)	66,226	35,428	134,752	302,880	(1,103)	(562,364)	
9,655	153,738	577,129	311,334	96,936	620,998	236,811	64,651	6,556,313	
-	-	-	-	-	-	-	-	274,400	
<u>9,655</u>	<u>153,738</u>	<u>577,129</u>	<u>311,334</u>	<u>96,936</u>	<u>620,998</u>	<u>236,811</u>	<u>64,651</u>	<u>6,830,713</u>	
\$ <u>2,275</u>	\$ <u>98,985</u>	\$ <u>237,806</u>	\$ <u>377,560</u>	\$ <u>132,364</u>	\$ <u>755,750</u>	\$ <u>539,691</u>	\$ <u>63,548</u>	\$ <u>6,268,349</u>	

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL EXPENDITURES FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Taxes	\$ 218,000	\$ 215,751	\$ (2,249)
Intergovernmental	1,816,500	904,238	(912,262)
Investment Earnings	350,000	253,888	(96,112)
	<u>2,384,500</u>	<u>1,373,877</u>	<u>(1,010,623)</u>
TOTAL REVENUES			
EXPENDITURES			
General Government	6,000	88,105	(82,105)
Arbitrage Rebate	-	54,208	(54,208)
Capital Outlay	10,455,000	10,311,514	143,486
	<u>10,461,000</u>	<u>10,453,827</u>	<u>7,173</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>(8,076,500)</u>	<u>(9,079,950)</u>	<u>(1,003,450)</u>
OTHER FINANCING SOURCES (USES)			
Financed Purchase Proceeds	-	5,000,000	5,000,000
Transfers In	1,000,000	2,388,120	1,388,120
Transfers Out	(1,400,000)	-	1,400,000
	<u>(400,000)</u>	<u>7,388,120</u>	<u>7,788,120</u>
TOTAL OTHER FINANCING SOURCES (USES)			
CHANGE IN FUND BALANCE			
	(8,476,500)	(1,691,830)	6,784,670
FUND BALANCE, Beginning			
	<u>8,735,579</u>	<u>8,250,926</u>	<u>(484,653)</u>
FUND BALANCE, Ending			
	<u>\$ 259,079</u>	<u>\$ 6,559,096</u>	<u>\$ 6,300,017</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
AIRPORT FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 7,000	\$ 3,249	\$ (3,751)
Intergovernmental	600,000	595,008	(4,992)
Charges for Services	355,600	495,919	140,319
Miscellaneous	4,300	12,441	8,141
TOTAL REVENUES	966,900	1,106,617	139,717
EXPENDITURES			
Current			
Airport Operations	361,250	358,816	2,434
Fuel Purchases	230,000	330,307	(100,307)
Capital Outlay	440,000	502,968	(62,968)
TOTAL EXPENDITURES	1,031,250	1,192,091	(160,841)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(64,350)	(85,474)	(21,124)
OTHER FINANCING SOURCES (USES)			
Transfers In	100,000	100,000	-
CHANGE IN FUND BALANCE	35,650	14,526	(21,124)
FUND BALANCE, Beginning, as Originally Stated	46,812	189,820	143,008
Restatement - Correction of Errors	-	122,079	122,079
FUND BALANCE, Beginning, as Restated	46,812	311,899	265,087
FUND BALANCE, Ending	\$ 82,462	\$ 204,346	\$ 121,884

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	\$ 120,000	\$ 125,501	\$ 5,501
Investment Earnings	12,000	20,856	8,856
	<u>132,000</u>	<u>146,357</u>	<u>14,357</u>
TOTAL REVENUES			
EXPENDITURES			
Parks and Recreation	126,000	106,300	19,700
	<u>6,000</u>	<u>40,057</u>	<u>34,057</u>
CHANGE IN FUND BALANCE			
FUND BALANCE, Beginning	576,551	309,263	(267,288)
FUND BALANCE, Ending	<u>\$ 582,551</u>	<u>\$ 349,320</u>	<u>\$ (233,231)</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
RETIREMENT FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 436,300	\$ 430,565	\$ (5,735)
Investment Earnings	14,000	21,096	7,096
Miscellaneous	23,000	86,492	63,492
	<u>473,300</u>	<u>538,153</u>	<u>64,853</u>
TOTAL REVENUES			
OTHER FINANCING SOURCES (USES)			
Transfers Out	(460,000)	(450,000)	10,000
	<u>13,300</u>	<u>88,153</u>	<u>74,853</u>
CHANGE IN FUND BALANCE			
FUND BALANCE, Beginning	584,580	584,104	(476)
FUND BALANCE, Ending	<u>\$ 597,880</u>	<u>\$ 672,257</u>	<u>\$ 74,377</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONTINGENT RESERVE FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, Beginning	692,522	692,522	-
FUND BALANCE, Ending	\$ 692,522	\$ 692,522	\$ -

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
ASSET REPLACEMENT FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Investment Earnings	\$ 10,000	\$ 19,242	\$ 9,242
EXPENDITURES			
Capital Outlay	379,000	253,891	125,109
Debt Service			
Principal	-	33,759	(33,759)
Interest	-	3,460	(3,460)
TOTAL EXPENDITURES	379,000	291,110	87,890
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(369,000)	(271,868)	97,132
OTHER FINANCING SOURCES (USES)			
Transfers In	338,000	250,000	(88,000)
CHANGE IN FUND BALANCE	(31,000)	(21,868)	9,132
FUND BALANCE, Beginning	414,527	370,648	(43,879)
FUND BALANCE, Ending	\$ 383,527	\$ 348,780	\$ (34,747)

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
LODGING VISITORS BUREAU FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 450,000	\$ 632,328	\$ 182,328
Investment Earnings	6,000	15,312	9,312
Miscellaneous	-	20,000	20,000
	<u>456,000</u>	<u>667,640</u>	<u>211,640</u>
EXPENDITURES			
Economic Development	550,000	484,899	65,101
	<u>(94,000)</u>	<u>182,741</u>	<u>276,741</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>(94,000)</u>	<u>182,741</u>	<u>276,741</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	(2,700)	(2,700)
	<u>(94,000)</u>	<u>180,041</u>	<u>274,041</u>
CHANGE IN FUND BALANCE			
FUND BALANCE, Beginning	795,368	919,182	123,814
FUND BALANCE, Ending	<u>\$ 701,368</u>	<u>\$ 1,099,223</u>	<u>\$ 397,855</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ -	\$ 2,388,120	\$ 2,388,120
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>2,388,120</u>	<u>2,388,120</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(1,800,000)</u>	<u>(3,388,120)</u>	<u>(1,588,120)</u>
CHANGE IN FUND BALANCE	(1,800,000)	(1,000,000)	800,000
FUND BALANCE, Beginning, as Originally Stated	3,981,817	1,419,522	(2,562,295)
Restatement - Correction of Errors	<u>-</u>	<u>152,321</u>	<u>152,321</u>
FUND BALANCE, Beginning, as Restated	<u>3,981,817</u>	<u>1,571,843</u>	<u>(2,409,974)</u>
FUND BALANCE, Ending	<u>\$ 2,181,817</u>	<u>\$ 571,843</u>	<u>\$ (1,609,974)</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
ANIMAL SHELTER FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 370,445	\$ 366,776	\$ (3,669)
EXPENDITURES			
General Government	370,445	374,156	(3,711)
CHANGE IN FUND BALANCE	-	(7,380)	(7,380)
FUND BALANCE, Beginning	3,918	9,655	5,737
FUND BALANCE, Ending	\$ 3,918	\$ 2,275	\$ (1,643)

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
MARIJUANA EXCISE TAX FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 100,000	\$ 70,974	\$ (29,026)
EXPENDITURES			
General Government	160,000	175,727	(15,727)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(60,000)	(104,753)	(44,753)
OTHER FINANCING SOURCES (USES)			
Transfers In	50,000	50,000	-
CHANGE IN FUND BALANCE	(10,000)	(54,753)	(44,753)
FUND BALANCE, Beginning	118,433	153,738	35,305
FUND BALANCE, Ending	\$ 108,433	\$ 98,985	\$ (9,448)

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOREST HEALTH FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 460,000	\$ 458,307	\$ (1,693)
EXPENDITURES			
Parks and Recreation	880,000	1,097,630	(217,630)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(420,000)	(639,323)	(219,323)
OTHER FINANCING SOURCES (USES)			
Transfers In	600,000	300,000	(300,000)
CHANGE IN FUND BALANCE	180,000	(339,323)	(519,323)
FUND BALANCE, Beginning	449,884	577,129	127,245
FUND BALANCE, Ending	\$ 629,884	\$ 237,806	\$ (392,078)

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
RURAL CONSERVATION FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Taxes	\$ 460,000	\$ 458,307	\$ (1,693)
EXPENDITURES			
Parks and Recreation	<u>645,000</u>	<u>392,081</u>	<u>252,919</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(185,000)</u>	<u>66,226</u>	<u>251,226</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
CHANGE IN FUND BALANCE	(35,000)	66,226	101,226
FUND BALANCE, Beginning	<u>267,593</u>	<u>311,334</u>	<u>43,741</u>
FUND BALANCE, Ending	<u><u>\$ 232,593</u></u>	<u><u>\$ 377,560</u></u>	<u><u>\$ 144,967</u></u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
RECREATION IMPACT FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Taxes	\$ 92,000	\$ 91,661	\$ (339)
EXPENDITURES			
Parks and Recreation	<u>207,000</u>	<u>506,233</u>	<u>(299,233)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(115,000)</u>	<u>(414,572)</u>	<u>(299,572)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>100,000</u>	<u>450,000</u>	<u>350,000</u>
CHANGE IN FUND BALANCE	(15,000)	35,428	50,428
FUND BALANCE, Beginning	<u>59,122</u>	<u>96,936</u>	<u>37,814</u>
FUND BALANCE, Ending	<u><u>\$ 44,122</u></u>	<u><u>\$ 132,364</u></u>	<u><u>\$ 88,242</u></u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
UNALLOCATED 2018 1A FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Taxes	\$ 827,000	\$ 824,949	\$ (2,051)
Investment Earnings	<u>10,000</u>	<u>80,854</u>	<u>70,854</u>
 TOTAL REVENUES	 <u>837,000</u>	 <u>905,803</u>	 <u>68,803</u>
 EXPENDITURES			
Parks and Recreation	<u>37,300</u>	<u>21,051</u>	<u>16,249</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>799,700</u>	 <u>884,752</u>	 <u>85,052</u>
 OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(850,000)</u>	<u>(750,000)</u>	<u>100,000</u>
 CHANGE IN FUND BALANCE	 (50,300)	 134,752	 185,052
FUND BALANCE, Beginning	<u>495,333</u>	<u>620,998</u>	<u>125,665</u>
FUND BALANCE, Ending	<u>\$ 445,033</u>	<u>\$ 755,750</u>	<u>\$ 310,717</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
LODGING TAX REALLOCATION FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Taxes	\$ 650,000	\$ 948,042	\$ 298,042
EXPENDITURES			
Community/Economic Development	630,000	645,162	(15,162)
CHANGE IN FUND BALANCE	20,000	302,880	282,880
FUND BALANCE, Beginning	58,000	236,811	178,811
FUND BALANCE, Ending	<u>\$ 78,000</u>	<u>\$ 539,691</u>	<u>\$ 461,691</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
CHAFFEE COUNTY FACILITIES CORPORATION
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
EXPENDITURES			
Debt Service			
Principal	\$ -	\$ 580,000	\$ (580,000)
Interest and Fiscal Charges	<u>1,029,000</u>	<u>451,103</u>	<u>577,897</u>
 TOTAL EXPENDITURES	 <u>1,029,000</u>	 <u>1,031,103</u>	 <u>(2,103)</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(1,029,000)</u>	 <u>(1,031,103)</u>	 <u>(2,103)</u>
 OTHER FINANCING SOURCES (USES)			
Transfers In	<u>1,030,000</u>	<u>1,030,000</u>	<u>-</u>
 CHANGE IN FUND BALANCE	 1,000	 (1,103)	 (2,103)
FUND BALANCE, Beginning	<u>65,888</u>	<u>64,651</u>	<u>(1,237)</u>
FUND BALANCE, Ending	<u>\$ 66,888</u>	<u>\$ 63,548</u>	<u>\$ (3,340)</u>

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
WASTE DISPOSAL FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES			
Charges for Services - Garbage Collection Fees	\$ 1,650,000	\$ 1,581,057	\$ (68,943)
Miscellaneous	<u>19,000</u>	<u>26,531</u>	<u>7,531</u>
TOTAL OPERATING REVENUES	<u>1,669,000</u>	<u>1,607,588</u>	<u>(61,412)</u>
OPERATING EXPENDITURES			
Operations	1,439,000	1,484,570	(45,570)
Capital Outlay	<u>140,000</u>	<u>61,065</u>	<u>78,935</u>
TOTAL OPERATING EXPENDITURES	<u>1,579,000</u>	<u>1,545,635</u>	<u>33,365</u>
NET OPERATING INCOME (LOSS)	<u>90,000</u>	<u>61,953</u>	<u>(28,047)</u>
NONOPERATING REVENUES (EXPENDITURES)			
Investment Earnings	<u>20,000</u>	<u>78,355</u>	<u>58,355</u>
NET INCOME (LOSS) BEFORE TRANSFERS	110,000	140,308	30,308
TRANSFERS			
Transfers Out	<u>(163,300)</u>	<u>(40,000)</u>	<u>123,300</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (53,300)</u>	<u>\$ 100,308</u>	<u>\$ 153,608</u>
RECONCILIATION TO GAAP BASIS:			
Capital Outlay		61,065	
Depreciation		<u>(436,336)</u>	
CHANGE IN NET POSITION, GAAP Basis		<u>(274,963)</u>	

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
EMERGENCY SERVICES FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES			
Charges for Services			
Ambulance Fees	\$ 1,480,000	\$ 1,630,591	\$ 150,591
E911 Dispatch	520,000	311,000	(209,000)
Wildland Reimbursement	60,000	-	(60,000)
Miscellaneous	20,000	26,979	6,979
	<u>2,080,000</u>	<u>1,968,570</u>	<u>(111,430)</u>
OPERATING EXPENDITURES			
Emergency Medical Services	3,509,730	3,712,102	(202,372)
Communication Center	1,249,000	1,271,615	(22,615)
Emergency Management	207,840	170,049	37,791
Capital Outlay	760,000	729,460	30,540
	<u>5,726,570</u>	<u>5,883,226</u>	<u>(156,656)</u>
TOTAL OPERATING EXPENDITURES	<u>5,726,570</u>	<u>5,883,226</u>	<u>(156,656)</u>
NET OPERATING INCOME (LOSS)	<u>(3,646,570)</u>	<u>(3,914,656)</u>	<u>(268,086)</u>
NONOPERATING REVENUES (EXPENDITURES)			
Sales Tax	\$ 3,670,000	\$ 3,666,443	\$ (3,557)
Proceeds from Sale of Capital Assets	35,000	60,000	25,000
Grants	61,500	48,679	(12,821)
	<u>3,766,500</u>	<u>3,775,122</u>	<u>8,622</u>
TOTAL NONOPERATING REVENUES (EXPENDITURES)	<u>3,766,500</u>	<u>3,775,122</u>	<u>8,622</u>
NET INCOME (LOSS) BEFORE TRANSFERS	119,930	(139,534)	(280,907)
TRANSFERS			
Transfers Out	(560,000)	(569,000)	(9,000)
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (440,070)</u>	<u>\$ (708,534)</u>	<u>\$ (289,907)</u>
RECONCILIATION TO GAAP BASIS:			
Capital Outlay		729,460	
Depreciation		(332,649)	
CHANGE IN NET POSITION, GAAP Basis		<u>(311,723)</u>	

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
J.V. SEWER FUND
Year Ended December 31, 2024

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES			
Charges for Services - Sewer Surcharge	\$ 35,600	\$ 35,631	\$ 31
NONOPERATING REVENUES (EXPENDITURES)			
Debt Service			
Principal	-	(13,668)	(13,668)
Interest	(30,000)	(16,154)	13,846
TOTAL NONOPERATING REVENUES (EXPENDITURES)	<u>(30,000)</u>	<u>(29,822)</u>	<u>178</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ 5,600</u>	<u>\$ 5,809</u>	<u>\$ 209</u>
RECONCILIATION TO GAAP BASIS:			
Principal Paid on Revenue Bonds		13,668	
Depreciation		<u>(16,696)</u>	
CHANGE IN NET POSITION, GAAP Basis		<u>2,781</u>	

CHAFFEE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
INSURANCE RESERVE FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES			
Charges for Services	\$ 1,100,000	\$ 1,002,798	\$ (97,202)
Miscellaneous	6,500	8,071	1,571
TOTAL OPERATING REVENUES	1,106,500	1,010,869	(95,631)
OPERATING EXPENDITURES			
Cost of Operations	1,271,200	1,141,607	129,593
TOTAL OPERATING EXPENDITURES	1,271,200	1,141,607	129,593
NET OPERATING INCOME (LOSS)	(164,700)	(130,738)	33,962
NONOPERATING REVENUES (EXPENDITURES)			
Investment Earnings	15,000	29,894	14,894
CHANGE IN NET POSITION, Budgetary Basis and GAAP Basis	\$ (149,700)	\$ (100,844)	\$ 48,856

COMPLIANCE SECTION

SINGLE AUDIT

**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***

Board of County Commissioners
Chaffee County, Colorado
Salida, 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, business-type activities, each major fund, and the aggregate remaining fund information of Chaffee County, Colorado (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County and have issued our report thereon dated September 30, 2025.

Report on 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 as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

Our consideration of the County’s internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be material weaknesses.

A significant deficiency is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a significant deficiencies.

Board of County Commissioners
Chaffee County, Colorado

Report on Compliance and Other Matters

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

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 report is not suitable for any other purpose.

DMC Auditing and Consulting, LLC

September 30, 2025
Bailey, Colorado

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Board of County Commissioners
Chaffee County, Colorado
Salida, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Chaffee County, Colorado’s (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (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, 2024. 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 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, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and 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.

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 to 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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, 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be a material weakness and significant deficiency, respectively.

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.

Board of County Commissioners
Chaffee County, Colorado

Government Auditing Standards requires the auditor to perform limited procedures on County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on 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. Accordingly, this report is not suitable for any other purpose.

Our consideration of the County's 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.

DMC Auditing and Consulting, LLC

September 30, 2025
Bailey, Colorado

CHAFFEE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State Department of Human Services				
<i>SNAP Cluster</i>				
Supplemental Nutrition Assistance Program	10.551	N/A	\$ -	\$ 426
State Administrative Matching Grants for the Supplemental Nutrition Assistance	10.561	N/A	-	241,639
<i>Total SNAP Cluster</i>			-	242,065
Passed Through State State Treasury				
<i>Forest Service Schools and Roads Cluster</i>				
Schools and Roads - Grants to States - National Forest Reserve	10.665	N/A	192,581	\$ 227,231
<i>Subtotal Forest Service Schools and Roads Cluster</i>			192,581	227,231
TOTAL U.S. DEPARTMENT OF AGRICULTURE			192,581	469,296
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State Department of Transportation				
Highway Planning and Construction	20.205	23-HA5-XC-00174	-	1,911,630
<i>Highway Safety Cluster</i>				
National Priority Safety Programs	20.616	24-HTS-ZL-00186	-	75,395
<i>Subtotal Highway Safety Cluster</i>			-	75,395
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	1,987,025
U.S. DEPARTMENT OF TREASURY				
Direct				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	2,388,120
Local Assistance and Tribal Consistency Fund	21.032	N/A	-	1,000,000
Passed Through State Department of Public Health and Environment				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	68,183
Passed Through State Department of Human Services				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	68,575
TOTAL U.S. DEPARTMENT OF TREASURY			-	3,524,878
U.S. SMALL BUSINESS ADMINISTRATION				
Passed Through State Office of Economic Development and International Trade				
Small Business Development Centers	59.037	SBAOEDSB230007	-	40,496
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct				
Substance Abuse and Mental Health Services	93.243	N/A	-	18,725
Passed Through State Department of Human Services				
Guardianship Assistance	93.090	N/A	-	3,118
<i>Child Care Disaster Relief Cluster</i>				
Child Care and Development Block Grant	93.575	N/A	-	61,725
Child Care Mandatory and Matching Funds of the Child Care and Development	93.596	N/A	-	1,412
<i>Subtotal Child Care Disaster Relief Cluster</i>			-	63,137
Temporary Assistance for Needy Families (TANF)	93.558	N/A	-	629,211
Child Support Enforcement	93.563	N/A	-	399,305
Low-Income Energy Assistance	93.568	N/A	-	43,681
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	68,634
Foster Care Title IV-E	93.658	N/A	-	612,306
Adoption Assistance	93.659	N/A	-	40,858
Social Services Block Grant	93.667	N/A	-	109,629
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	N/A	-	4,181
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	N/A	-	345,213
<i>Subtotal Medicaid Cluster</i>			-	345,213
Passed Through State Department of Public Health and Environment				
Public Health Emergency Preparedness	93.069	N/A	-	74,032
Grants to States to Support Oral Health Workforce Activities	93.236	N/A	-	31,995
Immunization Cooperative Agreements	93.268	N/A	-	41,228
Public Health Emergency Response	93.354	N/A	-	49,993
State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	93.366	N/A	-	15,500
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	-	195,053
CDC's Collaboration with Academia to Strengthen Public Health	93.967	N/A	-	64,347
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	N/A	-	45,094
Preventive Health and Health Services Block Grant	93.991	N/A	-	20,333
Maternal and Child Health Services Block Grant to the States	93.994	N/A	-	17,031
TOTAL U.S. DEPARTMENT OF HUMAN SERVICES			-	2,892,604
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the State Division of Homeland Security and Emergency Management				
Emergency Management Performance Grants	97.042	N/A	-	29,787
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 192,581	\$ 8,944,086

CHAFFEE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The County does not charge a de minimis indirect cost rate. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the County.

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Non-cash expenditures are included in the schedule.

NOTE 2: Summary of Significant Accounting Policies

Governmental fund types account for the majority of the County's federal grant activity. Expenditures reported in the schedule of expenditures of federal awards are recognized on a modified basis of accounting. Subrecipient expenditures are recorded on a cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Non-cash expenditures are included in the footnotes to this schedule.

NOTE 3: Indirect Cost Rate

The County has not elected to use the 10% de minimis cost rate.

NOTE 4: Value of Non-Cash Awards

Supplemental Nutrition Assistance Program (SNAP) electronic benefit transfers of \$4,115,803 are reported in the Social Services Fund and not reported in the Schedule of Expenditures of Federal Awards. SNAP benefits are provided exclusively by the electronic benefits method (EBT) and processed and determined by the State of Colorado. Therefore, SNAP benefits are not considered the County's federal award and not reported on the County's Schedule of Expenditures of Federal Awards.

CHAFFEE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

SECTION I: SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted?

- Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

- Yes No

Identification of major federal programs:

<u>FALN Number</u>	<u>Name of Federal Cluster/Program</u>
20.205	Highway Planning and Construction
21.027	Coronavirus State and Local Fiscal Recovery Funds
21.032	Local Assistance and Tribal Consistency Fund

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

- Yes No

CHAFFEE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

SECTION II: FINANCIAL STATEMENT FINDINGS

2024-001: Material Audit Adjusting Journal Entries with a Restatement of Prior Year Financial Statements

Criteria: AU-C Section 265, A.11 in part states that indicators of material weaknesses in internal control include a restatement of previously issued financial statements to reflect the correction of a material misstatement due to fraud or error.

Condition: We have identified several material corrections in the prior year financial statements related to various financial statements, including corrections related to revenue recognition as required by GASB Statement No. 33, recording expenditures in the correct fiscal year, and missing assets / bank accounts from the County's accounting records in prior years. In addition, we have identified other material misstatements in the County's financial statements as of December 31, 2024, related to various items, including, but not limited to, various revenue and expenditure accruals, deferrals, and corrections to various accounts.

Cause: The County's internal controls over financial reporting are not operating effectively.

Effect: The County was required to restate beginning net position and fund balances for various funds in order to correct material prior year errors.

Repeat Finding: No.

Recommendation: We recommend that the County implement internal controls over financial reporting through periodic review of the accounting records. In addition, we recommend that the County implement a year-end closing process that involves a review of the balance sheet accounts and various revenue and expenditure accounts in order to identify misstatement prior to the audit process to avoid material audit adjustments.

We will note that this is the first year of the audit process with a new audit firm. We believe that the County has a better understanding of the internal controls and required procedures for future audits.

Corrective Action Plan: Reported on page 71.

CHAFFEE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2024-001: Significant Deficiency Over Compliance with Procurement and Suspension and Debarment

Federal Program: Highway Planning and Construction and Coronavirus State and Local Fiscal Recovery Funds

Federal Assistance Listing Number(s): 20.205 and 21.027

Federal Agency: U.S. Department of Transportation and U.S. Department of Treasury

Pass-through Entity: Colorado Department of Transportation (20.205 only)

Criteria: 2 CFR 200.319 states that all procurement transactions under the Federal award must be conducted in a manner that provides full and open competition and is consistent with Federal procurement standards. 2 CFR 200.214 states in part that recipients and subrecipients are subject to the nonprocurement debarment and suspension regulations. In addition, 2 CFR 200.303 in part states that a recipient of a Federal award must establish, document, and maintain effective internal control over the Federal award.

Condition: We have selected and tested vendors for suspension and debarment with expenditures in excess of \$25,000 for the Bridge CR-397 and EMS projects for compliance with suspension and debarment. We identified that two vendors were not properly verified for suspension and debarment prior to the contract execution date.

Cause: Internal controls over suspension and debarment were properly designed but not operating effectively to verify that all vendors are in compliance with suspension and debarment.

Effect: Our testing identified that the County's internal controls over compliance with suspension and debarment are not operating effectively, which may cause the County to be out of compliance with Federal and grant requirements.

Repeat Finding: No.

Recommendation: We recommend that the County re-evaluate the design of internal controls over suspension and debarment to be in compliance with the Federal requirements and the County's procurement policy/procedures.

Corrective Action Plan: Reported on page 71.

CHAFFEE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

2024-003: Material Weakness Over Internal Controls with the Schedule Expenditures of Federal Awards

Federal Program: Local Assistance and Tribal Consistency Fund and Coronavirus State and Local Fiscal Recovery Funds

Federal Assistance Listing Number(s): 21.032 and 21.027

Federal Agency: U.S. Department of Transportation and U.S. Department of Treasury

Pass-through Entity: Colorado Department of Transportation (20.205 only)

Criteria: 2 CFR 200.508 states that the auditee must prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements. In addition, 2 CFR 200.303 in part states that a recipient of a Federal award must establish, document, and maintain effective internal control over the Federal awards.

Condition: The expenditure amounts related to the 21.032 and 21.027 federal programs provided for the SEFA were materially misstated compared to the County's accounting records. The County provides information to the auditors to assist with the preparation of the financial statements and the schedule of expenditure of federal awards. However, the information provided to the auditors for the SEFA did not match the information in the accounting records. Therefore, the County had material misstatements and prior year corrections (restatements) related to grants and federal awards.

Cause: Lack of internal controls over financial reporting of the SEFA and federal expenditures..

Effect: This caused material audit adjustments to the financial statements and the significant corrections to the SEFA and potential for unidentified misstatements and lack of reporting of Federal awards on the SEFA.

Repeat Finding: No.

Recommendation: We recommend that the County establish internal controls over grants management and SEFA preparation processes during that year to make sure that the Federal expenditures are properly reflected on the information used to prepare the SEFA and match the accounting records.

Corrective Action Plan: Reported on page 71.



Chaffee County Board of Commissioners

P.O. Box 699/104 Crestone Ave.

Salida, CO 81201

719.539.2218/www.chaffeecounty.org

September 30, 2025

Corrective Action Plan:

Finding: 2024-001

Type of Finding: Financial Statement

- Chaffee County had a Material Audit Adjusting Journal Entries with a Restatement of Prior Year Financial Statements

Chaffee County concurs with finding 2024-001 and will implement the following corrective steps:

- The County will implement internal controls over financial reporting through periodic review of the accounting records. In addition, the County will implement a year-end closing process that involves a review of the balance sheet accounts and various revenue and expenditure accounts in order to identify misstatement prior to the audit process to avoid material audit adjustments.

Finding: 2024-002

Type of Finding: Federal Awards

Significant Deficiency Over Compliance with Procurement and Suspension and Debarment

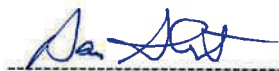
Chaffee County concurs with finding 2024-002 and will implement the following corrective steps:

The County will re-evaluate the design of internal controls over suspension and debarment to be in compliance with the Federal requirements and the County's procurement policy/procedures.

Finding: 2024-003

Type of Finding: Material Weakness over Internal Controls with the Schedule Expenditures of Federal Awards

Chaffee County will establish internal controls over grants management and SEFA preparation processes during the year to make sure the Federal expenditures are properly reflected on the information used to prepare the SEFA and match the accounting records.



Chaffee County
Director of Finance

STATE COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Chaffee
		YEAR ENDING : December 2024
This Information From The Records Of (example - City of _ or County of County of Chaffee	Prepared By: Phone:	Dan Short 719-530-5596

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,271,605
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,056,918
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	24,322
2. General fund appropriations		b. Snow and ice removal	198,651
3. Other local imposts (from page 2)	175,622	c. Other	
4. Miscellaneous local receipts (from page 2)	2,321,178	d. Total (a. through c.)	222,973
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	6,551,496
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,496,800	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	4,507,401	2. Notes:	
D. Receipts from Federal Government (from page 2)	72,077	a. Interest	9,056
E. Total receipts (A.7 + B + C + D)	7,076,278	b. Redemption	50,879
		c. Total (a. + b.)	59,935
		3. Total (1.c + 2.c)	59,935
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	6,611,431

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,152,964	7,076,278	6,611,431	1,617,811	1,617,811

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING :
December 2023

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	151,219	a. Interest on investments	102,641
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	0
4. Licenses	6,818	f. Charges for Services	17,729
5. Specific Ownership &/or Other	17,585	g. Other Misc. Receipts (& Transfers In)	2,200,808
6. Total (1. through 5.)	24,403	h. Other	0
c. Total (a. + b.)	175,622	i. Total (a. through h.)	2,321,178
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,197,608	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	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	62,512	d. Federal Transit Admin	
d. Other (Specify) - CTB 313 Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify) - CR 397 Bridge G	2,247,281	f. Other Federal (Severance)	72,077
f. Total (a. through e.)	2,309,793	g. Total (a. through f.)	72,077
4. Total (1. + 2. + 3.f)	4,507,401	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		3,271,605	3,271,605
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,271,605	3,271,605
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,271,605	3,271,605
			(Carry forward to page 1)

Notes and Comments: