

MONTROSE COUNTY, COLORADO

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Montrose County, Colorado
Montrose, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montrose County, Colorado (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules, the EBT Authorization Schedule, and the Local Highway Finance Report (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 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.



CliftonLarsonAllen LLP

Denver, Colorado
July 18, 2025

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

As management of Montrose County, Colorado (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here.

Financial Highlights

- The assets of the County exceeded its liabilities and deferred inflows of resources as of December 31, 2024 by \$284.7 million. Of this amount, \$59.8 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$19.8 million.
- As of December 31, 2024, the County's governmental funds reported combined ending fund balances of \$76.1 million, a decrease of \$1.9 million from 2023. Approximately 16% of this total amount, \$12.5 million, is unassigned and available for discretionary spending for the benefit of county citizens.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12.5 million, or 44% of total general fund expenditures (including transfers out).

Overview of the Financial Statements

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

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

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

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

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

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

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

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

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

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

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

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

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

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

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

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

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

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

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

Other Information: Required supplementary information consists of budgetary comparison schedules for the General and major Special Revenue Funds, beginning on page 49 of this report. The capital projects budgetary comparison schedule and the combining statements referred to earlier in connection with non-major governmental funds and combining statements for fiduciary funds are presented immediately following the required supplementary information and begin on page 54 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$284.7 million at December 31, 2024.

By far the largest portion of the County's net position (71%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Montrose County's Net Position (\$000)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and Other Assets	\$ 102,705	\$ 101,387	\$ 9,187	\$ 16,116	\$ 111,892	\$ 117,503
Capital Assets	138,556	121,153	79,732	77,906	218,288	199,059
Total Assets	<u>241,261</u>	<u>222,540</u>	<u>88,919</u>	<u>94,022</u>	<u>330,180</u>	<u>316,562</u>
LIABILITIES						
Long-Term Liabilities						
Outstanding	11,860	12,190	8,250	9,149	20,110	21,339
Other Liabilities	5,140	3,769	1,437	4,549	6,577	8,318
Total Liabilities	<u>17,000</u>	<u>15,959</u>	<u>9,687</u>	<u>13,698</u>	<u>26,687</u>	<u>29,657</u>
DEFERRED INFLOWS OF RESOURCES						
Property Tax Revenues	18,570	17,017	-	-	18,570	17,017
Leases	-	-	6,071	5,028	6,071	5,028
Total Deferred Inflows	<u>18,570</u>	<u>17,017</u>	<u>6,071</u>	<u>5,028</u>	<u>24,641</u>	<u>22,045</u>
NET POSITION						
Net Investment in Capital Assets	129,605	111,911	70,598	63,528	200,203	175,439
Restricted	21,427	23,835	163	159	21,590	23,994
Unrestricted	54,659	53,818	8,264	11,609	62,923	65,427
Total Net Position	<u>\$ 205,691</u>	<u>\$ 189,564</u>	<u>\$ 79,025</u>	<u>\$ 75,296</u>	<u>\$ 284,716</u>	<u>\$ 264,860</u>

An additional portion of the County's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance (21%) of unrestricted net position (\$59.8 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At December 31, 2024, Montrose County is able to report positive balances in its governmental and business-type activities total net position. The same situation held true for 2023.

Governmental activities increased the County's net position by \$16.1 million.

The County's net position for the Montrose Regional Airport (its business-type activity) increased by \$3.7 million.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
PROGRAM REVENUES						
Charges for Services	\$ 3,680	\$ 3,395	\$ 8,455	\$ 8,031	\$ 12,135	\$ 11,426
Operating Grants and Contributions	11,858	14,733	14	36	11,872	14,769
Capital Grants and Contributions	-	-	1,724	3,861	1,724	3,861
GENERAL REVENUE						
Property Taxes	20,416	16,574	-	-	20,416	16,574
Sales and Use Taxes	23,316	22,760	-	-	23,316	22,760
Other Taxes	8,943	8,797	-	-	8,943	8,797
Other Revenue	4,423	3,915	653	974	5,076	4,889
Total Revenues	72,636	70,174	10,846	12,902	83,482	83,076
EXPENSES						
General Government	17,144	15,547	-	-	17,144	15,547
Health and Human Services	9,746	8,551	-	-	9,746	8,551
Public Safety and Protection	17,127	16,308	-	-	17,127	16,308
Road and Bridge Services	12,201	12,152	-	-	12,201	12,152
Interest and Fiscal Charges	264	294	-	-	264	294
Airport	-	-	7,142	6,973	7,142	6,973
Total Expenses	56,482	52,852	7,142	6,973	63,624	59,825
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS	16,154	17,322	3,704	5,929	19,858	23,251
Transfers	(26)	289	26	-	-	289
INCREASE (DECREASE) IN NET POSITION	16,128	17,611	3,730	5,929	19,858	23,540
Net Position - January 1	189,563	171,953	75,295	69,367	264,858	241,320
NET POSITION - DECEMBER 31	\$ 205,691	\$ 189,564	\$ 79,025	\$ 75,296	\$ 284,716	\$ 264,860

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

General Government Functions (\$000)

The financial operations of the governmental funds - the County's general, special revenue, capital project, and debt service funds - are summarized here. The following schedule presents a summary of the governmental funds revenues from various sources for the fiscal year ended December 31, 2024 and the changes from the prior year.

REVENUE SOURCE	2024		2023		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Taxes	\$ 43,833	58.4 %	\$ 39,504	53.7 %	\$ 4,329	11.0 %
Licenses and Permits	633	0.8	580	1.0	53	9.1
Intergovernmental	20,699	27.6	23,355	36.5	(2,656)	(11.4)
Charges for Services	2,857	3.8	2,668	3.7	189	7.1
Internal Charges	2,644	3.5	2,317	3.0	327	14.1
Miscellaneous	4,424	5.9	3,859	2.1	565	14.6
Total Revenue (\$000)	<u>\$ 75,090</u>	100.0	<u>\$ 72,283</u>	100.0	<u>\$ 2,807</u>	3.9

Overall revenue increased by 3.9% or \$2.8 million in 2024 over 2023.

The largest source of revenue for 2024 was derived from taxes, 58.4% of total revenues. Overall, tax revenue increased by 11% or \$4.3 million.

Licenses and permits had a 9.1% increase from 2023 due primarily to an increase in the General Fund and related permit fees received.

Intergovernmental revenue decreased in 2024 by \$2.6 million or 11.4%, due primarily to an decrease in federal funding received for the Local Assistance and Tribal Consistency Fund (LATCF) compared to 2023.

Charges for services had a 7.1% increase from 2023 due primarily to an increase in the General Fund.

Miscellaneous revenue increased in 2024 than 2023 due primarily to an increase in investment income the County received on its cash investment portfolio for 2024 and an increase in internal charges.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended December 31, 2024 and the changes from the prior year.

	2024		2023		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
EXPENDITURES						
General Government	\$ 23,035	29.9 %	\$ 17,460	29.6 %	\$ 5,575	31.9 %
Health and Human Services	10,836	14.1	9,589	14.3	1,247	13.0
Public Safety and Protection	25,733	33.4	17,311	24.7	8,422	48.7
Road and Bridge Services	16,227	21.0	17,650	29.0	(1,423)	(8.1)
Debt Service	1,275	1.6	1,310	2.4	(35)	(2.7)
Total Expenditures (\$000)	<u>\$ 77,106</u>	100.0	<u>\$ 63,320</u>	100.0	<u>\$ 13,786</u>	21.8

Overall expenditures for 2024 were \$13.7 million or 21.8% more than 2023 (including capital outlay and debt service expenditures).

The largest increase was related to Public Safety and Protection expenditures which were \$25.7 million in 2024 compared to \$17.3 million in 2023. This increase was a result of planned budgeted increases to public safety costs in 2024.

Business-Type Activities: The increase in the net position for the Montrose Regional Airport was \$3.7 million. The primary reason for the increase in net position was a decrease in expenditures compared to total revenues in 2024.

Financial Analysis of the Government's Funds

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

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

As of December 31, 2024, the County's governmental funds reported combined ending fund balances of \$76.1 million, a decrease of \$1.9 million from the prior year. Approximately 16% of this total amount constitutes unassigned fund balance, which is available for spending to meet the needs of county citizens. The remainder of fund balance is separated into four categories. (1) Nonspendable fund balance which includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact (\$2.7 million); (2) Assigned fund balance is constrained by the County's intent to be used for a specific purpose (\$28.7 million); (3) Restricted fund balance has constraints placed on the use of these resources either externally imposed by creditors, grantors, contributors, or have been imposed by law through constitutional provisions or enabling legislation, 1) restricted for road and bridge (\$14.2 million); 2) to provide an emergency reserve as required by the TABOR amendment (\$1.8 million); or 3) other restricted fund balance (\$6.3 million); and (4) Committed fund balance has constraints placed on the use of these resources by the Board of County Commissioners which is broken into two parts Social Services (\$6.9 million) and Solid Waste (\$2.7 million).

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

The General Fund is the chief operating fund of the County. At December 31, 2024, unassigned fund balance of the General Fund was \$12.5 million while total fund balance was \$14.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers). Unassigned fund balance represents 44% of total General Fund expenditures (including transfers out), while total fund balance represents 53% of that same amount.

The fund balance of the County's General Fund increased by \$178 thousand during 2024. The primary driver was the increase in interest income as a result of more favorable interest rates on the County's investments.

The Road and Bridge Fund had a total fund balance of \$16.4 million of which \$2.2 million is nonspendable for prepaid items. The net increase in fund balance in this fund during 2024 was \$3.3 million compared to a increase of \$1.7 million during 2023. This change resulted primarily from a decrease in expenditures in 2024 of 16.2 million from 17.7 million in 2023.

Fund balance in the Social Services Fund increased by \$1.5 million to \$6.9 million by the end of 2024. The increase was due primarily to an increase in intergovernmental revenues (\$2.1 million) when compared to 2023.

The Public Safety Sales Tax Fund decreased its fund balance by \$5.9 million to \$5.1 million during 2024. The decrease was primarily to an increase in capital outlay expenditures of \$7.6 million compared to 2023.

The Capital Expenditures Fund decreased its fund balance by \$1.5 million during 2024. Total fund balance for this fund was \$27.8 million by the end of 2024. The decrease was primarily driven by an increase in capital outlay expenditures of \$4.5 million compared to 2023.

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

Unrestricted net position of the Montrose Regional Airport at December 31, 2024 amounted to \$8.2 million. Unrestricted net position of the Fleet Management internal service fund at December 31, 2024 amounted to \$2.7 million.

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

General Fund Budgetary Highlights

The General Fund accounts for all the general services provided by the County. The County's final budgeted revenues were less than original budgeted revenues by \$1.1 million. Actual revenues were more than final budgeted revenues by \$102 thousand, as actual tax revenue exceeded budgeted amounts by \$122 thousand. Total expenditures budgeted of \$15.6 million were greater than actual expenditures by \$2.1 million.

Capital Asset and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2024 amounts to \$218,288,625 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, construction in progress,

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

equipment, and infrastructure. The total net increase in the County's investment in capital assets for the current fiscal year was \$19.2 million.

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

Booking Kitchen Remodel	\$8.0 million
Historic Courthouse Renovation	\$7.0 million
Asphalt Roads	\$3.3 million

Capital additions outlined above were offset with retirements mainly to road transportation as asphalt roads were being replaced in 2024.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
	CAPITAL ASSETS					
Land and Improvements	\$ 4,330	\$ 4,060	\$ 2,779	\$ 2,779	\$ 7,109	\$ 6,839
Construction in Progress	19,659	5,435	3,458	44,686	23,117	50,121
Buildings and Improvements	35,226	36,586	55,408	10,081	90,634	46,667
SBITAs	86	168	-	-	86	168
Equipment	17,550	17,176	951	1,003	18,501	18,179
Infrastructure	61,705	57,728	17,136	19,357	78,841	77,085
Total Capital Assets (\$000)	\$ 138,556	\$ 121,153	\$ 79,732	\$ 77,906	\$ 218,288	\$ 199,059

Additional information on the County's capital assets can be found in Note 5 on pages 42 - 43 of the financial statements.

Long-Term Debt: At the end of 2024, the County had outstanding debt of \$17.2 million related to finance purchase agreements entered into in 2017 and 2022. The County has no general obligation debt.

The County's debt consists of the following:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
	Finance Purchase Agreement	\$ 8,195	\$ 9,096	\$ 9,090	\$ 9,090	\$ 17,285
Total Long Term Debt (\$000)	\$ 8,195	\$ 9,096	\$ 9,090	\$ 9,090	\$ 17,285	\$ 18,186

Additional information on the County's long-term debt can be found in Note 6 on pages 44 - 46 of the financial statements.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Economic Factors and Next Year's Budgets and Rates

- According to the Colorado Department of Labor and Employment, the current unemployment rate for the County as of June 30, 2025, is 4.4%, which is lower than the state's average unemployment rate of 4.5%, which is higher than the national average rate of 4.1%.
 - The Colorado Legislative Council reports that the 10-county western region's economy experienced a decelerated regional labor market over the past year, after a strong recovery period. Slowing growth has impacted natural gas production, construction, and housing.
- The Western Region's labor market is characterized by employment concentrations in natural resources, construction, retail trade, health care, lodging and food services, and local government. These industry sectors represent the region's position as a key support for the state's energy and agriculture sectors, and as a tourist destination. Additionally, the region is home to commerce hubs like Grand Junction that provide services to households across the Western Slope. With a retirement-aged population that is growing faster than retirees in the state overall, health care is an increasingly important sector to the regional economy.
- After lagging the state during the post-pandemic recovery, data indicate employment for the region's households exceeded pre-pandemic levels over the latter half of 2024 and continues to gain ground on statewide job growth. Based on recent data, household employment for the state was about 2.2 percent above pre-pandemic levels in March 2025, and was about 1.3 percent higher for the Western Region. Year-to-date, employment growth as tracked through establishment surveys in the Grand Junction MSA corroborates faster growth in the region, with employment up 1.4 percent compared with 0.4 percent statewide. Although data indicate the unemployment rate continues to rise in the Western Region, it has coincided with more labor force participants. The region's labor force was up 2.3 percent year-to-date and on pace for a second year of robust growth.
- Demographic trends in the region are influencing both employment and the labor force. Growth in the region's working-age population, or people ages 16 to 64 years, is projected to be significantly slower than the statewide growth rate and increase between just 0.1 percent each year from 2025 to 2027, according to the Colorado State Demography Office. By comparison, the state's working-age population is projected to grow between 0.5 percent and 0.7 percent each year over the same period. Concurrently, the region's retirement-age population aged 65 years and over is growing faster than the state. Although the Western Region may benefit from higher labor force participation among retirement-age individuals, slow growth in the working-age population is expected to dampen employment growth in the long term.
- Based on employer survey data for the Grand Junction MSA (Mesa County), the area's job growth has been supported largely by healthcare over the past few years, with the sector posting both the fastest pace of growth and contributing the most jobs. In 2024, the sector continued to outpace others and data indicate it accounted for more than 60 percent of job growth. Other contributors in 2024 were state and local government and professional and business services. Slower employment growth is expected over the next year, with ongoing support from the health care sector and potentially from natural resources. However, economic conditions are expected to dampen growth in manufacturing, real estate, retail, and leisure and hospitality. Encouragingly, enrollment for Colorado Mesa University is expected to continue to expand and will benefit the region's economy. In the 2022-23 academic year, enrollment grew for the first time since 2016-17 as enrollment for state residents began to rebound. In 2023-24,

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

enrollment was up another 2 percent and is projected to increase 8 percent in FY 2024-25 and exceed peak 2016-17 enrollment.

- Despite high interest rates and rising inventory, the average price of a single-family home in the Western Region has continued to increase. In 2024, the average price rose 6.6 percent, faster than the pace recorded statewide. Although the average sales price in the Western Region remains lower than the statewide average, the price gap has narrowed over the past few years. In 2019, the average sales price in the Western Region was more than 28 percent lower than the price statewide. In 2024, the average sales prices in the Western Region were about 15 percent lower.
- Like the state, price growth is decelerating in the Western Region. In April 2025, the average single family home price was up 2.7 percent year-to-date but remained faster than the 1 percent pace recorded statewide. Inventory continues to rise rapidly, growing by double digits each year since 2022 after reaching historic lows. Sales peaked in 2021 following the pandemic but dropped significantly in 2022. Sales were about 25 percent below 2019 in 2024.
- Residential building permits fell significantly in 2024, decreasing by 36 percent. Permits are expected to rebound modestly in 2025 and were up 4.8 percent year-to-date through April. However, residential construction is expected to remain muted amid slower price appreciation, economic uncertainty, high interest rates, and growing inventory levels.
- In 2024, non-residential building construction in the Western Region surged after contracting in 2023, reaching its highest level since 2014. Indicators of nonresidential construction for the Western Region are strong through the first four months of 2025, primarily in Mesa County, and with the start of a \$24 million project in San Miguel County. Although many types of nonresidential construction across the state and nation have been impacted by rising interest rates, higher construction costs, and slower employment growth, construction in the Western Region is expected to be supported over the next year in part by continued expansion at the Grand Junction Regional Airport.
- The construction sector is still expected to be boosted over the next few years from large investments in infrastructure and renewable energy. Significant projects include construction of the TransWest Express transmission project that will connect renewable energy generation in Wyoming to Southern California through Moffat County. The 2025 construction scope includes work in Colorado. Additionally, Tri-State Generation and Transmission Association announced significant projects in Montrose County, including a 20-MW solar project, a 50-MW battery storage facility, and transmission infrastructure.
- Post-pandemic retail sales in the Western Region continue to outpace sales growth statewide. Although the pace of growth in 2024 slowed to 2.9 percent in the Western Region, sales grew just 1.3 percent statewide. The pace of retail sales in the region increased in the first two months of the year, up 5.7 percent year-to-date compared with 1.4 percent statewide. The region is benefiting from consistent post-pandemic employment and wage growth. Retail construction of stores and food services continues at healthy levels, particularly in the regional hub of Mesa County. Retail sales may be dampened somewhat if broad economic conditions impact domestic and international travel to the region over the next year. Tourism may also be affected by reduced staffing levels at the region's national parks and recreation areas.

**MONTROSE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

- Visits to the region's national parks started the year up 10 percent year-to-date through April. However, visitation at the beginning of 2024 was impacted by reduced visits to the Curecanti National Recreation Area due to construction along U.S. Highway 50 and an emergency bridge closure. Looking back to 2023, park visitation through the first four months of 2025 is similar to 2023 levels. Park visitation through the rest of the year could be impacted by reduced park hours or closures due to reduced staffing levels at the Black Canyon of the Gunnison and other national parks. Further, economic uncertainty is expected to impact consumer spending and travel through the year. Positively, passenger traffic at the Grand Junction Regional Airport continues to expand after a record year, with passenger traffic up 6.4 percent year-to-date through March.
- The western region produces a significant share of the state's natural gas, nearly 23 percent in 2024, and remains a significant contributor to the region's economic activity despite a long-term decline in activity back to 2013. In 2024, natural gas production contracted for the sixth consecutive year, and for 11 of the past 12 years. Natural gas production supports tax revenue, jobs, and upstream and downstream support industries throughout the region. Nationally, a greater quantity of natural gas is coming from gas-producing oil wells with the penetration of shale and hydraulic fracturing technology, a trend that has increased production and pushed down prices, generally. This dynamic is limiting investment and production in the region.
- Prices surged in 2022, increasing the region's value of production significantly, which likely supported some resurgence in natural resources employment. However, prices as tracked by the Henry Hub Spot Price fell by more than 60 percent in 2023, and were down another 13 percent in 2024, reaching a low of \$2.21 per million BTU. As of March 2025, natural gas production in the Western Region was down 3.7 percent year-to-date. Prices are expected to improve significantly in 2025, climb about 87 percent and reach \$4.12 as noted in the Economic Outlook section. Nationally and in the state, low oil prices are expected to impact oil production and consequently natural gas production from oil wells, contributing to higher natural gas prices. Prices are currently forecast to climb over the forecast period and may support some production in the Western Region. Additionally, recent and upcoming lease sales on U.S. Bureau of Reclamation Land in the area may support new investment.

All of these factors were considered in preparing the County's budget for 2025.

Requests for Information

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

MONTROSE COUNTY, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 75,581,777	\$ 5,030,507	\$ 80,612,284
Cash and Investments, Restricted	-	8,608	8,608
Taxes Receivable, Net of Allowance	22,148,902	-	22,148,902
Other Receivables, Net of Allowance	456,684	1,931,407	2,388,091
Lease Receivables	-	385,315	385,315
Intergovernmental Receivable	1,486,211	1,526,292	3,012,503
Prepaid Items	3,031,076	140,502	3,171,578
Restricted Accounts Receivable	-	163,434	163,434
Capital Assets:			
Capital Assets Not Subject to Depreciation:			
Land	4,329,752	2,778,507	7,108,259
Construction in Progress	19,659,193	3,458,225	23,117,418
Capital Assets Subject to Depreciation:			
Buildings and Improvements, Net	35,226,341	55,407,687	90,634,028
Improvements other than Buildings, Net	-	17,135,568	17,135,568
Subscription Based Information Technology Arrangements, Net	86,158	-	86,158
Equipment, Net	17,549,707	952,351	18,502,058
Infrastructure, Net	61,705,135	-	61,705,135
Total Assets	241,260,936	88,918,403	330,179,339
LIABILITIES			
Accounts Payable	3,843,673	1,374,400	5,218,073
Accrued Liabilities	795,706	41,998	837,704
Due to Other Governments	164,000	-	164,000
Unearned Revenue	332,483	20,781	353,264
Funds Held for Others	4,866	-	4,866
Long-Term Liabilities			
Portion Due or Payable Within One Year	1,732,912	1,000,645	2,733,557
Portion Due or Payable After One Year	10,127,331	7,249,286	17,376,617
Total Liabilities	17,000,971	9,687,110	26,688,081
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenues	18,569,527	-	18,569,527
Leases	-	6,070,610	6,070,610
Total Deferred inflows of Resources	18,569,527	6,070,610	24,640,137
NET POSITION			
Net Investment in Capital Assets	129,604,824	70,597,813	200,202,637
Restricted for:			
Emergencies	1,831,729	-	1,831,729
Public Safety	5,075,970	-	5,075,970
Parks and Recreation	245,484	-	245,484
Road and Bridge	14,245,178	-	14,245,178
Debt Service	28,737	-	28,737
Passenger Facility Charges	-	163,434	163,434
Unrestricted	54,658,516	8,263,654	62,922,170
Total Net Position	\$ 205,690,438	\$ 79,024,901	\$ 284,715,339

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Sales Tax Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Investments	\$ 15,171,122	\$ 12,373,850	\$ 6,783,735	\$ 4,284,989	\$ 29,209,987	\$ 4,616,818	\$ 72,440,501
Other Cash and Investments	39,586	150	250	187,994	-	249,136	477,116
Receivables							
Taxes	16,421,072	2,080,968	2,148,455	1,498,407	-	-	22,148,902
Intergovernmental	79,072	465,168	649,691	-	100,116	190,961	1,485,008
Trade	57,315	1,038	223,070	138,965	-	36,296	456,684
Prepaid Items	466,483	2,236,649	335	-	-	13,190	2,716,657
Total Assets	<u>\$ 32,234,650</u>	<u>\$ 17,157,823</u>	<u>\$ 9,805,536</u>	<u>\$ 6,110,355</u>	<u>\$ 29,310,103</u>	<u>\$ 5,106,401</u>	<u>\$ 99,724,868</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 740,294	\$ 577,421	\$ 60,380	\$ 788,603	\$ 1,466,448	\$ 74,099	\$ 3,707,245
Accrued Liabilities	214,312	98,575	178,973	244,666	1,620	39,332	777,478
Due to Other Governments	-	-	164,000	-	-	-	164,000
Funds Held for Others	4,866	-	-	-	-	-	4,866
Unearned Revenue	-	-	277,689	1,116	-	53,678	332,483
Total Liabilities	<u>959,472</u>	<u>675,996</u>	<u>681,042</u>	<u>1,034,385</u>	<u>1,468,068</u>	<u>167,109</u>	<u>4,986,072</u>
DEFERRED INFLOWS OF RESOURCES							
Property Tax Revenue	16,421,072	-	2,148,455	-	-	-	18,569,527
FUND BALANCES							
Nonspendable	466,483	2,236,649	335	-	-	13,190	2,716,657
Restricted for:							
Emergencies	1,831,729	-	-	-	-	-	1,831,729
Public Safety	-	-	-	5,075,970	-	-	5,075,970
Landfill Financial Assurance	-	-	-	-	-	1,021,889	1,021,889
Parks and Recreation	-	-	-	-	-	245,484	245,484
Road and Bridge	-	14,245,178	-	-	-	-	14,245,178
Debt Service	-	-	-	-	-	28,737	28,737
Committed To:							
Social Services	-	-	6,975,704	-	-	-	6,975,704
Solid Waste	-	-	-	-	-	2,713,222	2,713,222
Assigned	-	-	-	-	27,842,035	916,770	28,758,805
Unassigned	12,555,894	-	-	-	-	-	12,555,894
Total Fund Balances	<u>14,854,106</u>	<u>16,481,827</u>	<u>6,976,039</u>	<u>5,075,970</u>	<u>27,842,035</u>	<u>4,939,292</u>	<u>76,169,269</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,234,650</u>	<u>\$ 17,157,823</u>	<u>\$ 9,805,536</u>	<u>\$ 6,110,355</u>	<u>\$ 29,310,103</u>	<u>\$ 5,106,401</u>	<u>\$ 99,724,868</u>

See accompanying Notes to Basic Financial Statements.

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

Total Fund Balance - Governmental Funds	\$ 76,169,269
Amounts reported for governmental activities on the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	135,184,371
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	6,137,012
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated Absences	(2,189,885)
Landfill Closure and Post-Closure Liability	(1,021,889)
Gravel Pit Remediation	(372,059)
Financed Purchase Agreement	(8,194,934)
Subscription Based Information Technology Arrangements	(21,447)
Total	(11,800,214)
Net Position - Governmental Activities	\$ 205,690,438

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General Fund	Road and Bridge Fund	Social Services Fund	Public Safety Sales Tax Fund	Capital Expenditures Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 18,016,064	\$ 13,860,623	\$ 2,500,751	\$ 9,455,080	\$ -	\$ -	\$ 43,832,518
Licenses and Permits	474,187	150	-	16,170	-	142,040	632,547
Intergovernmental	4,081,189	5,888,413	8,702,092	881,606	185,132	960,342	20,698,774
Charges for Services	2,194,022	11,665	18,528	160,555	-	472,718	2,857,488
Internal Charges	2,617,172	26,492	-	-	-	-	2,643,664
Investment Earnings	1,000,887	547,319	323,672	383,982	1,455,936	235,553	3,947,349
Miscellaneous	60,894	9,465	31,448	136,795	-	237,972	476,574
Total Revenues	<u>28,444,415</u>	<u>20,344,127</u>	<u>11,576,491</u>	<u>11,034,188</u>	<u>1,641,068</u>	<u>2,048,625</u>	<u>75,088,914</u>
EXPENDITURES							
Current:							
General Government	13,148,359	-	-	-	63,181	1,689,901	14,901,441
Health and Human Services	-	-	9,897,686	-	-	938,467	10,836,153
Public Safety and Protection	-	-	-	17,146,725	-	-	17,146,725
Road and Bridge Services	-	9,066,750	-	-	-	-	9,066,750
Capital Outlay	453,754	7,160,176	94,799	8,585,870	7,586,767	92,711	23,974,077
Debt Service:							
Principal	99,192	11,757	-	-	-	900,816	1,011,765
Interest and Other Charges	3,998	543	-	-	-	259,160	263,701
Total Expenditures	<u>13,705,303</u>	<u>16,239,226</u>	<u>9,992,485</u>	<u>25,732,595</u>	<u>7,649,948</u>	<u>3,881,055</u>	<u>77,200,612</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	14,739,112	4,104,901	1,584,006	(14,698,407)	(6,008,880)	(1,832,430)	(2,111,698)
OTHER FINANCING SOURCES (USES)							
Proceeds from Sale of Capital Assets	13,856	105,030	-	-	-	-	118,886
Subscription Based Information Technology Arrangements	14,175	-	-	-	-	-	14,175
Transfers In	-	-	-	8,747,645	4,481,355	2,720,046	15,949,046
Transfers Out	(14,589,000)	(828,604)	-	-	-	(531,442)	(15,949,046)
Total Other Financing Sources (Uses)	<u>(14,560,969)</u>	<u>(723,574)</u>	<u>-</u>	<u>8,747,645</u>	<u>4,481,355</u>	<u>2,188,604</u>	<u>133,061</u>
NET CHANGE IN FUND BALANCES	178,143	3,381,327	1,584,006	(5,950,762)	(1,527,525)	356,174	(1,978,637)
Fund Balances - Beginning of Year	<u>14,675,963</u>	<u>13,100,500</u>	<u>5,392,033</u>	<u>11,026,732</u>	<u>29,369,560</u>	<u>4,583,118</u>	<u>78,147,906</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,854,106</u>	<u>\$ 16,481,827</u>	<u>\$ 6,976,039</u>	<u>\$ 5,075,970</u>	<u>\$ 27,842,035</u>	<u>\$ 4,939,292</u>	<u>\$ 76,169,269</u>

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ (1,978,637)

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

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

Depreciation	(5,185,218)
Capital Outlay	23,536,519
Total	18,351,301

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

Net Book Value of Disposed Capital Assets.	(1,236,917)
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Internal service funds are used by management to charge the costs of certain activities, such as fleet management to individual funds. The net revenue (expense) and transfers of the internal service fund is reported with governmental activities.

639,040

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

(610,552)

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

(34,058)

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

Subscription Based Information Technology Arrangements

(14,175)

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

Payments on Long-Term Debt	1,011,764
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Change in Net Position of Governmental Activities **\$ 16,127,766**

MONTROSE COUNTY, COLORADO
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2024

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Fund
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,030,507	\$ 2,664,160
Cash and Investments, Restricted	8,608	-
Accounts Receivable, Net	1,931,407	-
Lease Receivables, Due Within One Year	385,315	-
Due from Other Governments	1,526,292	1,203
Prepaid Items	140,502	314,419
Total Current Assets	9,022,631	2,979,782
NONCURRENT ASSETS		
Restricted Accounts Receivable - Passenger Facility Charges	163,434	-
Lease Receivables, Due After One Year	5,864,218	-
Capital Assets		
Land	2,778,507	-
Construction in Progress	3,458,225	-
Land Improvements, Net	17,135,568	-
Buildings, Net	55,407,687	-
Equipment, Net	952,351	3,371,915
Total Noncurrent Assets	85,759,990	3,371,915
Total Assets	94,782,621	6,351,697
CURRENT LIABILITIES		
Accounts Payable	1,374,400	136,428
Accrued Liabilities	41,998	18,228
Unearned Revenue	20,781	-
Accrued Compensated Absences, Due Within One Year	50,645	21,183
Loan, Portion Due or Payable Within One Year	950,000	-
Total Current Liabilities	2,437,824	175,839
NONCURRENT LIABILITIES		
Accrued Compensated Absences, Due After One Year	39,286	38,846
Loan, Portion Due or Payable After One Year	7,210,000	-
Total Noncurrent Liabilities	7,249,286	38,846
Total Liabilities	9,687,110	214,685
DEFERRED INFLOWS OF RESOURCES		
Leases	6,070,610	-
NET POSITION		
Net Investment in Capital Assets	70,597,813	3,371,915
Restricted for Passenger Facility Charges	163,434	-
Unrestricted	8,263,654	2,765,097
Total Net Position	\$ 79,024,901	\$ 6,137,012

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Fund
OPERATING REVENUE		
Charges for Services	\$ 7,008,112	\$ 3,060,751
Lease Revenue	537,767	-
Lease Interest	156,984	-
Total Operating Revenue	7,702,863	3,060,751
OPERATING EXPENSES		
Salaries and Benefits	1,650,299	689,849
Services and Supplies	1,908,413	1,313,902
Depreciation and Amortization	3,398,716	812,828
Total Operating Expenses	6,957,428	2,816,579
OPERATING INCOME (LOSS)	745,435	244,172
NONOPERATING REVENUES (EXPENSES)		
Investment Income	360,549	145,796
Interest Expense	(184,681)	-
Gain (Loss) on Transfer of Assets	26,254	-
Gain (Loss) on Sale of Assets	-	150,099
Grants and Contributions	14,240	-
Passenger Facility Charges	751,915	-
Other	271,926	92,973
Total Nonoperating Revenues (Expenses)	1,240,203	388,868
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	1,985,638	633,040
Capital Grants	1,750,253	-
Transfers In	-	6,000
Transfers Out	(6,000)	-
CHANGE IN NET POSITION	3,729,891	639,040
Net Position - Beginning of Year	75,295,010	5,497,972
NET POSITION - END OF YEAR	\$ 79,024,901	\$ 6,137,012

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Proprietary Fund Types	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 7,065,377	\$ 3,061,951
Cash Paid to Suppliers	(1,909,859)	(1,270,200)
Cash Paid to and for Employees	(1,673,523)	(687,149)
Net Cash Used by Operating Activities	3,481,995	1,104,602
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants and Contributions	14,240	-
Other Receipts	271,926	92,973
Net Cash Provided by Noncapital Financing Activities	286,166	92,973
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grants	232,113	-
Passenger Facility Charges	747,555	-
Lease Revenue	6,492,457	-
Principal Payments on Loan Payable	(930,000)	-
Sale of Capital Assets	-	209,021
Acquisition of Capital Assets	(8,348,789)	(1,155,189)
Interest Expense	(184,681)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,991,345)	(946,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	360,549	145,796
Net Cash Provided (Used) by Investing Activities	360,549	145,796
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,137,365	397,203
Cash and Cash Equivalents - Beginning of Year	8,765,968	2,266,957
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 10,903,333	\$ 2,664,160

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Business-Type Activity	
	Enterprise Fund	Governmental Activities
	Montrose County Airport	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 745,435	\$ 244,172
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	3,398,716	812,828
Lease Income Included in Operating Income	(694,750)	-
(Increase) Decrease in Accounts Receivable	60,468	1,200
(Increase) Decrease in Long-Term Compensated Absences	19,410	-
(Increase) Decrease in Prepaid Items	(90,066)	(13,519)
Increase (Decrease) in Accounts Payable	88,620	57,221
Increase (Decrease) in Accrued Liabilities	(42,635)	2,700
Increase (Decrease) in Unearned Revenue	(3,203)	-
Net Cash Provided by Operating Activities	\$ 3,481,995	\$ 1,104,602
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL		
AND RELATED FINANCING ACTIVITIES		
Capital Acquisitions in Accounts Payable at Year-End	\$ (3,143,734)	\$ -

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and Investments	\$ 3,849,341
Property Taxes Receivable	42,491,711
Total Assets	46,083,741
LIABILITIES	
Due to Other Governments	1,666,066
Deposits Held for Others	573,684
Total Liabilities	2,239,750
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	42,491,711
NET POSITION	
Held for Other Governments	1,352,280
Total Net Position	\$ 1,352,280

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Property Tax Collections on Behalf of Others	\$ 42,491,711
State Opioid Settlement	789,859
Total Additions	43,281,570
 DEDUCTIONS	
Property Tax Distributions on Behalf of Others	42,491,711
State Opioid Settlement Expenditures	257,311
	532,548
Net Increase (Decrease) in Net Position	532,548
 NET POSITION	
Beginning of Year	819,732
End of Year	\$ 1,352,280

See accompanying Notes to Basic Financial Statements.

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

Related Entities

Public Trustee

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

Jointly Funded Organization

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the state of Colorado. In 2024, the County contributed \$1,377,107 for the operation of the District Attorney.

Other

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

Government-Wide and Fund Financial Statements

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

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

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Governmental Funds

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

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

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

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

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

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

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

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

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

The County reports the following major enterprise fund:

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

The County reports the following internal service funds:

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

The County reports the following fiduciary fund type:

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

Measurement Focus, Basis of Accounting

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

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

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting (Continued)

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

Adoption of New Accounting Standards

GASB Statement No. 101, Compensated Absences

Effective December 15, 2023 the Entity implemented GASB Statement No. 101, *Compensated Absences*. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Budgets and Budgetary Accounting

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

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

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

Appropriations are at the total fund expenditure level and lapse at year-end. Original budget appropriations, inclusive of interfund transfers out, for the year ended December 31, 2024 were \$116,329,988. The County had supplemental appropriations totaling \$6,622,370, which increased final budget appropriations, inclusive of interfund transfers out, to \$122,952,358.

During 2024, supplemental appropriations resulted in budget amendments as follows:

<u>Fund</u>	<u>Original Amount</u>	<u>Amended Amount</u>
Governmental Activities:		
Special Revenue Funds:		
Public Safety Sales Tax Fund	24,075,090	27,082,055
Road & Bridge Fund	20,247,381	21,962,481
Other Governmental:		
Fleet Management Fund	3,563,238	3,696,289
Business-Type Activities:		
Airport Operations Fund	11,460,440	12,909,039

Cash

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

Investments

Investments at December 31, 2024, consisted of obligations of U.S. Agency Bonds and negotiable CDs stated at fair market value, CSAFE and Money Market Mutual Funds stated at amortized cost and COLOTRUST stated at net asset value.

Cash and Cash Equivalents

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

Receivables and Payables

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

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lessor

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

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

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

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Property Taxes

Revenue Recognized in 2024

Local property taxes levied for 2023 and collected by December 31, 2024 are recognized as revenue in these financial statements as shown below:

	Assessed Valuation	Mill Lewy	Amount of Taxes		Percentage Collected of		
			Levied	Budgeted	Collected	Levied	Budgeted
General Fund	\$ 830,714,040	17.475 %	\$ 14,525,035	\$ 14,525,035	\$ 14,712,779	101.29 %	101.29 %
Social Services	830,714,040	3.00	2,492,142	2,492,142	2,524,362	101.29	101.29

Assessed Valuation

The assessed valuation for property in the state of Colorado is determined using base year market values. The certified assessed valuation for 2023 property taxes remitted in 2024 increased to \$830,714,040 from \$670,708,234 for 2022 property taxes remitted in 2023.

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Property Tax Calendar

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

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

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

Prepaid Items

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

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

Capital Assets

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

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

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

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

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

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for compensated absences reported in the government-wide and proprietary funds statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash and certain other types of leave.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Long-term debt premiums and discounts are amortized over the life of the related debt using the straight-line method, which approximates the effective interest method. Debt issuance costs are expensed as incurred.

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

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Equity

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

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

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

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

Assigned: includes amounts the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board of County Commissioners has designated the Director of Finance as the County employee with authority to assign fund equity. The entire Capital Expenditures Fund is assigned for \$27,842,035, as it is for the specific purpose of capital expenditures. Nonmajor Funds were assigned for a total of \$916,770 as the fund balances for County Clerk Technical Fund (\$12,261), Local Public Health Fund (\$405,349), and Event Center and Fairgrounds Fund (\$499,160) for their specific purpose.

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

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

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

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS

At December 31, 2024, the County’s cash and investments consist of the following:

Cash and Investments - Statement of Net Position	\$ 80,612,284
Cash and Investments, Restricted - Statement of Net Position	8,608
Cash and Investments - Fiduciary Funds	<u>3,849,341</u>
Total	<u><u>\$ 84,470,233</u></u>

At December 31, 2024, cash and investments of the County are held as follows:

Cash on Hand	\$ 6,912
Cash Deposits	19,083,138
Investments	<u>65,380,183</u>
Total	<u><u>\$ 84,470,233</u></u>

Cash Deposits

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

Investments

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

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

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments of the County at December 31, 2024 are as follows:

	Standard & Poor's Rating	Fair Value	Maturity	
			Less than 1 Year	1-5 Years
Local Government Investment Pools	AAAm	\$ 53,876,293	\$ 53,876,293	\$ -
Money Market Mutual Funds	Unrated	19,471	19,471	-
Negotiable CDs	BBB- to AA+	241,190	241,190	-
Fixed Income - Government & Agency Funds	AA+ to AAA	11,243,229	1,958,150	9,285,079
Total Investments		\$ 65,380,183	\$ 56,095,104	\$ 9,285,079

As of December 31, 2024, the County has invested \$22,628,709 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes (CRS), to pool surplus funds for investment purposes. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. COLOTRUST records its investments at fair value and the County records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. Separately issued financial statements may be obtained at the following address:

COLOTRUST
717 17th Street, Suite 1850
Denver, Colorado 80202 www.colotrust.com

As of December 31, 2024, the County has invested \$15,576,002 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is a local government investment pool. Investments of the pool consist of securities of the United States Treasury, United States agencies, primary dealer repurchase agreements and Colorado depositories (with short term ratings of A1 or better) in which the deposits are collateralized at 102% of market value under the provisions of PDPA. The custodian's internal records identify the investments owned by the pool. CSAFE records its investments at amortized cost and the County records its investment in CSAFE using the amortized cost method. Separately issued financial statements may be obtained at the following address:

CSAFE
1675 Broadway, Suite 500
Denver, CO 80202 www.csafe.org

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2024, the County has invested \$15,671,582 in Colorado Statewide Investment Plan (CSIP). CSIP cash deposits are measured at amortized cost. CSIP is a statutory trust organized and existing under the laws of the State of Colorado intended solely for the use of Colorado local governments. Investments of the trust are limited to those allowed by State statutes.

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

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

Credit Risk

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

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

Interest Rate Risk

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

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk arises from the magnitude of an investment in a single issuer. As of December 31, 2024, no individual investments consisted of more than 5% of the County's investments.

Fair Value

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

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

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

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

Level 3 – Unobservable inputs for an asset or liability.

The County has the following fair value measurements as of December 31, 2024:

	12/31/2024	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Agency Bonds	\$ 8,090,559	\$ -	\$ 8,090,559	\$ -
U.S. Treasury Notes	3,152,670	-	3,152,670	
Negotiable CDs	241,190	-	241,190	-
Total Investments by Fair Value Level	11,484,419	<u>\$ -</u>	<u>\$ 11,484,419</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
CSAFE	15,576,002			
Money Market Mutual Funds	19,471			
Total Investments Measured at Amortized Cost	15,595,473			
Investments Measured at Net Asset Value:				
Colotrust	22,628,709			
CSIP	15,671,582			
	<u>38,300,291</u>			
Total Investments	<u>\$ 65,380,183</u>			

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

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

NOTE 3 LEASE RECEIVABLES

The Airport, acting as lessor, leases facilities and land to various airlines, concessionaires, and others under long-term, noncancelable lease agreements. The leases expire at various dates through 2052. During the year ended December 31, 2024, the County recognized \$444,490 and \$135,058 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Year Ending December 31,	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 385,315	\$ 171,294	\$ 556,609
2026	224,090	162,058	386,148
2027	214,205	156,131	370,336
2028	206,969	149,836	356,805
2029	191,859	144,718	336,578
2030-2034	913,159	651,310	1,564,469
2035-2039	1,014,519	525,213	1,539,732
2040-2044	1,094,503	379,185	1,473,688
2045-2049	792,547	242,247	1,034,793
2050-2054	311,836	173,324	485,160
2055-2059	434,333	115,859	550,193
2060-2064	469,005	29,349	498,355
Total	<u>\$ 6,252,341</u>	<u>\$ 2,900,523</u>	<u>\$ 9,152,865</u>

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Transfers Out	Transfers In					Total
	Capital Expenditures	Public Safety Sales Tax	Social Services	Other Governmental	Airport	
Major Fund						
General	\$ 4,481,355	\$ 8,747,645	\$ -	\$ 1,360,000	\$ -	\$ 14,589,000
Road and Bridge	-	-	-	828,604	-	828,604
Capital Expenditures	-	-	-	-	-	-
Other Governmental	-	-	-	531,442	-	531,442
Internal Service	-	-	-	-	6,000	6,000
Total	<u>\$ 4,481,355</u>	<u>\$ 8,747,645</u>	<u>\$ -</u>	<u>\$ 2,720,046</u>	<u>\$ 6,000</u>	<u>\$ 15,955,046</u>

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

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<u>Governmental Activities</u>					
Capital Assets Not Subject to Depreciation/Amortization:					
Land	\$ 4,060,206	\$ 269,546	\$ -	\$ -	\$ 4,329,752
Construction in Progress	5,120,973	17,625,390	(608,143)	(2,479,027)	19,659,193
Total Capital Assets Not Subject to Depreciation	9,181,179	17,894,936	(608,143)	(2,479,027)	23,988,945
Capital Assets Subject to Depreciation/Amortization:					
Buildings and Improvements	59,261,711	519,181	(161,045)	53,943	59,673,790
Infrastructure	135,956,062	3,312,554	(1,902,743)	2,241,465	139,607,338
Subscription Based Information Technology Arrangements	258,451	14,175	(47,134)	-	225,492
Equipment and Vehicles	26,983,300	1,795,673	(317,745)	(226,620)	28,234,608
Total Capital Assets Subject to Depreciation	222,459,524	5,641,583	(2,428,667)	2,068,788	227,741,228
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	22,675,531	1,782,788	(10,870)	-	24,447,449
Infrastructure	78,228,218	1,386,282	(1,712,297)	-	77,902,203
Subscription Based Information Technology Arrangements	90,255	96,213	(47,134)	-	139,334
Equipment and Vehicles	12,576,713	1,919,935	(235,874)	(203,958)	14,056,816
Total Accumulated Depreciation/Amortization	113,570,717	5,185,218	(2,006,175)	(203,958)	116,545,802
Capital Assets Subject to Depreciation/Amortization, Net	108,888,807	456,365	(422,492)	2,272,746	111,195,426
Governmental Activities Capital Assets, Net	<u>\$ 118,069,986</u>	<u>\$ 18,351,301</u>	<u>\$ (1,030,635)</u>	<u>\$ (206,281)</u>	<u>\$ 135,184,371</u>
	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<u>Internal Service Fund Activities</u>					
<u>Governmental</u>					
Capital Assets Not Subject to Depreciation:					
Construction in Progress	\$ 313,285	\$ 133,388	\$ -	\$ (446,673)	\$ -
Total Capital Assets Not Subject to Depreciation	313,285	133,388	-	(446,673)	-
Capital Assets Subject to Depreciation:					
Equipment and Vehicles	7,578,369	847,773	(586,263)	594,376	8,434,255
Less: Accumulated Depreciation:					
Equipment and Vehicles	4,809,177	812,828	(527,341)	(32,324)	5,062,340
Capital Assets Subject to Depreciation, Net	2,769,191	34,945	(58,922)	626,700	3,371,915
Internal Service Fund Activity Capital Assets, Net	<u>\$ 3,082,476</u>	<u>\$ 168,333</u>	<u>\$ (58,922)</u>	<u>\$ 180,027</u>	<u>\$ 3,371,915</u>

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<u>Business-Type Activities</u>					
<u>Airport</u>					
Capital Assets Not Subject to Depreciation:					
Land	\$ 2,778,507	\$ -	\$ -	\$ -	\$ 2,778,507
Construction in Progress	44,685,660	4,203,964	-	(45,431,399)	3,458,225
Total Capital Assets Not Subject to Depreciation	47,464,167	4,203,964	-	(45,431,399)	6,236,732
Capital Assets Subject to Depreciation:					
Runway Improvements	72,421,637	-	-	-	72,421,637
Buildings and Improvements	17,937,862	904,233	-	45,431,399	64,273,494
Equipment and Vehicles	4,135,698	90,856	-	262,536	4,489,090
Total Capital Assets Subject to Depreciation	94,495,197	995,089	-	45,693,935	141,184,221
Less Accumulated Depreciation for:					
Runway Improvements	53,064,398	2,221,671	-	-	55,286,069
Buildings and Improvements	7,857,318	1,008,489	-	-	8,865,807
Equipment and Vehicles	3,131,901	168,556	-	236,282	3,536,739
Total Accumulated Depreciation	64,053,617	3,398,716	-	236,282	67,688,615
Capital Assets Subject to Depreciation, Net	30,441,580	(2,403,627)	-	45,457,653	73,495,606
Business-Type Activity Capital Assets, Net	\$ 77,905,747	\$ 1,800,337	\$ -	\$ 26,254	\$ 79,732,338

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

Governmental Activities:

General Government	\$ 1,602,399
Public Safety and Protection	804,578
Road and Bridge Services	3,513,642
Health and Human Services	77,428
Total	<u>\$ 5,998,046</u>

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Direct Placement					
Facility Construction Loan 2017	9,095,750	-	(900,816)	8,194,934	926,490
Accrued Compensated Absences	1,615,751	634,163	-	2,249,914	793,951
Accrued Landfill Post-Closure Costs	1,000,201	21,688	-	1,021,889	-
Subscription Based Information Technology Arrangements	118,220	14,175	(110,948)	21,447	12,471
Accrued Gravel Pit Remediation Costs	359,689	12,370	-	372,059	-
Total Governmental Activities Long-Term Debt	<u>\$ 12,189,611</u>	<u>\$ 682,396</u>	<u>\$ (1,011,764)</u>	<u>\$ 11,860,243</u>	<u>\$ 1,732,912</u>
<u>Business-Type Activity</u>					
Direct Placement					
Financed Purchase Agreement Terminal Expansion Loan 2022	\$ 9,090,000	\$ -	\$ (930,000)	\$ 8,160,000	\$ 950,000
Compensated Absences	59,242	30,689	-	89,931	50,645
Total Business-Type Activities Long-Term Debt	<u>\$ 9,149,242</u>	<u>\$ 30,689</u>	<u>\$ (930,000)</u>	<u>\$ 8,249,931</u>	<u>\$ 1,000,645</u>

The change in the compensated absence liability is presented as a net change.

Subscription-Based Information Technology Arrangements

The County entered into five subscription based-information technology arrangements (SBITAs) for lease accounting, SaaS for municipal management, cartegraph software, claromentis software and case management software. The internal borrowing rate used to calculate the SBITA liability ranges from 4.94%-5.26% depending on the timing and length of the agreement. The SBITA arrangements expire at various dates through 2026 and provide for renewal options.

As of December 31, 2024, SBITA assets and the related accumulated amortization totaled \$225,492 and \$139,334, respectively.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 LONG-TERM DEBT (CONTINUED)

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 12,471	\$ 624	\$ 13,095
2026	4,381	419	4,800
2027	4,595	205	4,800
Total	<u>\$ 21,447</u>	<u>\$ 1,248</u>	<u>\$ 22,695</u>

Financed Purchase Agreement – Facility Construction Loan 2017

On August 30, 2017, the County entered into a financed purchase agreement with a financial institution in the amount of \$14,000,000 with interest at 2.85% to construct an events center at the Montrose County Fairgrounds, to construct a road and bridge facility, and for other necessary capital improvements of the County. Principal payments began in 2018 and are due each year through 2032. The land and the property are used as collateral for the loan, which has a net book value of \$8,933,657.

Future minimum payments under the financed purchase agreement as of December 31, 2024 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 926,490	\$ 233,556	\$ 1,160,046
2026	952,895	207,151	1,160,046
2027	980,052	179,993	1,160,045
2028	1,007,984	152,062	1,160,046
2029	1,036,711	123,334	1,160,045
2030 - 2032	3,290,802	189,333	3,480,135
Total	<u>\$ 8,194,934</u>	<u>\$ 1,085,429</u>	<u>\$ 9,280,363</u>

Financed Purchase Agreement – Terminal Expansion Loan 2022

On April 20, 2022, the County entered into a financed purchase agreement with a financial institution in the amount of \$10,000,000 with interest at 2.03% to construct certain capital improvements at the County airport. Principal payments begin in 2022 and are due each year through 2032. The land and the property are used as collateral for the loan, which has a net book value of \$46,056,714.

**MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Future minimum payments under the lease purchase agreement as of December 31, 2024 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 950,000	\$ 165,648	\$ 1,115,648
2026	970,000	146,363	1,116,363
2027	990,000	126,672	1,116,672
2028	1,010,000	106,575	1,116,575
2029	1,030,000	86,072	1,116,072
2030 - 2032	3,210,000	131,138	3,341,138
Total	<u>\$ 8,160,000</u>	<u>\$ 762,468</u>	<u>\$ 8,922,468</u>

NOTE 7 PENSION PLAN

Retirement Plan

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

There are no unfunded past service liabilities. All full-time employees are required to participate in the plan after six months of service. The County is required to contribute 4% of employee compensation, excluding overtime. The employee is required to contribute an amount equal to the County's contribution and may contribute up to an additional 10% of their compensation. Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period. The County receives retirement forfeiture reimbursement in the event the employee separates from the County before the 5-year vesting period.

During 2024, the County and employees each made their respectively required 4% contribution amounting to \$877,035, for a total of \$1,754,070. There were no forfeitures reflected in pension expense recognized by the County in 2024.

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 RISK MANAGEMENT

County Workers Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined together with other counties in the state of Colorado to form the County Workers Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

Colorado Counties Casualty and Property Pool

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

In the past three years, the amount of settlement for any claim has not exceeded the insurance coverage in any instance. The County carries commercial insurance for all other risks of loss. The County has had no settlements in excess of insurance coverage for each of the past three fiscal years.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Pending Litigation

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

TABOR Amendment

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

Federal Funding

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

MONTROSE COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 CLOSURE AND POST-CLOSURE CARE COST

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

The County's estimate of the closure and post-closure care costs liability at December 31, 2024, based on landfill capacity used to date, is \$1,021,889. The County will recognize the remaining estimated costs of closure and post-closure as the remaining estimated landfill capacity is filled. The County estimates the remaining life of the East End landfill to be 65 years as of December 31, 2024. Actual costs may be higher or lower due to inflation, changes in technology or changes in regulations.

	Total Costs	Approximate Used Amount	Liability
East End Closure	\$ 980,826	46.34%	\$ 454,473
East End Post-Closure	622,176	46.34	288,290
West End Post-Closure	279,126	100.00	279,126
Total	\$ 1,882,128		\$ 1,021,889

The County is required by state and federal laws and regulations to provide financial assurance to demonstrate that adequate funds will be readily available for the costs of closure and post-closure care. In addition, the County has voluntarily designated \$951,029 of invested funds for post-closure care.

**MONTROSE COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 16,936,035	\$ 17,893,580	\$ 18,016,064	\$ 122,484
Licenses and Permits	400,000	392,560	474,187	81,627
Intergovernmental	6,972,690	4,682,510	4,081,189	(601,321)
Charges for Services	2,161,640	2,099,400	2,194,022	94,622
Internal Charges	2,624,795	2,625,795	2,617,172	(8,623)
Interest Earnings	323,500	649,026	1,000,887	351,861
Miscellaneous	-	-	60,894	60,894
Total Revenues	<u>29,418,660</u>	<u>28,342,871</u>	<u>28,444,415</u>	<u>101,544</u>
EXPENDITURES				
Current:				
General Government	15,167,819	15,174,037	13,148,359	2,025,678
Capital Outlay	506,500	506,500	453,754	52,746
Debt Service	-	-	103,190	(103,190)
Total Expenditures	<u>15,674,319</u>	<u>15,680,537</u>	<u>13,705,303</u>	<u>2,078,424</u>
EXCESS OF REVENUES OVER EXPENDITURES	13,744,341	12,662,334	14,739,112	2,179,968
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	13,856	13,856
Other Financing Sources - SBITA's	-	-	14,175	14,175
Transfers Out	<u>(14,589,000)</u>	<u>(14,589,000)</u>	<u>(14,589,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(14,589,000)</u>	<u>(14,589,000)</u>	<u>(14,560,969)</u>	<u>28,031</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (844,659)</u>	<u>\$ (1,926,666)</u>	<u>\$ 178,143</u>	<u>\$ 2,207,999</u>

**MONTROSE COUNTY, COLORADO
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 13,866,000	\$ 13,764,000	\$ 13,860,623	\$ 96,623
Licenses and Permits	250	250	150	(100)
Intergovernmental	6,210,000	6,161,629	5,888,413	(273,216)
Charges for Services	20,250	17,000	11,665	(5,335)
Internal Charges	-	26,492	26,492	-
Interest Earnings	519,000	519,066	547,319	28,253
Miscellaneous	-	-	9,465	9,465
Total Revenues	<u>20,615,500</u>	<u>20,488,437</u>	<u>20,344,127</u>	<u>(144,310)</u>
EXPENDITURES				
Current:				
Roads and Bridge Services	5,078,256	11,831,256	9,066,750	2,764,506
Capital Outlay	7,587,521	9,302,621	7,160,176	2,142,445
Debt Service	-	-	12,300	(12,300)
Total Expenditures	<u>12,665,777</u>	<u>21,133,877</u>	<u>16,239,226</u>	<u>4,894,651</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,949,723	(645,440)	4,104,901	4,750,341
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	105,030	105,030
Transfers Out	<u>(828,604)</u>	<u>(828,604)</u>	<u>(828,604)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(828,604)</u>	<u>(828,604)</u>	<u>(723,574)</u>	<u>105,030</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 7,121,119</u>	<u>\$ (1,474,044)</u>	<u>\$ 3,381,327</u>	<u>\$ 4,855,371</u>

**MONTROSE COUNTY, COLORADO
SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,497,642	\$ 2,497,642	\$ 2,500,751	\$ 3,109
Licenses and Permits	-	-	-	-
Intergovernmental	7,093,883	8,139,364	8,702,092	562,728
Charges for Services	15,000	21,363	18,528	(2,835)
Interest Earnings	-	-	323,672	323,672
Miscellaneous	22,500	293,399	31,448	(261,951)
Total Revenues	<u>9,629,025</u>	<u>10,951,768</u>	<u>11,576,491</u>	<u>624,723</u>
EXPENDITURES				
Current:				
Health and Human Services	10,175,359	10,175,359	9,897,686	277,673
Capital Outlay	-	-	94,799	(94,799)
Total Expenditures	<u>10,175,359</u>	<u>10,175,359</u>	<u>9,992,485</u>	<u>182,874</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(546,334)	776,409	1,584,006	807,597
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ (546,334)</u>	<u>\$ 776,409</u>	<u>\$ 1,584,006</u>	<u>\$ 807,597</u>

**MONTROSE COUNTY, COLORADO
PUBLIC SAFETY SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 9,389,000	\$ 9,400,000	\$ 9,455,080	\$ 55,080
Licenses and Permits	11,000	17,500	16,170	(1,330)
Charges for Services	185,000	173,000	160,555	(12,445)
Intergovernmental	833,500	788,136	881,606	93,470
Interest Earnings	54,000	387,000	383,982	(3,018)
Miscellaneous Income	-	-	136,795	136,795
Total Revenues	<u>10,472,500</u>	<u>10,765,636</u>	11,034,188	268,552
EXPENDITURES				
Current:				
Public Safety and Protection	18,365,286	18,385,498	17,146,725	1,238,773
Capital Outlay	<u>5,709,804</u>	<u>8,696,557</u>	<u>8,585,870</u>	<u>110,687</u>
Total Expenditures	<u>24,075,090</u>	<u>27,082,055</u>	<u>25,732,595</u>	<u>1,349,460</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,602,590)	(16,316,419)	(14,698,407)	1,618,012
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>9,085,000</u>	<u>8,777,692</u>	<u>8,747,645</u>	<u>(30,047)</u>
Total Other Financing Sources (Uses)	<u>9,085,000</u>	<u>8,777,692</u>	<u>8,747,645</u>	<u>(30,047)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ (4,517,590)</u>	<u>\$ (7,538,727)</u>	<u>\$ (5,950,762)</u>	<u>\$ 1,587,965</u>

**MONTROSE COUNTY, COLORADO
CAPITAL EXPENDITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Earnings	\$ -	\$ 1,198,000	\$ 1,455,936	\$ 257,936
Intergovernmental	500,000	50,000	185,132	135,132
Total Revenues	<u>500,000</u>	<u>1,248,000</u>	<u>1,641,068</u>	<u>393,068</u>
EXPENDITURES				
Current:				
General Government	99,208	99,208	63,181	36,027
Capital Outlay	9,220,246	9,532,683	7,586,767	1,945,916
Total Expenditures	<u>9,319,454</u>	<u>9,631,891</u>	<u>7,649,948</u>	<u>1,981,943</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,819,454)	(8,383,891)	(6,008,880)	2,375,011
OTHER FINANCING SOURCES (USES)				
Transfers In	3,800,000	4,107,308	4,481,355	374,047
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,800,000</u>	<u>4,107,308</u>	<u>4,481,355</u>	<u>374,047</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (5,019,454)</u></u>	<u><u>\$ (4,276,583)</u></u>	<u><u>\$ (1,527,525)</u></u>	<u><u>\$ 2,749,058</u></u>

**MONTROSE COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

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

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

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

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

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

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

Debt Service Funds

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

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

**MONTROSE COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Special Revenue					Debt Service	Total Nonmajor Governmental Funds
	Conservation Trust	County Clerk Technical	Solid Waste	Local Public Health Fund	Event Center and Fairgrounds Fund	General Debt Service Fund	
ASSETS							
Equity in Pooled Cash and Investments	\$ 245,484	\$ 12,261	\$ 3,703,471	\$ 296,674	\$ 333,834	\$ 25,094	\$ 4,616,818
Other Cash and Investments	-	-	-	300	248,836	-	249,136
Receivables							
Intergovernmental	-	-	-	190,961	-	-	190,961
Trade	-	-	32,203	175	275	3,643	36,296
Prepaid Items	-	10,793	-	1,627	770	-	13,190
Total Assets	\$ 245,484	\$ 23,054	\$ 3,735,674	\$ 489,737	\$ 583,715	\$ 28,737	\$ 5,106,401
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 563	\$ 10,987	\$ 62,549	\$ -	\$ 74,099
Accrued Liabilities	-	-	-	18,096	21,236	-	39,332
Unearned Revenue	-	-	-	53,678	-	-	53,678
Total Liabilities	-	-	563	82,761	83,785	-	167,109
FUND BALANCES							
Nonspendable	-	10,793	-	1,627	770	-	13,190
Restricted for:							
Landfill Financial Assurance	-	-	1,021,889	-	-	-	1,021,889
Parks and Recreation	245,484	-	-	-	-	-	245,484
Debt Service	-	-	-	-	-	28,737	28,737
Committed to:							
Solid Waste	-	-	2,713,222	-	-	-	2,713,222
Assigned	-	12,261	-	405,349	499,160	-	916,770
Total Fund Balances	245,484	23,054	3,735,111	406,976	499,930	28,737	4,939,292
Total Liabilities and Fund Balances	\$ 245,484	\$ 23,054	\$ 3,735,674	\$ 489,737	\$ 583,715	\$ 28,737	\$ 5,106,401

MONTROSE COUNTY, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue				Debt Service		Total Nonmajor Governmental Funds
	Conservation Trust	County Clerk Technical	Solid Waste	Local Public Health Fund	Event Center and Fairgrounds Fund	General Debt Service Fund	
REVENUES							
Licenses and Permits	\$ -	\$ -	\$ -	\$ 142,040	\$ -	\$ -	\$ 142,040
Charges for Services	-	8,932	-	252	463,534	-	472,718
Intergovernmental	160,571	-	-	799,771	-	-	960,342
Interest Earnings	12,128	1,427	221,998	-	-	-	235,553
Miscellaneous	-	-	159,299	1,051	59,809	17,813	237,972
Total Revenues	<u>172,699</u>	<u>10,359</u>	<u>381,297</u>	<u>943,114</u>	<u>523,343</u>	<u>17,813</u>	<u>2,048,625</u>
EXPENDITURES							
Current:							
General Government	-	26,866	14,445	-	1,648,590	-	1,689,901
Health and Human Services	-	-	-	938,467	-	-	938,467
Capital Outlay	-	-	-	-	92,711	-	92,711
Debt Service:							
Principal	-	-	-	-	-	900,816	900,816
Interest	-	-	-	-	-	259,160	259,160
Total Expenditures	<u>-</u>	<u>26,866</u>	<u>14,445</u>	<u>938,467</u>	<u>1,741,301</u>	<u>1,159,976</u>	<u>3,881,055</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	172,699	(16,507)	366,852	4,647	(1,217,958)	(1,142,163)	(1,832,430)
OTHER FINANCING SOURCES (USES)							
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	1,560,000	1,160,046	2,720,046
Transfers out	(200,000)	-	-	-	(331,442)	-	(531,442)
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,228,558</u>	<u>1,160,046</u>	<u>2,188,604</u>
NET CHANGE IN FUND BALANCES	(27,301)	(16,507)	366,852	4,647	10,600	17,883	356,174
Fund Balances - Beginning of Year	<u>272,785</u>	<u>39,561</u>	<u>3,368,259</u>	<u>402,329</u>	<u>489,330</u>	<u>10,854</u>	<u>4,583,118</u>
FUND BALANCES - END OF YEAR	<u>\$ 245,484</u>	<u>\$ 23,054</u>	<u>\$ 3,735,111</u>	<u>\$ 406,976</u>	<u>\$ 499,930</u>	<u>\$ 28,737</u>	<u>\$ 4,939,292</u>

**MONTROSE COUNTY, COLORADO
 CONSERVATION TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET TO ACTUAL
 YEAR ENDED DECEMBER 31, 2024**

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
State of Colorado	\$ 180,000	\$ 180,000	\$ 160,571	\$ (19,429)
Interest Earnings	5,000	10,750	12,128	1,378
Total Revenues	185,000	190,750	172,699	(18,051)
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 185,000	 190,750	 172,699	 18,051
 OTHER FINANCING USES				
Transfers Out	(200,000)	(200,000)	(200,000)	-
 NET CHANGE IN FUND BALANCE	\$ (15,000)	\$ (9,250)	\$ (27,301)	\$ 18,051

**MONTROSE COUNTY, COLORADO
COUNTY CLERK TECHNICAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 30,000	\$ 10,000	\$ -	\$ (10,000)
Interest Earnings	-	12,250	1,427	(10,823)
Charges for Services	12,000	10,000	8,932	(1,068)
Total Revenues	42,000	32,250	10,359	(21,891)
 EXPENDITURES				
Current:				
General Government	43,650	43,650	26,866	16,784
Total Expenditures	43,650	43,650	26,866	16,784
 NET CHANGE IN FUND BALANCE	\$ (1,650)	\$ (11,400)	\$ (16,507)	\$ (5,107)

**MONTROSE COUNTY, COLORADO
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Interest Earnings	\$ 22,000	\$ 172,000	\$ 221,998	\$ 49,998
Charges for Services	184,000	167,000	159,299	(7,701)
Total Revenues	206,000	339,000	381,297	42,297
EXPENDITURES				
General Government	24,232	24,232	14,445	9,787
Total Expenditures	24,232	24,232	14,445	9,787
NET CHANGE IN FUND BALANCE	\$ 181,768	\$ 314,768	\$ 366,852	\$ 52,084

**MONTROSE COUNTY, COLORADO
LOCAL PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Other Revenues	\$ 2,500	\$ 2,650	1,051	\$ (1,599)
Charges for Services	1,500.00	100.00	252.00	152.00
Intergovernmental	674,500	733,134	799,771	66,637
Licenses and Permits	<u>132,400</u>	<u>137,900</u>	<u>142,040</u>	<u>4,140</u>
Total Revenues	810,900	873,784	943,114	69,330
 EXPENDITURES				
Health and Human Services	<u>1,001,974</u>	<u>1,006,417</u>	<u>938,467</u>	<u>67,950</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(191,074)</u>	 <u>(132,633)</u>	 <u>4,647</u>	 <u>137,280</u>
 OTHER FINANCING SOURCES				
Transfers In	<u>94,000</u>	<u>94,000</u>	<u>-</u>	<u>(94,000)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (97,074)</u>	 <u>\$ (38,633)</u>	 <u>\$ 4,647</u>	 <u>\$ 43,280</u>

**MONTROSE COUNTY, COLORADO
EVENT CENTER AND FAIRGROUNDS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original Budge	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for Services	\$ 465,650	\$ 480,899	\$ 463,534	\$ (17,365)
Miscellaneous	20,000	188,059	59,809	(128,250)
Total Revenues	<u>485,650</u>	<u>668,958</u>	<u>523,343</u>	<u>(145,615)</u>
EXPENDITURES				
Current:				
General Government	1,864,362	1,751,516	1,648,590	102,926
Capital Outlay	100,000	380,685	92,711	287,974
Total Expenditures	<u>1,964,362</u>	<u>2,132,201</u>	<u>1,741,301</u>	<u>390,900</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,498,712)	(1,463,243)	(1,217,958)	245,285
OTHER FINANCING SOURCES (USES)				
Transfers In	1,810,000	1,797,000	1,560,000	(237,000)
Transfers Out	(331,442)	(331,442)	(331,442)	-
Total Other Financing Sources (Uses)	<u>1,478,558</u>	<u>1,465,558</u>	<u>1,228,558</u>	<u>(237,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (20,154)</u>	<u>\$ 2,315</u>	<u>\$ 10,600</u>	<u>\$ 8,285</u>

**MONTROSE COUNTY, COLORADO
GENERAL DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Interest Earnings	\$ 2,000	\$ 2,000	\$ 17,813	\$ 15,813
Total Revenues		2,000	17,813	15,813
EXPENDITURES				
Debt Service:				
Principal	875,855	875,855	900,816	(24,961)
Interest	284,192	284,191	259,160	25,031
Total Expenditures	<u>1,160,047</u>	<u>1,160,046</u>	<u>1,159,976</u>	<u>70</u>
EXCESS OF EXPENDITURES OVER (UNDER) REVENUES	(1,158,047)	(1,158,046)	(1,142,163)	15,883
OTHER FINANCING SOURCES				
Transfers In	<u>1,160,046</u>	<u>1,160,046</u>	<u>1,160,046</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,999</u>	<u>\$ 2,000</u>	<u>\$ 17,883</u>	<u>\$ 15,883</u>

**MONTROSE COUNTY, COLORADO
PROPRIETARY FUNDS**

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

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

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

MONTROSE COUNTY, COLORADO
MONTROSE COUNTY AIRPORT ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
BUDGETARY BASIS – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUES				
Charges for Service	\$ 7,940,438	\$ 8,516,125	\$ 7,702,863	\$ (813,262)
Total Operating Revenues	<u>7,940,438</u>	<u>8,516,125</u>	<u>7,702,863</u>	<u>(813,262)</u>
OPERATING EXPENSES				
Salaries and Benefits	2,066,881	2,066,881	1,650,299	416,582
Non-Personnel Operating	3,240,579	3,240,579	1,908,413	1,332,166
Capital Outlay	6,152,980	7,601,579	5,199,053	2,402,526
Total Operating Expenses	<u>11,460,440</u>	<u>12,909,039</u>	<u>8,757,765</u>	<u>4,151,274</u>
OPERATING LOSS	(3,520,002)	(4,392,914)	(1,054,902)	3,338,012
NONOPERATING REVENUES (EXPENSES)				
Investment Income	-	-	360,549	360,549
Interest Expense	-	-	(184,681)	(184,681)
Debt Issuance Costs	-	-	-	-
Contributions/Grants	-	-	14,240	14,240
Passenger Facility Charges	751,915	751,915	751,915	-
Intergovernmental	2,559,335	1,646,446	1,750,253	103,807
Other	322,650	637,460	292,180	(345,280)
Total Nonoperating Revenues (Expenses)	<u>3,633,900</u>	<u>3,035,821</u>	<u>2,984,456</u>	<u>(51,365)</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ 113,898</u>	<u>\$ (1,357,093)</u>	1,929,554	<u>\$ 3,286,647</u>
ADJUSTMENTS FOR GAAP BASIS				
Capital Outlay			5,199,053	
Depreciation			<u>(3,398,716)</u>	
CHANGE IN NET POSITION - GAAP BASIS			<u>\$ 3,729,891</u>	

**MONTROSE COUNTY, COLORADO
FLEET MANAGEMENT INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
BUDGETARY BASIS – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUES				
Charges for Service	\$ 3,060,000	\$ 3,060,000	\$ 3,060,751	\$ 751
Total Operating Revenues	3,060,000	3,060,000	3,060,751	751
OPERATING EXPENSES				
Salaries and Benefits	730,614	730,614	689,849	40,765
Services and Supplies	1,720,125	1,720,125	1,313,902	406,223
Capital Outlay	1,112,949	1,246,000	1,155,189	90,811
Total Operating Expenses	3,563,688	3,696,739	3,158,940	537,799
OPERATING INCOME (LOSS)	(503,688)	(636,739)	(98,189)	538,550
NONOPERATING REVENUES				
Other	195,000	254,985	447,790	192,805
Total Nonoperating Revenues	195,000	254,985	447,790	192,805
NET INCOME (LOSS) - BUDGET BASIS	\$ (308,688)	\$ (381,754)	349,601	\$ 731,355
ADJUSTMENTS FOR GAAP BASIS				
Capital Outlay			1,155,189	
Depreciation			(812,828)	
Net Book Value of Capital Assets Sold			(58,922)	
CHANGE IN NET POSITION - GAAP BASIS			\$ 639,040	

MONTROSE COUNTY, COLORADO FIDUCIARY FUNDS

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

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

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

MONTROSE COUNTY, COLORADO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	<u>County Clerk Custodial Fund</u>	<u>Opioid Settlement Custodial Fund</u>	<u>Custodial Funds</u>
ASSETS			
Cash and Investments	\$ 2,239,750	\$ 1,352,280	\$ 3,592,030
Property Taxes Receivable	<u>42,491,711</u>	<u>-</u>	<u>42,491,711</u>
Total Assets	44,731,461	1,352,280	46,083,741
LIABILITIES			
Due to Other Governments	1,666,066	-	1,666,066
Deposits Held for Others	<u>573,684</u>	<u>-</u>	<u>573,684</u>
Total Liabilities	2,239,750	-	2,239,750
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	42,491,711	-	42,491,711
NET POSITION			
Held for Region 14 Opioid Settlement	<u>-</u>	<u>1,352,280</u>	<u>1,352,280</u>
Total Net Position	<u>\$ -</u>	<u>\$ 1,352,280</u>	<u>\$ 1,352,280</u>

MONTROSE COUNTY, COLORADO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	<u>County Clerk Custodial Fund</u>	<u>Opioid Settlement Custodial Fund</u>	<u>Custodial Funds</u>
ADDITIONS			
Property Tax Collections on Behalf of Others	\$ 42,491,711	\$ -	\$ 42,491,711
State Opioid Settlement	-	789,859	789,859
Total Additions	<u>42,491,711</u>	<u>789,859</u>	<u>43,281,570</u>
DEDUCTIONS			
Property Tax Distributions on Behalf of Others	42,491,711	-	42,491,711
State Opioid Settlement Expenditures	-	257,311	257,311
	<u>42,491,711</u>	<u>257,311</u>	<u>42,749,022</u>
Net Increase (Decrease) in Net Position	-	532,548	532,548
NET POSITION			
Beginning of Year	-	819,732	819,732
End of Year	<u>\$ -</u>	<u>\$ 1,352,280</u>	<u>\$ 1,352,280</u>

MONTROSE COUNTY, COLORADO
MONTROSE COUNTY DEPARTMENT OF HUMAN SERVICES
EBT AUTHORIZATION SCHEDULE
FOR THE CALENDAR YEAR 2024

	A	B	C	D	E
Programs	County EBT Authorizations	County Share of Authorizations	Expenditures by County Warrant	County EBT Authorizations and Expenditures By County Warrant (Col. A+Col. C)	Total Expenditures (Col. B+Col. C)
Administration			1,881,795	1,881,795	1,881,795
Adult Services			315,377	315,377	315,377
Aid to Needy Disabled	119,958	24,499		119,958	24,499
Case Management Agency	6,042		1,306,146	1,312,188	1,306,146
Chaffee Grant			50,481	50,481	50,481
Child Care Program	988,599	122,142	124,118	1,112,717	246,260
Child Support Services			834,655	834,655	834,655
Child Welfare	3,032,807	489,007	2,079,525	5,112,332	2,568,532
Colorado Works	413,533	99,273	941,907	1,355,440	1,041,180
CORE Services	339,455	45,554	703,806	1,043,261	749,360
Employment First	570	334	96,256	96,826	96,590
Food Assistance	11,008,799			11,008,799	-
LEAP	759,352		58,480	817,832	58,480
Nurse Family Partnership			767,640	767,640	767,640
Old Age Pension	488,603		28,703	517,306	28,703
Parental Fees			22,787	22,787	22,787
Other Grants & Programs				-	-
County Only Costs (Including General Assistance)				-	-
Total Programs	\$ 17,157,718	\$ 780,809	\$ 9,211,676	\$ 26,369,394	\$ 9,992,485

Explanation of columns:

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

**MONTROSE COUNTY, COLORADO
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2024**

				Financial Planning 02/01	
The public report burden for this information collection is estimated to average 380 hours annually.				Form# 350-050-36	
LOCAL HIGHWAY FINANCE REPORT			City or County: Montrose County		
			YEAR ENDING : 12/31/2024		
This Information From The Records Of Montrose County:		Prepared By: Phone:	Greg Jennings 970-252-5000		
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)	6,789,059		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,562,337		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	179,603		
2. General fund appropriations		b. Snow and ice removal	351,045		
3. Other local imposts (from page 2)	13,860,624	c. Other			
4. Miscellaneous local receipts (from page 2)	720,198	d. Total (a. through c.)	530,647		
5. Transfers from toll facilities		4. General administration & miscellaneous	3,357,180		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	16,239,224		
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)	14,580,821	b. Redemption			
B. Private Contributions		c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	5,637,707	2. Notes:			
D. Receipts from Federal Government (from page 2)	230,629	a. Interest	185,164		
E. Total receipts (A.7 + B + C + D)	20,449,157	b. Redemption	643,440		
		c. Total (a. + b.)	828,604		
		3. Total (1.c + 2.c)	828,604		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	17,067,827		
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)	6,496,966		643,440	5,853,526	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursement	D. Ending Balance	E. Reconciliation
	13,100,500	20,449,157	17,067,827	16,481,829	0
Notes and Comments:					
FORM FHWA-536 (Rev. 1-05)		PREVIOUS EDITIONS OBSOLETE		(Next Page)	
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