



2024 Financial & Compliance Report

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ROUTT COUNTY, COLORADO
FINANCIAL AND COMPLIANCE REPORT
For the Year Ended December 31, 2024

FINANCIAL SECTION

Independent Auditors’ Report.....1
Management’s Discussion and Analysis4

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position60
Statement of Activities.....61

Governmental Fund Financial Statements

Balance Sheet.....62
Reconciliation of Governmental Funds Balance Sheet to
Governmental Activities Statement of Net Position.....63
Statement of Revenues, Expenditures and Changes in
Fund Balances.....64
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Governmental Statement of Activities.....65

Proprietary Fund Financial Statements

Statement of Net Position66
Reconciliation of Enterprise Funds Statement of Net Position
to Business-Type Activities Statement of Net Position.....67
Reconciliation of the Statement of Revenues, Expenses,
and Changes in Net Position of Enterprise Funds to the
Business-Type Statement of Activities.....67
Statement of Revenues, Expenses and Changes
in Net Position.....68
Statement of Cash Flows69

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position70
Statement of Changes in Fiduciary Net Position72

Notes to Financial Statements.....73

ROUTT COUNTY, COLORADO
FINANCIAL AND COMPLIANCE REPORT
For the Year Ended December 31, 2024

TABLE OF CONTENTS - CONTINUED

Required Supplementary Information

**Schedules of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual for Major Funds**

General Fund	123
Road and Bridge Fund.....	127
Human Services Fund.....	128
E911 Communications Fund	129

Supplementary Information

Explanation of Proprietary Funds	130
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Combining Statements of Non-major Enterprise Funds

Combining Statement of Net Position.....	131
Combining Statement of Revenues, Expenses, and Changes in Net Position	132
Combining Statement of Cash Flows	133

**Schedules of Revenues and Expenditures – Budget (Non-GAAP
Budgetary Basis) and Actual for Enterprise Funds**

Yampa Valley Regional Airport.....	134
Regional Building Department.....	135
Phippsburg Water and Sanitation System	136
Milner Sanitation System	137

Combining Statements of Internal Service Funds

Combining Statement of Net Position.....	138
Combining Statement of Revenues, Expenses, and Changes in Net Position	139
Combining Statement of Cash Flows	140

**Schedules of Revenues and Expenditures – Budget and Actual for
Internal Service Funds**

Equipment Pool (Non-GAAP Budgetary Basis).....	142
Insurance Pool	143

**ROUTT COUNTY, COLORADO
FINANCIAL AND COMPLIANCE REPORT
For the Year Ended December 31, 2024**

TABLE OF CONTENTS - CONTINUED

Combining Statements of Fiduciary Funds

Combining Statement of Fiduciary Net Position – Custodial Funds.....	144
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	145

Notes to the Supplementary Information	146
Local Highway Finance Report	147

SINGLE AUDIT AND OTHER REPORTS

Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.....	149
Independent Auditors’ Report on Compliance for Each Major Program, on Compliance with The Passenger Facility Charge Program, and on Internal Control over Compliance Required by The Uniform Guidance and The Passenger Facility Charge Audit Guide for Public Agencies	151
Schedule of Findings and Questioned Costs.....	154
Schedule of Expenditures of Federal Awards.....	156
Notes to Schedule of Expenditures of Federal Awards	159
Schedule of Passenger Facility Charges (“PFC”) Collected and Expended.....	160



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

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

Emphasis-of-Matter

As discussed in Note 1 to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, and Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, in 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Member: American Institute of Certified Public Accountants

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

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis on pages 4 – 59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Required Supplementary Information (continued)

The budgetary comparison information on pages 123 – 129 is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information on pages 123 – 129 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**McMahan and Associates, L.L.C.
Avon, Colorado
July 28, 2025**

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROUTT COUNTY, COLORADO

December 31, 2024

In this Management's Discussion and Analysis (MD&A) section of the Annual Financial Report, we provide readers with a narrative overview and analysis of the financial activities of Routt County, Colorado (the County) for the fiscal year ended December 31, 2024. When analyzing financial activities of the current fiscal year, it is useful to compare current fiscal year information with comparable information of the previous fiscal year. This discussion and analysis is also intended to serve as an introduction to the County's basic financial statements. We encourage readers to consider the information presented here in conjunction with the information presented in the basic financial statements to enhance their understanding of the County's financial activity and performance.

FINANCIAL HIGHLIGHTS

Governmental Activities

- The County's property tax revenue continued to grow in 2024. Property Tax revenue increased \$3.4 million or 13% to \$29.0 million from the prior year. Base property taxes (General Fund, Road and Bridge, Human Services, and E911 Communications) increased \$1.4 million or 7% to \$21.6 million from the prior year. The primary reason for the increase is the Taxpayers Bill of Rights (TABOR) property tax revenue limitation, which is 7.0% in 2024 and is composed of a 1.8% increase from new construction and a 5.2% increase from inflation. Base specific ownership tax on vehicles decreased \$.1 million or 7% to \$1.4 million from the prior year due to reduced demand following a post-COVID-19 surge in vehicle purchases driven by improvements in the supply chain. The County's assessed valuation increased \$685.3 million or 52% to \$2.0 billion from the prior year. Voter approved property tax revenue (Purchase of Development Rights, Developmental Disabilities, and Museums), which are not subject to TABOR, increased \$1.9 million or 51% from the prior year to \$5.6 million. See the "GOVERNMENTAL ACTIVITIES - REVENUES PROPERTY TAX" section for a more detailed discussion.
- Governmental Activities sales tax revenue growth increased \$1.5 million or 10% to \$16.0 million over the prior year. Sales tax collected on retail sales increased \$.2 million or 2% to \$12.0 million primarily due to lodging and restaurant sales, construction and home goods, and internet sales. Building use tax collected on construction materials increased \$1.4 million or 88% to \$3.0 million due to rising material and labor costs from inflation, an increase in single family home construction, especially luxury mountain homes driven by the ongoing desire for resort-area living. Auto use tax collected on vehicles purchased outside of the county decreased \$.1 million or 9% to \$1.0 million from the prior year. See the "GOVERNMENTAL ACTIVITIES – REVENUES SALES TAX" section for a more detailed discussion.
- The County chipped and sealed 4.27 miles and overlaid 1.86 miles of road for combined total of 6.13 miles or 4% of the County's paved road system.
- To remain a competitive employer in the Yampa Valley and address a rising costs of living, a 5% pay increase and an additional step increase for those eligible was approved.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Business-type Activities

- Yampa Valley Regional Airport (YVRA) continued the design and planning phase of the Terminal Expansion Project that is estimated to be \$74.4 million and projected to start in 2026.
- The replacement of the wastewater treatment plant in Phippsburg is estimated to cost \$4.1 million. Three sources are funding the project, the State Revolving Loan Fund grant for \$.8 million, the Department of Local Affairs grant for \$1.0 million, and \$2.3 million from the American Recovery Plan Act Funds. Construction started in 2024 and is expected to be completed in 2025. Total costs of the project as of the end of 2024 is \$2.5 million of the budgeted \$4.1 million.
- The replacement of the wastewater treatment plant in Milner is estimated to cost \$3.5 million. Three sources are funding the project, the State Revolving Loan Fund grant for \$.8 million, the Department of Local Affairs for \$1.0 million, and \$1.7 million of American Recovery Act Plan Funds. Construction started in 2024 and is expected to be completed in 2025. Total costs of the project as of the end of 2024 is \$2.4 million of the budgeted \$3.5 million.
- To remain a competitive employer in the Yampa Valley and address a rising costs of living, a 5% pay increase and an additional step increase for those eligible was approved.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

- Government-wide statements include two statements that provide long-term and short-term information about the County's overall financial status.
- Fund financial statements focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
 - The governmental funds' statements illustrate how general government services such as public safety, road and bridge, human services, and E911 communications are financed in the short term and what remains for future spending.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

- Proprietary funds statements include short and long-term financial information about the activities the County operates like a business, such as the Yampa Valley Regional Airport, the Regional Building Department, the Phippsburg Water and Sanitation System, the Milner Sanitation System, and the Internal Service Funds, which provide services to other departments in the County on a cost-reimbursement basis. The Internal Service Funds predominantly provide governmental benefits rather than business-type functions and therefore have been mainly included within Governmental Activities in the Government-wide financial statements.
- Fiduciary fund statements provide information about the Custodial Fund assets and liabilities and the Retirement Plan for the County's employees. The County acts solely as a trustee or agent for the benefit of others to whom the resources belong.

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

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

Government-wide Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

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

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

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Fiduciary Funds

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



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's net position is \$315.2 million as of December 31, 2024, an increase of \$20.7 million or 7% from the prior year. Effective January 1, 2024, the County implemented GASB Statement No. 101 (GASB 101), Compensated Absences. The prior year balance has been restated; see below for items noted in the Net Position table. The following table provides a comparative summary of the County's Governmental and Business-type Statement of Net Position for the current and prior year.

Routt County, Colorado
Net Position
(in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 90.2	\$ 82.7	\$ 55.4	\$ 44.2	\$ 145.6	\$ 126.9
Capital assets	145.3	140.5	73.5	72.9	218.8	213.4
Total assets	<u>235.5</u>	<u>223.2</u>	<u>128.9</u>	<u>117.1</u>	<u>364.4</u>	<u>340.3</u>
Liabilities						
Current and other liabilities	4.4	3.7	3.2	3.6	7.6	7.3
Long-term liabilities *	4.0	5.1	0.8	0.5	4.8	5.6
Total liabilities	<u>8.4</u>	<u>8.8</u>	<u>4.0</u>	<u>4.1</u>	<u>12.4</u>	<u>12.9</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	28.2	27.2	-	-	28.2	27.2
Lease related	0.7	0.7	7.9	5.0	8.6	5.7
Total deferred inflow of resources	<u>28.9</u>	<u>27.9</u>	<u>7.9</u>	<u>5.0</u>	<u>36.8</u>	<u>32.9</u>
Net Position						
Net investment in capital assets	143.8	137.7	73.0	72.7	216.8	210.4
Restricted	9.0	9.1	1.9	0.5	10.9	9.6
Unrestricted *	45.4	39.7	42.1	34.8	87.5	74.5
Total net position	<u>\$ 198.2</u>	<u>\$ 186.5</u>	<u>\$ 117.0</u>	<u>\$ 108.0</u>	<u>\$ 315.2</u>	<u>\$ 294.5</u>

* See Note 14 Restatement of Net Position for a more detailed explanation of the \$.1 million restatement of the 2023 Long-term liability balance. As this is a comparative statement, the December 31, 2023 balance is adjusted as compared to the beginning balance in the footnotes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Net Investment in Capital

The largest portion of net position is net investment in capital assets of \$216.8 million, which increased \$6.4 million or 3% from the prior year. Net investment in capital includes land, buildings and improvements, equipment, other, lease and subscription assets, and all road and bridge infrastructure, less depreciation, amortization, and associated debt. Although the net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used in a short period to liquidate these liabilities. The cost of these capital assets funded by capital grants and contributions does not offset these revenue sources as an expense in the government-wide Statement of Net Activities. Instead, these costs are capitalized and then depreciated over the useful life of the asset.

Net investment in capital assets for Governmental Activities increased \$6.1 million or 4% to \$143.8 million from the prior year. Net investment in capital assets for Business-type Activities increased \$.3 million or 1% to \$73.0 million from the prior year. The major capital projects in 2024 are summarized in the section entitled "CAPITAL ASSETS AND DEBT ADMINISTRATION."

Unrestricted Net Position

The second-largest portion of net position is unrestricted of \$87.5 million, which increased by \$13.0 million or 17% from the prior year. This portion of net position is available to provide funds for capital asset replacements and additions, cash flow for ongoing operations, and cash flow for fluctuations between planned and actual resources and emergencies. Governmental Activities unrestricted net position is \$45.4 million, an increase of \$5.7 million or 14% from the prior year. Business-type Activities unrestricted net position increased \$7.3 million or 21% to \$42.1 million from the prior year. Key elements of the changes in unrestricted net position can be found in the following sections entitled "Governmental Activities" and "Business-type Activities" and in the "FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS" sections.

Restricted Net Position

The remaining portion of the County's net position is restricted net position of \$10.9 million, which increased \$1.3 million or 14% from the prior year. Governmental Activities restricted net position decreased \$.1 million or 1% to \$9.0 million from the prior year. The change in Governmental Activities restricted net position is primarily due to the combination of a \$.4 million decrease in Lottery Funds as the Fair Grounds made several large upgrades in 2024, \$.1 million increase in Museum reserves due primarily to an increase in property tax as a result of an increase in assessed valuation in 2023, and favorable budget variances from Museums Administration and Capacity Building Grants, and a \$.1 million increase in Taxpayer Bill of Rights (TABOR) reserve, as a result of an increase in property tax, sales tax and capital grant revenues. Business-type Activities restricted net position increased \$1.9 million or 280% to \$1.4 million primarily due to the pledged cash and investments for Phippsburg Water and Sanitation System and Milner Sanitation System to pay off their authorized debt once the wastewater treatment plants have been completed in 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Changes in Net Position

Net position increased \$20.7 million or 7% in 2024 and the change in net position increased \$5.0 million or 32% from the prior year. Governmental Activities increased \$10.3 million or 736% and Business-type Activities decreased \$5.3 million or 37% from the prior year. The following table provides a comparative summary of the county's governmental and business-type Statement of Activities for the current and prior year.

Routt County, Colorado
Statement of Activities
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 4.3	\$ 4.7	\$ 14.1	\$ 11.8	\$ 18.4	\$ 16.5
Operating grants and contributions	13.5	14.4	2.1	6.0	15.6	20.4
Capital grants and contributions	5.3	-	5.3	3.6	10.6	3.6
General revenues						
Property tax	29.0	25.6	-	-	29.0	25.6
Sales tax	16.0	14.5	0.5	0.5	16.5	15.0
Interest earnings	3.4	3.3	1.5	1.0	4.9	4.3
Lease interest income	-	-	0.2	0.1	0.2	0.1
Gain on disposal of capital assets	0.3	0.3	-	-	0.3	0.3
Total revenues	<u>71.8</u>	<u>62.8</u>	<u>23.7</u>	<u>23.0</u>	<u>95.5</u>	<u>85.8</u>
Expenses						
Administration	10.3	10.7	-	-	10.3	10.7
Community resources	13.5	11.4	-	-	13.5	11.4
Property tax administration	3.0	2.8	-	-	3.0	2.8
Public safety *	14.1	13.4	-	-	14.1	13.4
Road and bridge	12.3	12.5	-	-	12.3	12.5
Human services	6.8	6.2	-	-	6.8	6.2
Interest expense on long-term debt	0.1	0.2	-	-	0.1	0.2
Airport	-	-	12.1	10.8	12.1	10.8
Building department	-	-	2.1	1.9	2.1	1.9
Water and sewer	-	-	0.5	0.2	0.5	0.2
Total expenses	<u>60.1</u>	<u>57.2</u>	<u>14.7</u>	<u>12.9</u>	<u>74.8</u>	<u>70.1</u>
Increase in net position before transfers	<u>11.7</u>	<u>5.6</u>	<u>9.0</u>	<u>10.1</u>	<u>20.7</u>	<u>15.7</u>
Transfers	-	(4.2)	-	4.2	-	-
Increase in net position	<u>11.7</u>	<u>1.4</u>	<u>9.0</u>	<u>14.3</u>	<u>20.7</u>	<u>15.7</u>
Net position - beginning	186.5	185.1	108.0	93.7	294.5	278.8
Net position - ending	<u>\$ 198.2</u>	<u>\$ 186.5</u>	<u>\$ 117.0</u>	<u>\$ 108.0</u>	<u>\$ 315.2</u>	<u>\$ 294.5</u>

* See Note 14 Restatement of Net Position for a more detailed explanation of the restatement of the beginning compensated absence balance. As this is a comparative statement, the December 31, 2023 balance is adjusted as compared to the beginning balance in the footnotes. Restatement of \$.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Governmental Activities

Total net position from Governmental Activities increased \$11.7 million or 6% to \$198.2 million from the prior year. Following is an overview of the primary changes from the prior year to the current year.

Revenues

Property Tax revenue increased \$3.4 million or 13% to \$29.0 million from the prior year. Base property taxes (General Fund, Road and Bridge, Human Services, and E911 Communications) increased \$1.4 million or 7% to \$21.6 million from the prior year. The primary reason for the increase is the Taxpayers Bill of Rights (TABOR) property tax revenue limitation, which is 7.0% in 2024 and is composed of a 1.8% increase from new construction and a 5.2% increase from inflation. Base specific ownership tax on vehicles decreased \$.1 million or 7% to \$1.4 million from the prior year due to reduced demand following a post-COVID-19 surge in vehicle purchases driven by improvements in the supply chain. The County's assessed valuation increased \$685.3 million or 52% to \$2.0 billion from the prior year due to an influx of people wanting safety, beautiful scenery and recreational opportunities.

Voter approved property tax revenue (Purchase of Development Rights, Developmental Disabilities, and Museums), which are not subject to TABOR, increased \$1.9 million or 51% from the prior year to \$5.6 million due to the increase in assessed valuation and a voter approved specific ownership tax increased \$.1 million or 54% to \$.4 million.

Property tax revenue increases for the three voter approved mill levies over the prior year are as follows. Purchase of Development Rights (PDR) Property Tax increased by \$1.0 million or 50% to \$3.0 million, Developmental Disabilities (DD) property tax increased by \$.7 million or 50% to \$2.0 million, and Museums property tax increased by \$.2 million or 50% to \$.6 million.

The PDR Board met with the Board of County Commissioners and presented reasons for maintaining the voter-approved mill levy and using the incremental revenue increase as land prices have increased considerably over the past several years. The Museum and Heritage Fund Advisory Board (MAHFAB) met with the County Commissioners and presented reasons for maintaining the voter-approved mill levy and using the incremental revenue increase to complete needed structural and mechanical system upgrades on museum buildings, contribute toward routine operation costs that keep the museums open and available to the community, and allow for cost of living increases for museum staff. The DD Board met with the Board of County Commissioners and presented reasons for maintaining the voter-approved mill levy and using the incremental revenue to address staffing needs such as recruiting, retention, training, and incentives to alleviate staff shortages that can be detrimental to the program, as well as to meet the needs of rising utility costs. Senate Bill (SB) 23-108, "Allowing Temporary Reductions In Property Tax Due", allows County Commissioners to adjust voter-approved levies. After the PDR, DD, and Museums meetings with the Board of County Commissioners, no changes were made to the PDR, DD, and Museums voter approved levy.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Sales tax revenue increased \$1.5 million or 10% to \$16.0 million over the prior year. Sales tax is collected on goods sold at retail, except for food and pharmaceuticals, and includes building and auto use taxes.

Sales tax collected on retail sales increased \$.2 million or 2% to \$12.0 million over the prior year. The primary reasons for the increase in retail sales tax collections are as follows.

Lodging and restaurant sales tax increased \$.2 million or 5% over the prior year primarily attributable to continued cost increases from inflation passed to consumers. Tourists are continuing to visit the area on a year-round basis, but economic pressures from inflation, uncertainty from national and international events, and the post-pandemic normalization of travel were reasons for the smaller increase in lodging and restaurant sales when compared to 2021 - 2023.

Construction and home goods sales tax increased \$.1 million or 8% over the prior year attributable to inflation and continued demand for higher-end residential homes in the County, but increases are not as robust as 2021 – 2022 yet similar to 2023.

Internet sales tax increased \$.1 million or 8% from the prior year from inflation and from the continued consumer preference for convenience and the growth of artificial intelligence powering marketing initiatives based on personalized preferences on mobile devices.

The transportation equipment manufacturing sales tax decrease of \$.1 million or 50% under the prior year is related to the phased completion of upgrades at Steamboat Resort. Construction of the Wild Blue Gondola began in 2022 and was completed in 2023. The opening of the Mahogany Ridge Express lift in 2024 helped offset the decreases from completing the Wild Blue Gondola in 2023.

Utilities decreased \$.1 million or 20% under the prior year due to lower natural gas sale prices and milder weather conditions in the winter of 2023-2024.

Sales tax on motor vehicles purchased within the County decreased \$.1 million or 15% under the prior year due to a slowing market following post-pandemic surges, with higher vehicle prices and elevated interest rates contributing to reduced demand.

Other retail categories such as gasoline stations, landscapers, whole food distributors, aggregates, and chemicals increased \$.2 million or 21% over the prior year.

Building use tax revenue increased by \$1.4 million or 88% to \$3.0 million in 2024 over the prior year, driven by continued post-pandemic construction activity. Key contributors include a 15% increase in single-family units, which resulted in a 27% increase in single-family construction value, largely in unincorporated Routt County. Strong demand for resort-area living, remote work flexibility, and luxury homes fueled the trend. Notably, a residential mountain ranch and club community, just outside the city limits of Steamboat Springs, Colorado reported an increase of \$50 million in sales or 356% increase in luxury home sales over 2023. Rising material costs and labor shortages further elevated project values.

Auto use tax collected on vehicles purchased outside Routt County decreased by \$.1 million or 9% to \$1.0 million under the prior year for the reasons mentioned above.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Operating grants and contributions decreased \$.9 million or 6% to \$13.5 million from prior year. The primary changes in operating grants and contributions are as follows:

The County recognized a one time \$1.5 million from the State in 2023 as a result of lost property tax due to a change in assessment ratios associated with Senate Bill 22-238. Annual Computer Aided Dispatch and Records Management System maintenance and hardware funding from the City of Steamboat Springs decreased \$.1 million or 50% to \$.1 million as the hardware replacement was purchased in 2023. State severance tax distributions decreased \$.3 million or 59 % to \$.2 million as a result of the State appropriating severance tax to balance the State General Fund. Just Transition grant funding increased \$.3 million or 100% to \$.3 million from the prior year to implement the results of Rural Economic Development Initiative (REDI) program. The REDI grant was used help local communities identify economic development opportunities. Some of the REDI grant projects included developing a business plan for a new meat processing plant in Craig, an expansion plan for the South Routt Medical Center in Oak Creek, the Pioneers Medical Center in Meeker, and a hydroelectric storage facility development in Moffat County. Federal Payments in Lieu of Taxes (PILT) increased \$.1 million or 5% primarily driven by the Consumer Price Index (CPI) inflation rate of 2.9%. Highway User Tax Funds (HUTF) increased \$.3 million or 10% to \$3.5 million from the prior year primarily due to an increase in road usage fees, road safety surcharges, and retail delivery fees.

Human Services operating grants increased \$.4 million or 7% to \$5.4 million over the prior year due primarily to the following: The County Wide Cost Allocation reimbursement from the State increased \$.1 million or 74% to \$.3 million over the prior year due to the increase in overhead allocated to Human Services as a result of the construction and completion of the new Health and Human Services building. Federal reimbursement of Food Assistance benefits increased \$.1 million or 8% to \$1.4 million over the prior year due to new legislation that provides nearly every household with a full standard utility deduction, which raises their monthly benefit. Child Care federal revenue increased \$.1 million or 31% to \$.4 million over the prior year due to the higher cost of childcare as well as an increase in the number of clients being served in the County. Local revenue from the Yampa Valley Community Foundation (YVCF) increased \$.1 million or 1016% to \$.1 million over the prior year due to targeted funding that was provided to support tuition assistance for preschool age children.

Capital grants and contributions increased \$5.3 million or 100% to \$5.3 million from prior year. The increase is primarily related to the Road and Bridge increase of \$5.1 million or 100% to \$5.1 million in 2024 due to the contribution of the haul road for \$4.4 million and the Trout Creek Bridge project was completed in 2024 for \$.6 million.

Interest earnings increased \$.1 million or 3% to \$3.4 million over the prior year. The increase is due to a slightly higher average cash balance over 2023 due to favorable budget variances from sales tax, state back fill revenue, salary and benefits vacancy savings, and operations. The higher average cash balance in 2024 is offset by a lower interest rate on investments of 4.5% in 2024 compared to 4.8% in 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024



Expenses

Community Resources expenses increase of \$2.1 million or 18% to \$13.5 million from the prior year. The primary changes are as follows:

Personnel costs increases of \$.4 million or 13.3% to \$3.5 million from prior year. As noted in the financial highlights section above, in order to remain a competitive employer in the Yampa Valley and address the rising costs of living, a 5% pay increase, and an additional step increase for those eligible was approved. Community Resources FTE count increased 1.5 or 4.8% to 32.5 FTEs.

Environmental Health personnel increased \$.1 million or 12% to \$.7 million and is due to compensation increases noted in the financial highlights section above and one position hired in 2023 had a full year of costs in 2024 as compared to a partial year in 2023.

Planning personnel increased \$.1 million or 16% to \$.8 million due to an increase of a .6 FTE. This change includes a full-time Planner II position increasing from a .75 FTE to a 1.0 FTE and adding a .38 FTE Planner II position with extensive experience and expertise in natural resources/emergency management to support and evaluate large-scale land use applications. In addition, the countywide personnel adjustments mentioned previously contributed to the increase.

Public Health personnel increased \$.1 million or 20% to \$.8 million. The increase is due to the compensation adjustments as noted above, the hiring of a full time Community Health Specialists with full benefits, and the decline of COVID-19 funding and not needing the temporary contact tracers.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Operations increased \$1.7 million or 21% to \$10.0 million over prior year. The primary reasons for the increase are as follows:

Affordable Housing decreased by \$.2 million or 80% to \$.1 million due to a one-time payment in 2023 of \$.2 million to the Town of Hayden to help fund the Prairie Run affordable housing project. Funding was available from reserves created indirectly by the American Rescue Plan Act (ARPA) funds.

Community Services increased by \$.5 million or 37% to \$1.8 million and is primarily related to the following six items. First is a decrease of \$.2 million related to the three-year Rural Economic Development Initiative (REDI) grant, which began in 2021 and was 100% complete at the end of 2023. The grant was designed to generate economic resilience and diversification away from tourism, coal mining, and coal-fired power plants. REDI includes the counties of Routt, Moffat, and Rio Blanco and the major towns and municipalities in those counties. Funding was provided by various grants and contributions from local organizations. The total three-year cost of the project was \$.6 million. Second is an increase of \$.3 million from the Office of Just Transition to implement the results of REDI. Projects have been created through REDI for development in the areas of clean energy, value-added agriculture/food processing, healthcare expansion, light manufacturing, housing and childcare. OJT matching funds of \$.1 million are from the counties of Routt, Moffat, and Rio Blanco and the major towns and municipalities in those counties. The OJT project spans 2024-2025 and was 55% complete in 2024. The total two-year cost of the project is \$.5 million. Third is an increase of \$.1 million from the Rockefeller Philanthropy Advisors for a \$.2 million grant to support the development of the Northwest Colorado Development Council's (NWCDC) new Northern Colorado Innovation Center (NCIC) into a 501c(3). The purpose of the Innovation Center is to support entrepreneurial, small business and workforce development by providing services that include project management, business consulting, and grant writing. The grant spans 2024-2025 and was 50% complete in 2024. Fourth is an increase of \$.1 million for a contribution to the Yampa Valley Community Foundation to assist in the purchase of Cassie's Pond, a senior living community. Fifth is an increase of \$.1 million for a contribution to help fund the remodel of the Veterans Center in Steamboat Springs. Lastly, in 2024, the County, in partnership with the City of Steamboat Springs, the Colorado Department of Transportation (CDOT), and the Public-Private Partnership (P3), contributed \$.1 million in funding towards the construction documents for a joint childcare and housing facility on property owned by CDOT.

Developmental Disabilities increased \$.8 million or 58% to \$2.2 million due to the increase in property tax distributed as the result of the increased assessed valuation of property in 2023.

Elections increased \$.1 million or 181% to \$.5 million primarily due to an increase in postage and printing of \$.1 million or 249% to \$.1 million from the prior year. The increase is due to elections being cyclical; even-year elections have increased operational costs compared to odd-year elections. In 2024, there were three elections held vs. one election held in 2023.

Museums increased \$.1 million or 33% to \$.6 million due to the increase in property tax distributed as the result of the increased assessed valuation of property in 2023.

Purchase of Development Rights (PDR) increased by \$.2 million or 7% to \$3.3 million, as costs associated with the purchase of conservation easements were higher in 2024 due to the complexity and scope of the projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Public Safety expenses increased \$.7 million or 5% to \$14.1 million from the prior year. The primary items that changed in Public Safety expenses are as follows:

Personnel costs increased \$.5 million or 4.7% to \$11.6 million from prior year. As noted in the financial highlights section above, in order to remain a competitive employer in the Yampa Valley and address the rising costs of living, a 5% pay increase, and an additional step increase for those eligible was approved. Public Safety FTE count increased by 1 FTE or 1.7 % to 58.5 FTEs. The increase in FTE is from the Sheriff's Office increasing 1.0 FTO or 3% to 30.5 FTEs for a public records supervisor to ensure records are being kept current.

Operations increased \$.2 million or 9.7% to \$2.5 million over prior year. The primary reasons for the increase are as follows:

Detention expenses increased \$.2 million or 37% to \$.6 million due primarily to the following.

Medication Assisted Treatment (MAT) expenses increased due to an increase in the number of patients and treatments as well as the Qualified Medication Administration Personnel (QMAP) training required for personnel in 2024. Mental health counseling expenses for inmates increased \$.1 million due to a higher cost in the renewed provider contract, which reflected the provider's increased expenses in recruiting and retaining qualified behavioral health specialists credentialed in Colorado. Both MAT and inmate mental health counseling expenses are reimbursed at 100% by the state under the Jail Based Health Services (JBBS) grant.

Office of Emergency Management expenses decreased \$.1 million or 60% to \$.1 million under the prior year due primarily to the completion of the Building Resilient Infrastructure and Communities Grant (BRIC), which supported the development of the county's Community Wildfire Protection Plan finalized in 2023.

Sheriff expenses increased \$.1 million or 18% to \$.8 million from the prior year due primarily to the following items.

Professional services expenses increased under the Co-Responder grant, which supports collaboration between healthcare professionals and law enforcement in responding to crisis-related calls. The grant was awarded in early 2024. This increase reflects the cost of contracting with a third party to assist in developing the Co-Responder program and recommending a database of at-risk community members. License Plate Readers (LPRs) expense increase due to the approval of LPRs in 2023. LPRs have been installed at key locations in the county to help locate wanted vehicles and or persons involved in criminal activity. The vendor offered a free trial period for the system and the first billing was received in 2024. Patrol motor pool expense increased due to the addition of the School Resource Officer position in 2023, which was filled in January of 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

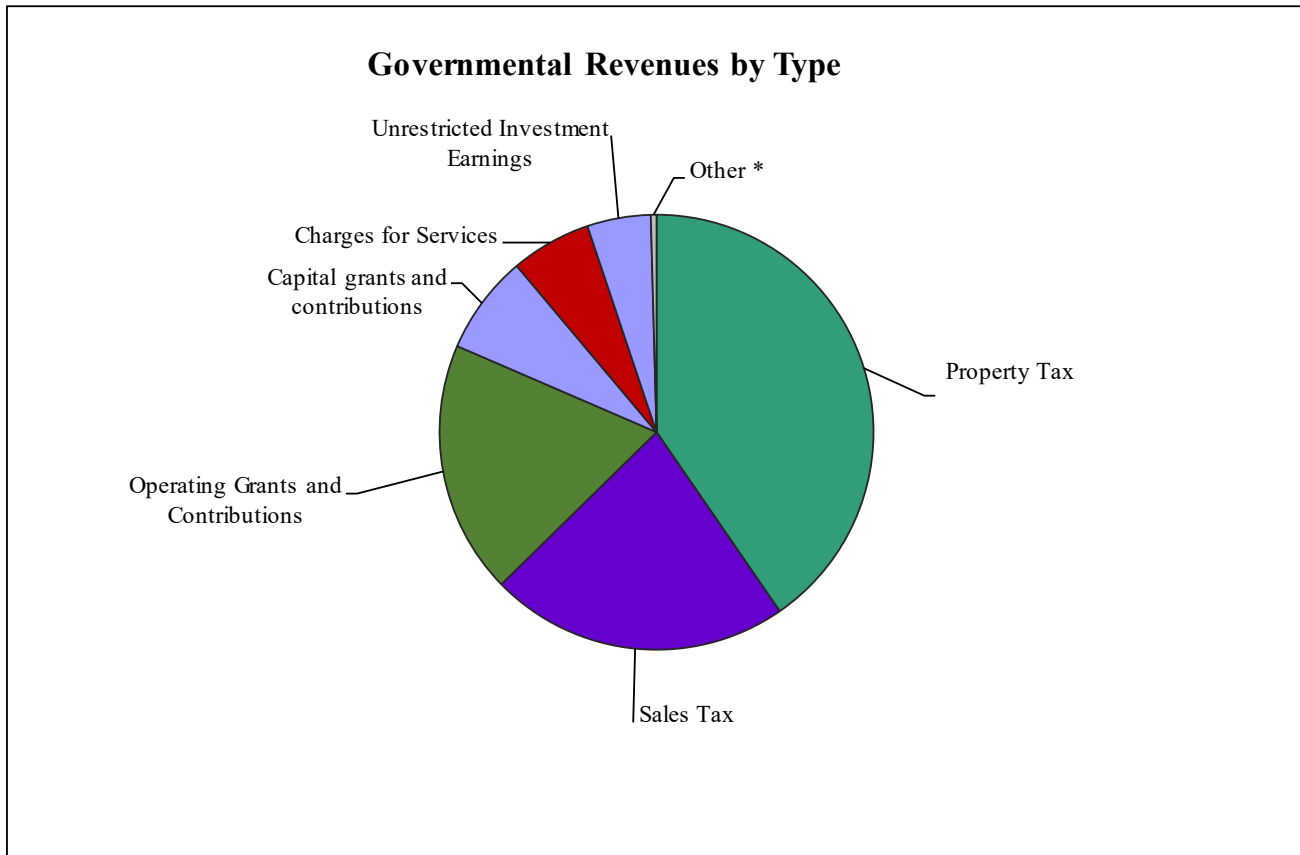
Human Services expenses increased \$.6 million or 10% to \$6.8 million from the prior year. The primary change in Human Services expenses are as follows. The county wide cost allocation expense increased \$.4 million or 74% due to Indirect costs allocated to Human Services associated with the construction and completion of the new Health and Human Services Building. Colorado Child Care Assistance Program (CCCAP) expense increased \$.1 million due to the rising cost of childcare as well as an increase in the number of clients being served. Supplemental Assistance Program (SNAP) expense increased \$.1 million due primarily to new legislation that allows households to receive larger benefits as a result of utilizing a standard utilities deduction. The increase in the Routt Urgent Needs Grant (RUNG) expenses is due to the launch of this program in 2024. Funded by the county, the new initiative supports disadvantaged community members by addressing urgent needs arising from events like fires, floods, or housing displacement

Transfers had a net decrease of \$4.2 million or 100% to \$0 million of transfers out as compared to a \$4.2 million transfers out for 2023. The primary changes for the decrease of \$4.2 million in transfers out are due to the transfers out of \$2.5 million to Phippsburg Water and Sanitation System and \$1.7 million to Milner Sanitation System to help fund the construction of the replacement wastewater treatment plant of each system.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2024

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

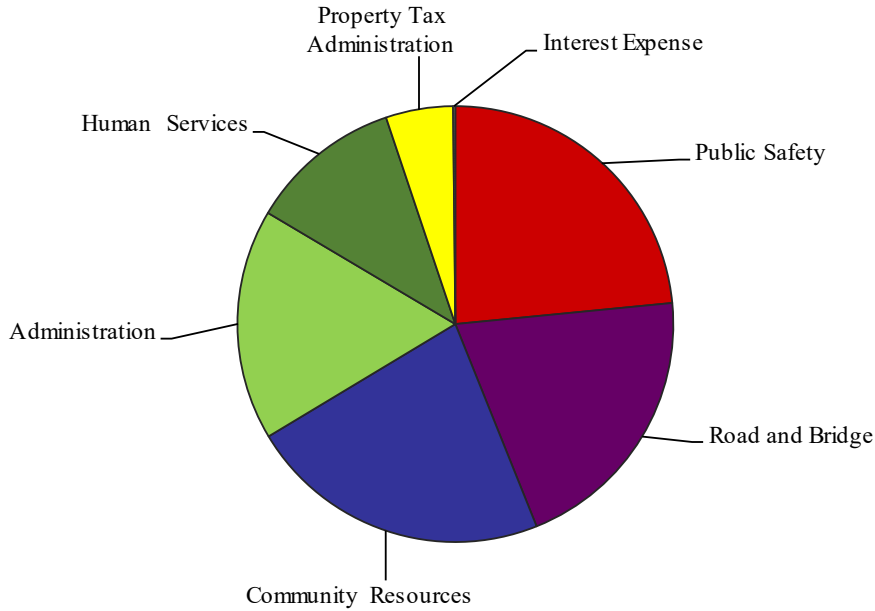


*Other: Gain on disposal of capital assets.

Revenue Source	2024	Percentage of Total
Property tax	\$ 29.0	40%
Sales tax	16.0	22%
Operating grants and contribution	13.5	19%
Capital grants and contributions	5.3	8%
Charges for services	4.3	6%
Unrestricted investment earnings	3.4	5%
Other *	0.3	0%
Total	\$ 71.8	100%

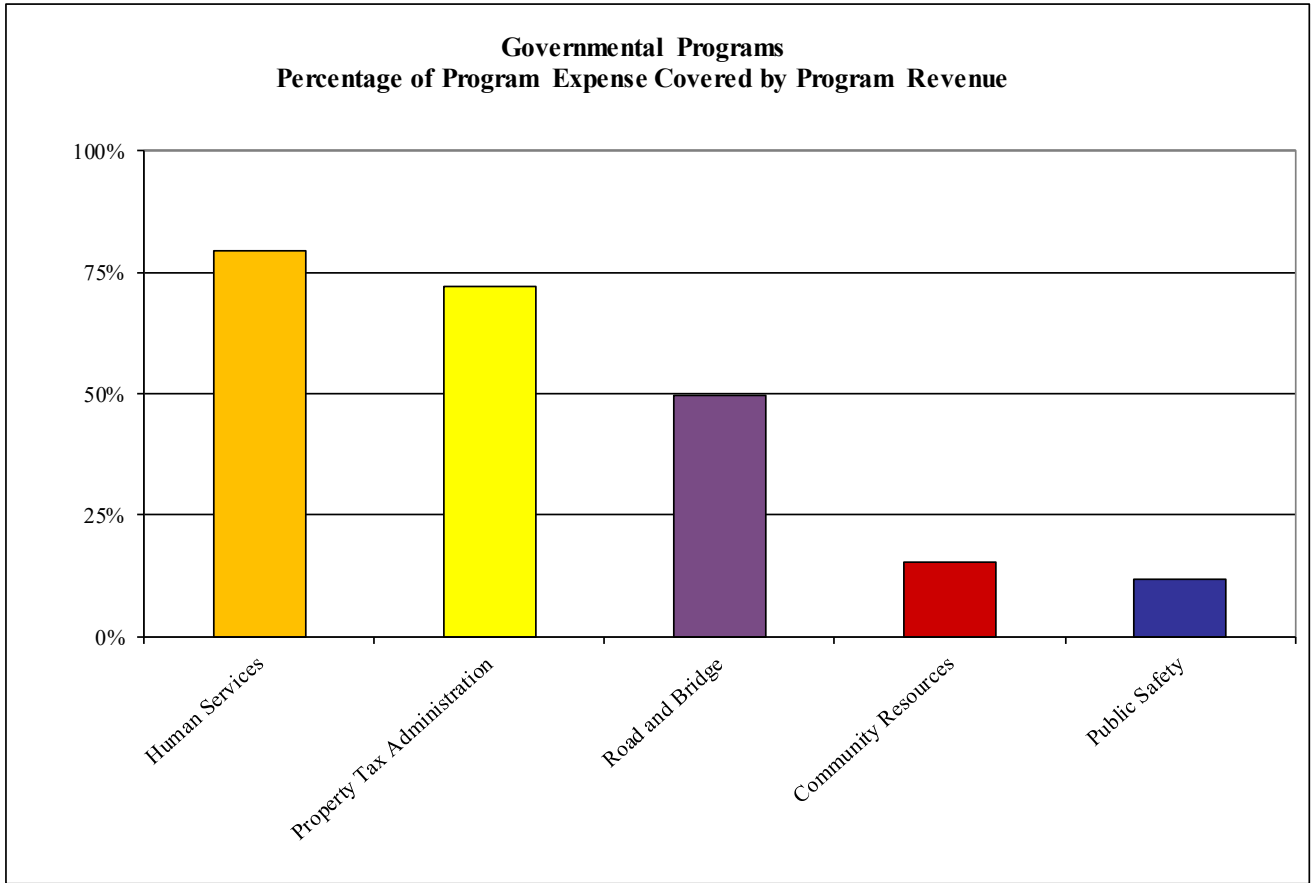
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2024

Governmental Expenses by Type



Governmental Expense by Type	2024	Percentage of Total
Public safety	\$ 14.1	24%
Road and bridge	12.3	21%
Community Resources	13.5	22%
Administration	10.3	17%
Human services	6.8	11%
Property tax administration	3.0	5%
Interest Expense	0.1	0%
Total	\$ 60.1	100%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2024



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

Governmental Programs	
Percentage of Program Expense	
Covered by Program Revenue	
Program	
Human Services	79%
Property Tax Administration	72%
Road and Bridge	50%
Community Resources	15%
Public Safety	12%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Business-type Activities

Total net position from Business-type Activities increased \$9.0 million or 8% to \$117.0 million from the prior year. The key factors related to this increase follow.

Yampa Valley Regional Airport (YVRA)

Total net position increased \$4.5 million or 5% to \$102.2 million from the prior year and consists of \$68.2 million in net investment in capital assets, \$33.6 million in unrestricted net position, and \$.4 million in restricted net position. Net investment in capital assets decreased \$3.4 million or 5% to \$68.2 million from the prior year. Increases to net investment in capital assets consist of \$1.3 million of capital additions and the decrease in retainage payable of \$.2 million. Decreases to net investment in capital assets consist of depreciation/amortization expense of \$4.9 million. Unrestricted net position increased \$7.8 million or 30% to \$33.6 million from the prior year. The following is an explanation of significant revenue and expense changes from the prior year:

YVRA loss from operations increased \$.3 million or 38% from a net loss of \$.8 million in 2023 to a net loss of \$1.1 million in 2024. YVRA relies on federal and state grants as opposed to fees to fund a significant amount of capital additions and replacements. The \$1.1 million operating loss is primarily generated from the following items:

YVRA operating revenues increased \$.9 million or 9% to \$10.9 million from the prior year. Charges for Sales and Services increased \$.9 million or 9% to \$10.4 million from the prior year.

The total number of commercial flights increased 165 or 7% to 2,549 from the prior year. The increase in flights is primarily attributable to a 153 or 12% increase in flights from United Airlines to 1,444 flights in 2024. United in 2024 added three additional flight per week to Newark from January through March and additional flights to Denver during May, October, November and December. Total landed weight per thousand pounds increased 33,587 or 13% to 300,694 from the prior year. The increase in landed weight is primarily attributable to United Airlines increasing 24,600 or 20% per thousand pounds and Delta Airlines increasing 6,341 or 34% per thousand pounds. Total available seats increased 33,642 or 12% to 319,043 from the prior year. Total enplanements increased 25,139 or 12% to 234,886 from the prior year. The average total load factor increased 1% or 0% to 74% from the prior year.

The primary revenue results from the before stated airport data are as follows. Airline landing fees increased \$.2 million or 17% to \$1.3 million from the prior year. Landing rates remained constant at \$4.28 per thousand pounds. Parking fees increased \$.2 million or 23% to \$1.1 million from the prior year. Parking rates remained constant at \$10 per day. Retail operations (restaurant and gift shop) fees increased \$.1 or 4% to \$2.1 million from the prior year, which is not tracking with the increase in enplanements primarily due to capacity constraints, longer lines, and passenger wait times at TSA and ticket counters limiting the amount of time passengers had to make purchases beyond security. Taxi, bus, limousine and car rental concessions increased \$.2 million or 9% to \$2.2 million from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Other significant changes in fees include the following. Terminal rent increased \$.2 million or 12% to \$2.3 million from the prior year due to the increase in operating costs for the airport. Terminal Square footage rent increased \$5.33 or 13% to \$47.06 due to an overall increase in operating costs of the airport. Security fees increased \$.1 million or 20% to \$.5 million primarily due to security fees increasing \$.36 per passenger or 20% to \$2.15 per passenger due to the overall increase in operating costs. Fixed Based Operator fees increased \$.2 million or 22% to \$.9 million from the prior year, primarily from an increase in landing fees.

YVRA operating expenses increased \$1.3 million or 12% to \$12.1 million. The increase is primarily related to the following items: Personnel costs increased \$.4 million or 10% to \$4.5 million from the prior year. The change resulted from an increase in compensation and health insurance to remain competitive in the market, as noted above. Depreciation expense increased \$1.0 million or 26% to \$4.9 million primarily due to the deice pad 3 expansion and apron rehabilitation, the north parking lot, and the runway pavement projects that were completed at the end of 2023 having a full year of depreciation expense.

Investment interest earnings increased \$.4 million or 40% to \$1.4 million. The increase is due to a higher average cash balance over the prior year for YVRA. The higher average cash balance for YVRA is due to retaining cash flow from operations and several large capital related project budgeted to be done in 2024 being delayed until 2025. The higher average cash balance in 2024 is offset by a lower interest rate on investments of 4.3% in 2024 compared to 4.8% in 2023.

Capital Grants and contributions decreased \$1.0 million or 32% to \$2.1 million from the prior year primarily due to the General Aviation (GA) Terminal Area Planning project was primarily completed in 2023, Runaway 10/28 Pavement Maintenance was completed in 2023, the design and engineering work for Taxiway A Reconnect project was completed in 2023 and the project construction was delayed till 2025 due to rising costs, and the start of the Terminal West Expansion Project design in 2024. The GA Terminal Area Planning project cost is \$.8 million and was mostly completed in 2023, which was primarily funded through the FAA (Federal Aviation Administration). FAA funding in 2024 for GA Terminal Area Planning project decreased \$.5 million or 99% from the prior year. Runway 10/28 Pavement Maintenance cost is \$.7 million and was completed in 2023. FAA funding in 2024 for the Runway 10/28 project decreased \$.6 million or 99% from prior year. Taxiway A Reconnect design portion of the project has a cost of \$.7 million with FAA funding in 2024 decreasing \$.5 million under prior year as the majority of the design work was done in 2023 with project construction expected to be done in 2025 as the project was delayed in 2024 due to increase costs. YVRA's Terminal West Expansion project started in 2024 for a total cost of \$.6 million, the Bi-partisan Infrastructure Law (BIL) – Airport Infrastructure Grant (AIG) is the primary funding source of the design portion of this project. Funding from the BIL-AIG for the terminal expansion project in 2024 was \$.5 million.

Customer Facility Charges from car rental companies (CFC) increased in 2024 \$.2 million or 58% to \$.5 million, the increase is due to there being three car rental companies in 2024 as compared to two in 2023. If this trend continues, the replenishment of the reserves for the car wash facility will take approximately 5 years.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Intergovernmental revenue decreased \$4.0 million or 67% to \$2.0 million from the prior year due to YVRA having completed the drawn down in 2024 on all three of their COVID-19 related grants. YVRA was awarded an \$18.7 million COVID-19 CARES Act grant in 2020, a \$1.3 million Airport Coronavirus Relief Grant Program (ACRGP) through the Coronavirus Response and Relief Supplemental Appropriation Act in 2021, and a \$1.9 million Airport Rescue Grant (ARG) through the American Rescue Plan Act in 2021. The CARES Act, ACRGP, and ARG funding were used to help cover the costs of personnel and operations during 2020, 2021, 2022, 2023 and 2024.

Regional Building Department

Unrestricted net position for the Regional Building Department (RBD) increased \$1.3 million or 27% to \$6.1 million compared to the prior year. Net operating income increased \$1.1 million or 550% from the prior year to \$1.3 million. Significant changes in revenues and expenses are as follows:

Building permit fees increased \$1.3 million or 62% to \$3.4 million. The increase in permit fees is due to commercial construction increasing in the City of Steamboat Springs, the Town of Hayden, and Yampa Valley Regional Airport, along with a strong year in residential construction of luxury homes in 2024.

Personnel costs for the Regional Building Department remained consistent at \$1.3 million for 2024.

Operating expenses increased \$.2 million or 33% to \$.8 million. The increase is due to the following reasons. County overhead increased \$.1 million or 18% to \$.5 million due primarily to the following items: Information Technologies increased 26% in relation to increased software support for the new land management software as compared to the previous land management software and Facility Maintenance increased 26% due to an overall increase in service and supply costs within the department. There was an increase in business meals RBD hosted a Contractor Open House Event to kick off the Trade Scholarship Program that RBD developed and an increased in travel expense as all employees were able to attend annual training while maintain adequate coverage of workload.

Non-major Business-type funds

Total net position increased \$3.2 million or 58% to \$8.7 million from the prior year and consists of \$4.8 million in net investment in capital assets, \$2.4 million in unrestricted net position, and \$1.5 million in restricted net position. Net investment in capital assets increased \$3.7 million or 336% to \$4.8 million from the prior year. Increases to net investment in capital assets consist of \$4.2 million of capital additions. Decreases to net investment in capital assets are \$.2 million for retainage payable and \$.3 million for loans payable. Unrestricted net position decreased \$1.8 million or 43% to \$2.4 million from the prior year. Restrict net position increased \$1.3 million or 650% to \$1.5 of which \$1.4 million has been pledged to pay off the loan balance once the construction of the wastewater treatment plants are completed and \$.1 million for TABOR. The following is an explanation of significant revenue and expense changes from the prior year:

Capital grants increased \$1.2 million or 240% to \$1.7 million. Phippsburg Water and Sanitation System and Milner Sanitation System received \$.8 million and \$.9 million, respectively, of capital grants in 2024 for the construction of the wastewater treatment plants for both systems.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Loan forgiveness increased \$1.6 million or 100% to \$1.6 million. Phippsburg Water and Sanitation System and Milner Sanitation System received \$.8 million and \$.8 million, respectively, of loan forgiveness in 2024 for the construction of the wastewater treatment plant for both systems. See NOTE 6. LONG-TERM OBLIGATIONS, for further information on the loans received by Phippsburg Water and Sanitation System and Milner Sanitation System.

Transfers in decreased \$4.3 million or 100% to \$0.0 million. In 2023, Phippsburg Water and Sanitation System and Milner Sanitation System received \$2.5 million and \$1.8 million, respectively, of transfers in from the General Fund to partially fund the replacement of the sanitation systems for both systems.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

The fund balance for governmental funds is \$41.4 million, an increase of \$6.1 million, or 17% from the prior year. A description of the types and changes in fund balance follows.

Nonspendable fund balance remained consistent at \$.2 million. Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form or are legally, or contractually required to be maintained intact. Restricted fund balance decreased \$.1 million or 1% to \$9.0 million from the prior year. Restricted fund balances include amounts restricted to specific purposes pursuant to constraints either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balance increased \$6.2 million or 24% to \$32.2 million from the prior year. Committed fund balances are amounts that can only be used for specific purposes according to constraints imposed by an adopted resolution of the Board of County Commissioners.

The key factors related to these changes are as follows:

General Fund

The General Fund's total fund balance increased by \$6.4 million or 28% to \$29.2 million from the prior year.

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

The restricted fund balance decreased \$.1 million or 1% to \$9 million from the prior year. The change in restricted fund balance is primarily due to a decrease of \$.4 million or 93% in Lottery Funds as the Fair completed several capital project in 2024, an increase of \$.1 million or 37% to \$.3 million in Museums due to an increase in property tax as a result of an increase in assessed valuation in 2023, and the Taxpayer Bill of Rights (TABOR) restricted fund balance increasing \$.1 million or 9% to \$1.5 million related to an increase various revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

The committed reserve increased \$6.6 million or 49% to \$20.1 million and is composed of the following items:

The 10% Committed Reserve increased \$.2 million or 7% to \$3.2 million from the prior year and the Capital Committed Reserve increased by \$6.4 million or 61% to \$16.9 million from the prior year.

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

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

The Capital Committed Reserve is funded in 2024 by \$.1 million of severance tax, \$2.7 million of building use tax, and \$3.8 million from various favorable budget variances in the General Fund and Road and Bridge Fund.

The 2024 Capital Committed Reserve ending balance is for 2025 approved capital additions and projects, and inflationary related costs related to capital replacements.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Road and Bridge Fund

The Road and Bridge total fund balance decreased \$.8 million or 9% to \$8.0 million from the prior year.

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

The Road and Bridge committed fund balance decreased \$.8 million or 9% to \$7.9 million from the prior year. The original Road and Bridge budget anticipated a \$1.1 million decrease in committed fund balance due to the planned maintenance and replacement of various infrastructure items, but ended the year with a \$.8 million decrease. The following items explain the primary reasons for the change in the final budgeted committed fund balance and the actual ending committed fund balance. The Road and Bridge final budget anticipated a \$1.2 million decrease in fund balance.

Sales tax revenue had a 29% or \$1.6 million unfavorable variance due to a decrease in the percentage of total sales tax allocated to Road and Bridge from the County's total sales tax collections in 2024. The 2024 planned sales tax allocation was 58% to the General Fund and 42% to the Road and Bridge fund. After meeting the 10% General Fund Committed Reserve Balance, the General Fund Capital Committed Reserve and the ability to fund the replacement of Road and Bridge infrastructure into the future for twenty years given certain assumption in the 2025 budget, the 2024 actual sales tax allocation was increased to 75% for the General Fund and decreased to 25% for the Road and Bridge fund. Total 2024 actual from 2023 actual sales tax collections for the County had a positive \$1.5 million or 10% variance for a total of \$16.0 million as discussed previously in the "GOVERNMENTAL ACTIVITIES – REVENUE" section.

The aforementioned unfavorable variance was offset by the following favorable variances: State Highway Users Tax Fund (HUTF) has a \$.3 million or 9% favorable variance primarily due to an increase in road usage fees, road safety surcharges, and retail delivery fees. The Clark Bridge scour project on County Road 62 was delayed to 2025 due to delays in engineering design work which results in a favorable variance of \$.3 million or 43%. Transfer to the Equipment Pool had a favorable variance of \$1.4 million or 82% primarily related to the following capital items being pushed to 2025, \$.5 million for the fuel farm project, \$.2 million for two service trucks, \$.2 million Oak Creek scoria shed roof, and \$.1 million for additional equipment related to two new plows purchased in 2024. In addition, the cost of chip and seal related to maintaining an asphalt road increased \$.98 or 31% to \$4.15 per square yard. The County chipped sealed 4.27 miles as planned in 2024 as compared to 30.68 miles in 2023.

Human Services

The Human Services Fund total fund balance of \$.4 million is consistent with the prior year. Food Assistance revenues and expense have an unfavorable/favorable budget variance of \$.8 million or 36% due primarily to the termination of the food assistance emergency allotment related to COVID, which allowed all households to receive the maximum benefit regardless of income. Food Assistance 2024 actual revenues and expense are \$1.4 million. Family Preservation revenues and expenses had a unfavorable/favorable budget variance of \$.3 million or 100%. Routt County is the fiscal agent for several neighboring counties Family Preservation mental health and substance abuse program. The 2024 Family Preservation revenue and expense budget is prepared using the State allocation of \$.3 million. During 2024 the Family Preservation program expended a very small amount of the budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

E911 Communications

The Communications Fund total fund balance increased \$.3 million or 9% to \$3.8 million from the prior year. Staff vacancies in Dispatch resulted in a \$.3 million or 14% favorable personnel budget variance.

Proprietary Funds

Enterprise Funds

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

Internal Service Funds

The Internal Service Funds' net position increased \$3.1 million or 5% to \$71.4 million. Unrestricted net position increased \$1.2 million or 8% to \$16.1 million over the prior year. Net investment in capital assets increased \$1.9 million or 4% to \$55.3 million over the prior year.

Equipment Pool

Unrestricted net position, which can be used for the future replacement of capital, increased \$.3 million or 2% to \$12.9 million over the prior year. Equipment Pool operations provided \$3.0 million to the unrestricted net position. Capital purchases in 2024 totaled \$4.5 million. Total transfers in from other funds are \$2.1 million to fund capital additions. Sale of assets provided \$.4 million in proceeds primarily from motor vehicle and heavy equipment asset auctions. Interest income added \$.5 million. Debt service of \$1.2 million on the Refunding Certificates of Participation Series 2012 was paid as planned in 2024.

Net investment in capital increased \$1.9 million or 4% to \$55.3 million over the prior year. Capital purchases of \$4.5 million and a principal payment of \$1.2 million on capital-related debt contributed to an increase of \$5.7 million. Depreciation of \$3.5 million and capital deletions net of depreciation of \$.3 million decreased net investment in capital. See "CAPITAL ASSETS AND DEBT ADMINISTRATION" for more details about significant capital and debt projects.

Insurance Pool

The Insurance Pool's (Pool) unrestricted net position increased \$.9 million or 39% to \$3.2 million over the prior year. Unrestricted net position can be used to fund future claims for the County's three partially self-funded insurance plans: health and dental claims for employees and casualty and property claims for the County.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Health Insurance - Actual County and employee health insurance contributions to the pool are \$5.5 million and flat compared to the budget. Actual medical claims are \$6.2 million and after stop loss revenue of \$1.5 million, total \$4.7 million. Budgeted claims were \$5.5 million and after budgeted stop loss revenue of \$1.0 million, total \$4.5 million. The unfavorable actual medical claims experience compared to the budget is being covered by stop loss revenue because 65% of the County's total medical claims are large claims in 2024. Large claims are those above \$35,000. Stop loss insurance is for the County's losses greater than its \$75,000 per claim deductible and for losses greater than its aggregate maximum claims liability, which is \$7.0 million in 2024. Operations expense for the health insurance plan is \$1.3 million and flat compared to the budget. Actual unrestricted net position, before transfers, decreased \$.5 million as compared to the \$.3 million decrease budgeted. Actual medical claims, after stop loss receipts increased \$1.1 million or 31% to \$4.7 million between 2022 and 2024 and the aggregate maximum liability increased \$2.5 million or 56% to \$7.0 million due to an increase in small and large claims with some claims being ongoing for certain claims managed by medication. The County seems to have hit a higher threshold for annual claims based on the most recent three-year claims activity. In response, the County transferred \$1.1 million as planned from the General Fund to increase reserves with unrestricted net position increasing \$.6 million, after the transfer. Individual contributions from the County and employees were the same in 2024 as in 2023 as the County has tried hard to maintain costs for employees, but future employee and employer contribution increases are anticipated to maintain a positive financial position. The reserve balance of \$2.5 million at the end of 2024 is sufficient to cover future claims, but transfers to stabilize reserves are anticipated in the future. The County aims to sustainably fund medical costs while keeping them affordable and a competitive benefit for employees. No changes were made to health insurance benefits and the County continues to offer competitive health insurance benefits to employees.

Dental Insurance - The County pays 70% and the employee pays 30% for dental insurance. Contributions to dental insurance by the County and employees are \$.3 million, which is flat compared to the budget. Actual claims and administration expenses are \$.3 million, which is flat compared to the budget. Thus, the unrestricted net position change budgeted and realized is breakeven, before transfers in 2024. Employees are utilizing dental insurance at a higher rate than anticipated, which is not uncommon after an employer sponsors a new benefit. The County began its employer-sponsored plan in 2022. The County budgeted and transferred \$.1 million from the General Fund to help ensure dental plan reserves are stable with the higher enrollment and plan utilization. Stop loss insurance is not necessary for the dental insurance plan because the County's maximum dental claims expense per member is capped at \$1,500. Unrestricted net position after transfers in 2024 is sufficient to cover a 13% increase in expenses with transfers anticipated in the future. The goal with the dental plan is for revenues to cover expenses while retaining sufficient reserves for unplanned events. The dental plan helps the County remain competitive with its employee benefits.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Casualty and Property Insurance - The County participates in a partially self-funded casualty and property (CAP) insurance plan to help contain price increases from national factors such as wild fires, inflation and high jury awards regarding law enforcement and employment-related claims. The County's actual CAP contribution to the pool is \$.9 million and equal to the amount budgeted. Contributions are budgeted to cover administrative and projected claims expense and to retain sufficient reserves to cover unforeseen increases in claims. Actual CAP claims expense is \$.2 million and flat compared to the budget. The budget for claims is based on the average annual claims expense for the past 5 years. Actual operating expenses were \$.7 million actual and flat compared to the budget. Operating expenses include plan administration and excess insurance coverage costs. The change in unrestricted net position is breakeven in 2024. The County budgeted and transferred \$.2 million from the General Fund to help ensure the CAP plan reserves are stable and to provide some protection from rising costs and future CAP claims. Unrestricted position increased \$.2 million, after transfers, and the ending net position in 2024 is \$.7 million. There is no County aggregate stop loss insurance for the CAP plan. Excess insurance coverage is for County losses greater than its \$75,000 per claim deductible.

The pool's ending balance of \$3.2 million is expected to be sufficient to cover the difference between the County's maximum liability for medical claims of \$7.0 million and actual net medical claims after stop loss revenue of \$4.5 million, or \$2.5 million and still have approximately \$.7 million in reserves for dental claims and casualty and property claims.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

General Fund Budgetary Highlights

Budget Amendments

Revenue Budget Amendments

The variance between the original revenue budget of \$42.4 million and the final amended revenue budget of \$42.9 million is a favorable variance of \$.5 million or 1.0%. The primary items amending the revenue budget are as follow:

The original sales tax revenue budget was amended by an increase of \$.3 million or 4% to \$8.0 million. The unanticipated sales tax revenue was primarily used to fund unanticipated personnel expenses, an increase in medical claims, and emergency repairs at the Routt County Detention Center, which include extensive damage to windows in a detention pod caused by an inmate, and modification of an existing boiler to become a temporary boiler. Backflow preventers have been installed at both the Detention Center and the Historic Courthouse based on state building code requirements communicated by the City of Steamboat Springs after adoption of the 2024 budget.

The original intergovernmental revenue budget was amended by an increase of \$.2 million or 7% to \$2.6 million primarily for the following reasons. The County received state backfill revenue from Senate Bill 22-238 for Developmental Disabilities operations, the Jail Based Behavioral Health Services (JBBS) Grant provided increased state funding for medicated assisted treatment and mental health services for inmates, and additional small amounts of funding was received for other miscellaneous increases.

Expenditure Budget Amendments

The variance between the original expense budget of \$48.1 million and the \$48.8 million final amended expense budget was an unfavorable variance of \$.7 million or 1%. The significant expenditure budget amendments are as follows:

The Facilities Management operations budget amendment increased \$.1 million or 3% to \$2.9 million to fund emergency window repairs and boiler modifications at the Detention Center as mentioned above, and the installation of backflow preventers on plumbing at the Historic Courthouse and Detention Center.

Information Technology (IT) Department Debt Service budget increased \$.2 million or 100%. The Governmental Accounting Standards Board issued Statement Number 96 Subscription Based Information Technology Arrangements (SBITAs) to better meet the information needs of financial statement users. The Statement defines a SBITA, establishes that a SBITA results in a right to use a subscription asset - an intangible asset - and a corresponding subscription liability. A SBITA is defined as a contract that conveys control of the right to use another party's (SBITA vendor's) information technology software alone or in combination with tangible assets. The IT Department budget includes SBITA contracts for land management, property assessment, geographical information systems software and two new contracts for network monitoring software and camera video cloud storage. The SBITA expense was originally budgeted as a \$.2 million operating expense and was used as part of a supplemental budget to fund \$.2 million of principal and interest payments related to the subscription liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Sheriff Department Debt Service budget increased \$.1 million or 100%. The Sheriff's Office entered into a SBITA (Subscription-Based Information Technology Arrangement) contract for body cameras and vehicle dash camera software. The SBITA expenses were originally budgeted as a \$.1 million operating expense and was used as part of a supplemental budget to fund \$.1 million of principal and interest payments related to the subscription liability.

Developmental Disabilities operations budget amendment increased \$.2 million or 7% to \$2.3 million due to higher than anticipated distributions to the Developmental Disabilities Community Board from state backfill revenue generated from Senate Bill 22-238 as well as higher than expected specific ownership (SO) tax collections.

The Community Services operations budget amendments increased expenditures \$.3 million or 15% to \$1.9 million to fund the following projects: Routt County in partnership with the City of Steamboat Springs, the Colorado Department of Transportation (CDOT), and the Public-Private Partnership (P3) Office of the State of Colorado contributed \$.2 million towards construction documents for a joint childcare and workforce housing facility, and \$.1 million to the Yampa Valley Community Foundation to assist in the purchase of Casey's Pond, a senior living community.

Budget Variances

Revenue Variances

Total actual revenues of \$50.4 million have a \$7.4 million or 17% favorable variance from the \$42.9 million final budget. The significant revenue budget variances are discussed as follows:

Sales tax revenues of \$12.0 million reflect a favorable variance of \$4.0 million or 50%, compared to the final budget of \$8.0 million. The primary reasons for the favorable variance follow. Sales tax is composed of retail sales tax, building use tax and auto use tax. Sales tax in total for the County had a favorable \$2.4 million or 17% variance from the 2024 final budget.

Retail sales tax for the 2024 budget anticipated an 8% increase from the 2023 budget which also provides a 6% "cushion" in terms of an economic slow down due to the possibility of a recession depending on Federal Reserve interest rate policy, foreign wars, and consumer confidence. Retail sales tax ended the 2024 budget with a favorable \$.7 million or 6% variance, a larger impact from the Federal stimulus than planned in the 2024 Budget.

Building use tax in total for the 2024 budget was anticipated to remain flat with the 2023 budget. Building activity in 2023 was slowing based on fewer average single-family dwellings being constructed due to project delays from a long winter, skilled labor shortages, and a lack of supply in buildable lots. Other construction activity is approximately equal to 2023. The slowing construction activity is offset by continued higher-end home construction and price inflation for labor and materials. Building use tax ended the 2024 Budget with a favorable \$1.3 million or 79% variance primarily related to an increase in single-family dwellings, multi-family buildings and commercial building as compared to 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Auto use tax in total for the 2024 budget was anticipated to increase by \$.1 million or 16% to \$.7 million over the 2023 budget. The 2024 budget is nominally higher than the 2023 budget due to the easing of supply chain issues and an improvement in vehicle availability, but 51% lower than the projected 2023 revenue due to a slowdown in pent-up demand for cars as the inventory of available cars increases, rising interest rates, a possible loss of consumer confidence due to recession concerns, and the current auto workers strike. Auto use tax ended the 2024 Budget with a favorable \$.4 million or 52% variance primarily related to the overall increase in the value of vehicles purchased and total number of vehicles purchased was not as low as predicted.

The remainder of the variance is attributable to a reallocation of sales tax between the General Fund and the Road and Bridge Fund to be in compliance with the 10% Committed Reserve policy, the Capital Committed reserve policy and to provide sufficient funds in the Road and Bridge fund to replace infrastructure in a timely manner based on certain assumption for the next twenty years. See the "Financial Analysis of County Funds – Governmental Funds – Road and Bridge" for additional detail related to allocations mentioned above.

Intergovernmental revenues of \$3.6 million has a \$1.1 million or 40% favorable variance from the \$2.6 million final budget. The primary reasons for the favorable variance follow. The County received a one time \$1.5 million from the State in 2024 as a result of lost property tax due to a change in assessment ratios associated with Senate Bill 22-238. The General Fund was allocated \$1.2 million of the \$1.5 million that was received from Senate Bill 22-238. State severance tax had a \$.1 million or 41% unfavorable budget variance as a result of the State appropriating severance tax to balance the State General Fund.

Charges for sales and services of \$6.2 million has a \$.9 million or 16% favorable variance from the \$5.3 million final budget. The primarily reasons for the favorable variance is due to the following. Treasurer's fees have a \$.3 million or 40% favorable variance as the budgeted amount was done before the final assessed valuation of the county was provided in the fall of 2023 which included a 52% increase in assessed valuation. Indirect cost reimbursement from Human Services had a \$.4 million or 60% favorable variance due to the new Human Services building being completed and additional indirect costs being charge to Human Services.

Investment earnings of \$2.8 million has a \$1.4 million or 92% favorable variance from the \$1.5 million final budget. The County's average interest rate is 4.5% in 2024 compared to the 3.0% budgeted mainly due to interest rates continuing to remain higher longer than anticipated to inflation. The County's average cash balance was higher than anticipated primarily due to Purchase of Development Rights projects budgeted but delayed due the complexity of the projects, and a significant increase in the valuations of the available properties. With interest rates continuing to rise, favorable unrealized mark to market gains on investments contributed significantly to interest earnings in 2024.

Expenditure Variances

Total actual expenditures, before Other Financing Sources and Uses, of \$40.0 million have a favorable \$8.8 million or 18% variance compared to the \$48.8 million final budget. The significant budget variances are discussed as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Facilities Management reported a favorable variance of \$.2 million or 6% compared to the final budget of \$3.8 million comprised of \$.1 million from personnel due to vacancy savings for groundskeeper and maintenance positions, and \$.1 million from operations. Operational savings were driven by lower electric and natural gas costs from mild weather in 2024 compared to 2023 and increased energy reserves, overestimated budgets for repairs and maintenance and janitorial services at the new Health and Human Services building completed mid-2023, and a delayed inmate shower repair project. Unfavorable variances include unbudgeted expenses for demolition of a solar array and lightning system at the Detention Center and two air quality monitors for Environmental Health as part of the County's Climate Action Plan both reclassified from capital to operating expenses per Generally Accepted Accounting Standards and County policy, and an uninterrupted power supply for 24/7/365 Elections video surveillance mandated by the state.

Information Technology had a favorable variance of \$.3 million or 9% compared to the final budget of \$3.6 million comprised of \$.2 million from personnel and \$.1 million from operations. The favorable personnel variance is from vacancy savings for a systems analyst position budgeted but not hired and for a database administrator budgeted as full-time and transitioned to part-time in anticipation of retirement.

The favorable operations variance is due to normal changes in the computer and equipment replacement cycle and replacements being delayed to 2025 due to the assets up for replacements were evaluated to have an additional year of useful life and the support and maintenance for the asset was still available and less continuing education and related travel by the staff for professional development in 2024.

Museums has a favorable variance of \$.3 million or 30% compared to the final budget of \$.9 million due primarily to budgeting the maximum spending authority amount for Capacity Building Grants which fund historic preservation activities. The amount of spending depends on the number of active projects in any given year.

Community Services has a favorable variance of \$.1 million or 7% compared to the final budget of \$1.9 million due primarily to the Rockefeller Philanthropy Advisors grant to support the Northwest Colorado Development Council (NWCDC) to develop a new Northwest Colorado Innovation Center (NCIC), a 501c (3) to promote economic development in Northwest Colorado. The project was only 32% completed in 2024 and the remainder of the grant work will be completed in 2025.

Purchase of Development Rights (PDR) has a favorable variance of \$6.3 million or 66% compared to the final budget of \$9.7 million after existing projects were delayed due to the complexity and timing of the projects.

Detention Center has a favorable variance of \$.4 million or 8% compared to the final budget \$4.4 million comprised of \$.4 million from personnel due to vacancy savings for a sergeant, three deputies and a coordinator in 2024.

Office of Emergency Management has a favorable variance of \$.1 million or 27% compared to the final budget of \$.5 million due primarily to a favorable variance of \$.1 million or 71% of operations final budget. The variance is due to budgeting the Board of County Commissioner's maximum spending authority of \$.1 million for significant emergencies. During 2024, there were no incidents that required emergency spending authority.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Other Financing Sources and Uses Variance

Total actual other financing sources and uses of \$3.9 million have a \$.2 million or 5% favorable variance from the \$4.1 million final budget. Transfers out have a favorable variance of \$.2 million or 5% attributed to the Equipment Pool facility projects being delayed to 2025.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During 2024, the County's capital assets increased \$14.3 million or 4% to \$345.5 million. Capital assets include heavy equipment, motor vehicles, E911 communication equipment, buildings, road and bridge infrastructure, airport infrastructure, equipment and facilities, other, water and sewer systems, leased assets and subscription assets. Governmental Activities capital assets increased \$8.9 million or 4% to \$220.8 million. Business-type Activities capital assets increased \$5.4 million or 5% to \$124.7 million.

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

Routt County, Colorado

Capital Assets

(in millions)

Asset Item	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 5.6	\$ 5.2	\$ 66.3	\$ 66.1	\$ 71.9	\$ 71.3
Infrastructure	115.8	110.9	-	-	115.8	110.9
Buildings and improvements	56.4	56.5	31.5	27.9	87.9	84.4
Equipment	36.6	34.7	14.7	14.0	51.3	48.7
Water system	-	-	2.0	2.0	2.0	2.0
Sewer system	-	-	1.8	1.8	1.8	1.8
Other	2.8	2.5	1.1	0.2	3.9	2.7
Leased assets	0.2	0.2	-	-	0.2	0.2
Subscription assets	0.6	0.5	-	-	0.6	0.5
Construction in progress	2.8	1.4	7.3	7.3	10.1	8.7
Total capital assets	220.8	211.9	124.7	119.3	345.5	331.2
Accumulated depreciation/amortization	(75.5)	(71.4)	(51.2)	(46.4)	(126.7)	(117.8)
Total	\$ 145.3	\$ 140.5	\$ 73.5	\$ 72.9	\$ 218.8	\$ 213.4

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Major Governmental-type Capital Asset Projects

During 2024, 1.86 miles of County Roads were overlaid for \$.5 million. The 1.86 miles of overlaid roads represent 1% of the paved road system. Additionally, the County acquired a right-of-way (ROW) containing a gravel haul road used to transport coal from the mine, which is no longer needed due to other means of transporting coal and the anticipated closure of the power plant. The donated ROW was calculated to have a fair market value of \$4.4 million. Replacement of the Trout Creek Bridge was completed at a cost of \$1.0 million. Heavy equipment replacement purchases totaled \$1.8 million for a water truck, a boom flail mower attachment, a forklift, a dozer, a tracked excavator, a grader, a loader snow blower attachment, a broom, a weed sprayer, and two pressure washers. Motor Pool replacement purchases totaled \$.7 million for two electric vehicles for the Environmental Health Department, one electric vehicle for the Assessor's Office, one vehicle for the Communications Department, three vehicles, and one UTV for the Sheriff's Department, three vehicles for the Road and Bridge Department, and one vehicle for the Noxious Weed Department.

The County completed \$1.7 million in Facilities Management (FM) capital projects in 2024. Major projects included \$.5 million for replacement of the aged outdoor arena railing at the Fairgrounds, fully funded by state lottery proceeds. The Detention Center roof and lightning protection system, originally scheduled for replacement in 2026, were replaced early due to multiple membrane leaks at a cost of \$.6 million, funded by reserves. The boiler providing domestic hot water for jail staff and inmate areas at the Detention Center was replaced for \$.2 million, funded by reserves. Consulting services to support the development of a County solar array and battery energy storage system, which remains in-process at the end of 2024, at a cost of \$.1 million, funded by reserves. A building automation system for HVAC controls was upgraded at the Downtown Campus, Detention Center, and Justice Center to improve energy efficiency and bring systems up to current technology at a cost of \$.1 million, funded by reserves. Other notable projects included the completion of security system upgrades at the Downtown Campus, the planned replacement of the fire alarm panel at the Justice Center, and the installation of secure impound lot for the Sheriff's Office and Emergency Management's storage shed.

The County completed the majority of the E911 Communications VHF system replacement project in 2023 at a cost of \$.3 million. An additional \$.7 million of the project was completed in 2024, with the remaining \$.2 million scheduled for completion once a telecommunication company constructs a new tower in Hayden, as some components for that site must wait until the tower is in place.

Major Business-type Capital Asset Projects

In 2024, YVRA continued the design and engineering of runway 28 blast pad and the taxiway connector and rehabilitation for \$.2 million, completed the installation of electric vehicle (EV) charging stations in the paid and employee parking lots for \$.1 million, completed the installation of the new parking lot access control system for \$.1 million and a total cost of \$.3 million, and continued the design process for the terminal expansion incurring \$.6 million.

Phippsburg Water and Sanitation System and Milner Sanitation System both had construction costs incurred for their wastewater treatment plants in 2024 that will replace the lagoons. Total construction costs incurred for Phippsburg Water and Sanitation System and Milner Sanitation System in 2024 are \$2.1 million and \$2.1 million, respectively. Both wastewater treatment plants are expected to be completed in 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2024

Long-term Debt

The following table summarizes the components of the County's long-term debt:

Routt County, Colorado

Outstanding Debt

(in millions)

	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Certificates of participation	\$ 1.2	\$ 2.4	\$ -	\$ -
Revenue loans	-	-	0.3	-
Leases	0.1	0.2	-	-
Subscription liability	0.2	0.4	-	-
Total	\$ 1.5	\$ 3.0	\$ 0.3	\$ -

The County's long-term debt decreased \$1.2 million or 67% to \$1.8 million.

Governmental Activities long-term debt decreased \$1.5 million or 50% from the prior year. After making a principal payment of \$1.2 million in 2024 on the Series 2012 Refunding Certificates of Participation, the outstanding balance for Governmental Activities, Justice Center certificate of participation is \$1.2 million and the final debt service payment is due in 2025.

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

Business-type Activities long-term debt increased \$.3 million or 100% to \$.3 million from prior year. Phippsburg Water and Sanitation System (PWSS) financed a portion of the new wastewater treatment plant with a loan through the Colorado Water Resources and Power Development Authority (CWRPDA). As of December 31, 2024 PWSS had incurred and recognized \$.1 million of the \$.7 million in authorized debt by CWRDPA. PWSS has restricted cash and investments of \$.7 million pledged for the anticipated pay off of the loan in 2025. Milner Sanitation System (MSS) financed a portion of the new wastewater treatment plant with a loan through CWRPDA. As of December 31, 2024, MSS had incurred and recognized \$.2 million of the \$.7 million in authorized debt by CWRDPA. MSS has restricted cash and investments of \$.7 million pledged for the anticipated pay off of the loan in 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The 2025 Routt County budget projects \$108.8 million in revenues and \$120.2 million in expenses resulting in \$11.4 million of expenses over revenues, and after removing \$.8 million of non-cash expenses such as depreciation, the use of reserves is \$10.6 million. The 2025 budget as compared to the 2024 budget includes a \$7.3 million or 7% increase in revenues and an \$8.2 million or 7% increase in expenses. The 2025 budget is separated into Governmental Activities and Business-Type Activities as follows. The entire ROUTT COUNTY 2025 BUDGET is published on the County's website at co.routt.co.us.

Governmental Activities include the County's basic services such as Property Tax Administration, Public Safety, Human Services, Community Services, Road and Bridge, and Administration. Revenues are anticipated to increase \$3.5 million or 5% to \$69.9 million, expenses are anticipated to increase \$4.1 million or 5% to \$81.0 million and results in expenses over revenues of \$11.1 million.

The primary reasons for the decrease in reserves are \$6.2 million for Purchase of Development Rights acquisition, \$2.8 million for planned Road and Bridge overlay and bridge projects, and \$3.2 million for planned equipment replacement. The reserve decreases have been offset by a \$1.1 reserve increase from the state property tax back fill revenue received due to 2023 reductions in residential and commercial property tax assessment rates.

Revenue

Governmental Activities revenues are anticipated to increase by \$3.5 million or 5% from \$66.4 million budgeted for 2024 to \$69.9 million budgeted for 2025. Noted below are the primary reasons for the changes in revenues.

Property Taxes

Property tax revenue from all sources is anticipated to increase by \$1.1 million or 4% to \$29.9 million over the 2024 budget. The primary changes in property tax are as follows.

The County's base property tax revenue is anticipated to increase by \$.9 million or 4.1% to \$22.4 million and is limited by the Taxpayers Bill of Rights (TABOR). The TABOR property tax revenue limit increase of 4.1% is comprised of a 1.5% increase from new construction and a 2.6% increase from inflation. The 2025 budget variance for tax abatements/refunds, the consumer price index (CPI) estimation and CPI estimation penalty is a favorable \$.1 million.

Property tax from voter-approved mill levies, which are not subject to TABOR, increased by \$.1 million or .94% to \$5.7 million due to an increase in assessed valuation. Overall, Routt County's 2025 net assessed valuation increased by \$18.9 million or .94% to \$2.0 billion.

Specific ownership tax is collected on vehicles and allocated to the County and each taxing entity based on the percentage allocation of property tax to each taxing entity. Based on 2024 actual collections, specific ownership taxes allocated to the County are anticipated to remain flat at \$1.7 million compared to the prior year budget. Zero growth is projected due to high interest rates and an uncertain economy from recession concerns, the 2024 national election, and international unrest.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Sales Tax

Sales tax from all sources is anticipated to increase by \$1.1 million or 8% to \$14.4 million over the 2024 budget. Sales tax is composed of a 1% sales tax, a 1% building use tax, and a 1% auto use tax

Sales tax is anticipated to increase by \$.8 million or 7% to \$11.7 million over the 2024 budget. A mild recession is a possibility depending on the Federal Reserve interest rate policy, the national election, foreign wars, and consumer confidence. The 2024 projection is forecast to increase 12% over the 2024 budget. The 2025 budget is anticipating a 7% increase from the 2024 budget. The difference between the 2024 sales tax projection and the 2025 budget provides a 5% "cushion" in terms of an economic slow down.

Building use tax is expected to remain constant with the 2024 activity at \$1.7 million.

Auto use tax is anticipated to increase by \$.3 million or 48% to \$1.0 million over the 2024 budget. The 2025 budget is based on the four year average of auto use tax collections from 2021 to 2024. This projection seems reasonable, due to vehicle price increases, declining interest rates, a strong job market, improved safety features of newer cars, and the shift from gas powered to electric vehicles.

State

State revenues are anticipated to increase by \$.8 million or 13% to \$7.2 million over the 2024 budget primarily because of the changes in the revenues noted below:

Public Health increased by \$.1 million or 59% to \$.2 million over the 2024 budget due primarily to the following. Core services includes Local Public Health Agency (LPHA), Emergency Preparedness Regional (EPR), Maternal Child Health (MCH), Child Fatality Program (CFP), and Immunizations. LPHA increased by \$.1 million or 100% to \$.1 million due to a change in funding source from federal to state as Colorado Department of Public Health and Environment (CDPHE) is increasing their funding to LPHAs to help maintain service levels post pandemic.

Human Services increased by \$.2 million or 14% to \$1.8 million over the 2024 budget due primarily to the following. Child Welfare increased \$.2 million or 22% to \$.8 million over the prior year due to an increase in Out of Home benefits due to an anticipated higher level of specialized care for clients with special needs and County legal services increased due to complex Child Welfare cases, and an overall increase in salary and benefits.

Road and Bridge Highway User Tax Funds (HUTF) increased by \$.5 million or 16% to \$3.7 million over the 2024 budget due to Senate Bill 21-260 that passed in 2021, which created a road usage fee on gasoline and diesel fuel, retail delivery fees, and other transportation-related fee adjustments. These road usage fees were delayed until April 2023 and are annually adjusted for CPI inflation. In addition, House Bill 22-1351 temporarily reduced the road safety surcharge in 2022 and 2023, which then returned to its original rate in 2024. While fuel consumption is expected to grow, improving vehicle fuel efficiency and permanent shifts to remote or hybrid work reduce expectations for growth.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Federal

Federal revenues are anticipated to decrease by \$1.0 million or 12% to \$7.2 million under the 2024 budget primarily because of the changes in revenues noted below:

Public Health decreased by \$.1 million or 33% to \$.2 million under the 2024 budget. NON-CORE FUNDING decreased by \$.1 million or 50% to \$.1 million under the 2024 budget. Non-Core funding includes COVID-19 Immunizations, Center for Disease Control (CDC) Workforce program, and Coronavirus State and Local Fiscal Recovery Funds (SLFRF) grant. COVID-19 immunization is anticipated to decrease \$.1 million or 100% to \$0 million due to a decrease in COVID-19 activity

Road and Bridge operating revenue increased by \$.1 million or 6% to \$2.3 million over the 2024 budget. This is primarily due to Payment In Lieu Taxes (PILT) revenue. PILT revenue is adjusted for inflation by 2.9% and is anticipated to increase by \$.1 million or 7% to \$2.3 million in the 2025 budget.

Road and Bridge capital revenue decreased by \$.5 million or 86% to \$.1 million under the 2024 budget. The change is primarily due to the replacement of the Trout Creek Bridge on County Road (CR) 179 being mostly completed in 2024. The County was awarded \$.8 million in grant funding from the Colorado Department of Transportation Off-System Bridge Grant program to help fund the bridge replacement, 80% of which was budgeted in 2024 and 20% in 2025.

Human Services decreased by \$.5 million or 11% to \$4.3 million under the 2024 budget due primarily to the following programs. Economic Security decreased by \$.5 million or 23% to \$1.7 million under the prior year budget due primarily to a decrease of \$.5 million in Food Assistance direct benefits as a result of the 2023 termination of the emergency allotment which allowed all households to receive the maximum benefit regardless of income. Child Care decreased \$.2 million or 22% to \$.5 million primarily due to the discontinuation of two federal Cares Act funding streams. First Impressions decreased \$.1 million or 34% to \$.2 million due to reduced federal funding from the Colorado Department of Early Childhood (CDEC) statewide, following the conclusion of COVID Stabilization funding. However, this decrease is primarily offset by an increase in local funding. These decreases are offset by federal revenue increases in the following programs. Administration increased by \$.1 million or 31% to \$.6 million over the 2024 budget due primarily to higher indirect costs allocated to Human Services as a result of the construction and completion of the new Health and Human Services building. Child Welfare increased \$.1 million or 24% to \$.5 million due primarily to an increase in the cost of salary and benefits as a result of increased county legal services required due to complex Child Welfare cases, as well as an increase in Out of Home Benefits to accommodate an anticipated higher level of specialized care for clients with special needs.

Fees

Fee revenues are anticipated to increase by \$1.2 million or 20% to \$7.5 million over the 2024 budget primarily because of the changes in revenues noted below:

Accounting overhead fees increased by \$.7 million or 27% to \$3.3 million over the 2024 budget. The increase results from overhead charges from 2023 being allocated to the following departments below.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Human Services overhead costs increased by \$.6 million or 104% to \$1.3 million, primarily related to Facilities Management and Information Technology operating, and depreciation costs increased as a result of the new Health and Human Services Building being completed in 2023.

Planning Department overhead costs decreased by \$.1 million or 15% to \$.5 million, primarily due to the County Attorney's hours and GIS costs were reduced because the Master Plan project was mostly completed in 2022.

Yampa Valley Regional Airport (YVRA) overhead increased by \$.1 million or 18% to \$.8 million, primarily related to the following: Accounting Department costs increased primarily from compensation and benefit increases above the prior year. Accounts payable (AP) costs increased related to the inclusion of unallocated accounts payable staff hours to accounts payable, which had not been done before. YVRA had an increase in the number of AP transactions of 8% and AP costs increased 20%. A new Accountant and new Accounting Manager have been cross-trained due to promotions. The Board of County Commissioner costs increased primarily related to Equity, Diversity, and Inclusion (EDI) training, and the YVRA full-time equivalent (FTE) allocation increased 7%. Personnel Department costs increased 17% and YVRA FTEs increased by five resulting in a 11% increase in the allocation. Overall IT department costs increased by 9% primarily from compensation and benefit increases, and Communications increased due to the cost of replacement radios. Yampa Valley Regional Airport's \$1.0 million increase in overhead and 30% of the Human Service's \$.6 million increase in overhead or \$.2 million represent a "true" increase in Governmental Activities revenue of \$.3 million.

Planning fees increased \$.1 million or 108% to \$.2 million, primarily due to \$.1 million budgeted in 2025 to contract with consultants to provide objective and technical analysis on an as-needed basis regarding several anticipated large-scale land-use development projects to be submitted to the Planning Department for review and approval. The applicant will be required to reimburse the County for these consulting fees.

Treasurer fees increased \$.3 million or 30% to \$1.2 million over the 2024 budget. Tax collection fees are anticipated to increase \$.3 million or 38% to \$1.1 million over the 2024 budget due to the increase in assessed valuation in 2023 for the 2024 tax year payments. The 2024 fees are based on pre-adjusted assessed values as the change in legislation was not known and a more conservative approach was taken for determining the fees for 2024.

Other Revenue

Other revenues are anticipated to increase by \$.5 million or 16% to \$3.6 million over the 2024 budget primarily because of the changes in revenues noted below:

Human Services local revenue increased \$.1 million or 61% to \$.3 million above the prior year's budget. This increase is due primarily to changes in the First Impressions program. First Impressions serves as the central hub for all early childhood resources in Routt County and is designed to be funded primarily through outside sources including federal, state, and local funding. First Impressions other local revenue increased \$.1 million or 54% to \$.3 million over the 2024 budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Interest revenue is anticipated to increase \$.3 million or 15% to \$2.2 million over the 2024 budget due to a higher than anticipated average cash balance in 2025 versus 2024. The higher average 2025 cash balance results from a higher projected 2024 ending cash balance over to the 2024 budget. The reasons for the higher 2024 ending cash balance are favorable budget variances from sales tax, state property tax back fill revenue, interest income, salary and benefits vacancy savings, and operations. The County's 2025 budgeted interest rate on investments is unchanged from the 2024 budget at 3.0% based on longer maturities in the County's investment portfolio. The County's interest rate is anticipated to decrease to 1.5% from 2026 - 2029. Governmental Activities reserves are anticipated to decrease by the end of 2025 primarily due the purchase of development rights, equipment additions and replacements, and Road and Bridge infrastructure replacements.

Road and Bridge local revenue increased by \$.1 million or 46% to \$.2 million over the 2024 budget. In 2024, the Routt County Road and Bridge department completed chip and seal and paving of County Road (CR) 51 and 51A inside the Town of Hayden town limits. Per an Intergovernmental Agreement with the Town of Hayden, the County maintains CR 51 and 51A and is compensated for maintenance by the Town of Hayden. The County has collected all special assessments from property owners in the Meadowgreen at Stagecoach Local Improvement District (District). The District is anticipated to be dissolved by the Board of County Commissioners during 2025.

Expense

Governmental Activities expenses are anticipated to increase by \$4.1 million or 5% to \$81.0 million over the 2024 budget. Noted below are the primary reasons for the change in expenses.

Personnel

Governmental Activities personnel expenses increased \$2.7 million to \$37.5 million or 8% above the 2024 budget. The primary changes in personnel costs are noted below:

Compensation Initiatives in the 2025 budget includes a 2.6% across-the-board increase, an anniversary step for eligible employees, and salary survey adjustments to affected positions at \$1.5 million.

Full Time Equivalents (FTEs) in Governmental Activities increased 4.97 FTEs or 2% to 269.17 FTEs. This change includes a 5.03 increase in FTEs and a (0.06) change in FTEs related to overtime. The primary changes in FTEs are as follows:

Clerk increased .50 FTE or 20% to 3.05 FTEs due to the addition of one Deputy Clerk that is split 50/50 between Clerk and Elections. This position is needed for data entry and to handle increased customer service needs.

Elections decreased .50 FTEs or 17 % to 2.47 FTEs due to the elimination of the Senior Deputy Clerk position that was allocated 100% to Elections and the addition of one Deputy Clerk position that is split 50/50 between Clerk and Elections. This allocation change is because the Senior Deputy position is hard to fill as it requires years of training and experience to be an election administrator. The office is better served by adding a position with less responsibility to better handle day-to-day workloads and improve efficiencies between the two departments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

County Attorney decreased 1.13 FTEs or 28% to 2.94 FTEs due to more time allocated to Human Services and the Purchases of Development Rights programs. The complexity and higher number of the cases, particularly in Child Welfare within Human Services and the complexity of the land transactions for Purchase of Development Rights require more dedicated legal resources.

District Attorney (DA) remained constant at 9.35 FTEs for Routt County. The current DA, term-limited, starts a final four-year term in January 2025. By law, the DA's salary only adjusts at the start of a new term. Senate Bill 24-103, effective in 2026, mandates that the DA's salary match that of a state District Court Judge. The Board of Commissioners for Routt, Moffat, and Grand counties approved an annual salary of \$.2 million starting January 2025. Routt County's share of this increase, including retirement benefits, is 47% of the total. Beginning in 2026, the state will gradually reimburse the county for these costs, with full coverage expected by 2027. The 2025 budget also includes a 13% increase in salaries primarily for the Deputy District Attorney staff to bring salaries more in line with other state judicial districts. The total compensation change for the DA's office is included in Compensation Initiatives amount above. The budget also includes a 5% increase for medical insurance. The District Attorney's office is independent of Routt County's personnel system other than the budget and Routt County's portion of the three County personnel budget is 47%.

Fair decreased .40 FTEs or 13% to 2.69 FTEs due to the elimination of a part-time Fair Groundskeeper position. In 2024, the responsibilities previously handled by the part-time Groundskeeper were absorbed by the full-time Janitorial position within the Facilities Management Department. This role now services both the downtown Steamboat Springs facilities and the Fairgrounds.

Human Resources increased 1.0 FTE or 27% to 4.75 FTEs due to the addition of a Human Resources Generalist position to support compensation and benefit administration, recruitment, policy development, employee performance review processes, and state/federal compliance for an increasing number of employees in the County.

Information Technologies increased .50 FTEs or 4% to 12.55 FTEs due to the addition of a part-time Database Administrator/Software Developer position to allow a temporarily transition with a retiring employee.

Public Trustee increased by .26 FTEs or 100% to 0.52 FTEs due to the addition of an Accountant position that is split 26%/74% between Public Trustee and Treasurer. Due to the additional FTE in the Treasurer's office, the increase in the Public Trustee's office is associated with the training of the new Deputy Treasurer on Public Trustee operations.

Treasurer increased by .74 FTE or 19% to 4.55 FTEs due to the addition of an Accountant position that is split 26%/74% between Public Trustee and Treasurer. The additional FTE has been added to help with the change in legislation affecting the Treasurer's Deed process which will add a significant amount time to process each deed.

Weed increased by .23 FTE or 7% to 3.53 FTEs. The change includes eliminating a .50 FTE Weed Sprayer position that was shared 50/50 with the Airport and adding a part-time seasonal .50 FTE Weed Sprayer position to fill that void. There was also a .23 FTE part-time seasonal Enforcement Officer position added to assist with the Weed Enforcement program.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Road & Bridge increased 1.0 FTEs or 3% to 40.08 FTEs due to the addition of an Equipment Operator position for the Oak Creek District Shop. An Equipment Operator is needed in South Routt to balance the number of miles plowed in an operator's route and improve safety and efficiency due to plows being caught in commuter traffic.

Human Services increased by 2.10 FTEs or 9% to 25.90 FTEs. The changes are a result of the addition of a 1.0 FTE Caseworker Lead position, which will provide an additional layer of support to help address the community's needs such as supervised visitation, parenting support, finding and supporting foster families. Additional increases are due to the increased legal support needs required for complex Child Welfare cases.

Health Insurance expenses for the County have increased \$.9 million due to rising medical costs and more participants in the health insurance plans offered by the County. The County is partially self-insured, sets the employer and employee contributions, and reserves to cover claims, stop-loss insurance, and administrative expenses. Between 2022 to 2024 projected medical claims increased \$1.5 million or 42% to \$5.0 million due to an increase in small and large claims with some large claims being ongoing for certain claims managed by medication. The County appears to have hit a higher threshold for annual claims based on the most recent three year claims activity and in response, 2025 claims are budgeted to increase 11% or \$.5 million to \$5.5 million. Large claims are individual claims greater than \$35,000. Due to high claims year in 2023, stop-loss insurance costs in 2024 increased by 43% with coverage being switched to a much larger insurance carrier. The 2023 high claims activity also drove an increase in the maximum claims liability in 2024 of 54% or \$2.5 million to \$7.0 million. In 2025, staying with the same carrier helped moderate increases with stop loss insurance rising by 15% or \$.2 million to \$1.4 million and the maximum claims liability decreasing by 2% or \$.1 million to \$6.9 million.

To maintain sufficient reserves to cover the County's maximum claims liability and to help ensure the Insurance Pool for health insurance is stable in 2025, the County will transfer from the General Fund to the Insurance Pool \$1.2 million in 2024 as planned, \$.5 million in 2025, and for the first time in 5 years increase employee contributions by 10%. The County has tried very hard to maintain the cost of health insurance over the last several years. Employer and employee annual contributions increased from 2021 to 2025 by \$1,463 to \$27,484 or 5%, and by \$325 to \$3,576 or 1%, respectively, and employees participating increased by 26 or 12% to 248. The overall impact of these changes to Governmental Activities is a \$1.0 million increase in costs. The County aims to sustainably fund medical costs while keeping them affordable and a competitive benefit for employees.

Dental Insurance expenses increased due to higher enrollment and a continuation of high plan utilization. The County is self-insured for dental insurance and sets the employer and employee contributions to cover claims and administrative expenses. Dental insurance expense is capped at \$1,250 per member per year. The County will complete a transfer of \$.1 million in 2024 from the General Fund to the Insurance Pool (Pool) as planned to help ensure the Pool is stable for 2025 with the higher enrollment and plan utilization. There is no transfer from the General Fund to the Pool planned for 2025. Dental insurance contributions are increasing by 5% for 2025 due to higher enrollment. There are no contribution changes for the employer or employee in 2025. The employer and employee contribution percentages are unchanged at 77% and 23%, respectively. Dental claims are increasing 7% in 2025 based on 2024 and 2025 projected plan utilization. The County aims to sustainably fund dental costs while keeping them affordable and a competitive benefit for employees.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Other personnel decreases of \$.5 million include hours in excess of 2,080, turnover in staff, promotions, reclassifications, and related benefit costs such as changes to health insurance and retirement elections.

Operations

Governmental Activities operating costs are budgeted to increase by \$.6 million or 2% to \$32.9 million over the 2024 budget. The major changes in operating costs are noted below:

Community Services increased \$.3 million or 20% to \$2.0 million over the 2024 budget due to the following items.

Community Services - Economic decreased by \$.1 million or 22% to \$.5 million due to the following items. The \$.4 million Office of Just Transition (OJT) grant is implementing the "Project" results of the Rural Economic Development Initiative (REDI) grant. REDI educated the regional counties and municipalities on how to grow economic diversity to balance a solid revenue base as they pursue economic resiliency and diversification and move away from reliance on tourism, coal mining, and coal-fired power plants as primary sources of revenue. Projects have been created through REDI for development in the areas of clean energy, value-added agriculture/food processing, healthcare expansion, light manufacturing, housing, and childcare. OJT matching funds of \$.1 million are from the counties of Routt, Moffat, and Rio Blanco and the major towns and municipalities in those counties. The total two-year cost of the OJT grant is \$.5 million. In addition, the Rockefeller Philanthropy Advisors (RPA) are providing a \$.2 million grant to the Just Transition Fund (JTF) project to develop the Northwest Colorado Development Council (NWCDC). The NWCDC will be a non-profit organization committed to serving the tri-county region of Routt, Moffat, and Rio Blanco Counties by providing resources to entrepreneurs, small businesses, and expanding companies. Resources include technical assistance, project management, fiscal management, economic development, grant writing, and business consulting. The RPA spans two years and will be 20% completed in 2024 and 80% in 2025.

Community Services - Human Services increased by \$.7 million or 583% to \$.8 million primarily due to Routt County partnering with the City of Steamboat Springs, the Colorado Department of Transportation (CDOT), and the Public-Private Partnership (P3) Office of the State of Colorado to construct a joint childcare and workforce housing facility in Steamboat Springs. This project will be a mixed-use building that will provide childcare services for infants and toddlers in Routt County and housing for snow removal staff primarily employed by CDOT. The property is owned by CDOT. Routt County has contributed \$.2 million in 2024 and will be contributing \$.8 million in 2025 towards the construction of the project for a total of \$1.0 million.

Community Services - Recreation decreased by \$.3 million or 100% under the prior year's budget due to a \$.3 million contribution to the City of Steamboat Springs to expand the Yampa Core Trail in 2024. The total 2023-2024 project contribution was \$.5 million.

Elections decreased \$.2 million or 70% to \$.1 million under the 2024 budget. The decrease is due to the cyclical nature of election expenses. Even-year elections have increased operational costs compared to odd-year elections. There were three elections in 2024 and only one election in 2025.

Office of Emergency Management decreased \$.1 million or 33% to \$.2 million below the prior year budget due primarily to the completion of the grant-funded Community Wildfire Protection Plan (CWPP). The CWPP is a plan developed by local communities to guide long-term wildfire mitigation strategies across defined areas.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Information Technologies (IT) increased by \$.4 million or 33% to \$1.6 million over the prior year budget. The primary reason for the increase is due to the County investing an initial \$.2 million in software and services to provide for digital accessibility. Services include remediation of existing digital access, education, planning, and website enhancements. The state accessibility rules include a wide range of commonly used information that must be accessible such as computer software and hardware, applications, websites, video, audio, documents, mobile systems, telephone, and other communications. Support and maintenance is higher by \$.1 million or 19% to \$.4 million from annual price increases on existing software and applications. Computer and networking minor equipment replacements increased \$.1 million or 81% to \$.2 million based on the planned replacement cycle.

Sheriff's Office operations increased by \$.1 million or 14% to \$1.0 million over the 2024 budget due primarily to the following. An increase of \$.2 million is due to the addition of outsourcing services for a Co-Responder program, which pairs healthcare professionals with law enforcement officers in responding to individuals experiencing a crisis. Patrol expenses increased \$.1 million due to the addition of an artificial intelligence (AI) report writing software, which integrates with body worn cameras. The AI report writing software is expected to enhance accuracy and save numerous hours of report preparation. These expenses are partially offset by \$.1 million for the mobile ticketing software being budgeted in the Information Technology Department in 2024, a reduction in motorpool expense to better align with actual expenditures from previous years, and the expense for body cameras and dash cameras being moved to lease and subscription debt service in accordance with generally accepted accounting standards.

Road and Bridge operations decreased \$.2 million or 5% to \$4.0 million under the 2024 budget. This change is due primarily to the following items:

Professional Services increased by \$.1 million or 383% to \$.1 million. The increase is for the three-year paving management survey. Bridge Maintenance decreased by \$.3 million or 83% to \$.1 million. The bridge deck replacement for the Clark Bridge on County Road (CR) 62 was completed in 2024, but anticipated costs for scour repair have been postponed due to estimated costs being more than double what was anticipated in the 2024 budget. Scour repairs or stream bed improvements have been pushed to 2025 and have been re-categorized to the Capital Infrastructure section of the budget. Routine maintenance remains budgeted at \$.1 million. Minor Bridges (bridges less than 20 feet) maintenance decreased by \$.2 million or 42% to \$.2 million due to the completion of the \$.4 million Salt Creek bridge replacement located on CR 52E in 2024. The 2025 budget includes \$.2 million for design work for several future minor structure replacements. Road Maintenance increased by \$.1 million or 7% to \$1.1 million due primarily to an increase of \$.1 million or 8% to \$.9 million for dust retardant. The cost per gallon increased by \$.05 or 5% to \$1.09, and the gallons purchased increased by 26,000 or 3% to \$.9 million. Safety remains constant at \$.6 million for the 2025 budget. Pavement marking cost increases are not anticipated and remain at \$29.70 per gallon, for a total budget of \$.3 million. In addition, guardrail and post repairs will continue into 2025 with anticipated costs of \$.4 million due to needed improvements from increased winter driving accidents. Chip and Seal decreased \$.1 million or 17% to \$.3 million. In 2025, 3.70 miles of road will be chip and sealed compared to 5.54 miles in 2024, a decrease of 1.84 miles. In 2025, chip and seal costs are anticipated to increase from \$3.17 to \$4.15 or 31% per square yard of material due to previous year historical costs. The cost to chip and seal a mile of road remains consistent with 2024 at \$.1 million. The annual cost of chip sealing the paved road system over the twenty-one year useful life increased \$.3 million. Patching decreased \$.1 million or 25% to \$.2 million due to fewer miles of road being overlaid in 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Human Services operations increased \$.2 million or 4% to \$4.8 million over the 2024 budget due primarily to the following. Administration costs increased \$.6 million or 97% to \$1.2 million due primarily to an increase of \$.6 million or 104% to \$1.2 million in indirect costs allocated to Human Services associated with the construction and completion of the new Health and Human Services Building. Child Welfare costs increased \$.1 million or 53% to \$.3 million due primarily to an increase in Out of Home Benefits (placement in a group home or congregate care facility), due to an anticipated increase in specialized care needs for this benefit. The remaining increase is due primarily to an increase for the state Random Moment Sample (RMS) cost which reallocates the statewide work effort of County Human Services staff in the administration of public assistance programs. The previous increases are offset by a \$.5 million or 22% to \$1.8 million decrease in Economic Security due primarily to a decrease of \$.5 million or 23% to \$1.7 million in Food Assistance direct benefits as a result of the 2023 termination of the emergency allotment which allowed all households to receive the maximum benefit regardless of income.

Capital

Governmental Activities capital costs are anticipated to decrease \$.7 million to \$6.4 million or 10% under the 2024 budget. Noted below are the primary reasons for the changes in capital.

Facilities Management Pool capital expense increased \$.1 million or 4% to \$2.3 million over the 2024 budget. Capital additions are \$2.2 million, an increase of 12% or \$.2 million. The primary capital additions budgeted in 2025 include \$.3 million for a restroom remodel, lean-to for storage, and heated workspace for maintenance staff at the Fairgrounds with \$.1 million funded by lottery proceeds. Capital for the Detention Center includes \$.2 million for a body scanner, which will improve inmate and staff safety with \$.1 million of the cost funded by Inmate Commissary Reserves, and a \$.3 million to upgrade the Building Automation System (BAS) controller, which regulates heating and hot water to improve system monitoring and efficiency by controlling temperature adjustments. The roof replacement started in 2024 at the Detention Center will be completed for \$.2 million at a total project cost of \$.7 million. Historic Courthouse capital projects include \$.2 million in energy efficiency upgrades by replacing two rooftop units with a system using alternative fuels, \$.2 million to modernize the elevator, and \$.3 million for historic preservation repair, rehabilitation, and restoration funded 100% by a State Historic Fund grant. In addition, at the Justice Center, \$.1 million to repair the retaining wall masonry and at the Historic Courthouse/Annex. Capital replacements are \$.1 million, a decrease of 56% or \$.1 million. Capital replacements include a commercial washing machine, control tower kitchen appliances, and carpet at the Detention Center, and a new refrigerator/freezer for immunization vaccines for Public Health.

Heavy Equipment capital expense decreased by \$.4 million or 13% to \$2.9 million under the 2024 budget. Capital additions are \$.5 million, and replacements are \$2.3 million. The 2025 planned additions include a scoria shed, professional services for a Steamboat Road and Bridge Shop redesign, a variable message board, two Electric Vehicle (EV) charging stations, and potential fuel tank mitigation for the Hayden District Shop. The 2025 planned replacements include three motor graders, four bottom dump trailers, a bucket truck, a service truck, an entrance gate for the Steamboat District Shop, and replacement of the fuel farm and tanks at the Hayden District shop. The overall decrease relates to having fewer additions in 2025 than in 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Motor Pool capital expense decreased by \$.2 million or 17% to \$.8 million under the 2024 budget. Replacements are \$.8 million. Additions are for a truck lift gate for Facilities Management. Replacements include six vehicles for the Sheriff, one vehicle for Emergency Management, two vehicles for Road and Bridge, one electric vehicle for Planning, and one vehicle for the Routt County Council On Aging which is 80% funded by a federal grant from the Colorado Department of Transportation. The overall decrease relates to 2025 having fewer additions than 2024.

Infrastructure costs are anticipated to increase \$1.5 million or 117% to \$2.8 million over the 2024 budget. The increase is primarily due to an increase in overlay of \$1.4 million or 252% to \$2 million due to more miles being overlaid in 2025. Bridge improvements increased by \$.1 million or 9% to \$.8 million. The Trout Creek bridge replacement on County Road (CR) 179 remains split between 2024 and 2025. This is due to last year's delays in the approvals for the bridge design from the Colorado Department of Transportation. Design work for the Moon Hill bridge on CR 56 for \$.2 million and a stream riprap improvement project on the Clark Bridge on CR 62 for \$.5 million are included in the 2025 budget. The County anticipates overlaying 7.72 miles of road in 2025 compared with 2.5 miles in 2024 as part of the scheduled maintenance plan. The cost of a ton of asphalt is budgeted to increase by \$19.58 or 14% to \$158.33. The average cost to overlay a mile of road is \$299,917, an increase of \$36,482 or 14%. The increase in the price per ton of asphalt results in a \$271,000 annual cost increase over the paved road system's 21-year estimated life.

Long-term Debt

The 2012 Series Refunding Certificates of Participation (COP) debt service costs remain consistent at \$1.2 million in the 2025 budget. The \$1.2 million in debt service is for the Justice Center. The COPs outstanding balance is \$0 million at the end of 2025. The County does not anticipate issuing any governmental debt in 2025.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Reserves

Reserves are comprised of the following. Restricted reserves are externally imposed by creditors, grantors, laws, and regulations of other governments, constitutional provisions, etc. Committed reserves are constrained by limitations the Board of County Commissioners has imposed on various funds. For example, substantial reserves have been committed for the replacement of equipment and Road and Bridge infrastructure. The following is a summary of the County's reserves.

Significant Items Affecting Reserves and Resources are as follows.

Governmental Activities reserves for 2025 are anticipated to decrease \$11.1 million due primarily to the following items. Reserves decrease \$6.2 million for Purchase of Development Rights (PDR) acquisitions reducing the reserves to zero. PDR reserves have increased over the past several years because PDR projects were not completed as planned due to the complexity of the projects and an increase in property tax collections starting in 2024 as a result of the significant increase in assessed valuation. Road and Bridge used \$2.8 million of reserves for planned overlay and bridge projects. Equipment Pool used \$3.2 million of reserves for the planned replacement of motor pool vehicles, heavy equipment, and facilities and information technology assets. Reserves increased \$1.1 million from state property tax back fill revenue received due to 2023 reductions in residential and commercial property tax assessment rates.

The General Fund committed capital reserve decreased by \$10.8 million due to the following changes. The committed capital reserve increased due to the allocation of severance tax revenues of \$.2 million and an allocation of building use tax revenues of \$1.5 million. The committed capital reserve decreased \$2.8 million for capital additions requested in the 2025 budget and \$9.7 million for a one-time transfer to the Equipment Pool to fund increased replacement costs for heavy equipment and facilities assets, driven by significant inflation over the last several years. The General Fund committed capital reserve at the end of 2025 is \$4.2 million and is available for future land acquisitions, inflation adjustments for equipment, buildings and infrastructure replacements, and to provide for unanticipated or unplanned decreases in revenues, and unanticipated increases in expenses and other projects. Tax collections greater than \$45,000 and \$235,000 for severance tax and building use tax, respectively, and favorable budget variances are set aside to fund future capital projects according to the County's Capital Committed Reserve Policy adopted in 2020.

Due to the increasing costs from inflation Equipment Pool reserves are anticipated to increase \$11.7 million or 92% to \$24.5 million to maintain levels of service. The primary items impacting this increase are as follows. The County will transfer funds from the General Fund Committed Capital Reserve to the Equipment Pool for a total of \$9.7 million comprised of \$6.4 million for heavy equipment and \$3.3 million for facilities assets. The \$9.7 million transfer to the Equipment pool is funded by favorable budget variances projected in 2024 and beginning committed capital reserve balances. Projected 2024 favorable budget variances are comprised of sales tax revenue, state property tax back fill revenue, interest income, salary and benefit savings from turnover, building use and severance tax revenue, and operations. A transfer of \$3.0 million from the E911 Communications Fund to the Equipment Pool and an increase of \$118K in annual handheld and mobile radio replacement fees representing \$1.4 million of future reserves will provide for inflationary cost increases and a decrease in the useful life of radios related to rapid changes in technology.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2024

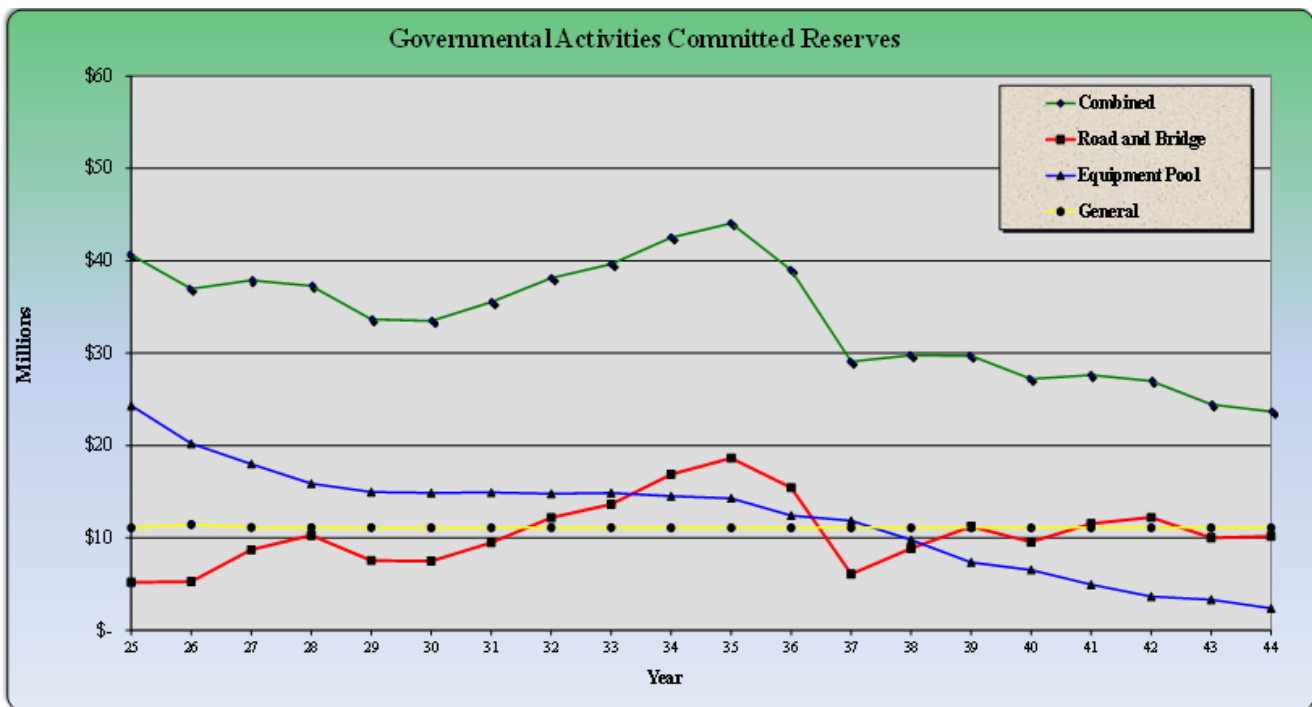
Items that could have a significant impact on future County resources include the following.

The County's property tax, sales tax, other major revenues, and reserves have been able to accommodate the following significant increases in costs and maintain a balanced budget into the future.

Compensation has increased \$11.2 million to \$32.4 million or 53% since 2020. An average increase of 11% per year. Health benefit costs have increased \$3.8 million to \$8.7 million or 77% since 2020. An average increase of 15% per year. The cost to chip and seal and overlay a mile of road has increased \$.2 million to \$.4 million or 88% since 2020. An average increase of 18% per year. Inflation is receding given the Federal Reserve Board's interest rate policy.

The County remains cautious given the general uncertainty of the national and local economy due to recession concerns related to inflation, interest rates, unemployment, wage growth, consumer spending, consumer debt levels, fluctuating consumer confidence, and foreign wars. What will the future hold given the new federal administration, health care, fuel prices, labor shortages, foreign wars, etc.?

The long-term forecast projects a balanced budget through 2044 as presented in the following graph, 'Governmental Activities Committed Reserves.' In 2025 and for twenty years into the future, committed reserves are being used for the planned replacement of equipment and Road and Bridge infrastructure while maintaining appropriate reserve balances.



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 ROUTT COUNTY, COLORADO
 December 31, 2024

Routt County, Colorado
Governmental Activities Committed Reserves
 (in millions)

Year	General Fund	Road and Bridge	Equipment Pool	Combined
2025	\$ 11.1	\$ 5.5	\$ 24.5	\$ 41.1
2026	11.4	5.3	20.4	37.1
2027	11.1	8.7	18.2	38.0
2028	11.1	10.2	16.0	37.3
2029	11.0	7.5	15.1	33.6
2030	11.0	7.4	15.0	33.4
2031	11.0	9.4	15.0	35.4
2032	11.0	12.0	14.9	37.9
2033	11.0	13.5	15.0	39.5
2034	10.9	16.7	14.6	42.2
2035	10.9	18.4	14.4	43.7
2036	10.9	15.2	12.5	38.6
2037	10.9	5.8	12.0	28.7
2038	10.9	8.6	9.9	29.4
2039	10.9	10.9	7.4	29.2
2040	10.9	9.2	6.6	26.7
2041	10.9	11.2	5.0	27.1
2042	10.9	11.8	3.7	26.4
2043	10.9	9.6	3.4	23.9
2044	\$ 10.9	\$ 9.7	\$ 2.4	\$ 23.0

Business Type Activities include the Yampa Valley Regional Airport (YVRA), the Regional Building Department, the Phippsburg Water and Sanitation System, and the Milner Sanitation System. Revenues are anticipated to increase \$3.6 million or 10% to \$38.9 million, and expenses are anticipated to increase \$3.8 million or 11% to \$39.3 million and results in expenses over revenues of \$.4 million. After removing \$.8 million of non-cash expenses such as depreciation, reserves increase by \$.4 million.

YVRA's budget includes a net operating income of \$2.4 million due to the following reasons.

Airside operations (Airside and Safety) anticipates a decrease in operating income of \$.3 million due to a 3% decrease in the number flights as compared to 2024 given an increase in operating costs, and an increase in personnel costs due to adding two FTEs and cost of living adjustments. The decrease in flights is primarily the result of Southwest airline airplane deliveries being delayed due to Boeing management issues and is considered temporary. One of the additional FTEs is due to YVRA exceeding a Federal Aviation Administration index because of the airport having more than five daily departures. Landing fees have not been adjusted in order to remain competitive and the temporary nature of the Southwest situation.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Terminal operations (terminal, passenger services, landside, and security) anticipates an increase in operating income of \$.1 million due to an increase in fees related to airline terminal square footage, rental car, taxi, bus and limousine services along with a reduction of operating costs.

Retail operations (restaurant and general store) anticipates a decrease in operating income of \$.1 million due primarily to the decrease in enplanements resulting from the Southwest situation and maintaining price levels within the restaurant and general store coupled with an increase in personnel related costs.

Other non-operating income and expense include net capital expenses of \$1.5 million related primarily to using reserves for the Airside runway and taxiway projects, the terminal expansion design and construction projects which are offset by car rental capital facility charges and passenger facility charges, non-operating expense of \$.2 million, non-cash items such as depreciation of \$.8 million, and interest income of \$1.1 million for a total non-operating income of \$.2 million. Net operating income after other non-operating income and expense is \$2.6 million, resulting in an end of year reserve balance of \$35.4 million. The reserve balance is anticipated to be used primarily to fund the terminal expansion.

Regional Building Department reserves are anticipated to decrease by \$.3 million. The Regional Building Department's budget includes a net operating loss of \$.3 million, primarily related to an increase in building permit revenue associated with commercial development and offset by the addition of an Assistant Chief Building Official, personnel costs connected to various compensation increases and the City of Steamboat Springs moving their land management software to an off premise hosting solution, and an end of year reserve balance of \$6.6 million. The reserve has been established to provide the Regional Building Department a "graceful slow down" in the event of a recession.

Phippsburg Water and Sewer System operating revenues less expenses are break even. Other non-operating income and expenses include a non-operating loss of \$.3 million related to the lagoon decommissioning, debt service of \$.8 million related to the advance pay off of the sewer debt, and interest income of \$.1 million resulting in a net loss of \$1.0 million, and an end of year reserve balance of \$1.1 million, which is anticipated to be sufficient for ongoing operations.

Milner Sewer System operating revenues less expenses are break even. The non-operating loss of \$.1 million is related to the decommissioning of the lagoon, debt service of \$.7 million is related to the advance pay off the sewer debt, resulting in a net loss of \$.8 million, and an end of year reserve balance of \$.5 million, which is anticipated to be sufficient for ongoing operations.

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

Revenues

Business Type Activities revenues are anticipated to increase by \$3.6 million or 10% from \$35.3 million budgeted for 2024 to \$38.9 budgeted in 2025. Noted below are the primary reasons for the changes in revenues.

State

State revenues are anticipated to decrease \$1.7 million or 41% to \$2.4 million under the 2024 budget primarily because of the changes noted below:

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Yampa Valley Regional Airport (YVRA) increased \$1.7 million or 269% to \$2.3 million over the 2024 budget.

Capital related state revenues are anticipated to increase \$1.6 million or 554% to \$1.9 million over the 2024 budget. The primary reasons for the increase are as follows. YVRA anticipates receiving a \$1.5 million state grant to partially fund the improvement of the taxiway, constructing a new taxi lane, extend water and sewer lines and relocate power lines to facilitate the development of additional general aviation hangars in the aviation business park at the east end of the airport property. YVRA anticipates receiving a \$.2 million state grant to partially fund the construction of the runway 28 blast pad, taxiway and connector rehabilitation, taxiway shoulders, and relocation of connector A4 projects.

Operational state revenue increased \$.1 million or 35% to \$.5 million over the 2024 budget. YVRA anticipates receiving \$.1 million in funding through Colorado Department of Public Health and Environment for the disposal of the YVRA's fire fighting foam used to fight high-hazard flammable liquids.

Phippsburg Water and Sanitation System decreased \$1.8 million or 100% to \$0 under the 2024 budget. The Phippsburg Water and Sanitation System budgeted two state grants in 2024, a \$1.0 million Department of Local Affairs (DOLA) grant, and a \$.8 million State Revolving Fund (SRF) grant, to fund the replacement of the wastewater treatment plant and the decommissioning of its lagoons in 2024. During the application process, the grants funding source was changed from state funding to federal funding passed through the State to the County.

Milner Sanitation System decreased \$1.7 million or 95% to \$.1 million under the 2024 budget. The Milner Sanitation System received a \$.2 million Water Quality Improvement Fund (WQIF) grant in 2024 to help fund the replacement of the wastewater treatment plant and the decommissioning of its lagoons in 2024. The remaining portion of the WQIF grant will be used toward the decommissioning of the lagoons. The remaining budgeted amount of state funding in 2024 for the \$1.0 million DOLA grant and the \$.8 million SRF grant were both awarded as federal funds and passed through the State to the County.

Federal

Federal revenues are anticipated to increase \$5.8 million or 38% to \$21.2 million over the 2024 budget primarily because of the changes noted below.

YVRA increased \$5.0 million or 33% to \$20.5 million over the 2024 budget.

Capital related federal revenues are anticipated to increase by \$7.3 million or 55% to \$20.4 million over the 2024 budget. The primary changes and awards of Federal funds follow. Airport Improvement Program (AIP) entitlement funding is anticipated to increase \$2.7 million or 205% to \$4.0 million over the 2024 budget. AIP discretionary entitlement funding is anticipated to increase \$1.6 million or 25% to \$7.9 million over the 2024 budget. Bi-Partisan Infrastructure (BIL) funding is anticipated to increase \$3.0 million or 65% to \$7.7 million over the 2024 budget. Passenger Facility Charge funding is anticipated to remain constant at \$.8 million as compared to the 2024 budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Federal funding has been awarded on the following projects. The runway 28 blast pad addition, taxiway and connector rehabilitation, taxiway shoulders and relocation of connector A4 has been awarded \$2.8 million of AIP entitlement funding and \$7.9 million AIP entitlement discretionary funding. The general aviation improvement to the taxiway, constructing a new taxi lane, extending water and sewer lines and relocating power lines to facilitate the development of additional general aviation hangers in the aviation business park has been awarded \$6.0 million of BIL funding. The terminal expansion design has been awarded \$1.8 million of BIL funding. The replacement of an airport fire fighting vehicle has been awarded \$1.1 million of AIP entitlement funding.

YVRA has been awarded three separate grants related to the COVID-19 pandemic; the Coronavirus Aid, Relief, and Economic Security (CARES) Act for \$18.7 million, the Airport Coronavirus Response Grant Program (ACRGP) for \$1.3 million, and the American Rescue Plan Act (ARPA) for \$1.9 million. The COVID-19 funding is anticipated to decrease \$2.3 million or 100% to \$0 under the 2024 budget. In 2024, YVRA received the remaining funding from CARES Act, ACRGP, and ARPA grants to fund the operation and maintenance of the airport.

Phippsburg Water and Sanitation System increased \$.3 million or 100% to \$.3 million over the 2024 budget. During the application process in 2024, the grant funding source was changed from state funding to federal funding passed through the State to the County for the \$1.0 million DOLA grant and the \$.8 million State Revolving Fund (SRF) grant. The remaining balance of these grants, \$.3 million, is anticipated to be used towards the decommissioning of the lagoons in 2025.

Milner Sanitation System increased \$.4 million or 100% to \$.4 million over the 2024 budget. During the application process in 2024, the grant funding source was changed from state funding to federal funding passed through the State to the County for the \$1.0 million DOLA grant and the \$.8 million SRF grant. The remaining balance of these grants, \$.4 million, is anticipated to be used towards the decommissioning of the lagoons in 2025.

Fees

Fees are anticipated to increase \$.4 million or 3% to \$13.3 million over the 2024 budget primarily because of the changes noted below.

Yampa Valley Regional Airport (YVRA) fees increased by \$.1 million or 1% to \$10.7 million over the 2024 budget. Noted below are the primary reasons.

Airside fees are expected to increase \$.1 million or 2% to \$2.3 million over the 2024 budget due to the following items.

Fixed Based Operator (FBO) fees increased by \$.1 million or 10% to \$.9 million over the 2024 budget. The primary reason for the increase is due to the following items. FBO's landing fees increased \$.1 million or 27% to \$.3 million due to an increase in the overall general aviation activity through the FBO.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Commercial landing fees decreased \$.1 million or 5% to \$1.3 million due to a decrease in flights of 82 or 3% to 2,527 for 2025 compared to 2,609 in 2024 and a decrease in total landing weight of 13,587,846 or 4% to 295,741,618 for 2025 compared to 309,329,464 in 2024. The primary reason for the decrease in landing fees is related to Southwest Airlines decreasing their flights by 143 or 22% to 507 for 2025 as Southwest airplane deliveries have been delayed due to the ongoing Boeing management issues and Southwest has cut flights nationwide, which is only expected to be a temporary reduction. Enplanements for the fiscal year 2025 are expected to decrease by 7,000 or 3% to 231,000 due primarily to the Southwest situation mentioned above and is anticipated to be temporary. The overall load factor is expected to remain consistent at 73%. Landing fees remain constant at \$4.28 per thousand pounds of landed weight and were not raised due to the temporary nature of the Southwest airline situation and to remain competitive.

Terminal fees are budgeted to increase \$.1 million or 4% to \$2.2 million over the 2024 budget due to the following items. Square footage rent for airlines, car rentals, ground handling, and taxis increased by \$.1 million or 4% to \$2.1 million based on the new rates charged to commercial airlines related to increased personnel and operating costs due to inflation and rate making depreciation related to the terminal. Terminal square footage rent increased \$1.89 or 4% to \$49.43.

Landside fees are budgeted to remain consistent as 2024 fees at \$3.4 million.

Restaurant fees decreased \$.1 million or 6% to \$1.7 million under the 2024 budget due to decreased enplanements and traffic through the airport. Snack bar fees are anticipated to decrease \$.1 million or 7% to \$1.1 million under the 2024 budget due to the anticipated decrease in enplanements.

Regional Building Department fees are anticipated to increase \$.3 million or 15% to \$2.3 million over the 2024 budget due an increase in large commercial developments within the City of Steamboat Springs, Town of Hayden, the possible Stagecoach expansion and residential development in the City of Steamboat Springs.

Other Revenue

Other revenues are anticipated to increase \$.5 million or 38% to \$1.9 million over the 2024 budget. Noted below is the primary reasons.

Interest revenue is anticipated to increase \$.2 million or 27% to \$1.1 million over the 2024 budget due to a higher than anticipated average cash balance in 2025 versus 2024. The higher average 2025 cash balance results from a higher projected 2024 ending cash balance over to the 2024 budget. The reasons for higher 2024 ending cash balance are favorable budget variances due to YVRA capital projects being delayed due to Federal funding approvals happening to late in the year to start construction, and favorable revenue variances from the Regional Building Department related to significant increase in building permits on large construction projects. The County's 2025 budgeted interest rate on investments is unchanged from the 2024 budget at 3.0% based on longer maturities in the County's investment portfolio. The County's interest rate is anticipated to decrease to 1.5% from 2026 - 2029. Business Type Activities reserves are anticipated to decrease by the end of 2025 primarily due the completion of delayed 2024 capital projects in 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Yampa Valley Regional Airport Customer Facility Charges (CFC) from car rental companies are anticipated to increase \$.3 million or 90% to \$.6 million over the 2024 budget. The increase is related to the increase in rental car companies available for passengers from four in 2024 to six in 2025 providing more competition with the taxi, bus, and limousine services, which is anticipated to result in a significant increase in CFCs.

Expenses

Business Type Activities expenses are anticipated to increase \$3.8 million or 11% to \$39.2 million over the 2024 budget. Noted below are the primary reasons for the change in expenses.

Personnel

Business Type Activities personnel expenses increased \$.8 million to \$6.7 million or 13% over the 2024 budget. The primary changes in personnel costs are noted below.

Compensation initiatives include a 2.6% cost of living adjustment and step for \$.2 million.

Full-Time Equivalents (FTEs) increased by 3.79 FTEs or 7% to 61.83 FTEs. This change includes a 3.82 increase in FTEs and a (0.03) change in FTEs related to overtime.

Yampa Valley Regional Airport (YVRA) increased 2.81 FTEs or 5.91% to 50.39 FTEs due primarily to the following reasons. One full-time FTE Equipment Operations Technician is being added to back fill a current position. One full-time FTE Operations Safety and Security (OSS) Officer is being added to YVRA's aircraft rescue and fire fighting division due to YVRA exceeding the Federal Aviation Administration (FAA) Index C. YVRA is averaging more than five daily departure of aircraft with a length of less than 159 feet. An overall increase of .75 FTE in janitorial staff is due to the consistent year round passenger traffic through the airport.

Regional Building Department increased 0.98 FTE or 9% to 11.44 FTEs due primarily to the following reasons. The Department is adding a full time Assistant Building Official to help with the increased leadership roles the department is taking within the county and an increase in size and complexity of new commercial and residential construction.

Health Insurance expenses increased due to an increase in claims expenses. See the Governmental Activities Health Insurance section above for a detailed explanation. The overall impact of these changes is a \$.3 million increase in costs for 2025.

Operations

Business Type Activities operating costs are budgeted to increase \$1.7 million or 34% to \$6.5 million over the 2024 budget. The major changes in operating costs are noted below.

Yampa Valley Regional Airport operations increased \$.2 million or 4% to \$4.0 million over the 2024 budget. This increase is primarily due to the following items.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

County Overhead allocated to Yampa Valley Regional Airport increased by \$.1 million or 18% to \$.8 million. Accounting Department costs increased primarily from compensation and benefit increases above the prior year. Accounts payable (AP) costs increased related to the inclusion of unallocated accounts payable staff hours to accounts payable, which had not been done before. YVRA had an increase in the number of AP transactions of 8% and AP costs increased 20%. A new Accountant and new Accounting Manager have been cross trained due to promotions. The Board of County Commissioner costs increased primarily related to Equity, Diversity, and Inclusion (EDI) training, and the YVRA full-time equivalent (FTE) allocation increased 7%. Personnel Department costs increased 17% and YVRA FTEs increased by 5 resulting in a 11% increase in the allocation. Overall IT department costs increased by 9% primarily from compensation and benefit increases, and Communications increased due to the cost of replacement radios.

Rate Making Depreciation expense is anticipated to increase \$.1 million or 12% to \$.8 million. The primary reason for the increase is due to the purchase of a new rotary broom for snow removal and the replacement of the terminal boilers.

Operations and Safety has an expected increase of \$.1 million or 62% to \$.3 million over the 2024 budget. The primary reason for the increase is due to the increase in rescue vehicle maintenance of \$.1 million or 2,000% to \$.1 million. YVRA is required by regulations to hire a company to clean the rescue trucks of the old Polyfluoroalkyl Substances (PFAS) firefighting foam, which is a hazardous material.

Regional Building operations are anticipated to increase \$.2 million or 22% to \$1 million above the prior year's budget due to the following changes: County overhead is anticipated to increase due to an increase in support from other departments. Additionally, payments to Steamboat Springs for the land management software operating costs are anticipated to increase \$.1 million or 100% to \$.1 million due to moving their permitting software to an off-premise hosting solution.

Phippsburg Water and Sanitation System operations increased \$.7 million or 700% to \$.8 million over the 2024 budget. This increase is primarily due to the following items. Lagoon decommissioning increased \$.7 million or 100% to \$.7 million as part of the replacement wastewater treatment plant project.

Milner Sanitation System operations increased \$.6 million or 600% to \$.7 million over the 2024 budget. This increase is primarily due to the following items. Lagoon decommissioning increased \$.6 million or 100% to \$.6 million as part of the replacement wastewater treatment plant project.

Capital

Business Type Activities capital costs are anticipated to increase \$1.7 million to \$24.5 million or 7% over the 2024 budget. Noted below are the primary reasons for the changes in capital.

Yampa Valley Regional Airport's (YVRA) capital expense increased by \$8.5 million or 53% to \$24.5 million over the 2024 budget. YVRA is planning for six projects, one new vehicle, three replacement vehicles, and seven pieces of equipment in 2025 compared to six projects, one vehicle, three replacement vehicles, and four pieces of equipment in 2024. The following is a more detailed explanation of the capital increases.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Airside - In 2024, Airside planned to complete the runway 28 blast pad, taxiway and connector rehabilitation, taxiway shoulders, and relocation of connector A4 construction for \$8.5 million. However, due to grant funding delays and cost estimates, the project has been delayed to 2025. Airside planned to replace two plow trucks in 2024, but due to material constraints, the trucks have been delayed and withheld for future replacements. In 2025, Airside is budgeting for the following projects. A runway 28 blast pad, taxiway and connector rehabilitation, taxiway shoulders, and relocation connector A4 construction for \$12 million, and improving the taxiway, constructing a new taxiway, extending water and sewer lines, and relocating power lines to facilitate the development of additional general aviation hangers for the aviation business park for \$7.4 million.

Terminal - In 2024, Terminal budgeted \$5.1 million for Phase I of the terminal area plan design, engineering, environmental studies, and hangar demolition. In 2025, Terminal is budgeting \$2.2 million for continued design and engineering costs for the terminal expansion and \$.9 million for the construction of Phase 1 of the terminal expansion.

Safety - In 2025, Safety is planning to purchase a new Aircraft Rescue and Fire Fighting (ARFF) truck for \$1.3.

The remainder of the increases in capital expenditures are for other minor capital additions.

Phippsburg Water and Sanitation System capital expense decreased \$3.7 million or 100% to \$0 under the 2024 budget. The 2024 budget included \$3.7 million for the mechanical wastewater treatment plant that will replace the lagoons for the sanitation system. The replacement wastewater system was anticipated to be completed in 2024.

Milner Sanitation System capital expense decreased \$3.1 million or 100% to \$0 under the 2024 budget. The 2024 budget included \$3.1 million for the mechanical wastewater treatment plant that will replace the lagoons for the sanitation system. The replacement wastewater system was anticipated to be completed in 2024.

Debt Proceeds

Business Type Activities debt proceeds are expected to decrease \$1.6 million or 100% to \$0 under the 2024 budget.

Phippsburg Water and Sanitation System debt proceeds are expected to decrease \$.8 or 100% to \$0 under the 2024 budget. The decrease is due to the loan through the Colorado Water Resources and Power Development Authority (Power Authority) to help with the construction of the new wastewater treatment plant to replace the lagoons in 2024.

Milner Sanitation System debt proceeds are expected to decrease \$.8 million or 100% to \$0 under the 2024 budget. The decrease is due to the loan through the Power Authority to help with the construction of the new wastewater treatment plant to replace the lagoons in 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ROUTT COUNTY, COLORADO
December 31, 2024

Long-term Debt

Debt service is projected to be consistent with the 2024 budget at \$1.5 million.

Phippsburg Water and Sanitation System debt service remains consistent with the 2024 budget at \$.8 million. The debt service represents a full year of interest and principal payments and advance payment of the loan to pay off 100% of the principle balance and interest in 2025.

Milner Sanitation System debt service remains consistent with the 2024 budget at \$.8 million. The debt service represents a full year of interest and principal payments and advance payment of the loan to pay off 100% of the principle balance and interest in 2025.

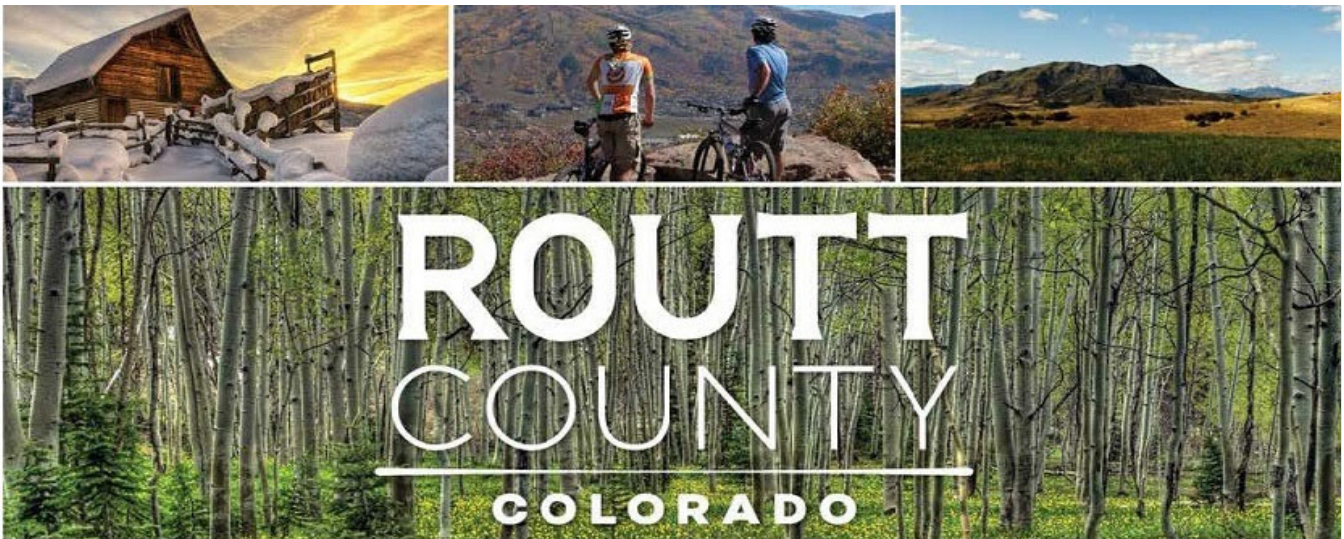
Conclusion

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

Right now, the long-term forecast projects a balanced budget. The 2025 budget is a snapshot in time based on both known factors and certain assumptions. This financial plan will need to be revised by the County to respond to changing economic conditions. As new financial information becomes available, management will respond appropriately to maintain the County's overall financial well-being.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Routt County Finance Office, Suite 111, 136 6th Street, Steamboat Springs, CO 80487, or by phone at 970-870-5313 or on the website at co.routt.co.us.



Routt County, Colorado
Statement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 57,512,417	\$ 42,006,671	\$ 99,519,088
Restricted cash and investments	-	1,421,935	1,421,935
Receivables (net of allowance for uncollectibles)	734,000	982,862	1,716,862
Lease receivable	637,888	7,945,948	8,583,836
Due from other governments	3,601,965	2,163,157	5,765,122
Internal balances	(786,516)	786,516	-
Prepays and inventories	270,902	112,461	383,363
Property tax receivable	28,223,715	-	28,223,715
Noncurrent assets:			
Capital assets not being depreciate/amortized	68,676,993	31,566,713	100,243,706
Capital assets, net of depreciation/amortization	76,581,584	41,917,792	118,499,376
Total assets	<u>235,452,948</u>	<u>128,904,055</u>	<u>364,357,003</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	11,993	-	11,993
Total assets and deferred outflows of resources	<u>235,464,941</u>	<u>128,904,055</u>	<u>364,368,996</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	2,983,018	1,569,238	4,552,256
Unearned revenue	1,393,441	1,643,823	3,037,264
Noncurrent liabilities:			
Due within one year	2,203,395	273,859	2,477,254
Due in more than one year	1,825,501	525,427	2,350,928
Total liabilities	<u>8,405,355</u>	<u>4,012,347</u>	<u>12,417,702</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	28,223,715	-	28,223,715
Leases	637,888	7,945,948	8,583,836
Total liabilities and deferred inflows of resources	<u>37,266,958</u>	<u>11,958,295</u>	<u>49,225,253</u>
NET POSITION			
Net investment in capital assets	143,754,617	72,976,880	216,731,497
Restricted	8,990,965	1,855,671	10,846,636
Unrestricted	45,452,401	42,113,209	87,565,610
Total net position	<u>\$ 198,197,983</u>	<u>\$ 116,945,760</u>	<u>\$ 315,143,743</u>

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

Routt County, Colorado
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs					Net (Expense) Revenue and Changes in Net Position		
	Program Expenses	Charges for Services	Program Revenues		Primary Government		Total
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Administration	\$ 10,304,458	\$ 186,384	\$ 223,497	\$ 128,153	\$ (9,766,424)	\$ -	\$ (9,766,424)
Community resources	13,503,917	768,692	1,323,317	-	(11,411,908)	-	(11,411,908)
Property tax administration	3,012,058	2,162,684	10,575	19,219	(819,580)	-	(819,580)
Public safety	14,076,882	982,094	682,313	-	(12,412,475)	-	(12,412,475)
Road and bridge	12,297,229	218,677	5,892,608	5,187,285	(998,659)	-	(998,659)
Human services	6,800,350	-	5,400,977	-	(1,399,373)	-	(1,399,373)
Interest expense on long-term debt, leases, SBITAs	110,275	-	-	-	(110,275)	-	(110,275)
Total governmental activities	<u>60,105,169</u>	<u>4,318,531</u>	<u>13,533,287</u>	<u>5,334,657</u>	<u>(36,918,694)</u>	<u>-</u>	<u>(36,918,694)</u>
Business-type activities:							
Yampa Valley Regional Airport	12,111,325	10,395,380	2,073,181	2,063,821	-	2,421,057	2,421,057
Regional Building Department	2,134,185	3,364,202	-	-	-	1,230,017	1,230,017
Water and sewer	452,389	258,402	-	3,251,509	-	3,057,522	3,057,522
Total business-type activities	<u>14,697,899</u>	<u>14,017,984</u>	<u>2,073,181</u>	<u>5,315,330</u>	<u>-</u>	<u>6,708,596</u>	<u>6,708,596</u>
Total primary government	<u>\$ 74,803,068</u>	<u>\$ 18,336,515</u>	<u>\$ 15,606,468</u>	<u>\$ 10,649,987</u>	<u>(36,918,694)</u>	<u>6,708,596</u>	<u>(30,210,098)</u>
General revenues:							
Property taxes					28,993,829	-	28,993,829
Sales taxes					15,998,401	495,050	16,493,451
Unrestricted investment earnings					3,424,429	1,523,587	4,948,016
Lease interest income					20,379	168,000	188,379
Gain on disposal of capital assets					260,343	8,723	269,066
Transfers					(35,476)	35,476	-
Total general revenues and transfers					<u>48,661,905</u>	<u>2,230,836</u>	<u>50,892,741</u>
Change in net position					11,743,211	8,939,432	20,682,643
Net position - beginning, as previously reported					186,585,044	108,006,328	294,591,372
Restatement due to adoption of GASB 101					(130,272)	-	(130,272)
Net position - beginning, as restated					<u>186,454,772</u>	<u>108,006,328</u>	<u>294,461,100</u>
Net position - ending					<u>\$ 198,197,983</u>	<u>\$ 116,945,760</u>	<u>\$ 315,143,743</u>

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

Routt County, Colorado
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	Road & Bridge	Human Services	Communications	Total Governmental Funds
ASSETS					
Cash and investments	\$ 29,257,991	\$ 7,788,414	\$ 473,281	\$ 3,703,644	\$ 41,223,330
Accounts receivable (net of allowance for uncollectibles)	132,846	-	1,218	132,050	266,114
Property taxes receivable	24,602,690	811,434	991,978	1,817,613	28,223,715
Lease receivable	-	230,317	-	407,571	637,888
Due from other governments	1,688,631	1,149,607	469,539	11,478	3,319,255
Prepaid expenses	102,167	8,264	2,289	19,000	131,720
Inventory	-	52,127	-	-	52,127
Total assets	<u>55,784,325</u>	<u>10,040,163</u>	<u>1,938,305</u>	<u>6,091,356</u>	<u>73,854,149</u>
LIABILITIES					
Accounts payable	1,671,199	288,073	185,783	100,026	2,245,081
Due to other governments	-	-	1,345	-	1,345
Unearned revenue	334,696	706,962	351,783	-	1,393,441
Total liabilities	<u>2,005,895</u>	<u>995,035</u>	<u>538,911</u>	<u>100,026</u>	<u>3,639,867</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	24,602,690	811,434	991,978	1,817,613	28,223,715
Leases	-	230,317	-	407,571	637,888
Total deferred inflow of resources	<u>24,602,690</u>	<u>1,041,751</u>	<u>991,978</u>	<u>2,225,184</u>	<u>28,861,603</u>
Total liabilities and deferred inflows of resources	<u>26,608,585</u>	<u>2,036,786</u>	<u>1,530,889</u>	<u>2,325,210</u>	<u>32,501,470</u>
FUND BALANCES					
Nonspendable	102,167	60,391	2,289	19,000	183,847
Restricted	8,990,965	-	-	-	8,990,965
Committed					
General Fund	20,082,608	-	-	-	20,082,608
Special revenue funds	-	7,942,986	405,127	3,747,146	12,095,259
Total fund balances	<u>29,175,740</u>	<u>8,003,377</u>	<u>407,416</u>	<u>3,766,146</u>	<u>41,352,679</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 55,784,325</u>	<u>\$ 10,040,163</u>	<u>\$ 1,938,305</u>	<u>\$ 6,091,356</u>	<u>\$ 73,854,149</u>

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

Routt County, Colorado
Reconciliation of Governmental Funds Balance Sheet
to Governmental Activities Statement of Net Position
December 31, 2024

Total governmental fund balances	\$ 41,352,679
Internal service funds are used by management to charge the cost of fleet management, information technologies, emergency communications, facilities management, casualty and property insurance, and employee health and dental insurance to individual funds. In addition, internal service funds provide a systematic method to replace capital assets and to finance partially self-insured casualty and property, health, and dental insurance programs. The assets and liabilities of the internal service funds are included in governmental activities statement of net position, except for the cross over adjustment required for the consolidation of the insurance pool, an internal service fund for casualty and property insurance, and employee health and dental insurance, to the business-type activities.	70,675,853
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds.	(2,521,873)
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds.	(222,416)
Road and bridge infrastructure used in governmental activities is not a financial resource and, therefore, is not reported in the funds.	88,395,786
Long-term liabilities and related items, including subscription liabilities and leases are not due and payable in the current year and, therefore, are not reported in the funds.	235,289
Current assets not collected within 60 days of December 31, 2024 and are not available as a current period resource, therefore, not included in governmental funds.	282,665
Net position of governmental activities	<u><u>\$ 198,197,983</u></u>

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

Routt County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General Fund	Road & Bridge	Human Services	E911 Communications	Total Governmental Funds
REVENUES					
Property taxes	\$ 25,640,896	\$ 931,486	\$ 669,561	\$ 1,751,886	\$ 28,993,829
Sales taxes	12,010,143	3,988,258	-	-	15,998,401
Intergovernmental	3,648,267	6,506,137	5,190,373	200,791	15,545,568
Charges for sales and services	6,185,642	213,300	-	769,690	7,168,632
Investment earnings	2,870,196	-	-	-	2,870,196
Lease interest income	-	7,331	-	13,048	20,379
Operating grants	-	-	250,706	-	250,706
Contributions and donations	-	4,406,364	-	-	4,406,364
Total revenues	<u>50,355,144</u>	<u>16,052,876</u>	<u>6,110,640</u>	<u>2,735,415</u>	<u>75,254,075</u>
EXPENDITURES					
Administration	11,962,379	-	-	-	11,962,379
Community resources	13,490,236	-	-	-	13,490,236
Property tax administration	2,980,040	-	-	-	2,980,040
Public safety	11,297,682	-	-	2,400,732	13,698,414
Road and bridge	-	16,535,500	-	-	16,535,500
Human services	-	-	6,789,352	-	6,789,352
Capital outlay	40,855	-	-	-	40,855
Debt service					
Principal	256,723	-	-	-	256,723
Interest	14,212	-	-	-	14,212
Total expenditures	<u>40,042,127</u>	<u>16,535,500</u>	<u>6,789,352</u>	<u>2,400,732</u>	<u>65,767,711</u>
Excess (deficiency) of revenues over expenditures	<u>10,313,017</u>	<u>(482,624)</u>	<u>(678,712)</u>	<u>334,683</u>	<u>9,486,364</u>
OTHER FINANCING SOURCES (USES)					
Debt financing from leases	9,400	-	-	-	9,400
Debt financing from SBITAs	12,395	-	-	-	12,395
Transfers in	-	-	659,572	-	659,572
Transfers out	(3,925,599)	(316,326)	-	(9,589)	(4,251,514)
Total other financing sources (uses)	<u>(3,903,804)</u>	<u>(316,326)</u>	<u>659,572</u>	<u>(9,589)</u>	<u>(3,570,147)</u>
Net change in fund balances	6,409,213	(798,950)	(19,140)	325,094	5,916,217
Fund balances - beginning	22,766,527	8,802,327	426,556	3,441,052	35,436,462
Fund balances - ending	<u>\$ 29,175,740</u>	<u>\$ 8,003,377</u>	<u>\$ 407,416</u>	<u>\$ 3,766,146</u>	<u>\$ 41,352,679</u>

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

Routt County, Colorado
Reconciliation of the Statement of Revenues
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Governmental Statement of Activities
For the Year Ended December 31, 2024

Net change in fund balance - total governmental funds	\$	5,916,217
<p>The internal service funds are used by management to charge the cost of fleet management, information systems, emergency communications, building and plant and employee health insurance to individual funds. In addition, the internal service funds provide a systematic method to replace capital assets and to finance a partially self-insured health insurance program.</p>		
		3,251,613
<p>Change in compensated absences, which do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
		(274,004)
<p>Governmental funds reports capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays of \$40,855 were less than the depreciation/amortization of (\$263,271) in the current period.</p>		
		(222,416)
<p>The Road and Bridge fund reports infrastructure capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$6,091,568 were greater than the depreciation of (\$1,863,383) and loss on disposal of assets of (\$117,891) in the current period.</p>		
		4,110,294
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, there is no effect on net position.</p>		
		256,723
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items; debt financing from leases (\$12,395) and subscriptions (\$9,400).</p>		
		(21,795)
<p>Revenue reported in governmental activities, which is not a current financial resource and therefore, not reported in the funds.</p>		
		<u>(1,273,421)</u>
Change in net position of governmental activities	\$	<u>11,743,211</u>

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

Routt County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-type Activities			Governmental Activities	
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 32,929,788	\$ 7,690,387	\$ 1,386,496	\$ 42,006,671	\$ 16,289,087
Restricted cash and investments	-	-	1,421,935	1,421,935	-
Accounts receivable (net of allowance for uncollectibles)	970,761	140	11,962	982,863	460,887
Lease receivable	7,945,948	-	-	7,945,948	-
Due from other governments	731,015	451	1,431,691	2,163,157	7,046
Prepaid expenses	-	-	-	-	45,002
Inventory	112,461	-	-	112,461	42,053
Total current assets	<u>42,689,973</u>	<u>7,690,978</u>	<u>4,252,084</u>	<u>54,633,035</u>	<u>16,844,075</u>
Noncurrent assets:					
Land and improvements (non-depreciable/non-amortizable)	24,190,502	-	39,894	24,230,396	3,092,916
Land improvements (depreciable/amortizable)	42,061,127	-	-	42,061,127	2,543,175
Buildings	31,526,877	-	-	31,526,877	56,337,260
Equipment	14,706,884	-	-	14,706,884	36,625,311
Water system	1,006,010	-	977,962	1,983,972	-
Sewer system	473,873	-	1,311,645	1,785,518	-
Other (depreciable)	1,070,984	-	-	1,070,984	1,943,061
Other (non-depreciable)	-	-	-	-	803,173
Subscription asset	40,656	-	-	40,656	10,638
Construction in progress	2,419,959	-	4,916,358	7,336,317	1,529,272
Accumulated depreciation/amortization	(49,291,636)	-	(1,966,590)	(51,258,226)	(46,313,230)
Total noncurrent assets	<u>68,205,236</u>	<u>-</u>	<u>5,279,269</u>	<u>73,484,505</u>	<u>56,571,576</u>
Total assets	<u>110,895,209</u>	<u>7,690,978</u>	<u>9,531,353</u>	<u>128,117,540</u>	<u>73,415,651</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	-	-	-	-	11,993
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,993</u>
Total assets and deferred outflows of resources	<u>110,895,209</u>	<u>7,690,978</u>	<u>9,531,353</u>	<u>128,117,540</u>	<u>73,427,644</u>
LIABILITIES					
Current liabilities:					
Accounts payable	953,062	72,543	321,917	1,347,522	370,480
Compensated absences	179,262	33,332	-	212,594	12,436
Claims liability	-	-	-	-	323,189
Accrued interest	-	-	4,110	4,110	3,236
Retainage payable	7,973	-	209,633	217,606	39,689
Unearned revenue	-	1,643,823	-	1,643,823	-
Current portion of long-term debt (net of unamortized discount)	-	-	55,509	55,509	1,194,385
Current portion of lease payable	-	-	-	-	301
Current portion of subscription payable	5,756	-	-	5,756	-
Total current liabilities	<u>1,146,053</u>	<u>1,749,698</u>	<u>591,169</u>	<u>3,486,920</u>	<u>1,943,716</u>
Noncurrent liabilities:					
Compensated absences	226,127	70,546	-	296,673	21,559
Loans payable	-	-	228,754	228,754	-
Total noncurrent liabilities	<u>226,127</u>	<u>70,546</u>	<u>228,754</u>	<u>525,427</u>	<u>21,559</u>
Total liabilities	<u>1,372,180</u>	<u>1,820,244</u>	<u>819,923</u>	<u>4,012,347</u>	<u>1,965,275</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	7,945,948	-	-	7,945,948	-
Total deferred inflows of resources	<u>7,945,948</u>	<u>-</u>	<u>-</u>	<u>7,945,948</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	68,191,507	-	4,785,373	72,976,880	55,349,194
Restricted	354,298	-	1,501,373	1,855,671	-
Unrestricted	33,031,276	5,870,734	2,424,684	41,326,694	16,113,175
Total net position	<u>\$ 101,577,081</u>	<u>\$ 5,870,734</u>	<u>\$ 8,711,430</u>	<u>\$ 116,159,245</u>	<u>\$ 71,462,369</u>

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

Routt County, Colorado
Reconciliation of Enterprise Funds Statement of Net Position
to Business-Type Activities Statement of Net Position
December 31, 2024

Total enterprise funds net position	\$ 116,159,245
Cross over adjustment to reflect the consolidation of the insurance pool, an internal service fund for employee health insurance, to the business-type activities.	786,515
Net position of business-type activities	\$ 116,945,760

Routt County, Colorado
Reconciliation of the Statement of Revenues,
Expenses, and Changes in Net Position of Enterprise Funds
to the Business-Type Statement of Activities
For the Year Ended December 31, 2024

Change in net position - total enterprise funds	\$ 9,021,951
Cross over adjustment to reflect the consolidation of the insurance pool, an internal service fund for employee health insurance, to the business-type activities.	(82,519)
Change in net position of business-type activities	\$ 8,939,432

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

Routt County, Colorado
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities				Governmental
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Sales taxes	\$ 495,050	\$ -	\$ -	\$ 495,050	\$ -
Charges for sales and services	10,395,380	3,364,202	258,402	14,017,984	-
Operating grants	14,064	-	-	14,064	-
Internal service fees	-	-	-	-	11,668,109
Insurance proceeds	-	-	-	-	1,616,487
Total operating revenues	<u>10,904,494</u>	<u>3,364,202</u>	<u>258,402</u>	<u>14,527,098</u>	<u>13,284,596</u>
OPERATING EXPENSES					
Salaries and benefits	4,495,391	1,347,608	-	5,842,999	440,351
Depreciation	4,894,040	-	17,857	4,911,897	3,470,941
Amortization	10,967	-	-	10,967	3,553
Claims	-	-	-	-	6,683,892
Repairs and maintenance	434,196	-	9,157	443,353	1,467,330
Purchased services and supplies	2,212,822	767,800	137,055	3,117,677	2,122,878
Total operating expenses	<u>12,047,416</u>	<u>2,115,408</u>	<u>164,069</u>	<u>14,326,893</u>	<u>14,188,945</u>
Operating income (loss)	<u>(1,142,922)</u>	<u>1,248,794</u>	<u>94,333</u>	<u>200,205</u>	<u>(904,349)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,361,003	-	162,582	1,523,585	554,229
Lease interest income	168,000	-	-	168,000	-
Interest expense	-	-	(16,971)	(16,971)	(96,063)
Interest expense - SBITA	(380)	-	-	(380)	-
Amortization of refunding debt insurance	-	-	-	-	(3,751)
Lagoon decommissioning	-	-	(271,134)	(271,134)	-
Gain (loss) on disposal of capital assets	8,723	-	-	8,723	62,563
Total nonoperating revenues (expenses)	<u>1,537,346</u>	<u>-</u>	<u>(125,523)</u>	<u>1,411,823</u>	<u>516,978</u>
Income (loss) before contributions and transfers	394,424	1,248,794	(31,190)	1,612,028	(387,371)
Transfers in	-	35,476	-	35,476	3,591,942
Transfers out	-	-	-	-	(35,476)
Capital grants	2,063,821	-	1,687,679	3,751,500	-
Loan forgiveness proceeds	-	-	1,563,830	1,563,830	-
Intergovernmental	2,059,117	-	-	2,059,117	-
Change in net position	<u>4,517,362</u>	<u>1,284,270</u>	<u>3,220,319</u>	<u>9,021,951</u>	<u>3,169,095</u>
Total Net position - beginning, as previously reported	97,059,719	4,586,464	5,491,111	107,137,294	68,310,010
Restatement due to adoption of GASB 101	-	-	-	-	(16,736)
Total Net position - beginning, as restated	<u>97,059,719</u>	<u>4,586,464</u>	<u>5,491,111</u>	<u>107,137,294</u>	<u>68,293,274</u>
Total Net position - ending	<u>\$ 101,577,081</u>	<u>\$ 5,870,734</u>	<u>\$ 8,711,430</u>	<u>\$ 116,159,245</u>	<u>\$ 71,462,369</u>

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

Routt County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 10,745,891	\$ 3,276,411	\$ 257,522	\$ 14,279,824	\$ -
Receipts from interfund services provided	-	-	-	-	11,799,838
Receipts from insurance	-	-	-	-	1,889,044
Payments to suppliers	(2,849,156)	(825,153)	(149,645)	(3,823,954)	(3,543,091)
Payments to employees	(4,417,553)	(1,326,308)	-	(5,743,861)	(442,778)
Payments to claims	-	-	-	-	(6,571,840)
Net cash provided (used) by operating activities	<u>3,479,182</u>	<u>1,124,950</u>	<u>107,877</u>	<u>4,712,009</u>	<u>3,131,173</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Collections for other governments	3,907,748	41,128	-	3,948,876	-
Payments to other governments for collections	-	(41,625)	-	(41,625)	-
Lease interest	168,000	-	-	168,000	-
Lagoon decommissioning	-	-	(271,134)	(271,134)	-
Net cash provided (used) by noncapital financing activities	<u>4,075,748</u>	<u>(497)</u>	<u>(271,134)</u>	<u>3,804,117</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the sale of capital assets	8,723	-	-	8,723	255,299
Capital grants	2,473,086	-	498,429	2,971,515	-
Loan forgiveness proceeds	-	-	1,563,830	1,563,830	-
Debt proceeds	-	-	302,609	302,609	-
Acquisition and construction of capital assets	(1,795,815)	-	(3,716,332)	(5,512,147)	(4,253,015)
Principal paid on capital debt	-	-	(53,750)	(53,750)	(1,160,000)
Interest paid on capital debt	-	-	(13,451)	(13,451)	(78,040)
Principal paid on leased liability	-	-	-	-	(3,553)
Interest paid on leased liability	-	-	-	-	(69)
Principal paid on SBITA liability	(11,062)	-	-	(11,062)	-
Interest paid on SBITA liability	(380)	-	-	(380)	-
Transfers in	-	35,476	-	35,476	3,591,942
Transfers out	-	-	-	-	(35,476)
Net cash provided (used) by capital and related financing activities	<u>674,552</u>	<u>35,476</u>	<u>(1,418,665)</u>	<u>(708,637)</u>	<u>(1,682,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Earnings on investments	1,361,007	-	162,582	1,523,589	554,230
Net purchases and sales of investments	(21,785,707)	(5,068,610)	1,455,023	(25,399,294)	(653,630)
Net cash provided (used) by investing activities	<u>(20,424,700)</u>	<u>(5,068,610)</u>	<u>1,617,605</u>	<u>(23,875,705)</u>	<u>(99,400)</u>
Net increase (decrease) in cash and cash equivalents	(12,195,218)	(3,908,681)	35,683	(16,068,216)	1,348,861
Cash and cash equivalents - beginning of year	18,134,665	5,298,057	471,721	23,904,443	1,594,121
Cash and cash equivalents - end of the year	5,939,447	1,389,376	507,404	7,836,227	2,942,982
Investments	26,990,341	6,301,011	2,301,027	35,592,379	13,346,105
Cash and investments - end of the year	<u>\$ 32,929,788</u>	<u>\$ 7,690,387</u>	<u>\$ 2,808,431</u>	<u>\$ 43,428,606</u>	<u>\$ 16,289,087</u>

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

Routt County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities
	Yampa Valley Regional Airport	Regional Building Department	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,142,922)	\$ 1,248,794	\$ 94,333	\$ 200,205	\$ (904,349)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	4,894,040	-	17,857	4,911,897	3,470,941
Amortization	10,967	-	-	10,967	3,553
Noncapital financing activities					
Due from other governments	(1,848,631)	-	-	(1,848,631)	-
Capital financing activities					
Capital grants and transfers					
Accounts receivable	27,617	-	-	27,617	-
Due from other governments	(436,882)	-	1,189,250	752,368	-
Capital assets					
Accounts payable	329,167	-	(285,216)	43,951	(197,756)
Retainage payable	(189,636)	-	-	(189,636)	(18,430)
Debt service					
Accrued interest	-	-	(2,645)	(2,645)	3,142
Changes in assets and liabilities:					
(Increase) decrease					
Accounts receivable	(204,810)	(140)	(880)	(205,830)	404,286
Due from other governments	2,327,782	(451)	(1,189,250)	1,138,081	(3,153)
Inventory	16,174	-	-	16,174	2,315
Prepaid expenses	5,900	-	-	5,900	21,831
Increase (decrease)					
Accounts payable	(524,402)	(41,844)	281,783	(284,463)	230,011
Accrued interest	-	-	2,645	2,645	(3,142)
Compensated absences	25,182	5,791	-	30,973	(8,558)
Claims liability	-	-	-	-	112,052
Unearned revenue	-	(87,200)	-	(87,200)	-
Retainage payable	189,636	-	-	189,636	18,430
Total adjustments	<u>4,622,104</u>	<u>(123,844)</u>	<u>13,544</u>	<u>4,511,804</u>	<u>4,035,522</u>
Net cash provided (used) by operating activities	<u>\$ 3,479,182</u>	<u>\$ 1,124,950</u>	<u>\$ 107,877</u>	<u>\$ 4,712,009</u>	<u>\$ 3,131,173</u>
Noncash investing, capital and financing activities					
Increase (decrease) in fair value of investments	\$ 114,491	\$ 26,728	\$ 9,761	\$ 150,980	\$ 56,614
Amortization related to refunding debt issue	-	-	-	-	(24,849)

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

Routt County, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	<u>Employee Retirement Plan</u>	<u>Custodial Funds</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ -	\$ 1,900,421	\$ 1,900,421
Investments restricted for retirement benefits	44,369,403	-	44,369,403
Property tax receivable	-	78,829,490	78,829,490
Total assets	<u>44,369,403</u>	<u>80,729,911</u>	<u>125,099,314</u>
LIABILITIES			
Due to other governments	-	1,606,118	1,606,118
Funds held for others	-	171,680	171,680
Total liabilities	<u>-</u>	<u>1,777,798</u>	<u>1,777,798</u>
DEFERRED INFLOW OF RESOURCES			
Property taxes	-	78,829,490	78,829,490
Total deferred inflow of resources	<u>-</u>	<u>78,829,490</u>	<u>78,829,490</u>
NET POSITION			
Restricted			
Individuals, organizations and other governments	-	122,623	122,623
Retirement benefits	44,369,403	-	44,369,403
Total net position	<u>\$ 44,369,403</u>	<u>\$ 122,623</u>	<u>\$ 44,492,026</u>

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

Routt County, Colorado
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	Employee Retirement Plan	Custodial Funds	Total
ADDITIONS			
Employee contributions	\$ 1,545,631	\$ -	\$ 1,545,631
Employer contributions	1,545,631	-	1,545,631
Total contributions	3,091,262	-	3,091,262
Investment gain / (loss)	5,214,741	-	5,214,741
Tax collections for other governments	-	90,067,614	90,067,614
Public trustee activity	-	257,540	257,540
Funds held for others	-	18,027,178	18,027,178
Sales	-	49,946	49,946
Total additions	<u>8,306,003</u>	<u>108,402,278</u>	<u>116,708,281</u>
DEDUCTIONS			
Benefits paid to participants	3,269,092	-	3,269,092
Transfers to other plans	57,728	-	57,728
Taxes disbursed to other governments	-	90,067,614	90,067,614
Public trustee disbursements	-	257,540	257,540
Disbursements of funds held for others	-	18,023,058	18,023,058
Cost of goods sold	-	47,898	47,898
Total deductions	<u>3,326,820</u>	<u>108,396,110</u>	<u>111,722,930</u>
Net increase (decrease) in fiduciary net position	4,979,183	6,168	4,985,351
Net position, beginning	39,390,220	116,455	39,506,675
Net position, ending	<u>\$ 44,369,403</u>	<u>\$ 122,623</u>	<u>\$ 44,492,026</u>

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

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

Blended Component Units

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

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

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

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Government-wide Financial Statements

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

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

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

E911 Communications - to account for the operation of the E911 communications system. The E911 Communications Center provides dispatch services to local law enforcement, fire protection, and ambulance agencies, as well as monitoring certain alarm systems and the emergency 911 (E-911) phone system. Financing is provided by property tax revenue and an E-911 surcharge fee.

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

The County reports the following major proprietary funds:

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

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

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

Equipment Pool – to account for the financing of buildings, vehicles, heavy equipment, computer equipment, E911 communications equipment, and office equipment purchases. Fees are charged for usage of the capital assets to each department/fund. The fund accounts for the operation and maintenance of the vehicles and heavy equipment.

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

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

The County reports the following fiduciary funds:

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

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

Measurement Focus and Basis of Accounting

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

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

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

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

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

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

Cash and Investments

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

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

Accounts Receivable

Receivables are presented net of allowance for uncollectible accounts of \$255,278 and \$139,937 in the Human Services Fund and Yampa Valley Regional Airport, respectively.

Prepaid Items

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

Capital Assets and Depreciation/Amortization

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

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

Compensated Absences

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

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

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

Long-term Obligations

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Fund Balance

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

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

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

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

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

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

Deferred Outflows/Inflows of Resources

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

Leases

Lessee

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

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

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

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

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

Lessor

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

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

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

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

Subscription Based Information Technology Arrangements (SBITA)

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

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

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

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

Net Position

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

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

Reclassifications

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

Estimates

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

Basis of Budgeting

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

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

Expenditures may not legally exceed appropriations for personnel, operations, capital, debt service or transfers at the department level. Changes in the total budget of any department must be approved by the Board of County Commissioners and accompanied by a public hearing for taxpayer comments. Final budgeted amounts included in the financial statements are based on the final, legally amended budget. During 2024, no department exceeded its budget. All budget amounts presented in the Required Supplementary Information and Supplementary Information reflect the original budget and the final amended budget.

Budget appropriations lapse at the end of the year.

Budgets for the General Fund, the Road and Bridge Fund, the Human Services Fund, and the E911 Communications Fund are adopted on a basis consistent with generally accepted accounting principles. Annual appropriation budgets for all enterprise and internal service funds, are adopted on a non-GAAP budget basis, and are reconciled to GAAP basis in schedules within the Required Supplementary Information and Supplementary Information, as applicable.

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

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

Implementation of new GASB Statements

As of January 1, 2024, the County implemented GASB Statement No. 100 (GASB 100), Accounting Changes and Error Correction-an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

As of January 1, 2024, the County implemented GASB Statement No. 101 (GASB 101), Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences and associated salary-related payments, including certain defined contribution pension and defined contribution other postemployment benefits (OPEB).

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

NOTE 2: DEPOSITS AND INVESTMENTS

Investment Type	Investment Maturities			
	Fair Market Value	Up to 120 days	120 Days up to 1 year	More than 1 year and less than 4 years
U.S. Treasuries	\$ 65,576,446	\$10,031,730	\$ 16,504,715	\$39,040,001
Commercial Paper	1,958,846	-	1,958,846	-
U.S. Instrumentalities	14,691,819	1,005,109	1,011,350	12,675,360
Total	82,227,111	\$11,036,839	\$ 19,474,911	\$51,715,361

Deposits and Other Investments:

Cash on Hand	166,038
Demand Deposits	6,756,256
Certificates of Deposit	2,033,761
Government Investment Pools	11,658,278
Retirement Plans	44,369,403
Total Deposits and Investments	\$147,210,847

Investments

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

The County categorizes its fair value measurements based on the valuation inputs used to measure the fair value of the asset using the following hierarchy: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. As of December 31, 2024, the County has U.S. Treasury securities, commercial paper, and U.S. instrumentalities of \$65,576,446, \$1,958,846, and \$14,691,819, respectively, with fair value measurements valued using quoted market prices in active markets, pricing models or pricing matrices (Level 2 inputs).

The County recognizes gains or losses on investments at the time the investment matures, which is a separate calculation from the net change in fair market value of the investment and recorded as an increase or decrease in investment income. As of December 31, 2024, the County has an unrealized gain from the net change in fair market value of investments of \$357,428 due to higher interest rates in 2024.

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Interest Rate Risk

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

Credit Risk

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

Government investment pools are reported at net asset value or amortized cost, with each share valued at \$1.00. COLOTRUST reports its underlying investments of \$8,310,579 at fair value. CSAFE reports its underlying investments of \$3,347,699 at amortized cost. The Colorado Division of Securities routinely monitors the investment pools with regard to operations and investments. Investments consist of U.S. Treasury Notes and other similar investments. Financial statements for the County's government investment pools are available at www.colotruster.com and www.csafe.org.

As of December 31, 2024, the local government investment pools in which the County participates, CSAFE and COLOTRUST, were both rated AAAm by Standard and Poor's.

Concentration of Credit Risk

The County investments are concentrated in U.S. Treasury investments (80%), U.S. instrumentalities (18%), and commercial paper (2%). More than 5% of the County's investments are in Federal Farm Credit Bank and Federal Home Loan Bank representing 12% and 6%, respectively, of the County's total investments.

Custodial Credit Risk - Investments

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Custodial Credit Risk – Deposits

The carrying amount of the County’s deposits as of December 31, 2024, was \$8,790,017. The bank balances were \$8,859,271, of which \$1,348,216 was covered by federal deposit insurance, and the remainder is collateralized according to Colorado state statutes. The Colorado Public Deposit Protection Act for banks and savings and loans requires state regulators to certify eligible depositories for public deposits. The Act requires the qualified depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments, and obligations secured by first-lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair market value of the assets in the pool must be in excess of one hundred and two percent of the financial institution’s total uninsured public deposits.

NOTE 3. INTERFUND TRANSACTIONS

Transfers

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

	Transfers In			
	Human Services	Internal Service Funds	Building	Total
Transfers Out				
General Fund	\$ 659,572	\$ 3,266,027	\$ -	\$ 3,925,599
Road & Bridge	-	316,326	-	316,326
Communications	-	9,589	-	9,589
Internal Service Funds	-	-	35,476	35,476
Total	\$ 659,572	\$ 3,591,942	\$ 35,476	\$ 4,286,990

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

NOTE 4. CAPITAL ASSETS

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

	Balances December 31 2023	2024 Additions	2024 Deletions	2024 Reclasses	Balances December 31, 2024
Governmental Activities:					
Capital assets, not being depreciated/amortized:					
Land and improvements	\$ 3,131,051	\$ -	\$ -	\$ (38,135)	\$ 3,092,916
Infrastructure	57,353,002	4,623,288	-	38,135	62,014,425
Other	539,996	263,177	-	-	803,173
Construction in progress	1,425,249	9,874,063	(8,532,833)	-	2,766,479
Total capital assets, not being depreciated/amortized	62,449,298	14,760,528	(8,532,833)	-	68,676,993
Capital assets, being depreciated/amortized:					
Land improvements	2,030,417	534,579	(21,821)	-	2,543,175
Buildings	56,523,251	34,694	(220,685)	-	56,337,260
Equipment	34,704,239	3,312,562	(1,391,492)	-	36,625,309
Other	1,943,061	-	-	-	1,943,061
Leased asset	225,058	9,400	-	-	234,458
Subscription asset	555,594	31,455	-	-	587,049
Infrastructure	53,580,842	451,236	(248,990)	-	53,783,088
Total capital assets being depreciated/amortized	149,562,462	4,373,926	(1,882,988)	-	152,053,400
Less accumulated depreciation/amortization for:					
Land improvements	(717,714)	(68,721)	10,639	-	(775,796)
Buildings	(21,572,885)	(1,185,771)	132,724	-	(22,625,932)
Equipment	(20,658,292)	(2,071,868)	1,297,901	-	(21,432,259)
Other	(1,324,325)	(144,580)	-	-	(1,468,905)
Leased assets	(65,590)	(47,707)	-	-	(113,297)
Subscription assets	(197,578)	(219,116)	-	-	(416,694)
Infrastructure	(26,906,649)	(1,863,383)	131,099	-	(28,638,933)
Total accumulated depreciation/amortization	(71,443,033)	(5,601,146)	1,572,363	-	(75,471,816)
Total capital assets being depreciated/amortized, net	78,119,429	(1,227,220)	(310,625)	-	76,581,584
Governmental activities capital assets, net	\$ 140,568,727	\$ 13,533,308	\$ (8,843,458)	\$ -	\$ 145,258,577

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

	Balances December 31, 2023	2024 Additions	2024 Deletions	Balances December 31, 2024
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 24,044,606	\$ 185,790	\$ -	\$ 24,230,396
Construction in progress	7,286,663	5,375,941	(5,326,287)	7,336,317
Total capital assets, not being depreciated/amortized	31,331,269	5,561,731	(5,326,287)	31,566,713
Capital assets, being depreciated/amortized:				
Land improvements	42,061,127	-	-	42,061,127
Buildings	27,902,982	3,641,200	(17,305)	31,526,877
Equipment	14,044,173	726,256	(63,545)	14,706,884
Water system	1,983,972	-	-	1,983,972
Sewer system	1,785,518	-	-	1,785,518
Subscription asset	40,656	-	-	40,656
Other	210,732	885,293	(25,041)	1,070,984
Total capital assets being depreciated/amortized	88,029,160	5,252,749	(105,891)	93,176,018
Less accumulated depreciation/amortization for:				
Land improvements	(22,844,424)	(3,002,390)	-	(25,846,814)
Buildings	(12,323,340)	(1,008,385)	17,305	(13,314,420)
Equipment	(8,186,574)	(799,444)	63,545	(8,922,473)
Water system	(1,301,875)	(43,800)	-	(1,345,675)
Sewer system	(1,550,177)	(15,702)	-	(1,565,879)
Subscription assets	(24,132)	(10,967)	-	(35,099)
Other	(210,731)	(42,176)	25,041	(227,866)
Total accumulated depreciation/amortization	(46,441,253)	(4,922,864)	105,891	(51,258,226)
Total capital assets being depreciated/amortized, net	41,587,907	329,885	-	41,917,792
Business-type activities capital assets, net	\$ 72,919,176	\$ 5,891,616	\$ (5,326,287)	\$ 73,484,505

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

Governmental activities:	
Administration	\$2,400,650
Community Resources	15,442
Public Safety	461,150
Road and Bridge	2,723,243
Human Services	661
Total depreciation/amortization expense - governmental activities	\$5,601,146
Business-type activities:	
Yampa Valley Regional Airport	\$4,905,007
Phippsburg Water and Sanitation System	12,581
Milner Sanitation System	5,276
Total depreciation/amortization expense - business-type activities	\$4,922,864

NOTE 5. LEASE RECEIVABLE

Summary of governmental activities and business-type activities lease receivable balance for the year ended December 31, 2024 is as follows:

<u>Receivable Fund</u>	<u>Lease Receivable</u>	<u>Deferred Inflow of Resources</u>
Governmental Activities		
Road and Bridge	\$ 230,317	\$ 230,317
Communications	407,571	407,571
Total Governmental activities	\$ 637,888	\$ 637,888
Business-Type Activities		
YVRA	\$ 7,945,948	\$ 7,945,948
Total Business-type activities	\$ 7,945,948	\$ 7,945,948

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Summary of Governmental Activities - Lease Receivable

Lease receivable activity for the years following December 31, 2024, for governmental type activities is as follows:

Year Ending December 31,	Lease Revenue	Interest Revenue	Total Payment
2025	\$ 41,018	\$ 19,133	\$ 60,151
2026	42,303	17,848	60,151
2027	43,629	16,521	60,150
2028	41,548	15,163	56,711
2029	32,342	14,049	46,391
2030-2034	177,563	54,388	231,951
2035-2039	190,246	24,959	215,205
2040-2042	69,239	3,072	72,311
	<u>\$ 637,888</u>	<u>\$ 165,133</u>	<u>\$ 803,021</u>

Road and Bridge Ground Lease

In February 2019, the County entered into a five-year non-cancelable lease with CommNet Cellular Inc, dba Verizon Wireless (lessee) for a 700 square-foot ground lease located at 2300 County Shop Road with non-exclusive right for ingress and egress. The County will receive payments of \$15,735 annually beginning February 15, 2019. Annually the lease payment shall increase three percent for the proceeding twelve-month term. The lease shall automatically be extended for three additional five-year terms unless the lessee terminates the agreement at the end of the current term, given their intent to terminate at least six months prior to the end of the term. The lease has an interest rate of 3.09%. The County recognized \$12,764 in lease revenue and \$7,331 in interest revenue during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$12,805 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, the County's lease receivable and deferred inflow of resources is \$230,317.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

E911 Communication Tower Leases

In August 2022, the County entered into a five-year non-cancelable lease with L3Harris Technologies, Inc. (lessee) on the premises of 25692 County Road 27, Oak Creek for the purpose of operating a communication site to support the lessee's contract with the Federal Aviation Administration (FAA) to replace the Wide Area Multilateration (WAM) Phase 1 system in Colorado. The County will receive \$1,250 monthly beginning October 1, 2022. The monthly lease payment shall increase three percent annually at the anniversary of the commencement date. For the current year, the County received \$15,113 in payments. The lessee shall have the option to renew the lease for three additional terms of five years each. The lease has an interest rate of 3.09%. The County recognized \$14,953 in lease revenue and \$11,342 in interest revenue during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, the County's lease receivable and deferred inflow of resources is \$358,906.

In June 2023, the County entered into three, five-year non-cancelable leases with the U.S. Department of Transportation Federal Aviation Administration (FAA) to operate four Wide Area Multilateration sites located in the Towns of Hayden and Oak Creek and the E911 Communication Center in Steamboat Springs. The County will receive \$359, \$359, and \$442 monthly beginning October 1, 2023. For the current year, the County received \$3,480 in payments. The lease has an interest rate of 3.57%. The County recognized \$12,054 in lease revenue and \$1,706 in interest revenue for E911 Communications during the current fiscal year. E911 Communications has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, the County's lease receivable and deferred inflow of resources is \$48,665 for E911 Communications.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Summary of Business-Type Activities

Business-type activities lease and regulated receivable activity for the years following December 31, 2024, is as follows:

Year Ending December 31,	Lease Revenue	Interest Revenue	Total Payment	Regulated Leases	Total
2025	\$ 1,236,780	\$ 255,109	\$ 1,491,889	\$ 26,129	\$ 1,518,018
2026	1,278,917	208,839	1,487,756	-	1,487,756
2027	1,326,862	160,893	1,487,755	-	1,487,755
2028	1,246,899	111,349	1,358,248	-	1,358,248
2029	74,627	87,215	161,842	-	161,842
2030-2034	409,719	399,488	809,207	-	809,207
2035-2039	478,078	331,129	809,207	-	809,207
2040-2044	477,561	253,918	731,479	-	731,479
2045-2049	443,818	186,018	629,836	-	629,836
2050-2054	517,866	111,970	629,836	-	629,836
2055-2058	454,821	28,053	482,874	-	482,874
	<u>\$ 7,945,948</u>	<u>\$ 2,133,981</u>	<u>\$ 10,079,929</u>	<u>\$ 26,129</u>	<u>\$ 10,106,058</u>

Business-Type Activities - Regulated Leases

Regulated lease activity for the years following December 31, 2024 for business type activities is as follows:

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

Airlines

YVRA leases a portion of its terminal to airlines under non-cancelable leases. Lease terms for the airlines is 12 months, December 1 through November 30. Under the lease terms, the airlines are required to pay monthly exclusive and joint-use space rents and landing fees. Exclusive space areas include ticketing and management offices, etc. Joint-use spaces are primarily the holding room and baggage claim areas. There are six airlines that service YVRA: Alaskan, American, Delta, Jet Blue, Southwest, and United Airlines. YVRA recognized \$299,932 in exclusive space rent, \$1,639,097 in joint use rent, and \$1,336,579 in landing fees from the airlines during the current year.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Ground Handlers

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

YVRA will receive from the ground handlers a ground handling service fee of two percent of the ground handler's monthly gross revenue. In the current year, YVRA recognized \$52,880 and \$3,789 of ground handling service fees from G2 Secure Staff, LLC and United Ground Express, respectively.

Business-Type Activities - Lease Receivable

Fixed Based Operations Lease

In November 2019, YVRA entered into a 39-year non-cancelable ground lease, A through F, with the exception of lease D, which is a five-year non-cancelable ground lease with Atlantic Aviation Steamboat-Hayden LLC, to operate Fixed Based Operations (FBO) at the airport. YVRA will receive \$10,497 monthly for ground leases A, B, C, E, and F (main ground leases) and \$3,652 for ground lease D beginning December 1, 2021, and \$11,666 monthly for ground leases A, B, C, E and F (main ground leases) and \$3,643 for ground lease D beginning December 1, 2022. Annual adjustments to the lease payments will be based on the percentage increase of the U.S. City Average Consumer Price Index (CPI) and a market rate rental adjustment shall be made on each five-year anniversary date of this agreement. The lease has an interest rate of 3.09%. In the current year, YVRA received payments of \$142,247 and \$44,688 for ground leases A, B, C, E, and F and ground lease D, respectively. YVRA recognized \$43,608 and \$36,301 in lease revenue and \$82,359 and \$563 in interest revenue for the main ground leases and ground lease D during the current fiscal year, respectively. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$16,280 and \$7,824 of inflow of resources related to the main ground leases and ground lease D, respectively, as a result of the variable payments related to the lease contract not included in the lease receivable.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

As of December 31, 2024, YVRA’s lease receivable and deferred inflow of resources is \$2,641,615 and \$0, respectively, for the main ground leases and ground leases. See below for the main ground leases and ground lease D amortization schedules.

Main Ground Leases			
For the Year-Ended	Lease Revenue	Interest Revenue	Total Payment
December 31,			
2025	\$ 44,975	\$ 80,993	\$ 125,968
2026	46,384	79,583	125,967
2027	47,838	78,129	125,967
2028	49,337	76,630	125,967
2029	50,884	75,084	125,968
2030-2034	279,362	350,473	629,835
2035-2039	325,972	303,863	629,835
2040-2044	380,358	249,477	629,835
2045-2049	443,818	186,018	629,836
2050-2054	517,866	111,970	629,836
2055-2058	454,821	28,053	482,874
	\$ 2,641,615	\$ 1,620,273	\$ 4,261,888

The FBO is obligated to remit to YVRA \$0.10 per gallon of fuel pumped for general aviation purposes and 75% of landing fees collected monthly. In 2024, FBO remitted to the airport \$110,970 for fuel flow and \$314,770 for landing fees.

Rental Car Leases

In December 2023, YVRA entered into a five-year non-cancelable lease with Avis Budget Car Rental, LLC (lessee) for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 207 square feet of counter space within the terminal of the airport, exclusive use of 73 parking spaces for ready return vehicles, exclusive use of 44,796 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease, the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3%. The lease has an interest rate of 3.57%. For the current year, YVRA collected \$135,256 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a minimum annual guarantee (MAG) of 10% of gross revenue for the first year of the contract. For the remaining years of the contract, a base MAG will be determined based on the first year of revenues. For the current year, YVRA collected \$498,349 in MAG fees.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

YVRA recognized \$131,485 in lease revenue and \$22,871 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$479,249 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable.

In December 2024, YVRA remeasured and determined the base for the MAG for the lessee based on actual revenues from December 2023 through November 2024 as determined by the contract entered into December 2023. Based on this remeasurement, the full contract was re-evaluated and reassessed as a four year non-cancelable lease with the lessee for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 207 square feet of counter space within the terminal of the airport, exclusive use of 73 parking spaces for ready return vehicles, exclusive use of 44,796 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease, the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3%. The lease has an interest rate of 3.73%. For the current year, YVRA collected \$12,857 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a MAG of 85% of 10% of the first year revenues or 10% of the monthly gross revenue, whichever is greater. For the current year, YVRA collected \$48,919 in fees, of which \$37,361 in MAG fees and \$11,558 in variable payments.

YVRA recognized \$45,677 in lease revenue and \$7,337 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$8,762 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, YVRA's lease receivable and deferred inflow of resources is \$2,314,852.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2025	\$ 559,322	\$ 76,838	\$ 636,160
2026	580,543	55,617	636,160
2027	602,568	33,591	636,159
2028	572,419	10,727	583,146
	<u>\$ 2,314,852</u>	<u>\$ 176,773</u>	<u>\$ 2,491,625</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

In December 2023, YVRA entered into a five-year non-cancelable leases with Hertz Corporation (Lessee) for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 162 square feet of counter space within the terminal of the airport, exclusive use of 44 parking spaces for ready return vehicles, exclusive use of 26,676 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease, the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3%. The lease has an interest rate of 3.57%. For the current year, YVRA collected \$90,900 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a minimum annual guarantee (MAG) of 10% of gross revenue for the first year of the contract. For the remaining years of the contract, a base MAG will be determined based on the first year of revenues. For the current year, YVRA collected \$275,058 in MAG fees.

YVRA recognized \$88,331 in lease revenue and \$15,364 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$262,353 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable.

In December 2024, YVRA remeasured and determined the base for the MAG for the lessee based on actual revenues from December 2023 through November 2024 as determined by the contract entered into December 2023. Based on this remeasurement, the full contract was re-evaluated and reassessed as a four year non-cancelable lease with the lessee for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 162 square feet of counter space within the terminal of the airport, exclusive use of 44 parking spaces for ready return vehicles, exclusive use of 26,676 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease, the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3%. The lease has an interest rate of 3.73%. For the current year, YVRA collected \$8,297 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a MAG of 85% of 10% of the first year revenues or 10% of the monthly gross revenue, whichever is greater. For the current year, YVRA collected \$20,643 in MAG fees.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

YVRA recognized \$26,661 in lease revenue and \$4,282 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$2,003 of outflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, YVRA's lease receivable and deferred inflow of resources is \$1,351,151.

For the Year-Ended			
December 31,	Lease Revenue	Interest Revenue	Total Payment
2025	\$ 326,470	\$ 44,849	\$ 371,319
2026	338,855	32,463	371,318
2027	351,711	19,607	371,318
2028	334,115	6,260	340,375
	<u>\$ 1,351,151</u>	<u>\$ 103,179</u>	<u>\$ 1,454,330</u>

In December 2023, YVRA entered into five-year non-cancelable leases with Enterprise Leasing Company of Denver, LLC (Lessee) for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 162 square feet of counter space within the terminal of the airport, exclusive use of 29 parking spaces for ready return vehicles, exclusive use of 17,916 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3%. The lease has an interest rate of 3.57%. For the current year, YVRA collected \$76,128 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a minimum annual guarantee (MAG) of 10% of gross revenue for the first year of the contract. For the remaining years of the contract, a base MAG will be determined based on the first year of revenues. For the current year, YVRA collected \$211,751 in MAG fees.

YVRA recognized \$67,492 in lease revenue and \$11,740 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$208,647 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

In December 2024, YVRA remeasured and determined the base for the MAG for the lessee based on actual revenues from December 2023 through November 2024 as determined by the contract entered into December 2023. Based on this remeasurement, the full contract was re-evaluated and reassessed as a four year non-cancelable lease with the lessee for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces. The lease includes 162 square feet of counter space within the terminal of the airport, exclusive use of 29 parking spaces for ready return vehicles, exclusive use of 17,916 square feet of overflow vehicle storage, and 8,478 square feet of non-exclusive fuel farm space at 265 Piper Lane. Effective December 1 in each year of the lease, the per-square-foot terminal space lease rate is adjusted to be the same as the rates charged to the airlines for counter space. Effective December 1 in each year of the lease the space lease for the ready return parking, the overflow vehicle storage spaces, and the fuel farm access shall be adjusted by 3%. The lease has an interest rate of 3.73%. For the current year, YVRA collected \$6,639 for terminal counter space, fuel farm access, car wash facility access, ready return parking spaces, and overflow vehicle storage spaces.

The lessee has agreed to pay a MAG of 85% of 10% of the first year revenues or 10% of the monthly gross revenue, whichever is greater. For the current year, YVRA collected \$23,755 in fees, of which \$15,644 in MAG fees and \$8,111 in variable payments.

YVRA recognized \$20,255 in lease revenue and \$3,253 in interest revenue, respectively, during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, YVRA had \$6,886 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, YVRA's lease receivable and deferred inflow of resources is \$1,026,495.

For the Year-Ended				
December 31,	Lease Revenue	Interest Revenue	Total Payment	
2025	\$ 248,025	\$ 34,073	\$ 282,098	
2026	257,435	24,663	282,098	
2027	267,201	14,896	282,097	
2028	253,834	4,755	258,589	
	<u>\$ 1,026,495</u>	<u>\$ 78,387</u>	<u>\$ 1,104,882</u>	

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Taxi Leases

In April 2023, YVRA entered into a five-year non-cancelable lease with Steamboat Express, Inc. (lessee), formerly Alpine Taxi/Limo, Inc, for the right to use a 415-square-foot customer service booth in the terminal of the airport. YVRA will receive \$1,540 monthly for the customer service space. Annually, commencing on December 1, 2023, the rental rate shall be adjusted to the rental rate charged for exclusive space assigned by signatory airlines operating in the terminal building. The lease has an interest rate of 3.57%. In the current year, YVRA received \$21,842 in payments. YVRA recognized \$16,093 in lease revenue and \$2,383 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$3,366 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, YVRA's lease receivable and deferred inflow of resources is \$57,982.

The lessee is also required to pay monthly eleven percent of gross revenue. During 2024, the lessee paid \$188,637 to YVRA. See NOTE 13. SUBSEQUENT EVENT for additional information related to this lease.

For the Year-Ended			
December 31,	Lease Revenue	Interest Revenue	Total Payment
2025	\$ 16,677	\$ 1,799	\$ 18,476
2026	17,282	1,194	18,476
2027	17,910	566	18,476
2028	6,113	46	6,159
	<u>\$ 57,982</u>	<u>\$ 3,605</u>	<u>\$ 61,587</u>

In April 2023, YVRA entered into a five-year non-cancelable lease with Storm Mountain Express, Inc (lessee), for the right to use a 225 square foot customer service booth in the terminal of the airport. YVRA will receive \$835 monthly for the customer service space. Annually, commencing on December 1, 2023, the rental rate shall be adjusted to the rental rate charged for exclusive space assigned by signatory airlines operating in the terminal building. The lease has an interest rate of 3.57%. In the current year, YVRA received \$11,570 in payments. YVRA recognized \$8,784 in lease revenue and \$1,115 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$1,671 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, YVRA's lease receivable and deferred inflow of resources is \$31,316.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

The lessee is also required to pay monthly eleven percent of gross revenue. During 2024, the lessee paid \$208,395 to YVRA.

For the Year-Ended

December 31,	Lease Revenue	Interest Revenue	Total Payment
2025	\$ 9,059	\$ 840	\$ 9,899
2026	9,343	556	9,899
2027	9,636	263	9,899
2028	3,278	21	3,299
	<u>\$ 31,316</u>	<u>\$ 1,680</u>	<u>\$ 32,996</u>

In April 2023, YVRA entered into a five-year non-cancelable lease with NDW Enterprises LLC, doing business as Ski Town Transportation (lessee), for the right to use a 56-square-foot customer service booth in the terminal of the airport. YVRA will receive \$205 monthly for the customer service space. Annually, commencing on December 1, 2023, the rental rate shall be adjusted to the rental rate charged for exclusive space assigned by signatory airlines operating in the terminal building. The lease has an interest rate of 3.57%. In the current year, YVRA received \$2,903 in payments. YVRA recognized \$2,374 in lease revenue and \$352 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had \$177 of inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, YVRA's lease receivable and deferred inflow of resources is \$8,555.

The lessee is also required to pay monthly eleven percent of gross revenue. During 2024, the lessee paid \$110,354 to YVRA.

For the Year-Ended

December 31,	Lease Revenue	Interest Revenue	Total Payment
2025	\$ 2,461	\$ 265	\$ 2,726
2026	2,550	176	2,726
2027	2,642	84	2,726
2028	902	7	909
	<u>\$ 8,555</u>	<u>\$ 532</u>	<u>\$ 9,087</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Tower Lease

In June 2023, the County entered into one five-year non-cancelable lease with the U.S. Department of Transportation Federal Aviation Administration (FAA) to operate four Wide Area Multilateration sites located at YVRA. The County will receive \$441 monthly beginning October 1, 2023. The lease has an interest rate of 3.57%. In the current year, YVRA received \$3,976 in payments. The County recognized \$4,589 in lease revenue and \$650 in interest revenue for the Airport during the current fiscal year. The County has a deferred inflow of resources associated with the lease that will be recognized as revenue of the lease term. For the current year, the County had \$1,263 of outflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, the Airport's lease receivable and deferred inflow of resources is \$18,527.

For the Year-Ended			
December 31,	Lease Revenue	Interest Revenue	Total Payment
2025	\$ 4,733	\$ 506	\$ 5,239
2026	4,881	357	5,238
2027	5,034	205	5,239
2028	3,879	50	3,929
	<u>\$ 18,527</u>	<u>\$ 1,118</u>	<u>\$ 19,645</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Office Space Lease

In November 2022, YVRA entered into a ten-year non-cancelable lease with the U.S. General Service Administration (lessee) for office space totaling 1,164 square feet. YVRA will receive \$35,874 annually payable monthly in arrears beginning December 1, 2022. The lessee may renew the lease for an additional two option terms of five years. Annually, on the lease term commencement date, the annual payment shall be adjusted by the cost of living adjustment published for the prior month. The lease has an interest rate of 3.09%. YVRA recognized \$20,348 in lease revenue and \$15,526 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. For the current year, the County had no additional inflow of resources related to the variable payments related to the lease contract not included in the lease receivable. As of December 31, 2024, YVRA's lease receivable and deferred inflow of resources is \$491,383.

For the Year-Ended December 31,	Lease Revenue	Interest Revenue	Total Payment
2025	\$ 20,986	\$ 14,888	\$ 35,874
2026	21,644	14,230	35,874
2027	22,322	13,552	35,874
2028	23,022	12,853	35,875
2029	23,743	12,131	35,874
2030-2034	130,357	49,015	179,372
2035-2039	152,106	27,266	179,372
2040-2042	97,203	4,441	101,644
	<u>\$ 491,383</u>	<u>\$ 148,376</u>	<u>\$ 639,759</u>

Farm Ground Lease

In November 2019 and 2020, YVRA entered into two five-year non-cancelable leases for 65.08 grazing acreage and 17.86 hay acreage rights and one six-year lease for 119.14 farmable land acreage and 109.63 alfalfa acreage rights with three farmers (lessees). The lessees shall pay \$5.60 per acre for grazing and hay rights, \$18.59 per farmable acre and \$25 per acre for alfalfa. YVRA will receive \$4,680 annually for the farm leases. The lease has an interest rate of 3.09%. In the current year, YVRA received \$4,680 in payments. YVRA recognized \$4,750 in lease revenue and \$206 in interest revenue during the current fiscal year. YVRA has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term.

As of December 31, 2024, YVRA's lease receivable and deferred inflow of resources is \$4,072.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

NOTE 6. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended December 31, 2024 is as follows:

	Balance December 31, 2023	Restatement	Balance December 31, 2023 as Restated	Additions	Deletions	Balance December 31, 2024	Due Within One Year
Governmental activities:							
Certificates of participation	\$ 2,355,000	\$ -	\$ 2,355,000	\$ -	\$(1,160,000)	\$ 1,195,000	\$1,195,000
Unamortized discount, certificates of participation	(1,826)	-	(1,826)	-	1,211	(615)	(615)
Total certificates of participation	2,353,174	-	2,353,174	-	(1,158,789)	1,194,385	1,194,385
Leases	159,469	-	159,469	9,400	(47,707)	121,162	46,868
Subscription liability	357,655	-	357,655	12,395	(212,569)	157,481	76,186
Compensated absences *	2,160,147	130,272	2,290,419	265,449	-	2,555,868	885,956
Total governmental activities	5,030,445	130,272	5,160,717	287,244	(1,419,065)	4,028,896	2,203,395
Business-type activities:							
Loans payable:							
Revenue loans - Phippsburg	35,404	-	35,404	-	(35,404)	-	-
Revenue loans - Phippsburg	-	-	-	96,440	(8,445)	87,995	25,620
Revenue loans - Milner	-	-	-	206,169	(9,901)	196,268	29,889
Subscription liability	16,818	-	16,818	-	(11,062)	5,756	5,756
Compensated absences *	478,294	-	478,294	30,973	-	509,267	212,594
Total business-type activities	530,516	-	530,516	333,582	(64,812)	799,286	273,859
Total long-term obligations	\$ 5,560,961	\$ 130,272	\$ 5,691,233	\$620,826	\$(1,483,877)	\$ 4,828,182	\$2,477,254

* The change in compensated absences liability is presented as a net change.

The governmental activity portion of the compensated absence liability is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations, resignations and retirements. A compensated absence liability for business-type activities is recorded in those funds. A compensated absence liability of internal service funds is recorded in those funds and is reported in governmental activities on the government-wide financial statements.

The County calculates a liability for both sick leave and vacation leave more likely than not to be used in a future period based on historical trend, and assumes any excess eligible for payment shall be paid upon separation. Such calculations include salary-related benefits as applicable. Fifty percent of accrued sick leave hours are paid out up to a limit of 360 hours to those who have worked five years or more when their employment ends. Any unused comp time will be paid in full at the end of the accrual period. Other types of leave shall be paid as specified in the associated policies contained within the employee handbook, including Paid Family Medical Leave which is paid at 90% if/when used in the following year. If events in employees' lives cause other types of leave to commence prior to the end of the year, where a portion of the given benefit remains unused at the end of the year, such balance is included in compensated absences.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Governmental Activities – Long Term Obligations

Certificates of Participation

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

The acquisition price of the new refunding certificates exceeded the net carrying amount of the old certificates by \$823,554. This amount is shown as a deferred charge on refunding and amortized over the remaining life of the refunding debt or 13 years. In 2024, a total of \$19,887 was amortized and the unamortized refunding cost as of December 31, 2024 is \$10,091. The County advance refunded the Certificates of Participation, Series 2006 to reduce its total debt service payments over 13 years by \$852,164 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new certificates) of \$674,430.

The prepaid insurance policy premium and cost of the surety bond for the refunding certificates of participation totaled \$155,347. This amount is shown as a deferred charge on refunding and amortized over the remaining life of the refunding debt or 13 years. In 2024, a total of \$3,751 was amortized and the unamortized refunding cost as of December 31, 2024, is \$1,902. Total deferred charges are reported as a deferred outflow of resources and the total unamortized balance as of December 31, 2024, is \$11,993.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

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

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

Year Ending December 31,	Principal	Interest	Total
2025	<u>\$1,195,000</u>	<u>\$ 38,835</u>	<u>\$1,233,835</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Governmental Activities - Lease Payable

Governmental activities lease payable activity for the years following December 31, 2024, is as follows:

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2025	\$ 46,868	\$ 3,391	\$ 50,259
2026	43,516	1,834	45,350
2027	21,562	753	22,315
2028	9,216	83	9,299
	<u>\$ 121,162</u>	<u>\$ 6,061</u>	<u>\$ 127,223</u>

Postage Machine Lease

The Equipment Pool entered into a five-year lease agreement for the use of a postage machine. An initial lease liability was recorded in the amount of \$10,639. As of December 31, 2024, the value of the lease liability is \$301. The County is required to make monthly payments of \$302. The lease has an interest rate of 3.09%. The equipment has a useful life of 5 years. The value of the right to use the asset as of December 31, 2024, is \$10,638 with accumulated amortization of \$10,337 are shown in Footnote 4 under governmental activities as an intangible lease asset.

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2025	<u>\$ 301</u>	<u>\$ 1</u>	<u>\$ 302</u>

Body Cameras

The General Fund entered into a five-year lease agreement for body cameras for the Sheriff's Office and Detention center. An initial lease liability was recorded in the amount of \$123,963. As of December 31, 2024, the value of the lease liability is \$49,209. The County is required to make monthly payments of \$2,303. The lease has an interest rate of 3.09%. The equipment has a useful life of five years. The value of the right to use the asset as of December 31, 2024, is \$123,963 with an accumulated amortization of \$74,754 are shown in Footnote 4 under governmental activities as an intangible lease asset.

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2025	\$ 26,496	\$ 1,147	\$ 27,643
2026	22,713	323	23,036
	<u>\$ 49,209</u>	<u>\$ 1,470</u>	<u>\$ 50,679</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Dash Cameras

The General Fund entered into a five-year lease agreement for dash cameras for the Sheriff's Office. An initial lease liability was recorded in the amount of \$90,457. As of December 31, 2024, the value of the lease liability is \$63,537. The County is required to make monthly payments of \$1,648. The lease has an interest rate of 3.57%. The equipment has a useful life of 5 years. The value of the right to use asset as of December 31, 2024, is \$90,457 with accumulated amortization of \$26,920 and are shown in Footnote 4 under governmental activities as an intangible lease asset.

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2025	\$ 17,802	\$ 1,979	\$ 19,781
2026	18,448	1,333	19,781
2027	19,117	664	19,781
2028	8,170	73	8,243
	<u>\$ 63,537</u>	<u>\$ 4,049</u>	<u>\$ 67,586</u>

The General Fund entered into a five-year lease agreement for dash cameras for the Sheriff's Office. An initial lease liability was recorded in the amount of \$9,400. As of December 31, 2024, the value of the lease liability is \$8,115. The County is required to make monthly payments of \$211. The lease has an interest rate of 3.73%. The equipment has a useful life of 5 years. The value of the right to use asset as of December 31, 2024, is \$9,400 with accumulated amortization of \$1,285 and are shown in Footnote 4 under governmental activities as an intangible lease asset.

For the Year- Ended December 31,	Lease Expense	Interest Expense	Total Payment
2025	\$ 2,269	\$ 264	\$ 2,533
2026	2,355	178	2,533
2027	2,445	89	2,534
2028	1,046	10	1,056
	<u>\$ 8,115</u>	<u>\$ 541</u>	<u>\$ 8,656</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Governmental Activities - Subscription-Based Information Technology Arrangements

The County has various SBITAs, including subscriptions for land management, property assessment, geographical information systems, client data tracking software, and body and vehicle dash cameras. The SBITA arrangements expire in various years through 2028. As of December 31, 2024, SBITA assets and the related accumulated amortization totaled \$587,049 and \$416,694, respectively. For the current year, the County has no additional outflow of resources for variable payments, termination penalties, commitments before the commencement of the subscription term or any components related to a loss impairment. The future subscription payments under SBITA agreements are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 76,186	\$ 4,374	\$ 80,560
2026	51,199	1,904	53,103
2027	21,840	701	22,541
2028	8,256	74	8,330
Total	<u>\$157,481</u>	<u>\$ 7,053</u>	<u>\$164,534</u>

Business-Type Activities – Long-Term Obligations

Loans - Phippsburg Water and Sanitation System

On November 15, 2006, the State of Colorado, under the Energy and Mineral Impact Assistance Program, issued a twenty-year loan to the County for \$116,000 at an interest rate of 5% to fund a portion of the upgrades to the wastewater treatment lagoons. Annual principal and interest payments amounting to \$9,231 began in 2007 and will continue through 2026. This loan represents a debt to Phippsburg Water and Sanitation System (PWSS, an enterprise fund) and is not a general obligation to the County. PWSS shall establish rates and charges sufficient to include the annual repayment of the debt. December 31, 2024, Phippsburg has a remaining balance of \$0.

On September 1, 2009, the State of Colorado, under the Energy and Mineral Impact Assistance Program, issued a twenty-year loan to the County for \$25,000 at an interest rate of 5% to fund a portion of a water filtration upgrade in the PWSS through 2029. The water filter upgrade was required to comply with State of Colorado Drinking Water regulations. This loan represents a debt to PWSS and is not a general obligation to the County. PWSS shall establish rates and charges sufficient to include the annual repayment of the debt. As of December 31, 2024, PWSS has a remaining balance of \$0 under this loan.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

On April 30, 2024, the Colorado Water Resources and Power Development Authority (CWRPDA), under the Water Pollution Control Revolving Fund, authorized a thirty-year loan (Loan) to the County for \$1,500,000 at an interest rate of 2.25% to partially fund the construction of a new wastewater treatment plant which will replace the lagoon system. This Loan represents a debt to Phippsburg Water and Sanitation System (PWSS) and is not a general obligation to the County. PWSS shall establish rates and charges sufficient to include the annual repayment of the debt. At the execution of the loan, PWSS is responsible for making annual debt service payments.

Upon the execution of this Loan, CWRPDA forgave \$781,915 of the Loan balance on April 30, 2024 leaving a remaining balance of \$718,085. At the discretion of CWRPDA, post-closing of the Loan, and if such funds are available and PWSS is deemed eligible, the Loan may be forgiven in an amount up to 100% of the outstanding principal amount of the Loan. The forgiveness of the remainder of the Loan is considered remote.

PWSS pledged \$712,286 of cash and investments to repay the Loan. The pledging of cash and investments maintains compliance with the Taxpayer Bill of Rights (TABOR) debt election requirements as an enterprise fund. See NOTE 11 CONTINGENCIES, Taxpayer's Bill of Right for additional information.

As of December 31, 2024, \$878,355 of costs have been incurred and applied towards the Loan. PWSS applied those costs first against the \$781,915 loan forgiveness portion of the agreement and recognized \$96,440 of a Loan liability. PWSS anticipates completing the project in 2025 and will recognize the remaining portion of the liability once completed. For fiscal year 2025, PWSS will be required to make \$33,046 of debt service payments, comprised of \$17,175 of principal and \$15,871 of interest.

Loans – Milner Sanitation System

On April 30, 2024, the CWRPDA, under the Water Pollution Control Revolving Fund, authorized a thirty-year loan (Loan) to the County for \$1,500,000 at an interest rate of 1.25% to partially fund the construction of a new wastewater treatment plant which will replace the lagoon system. This Loan represents a debt to Milner Sanitation System (MSS) and is not a general obligation to the County. MSS shall establish rates and charges sufficient to include the annual repayment of the debt. At the execution of the loan, MSS is responsible for making annual debt service payments.

Upon the execution of this Loan, CWRPDA forgave \$781,915 of the Loan balance on April 30, 2024 leaving a remaining balance of \$718,085. At the discretion of CWRPDA, post-closing of the Loan, and if such funds are available and the MSS is deemed eligible, the Loan may be forgiven in an amount up to 100% of the outstanding principal amount of the Loan. The forgiveness of the remainder of the Loan is considered remote.

MSS pledged \$709,649 of cash and investments to repay the Loan. The pledging of cash and investments maintains compliance with the Taxpayer Bill of Rights (TABOR) debt election requirements as an enterprise fund. See NOTE 11 CONTINGENCIES, Taxpayer's Bill of Right for additional information.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

As of December 31, 2024, \$988,084 of costs have been incurred and applied towards the Loan. PWSS applied those costs first against the \$781,915 loan forgiveness portion of the agreement and recognized \$206,169 of a Loan liability. MSS anticipates completing the project in 2025 and will recognize the remaining portion of the liability once completed. For fiscal year 2025, MSS will be required to make \$28,778 of debt services payments, comprised of \$19,988 of principal and \$8,790 of interest.

Business-Type Activities - Subscription-Based Information Technology Arrangements

The County has various SBITAs, including subscriptions for the restaurants point of sale software, and flight information display system software. The SBITA arrangements expire in various years through 2025. As of December 31, 2024, SBITA assets and the related accumulated amortization totaled \$40,656 and \$35,099, respectively. For the current year, the County has no additional outflow of resources for variable payments, termination penalties, commitments before the commencement of the subscription term or any components related to a loss impairment. The future subscription payments under SBITA agreements are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 5,756</u>	<u>\$ 77</u>	<u>\$ 5,833</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

NOTE 7. FUND BALANCE AND NET POSITION

On December 31, 2024, the committed fund balance of the General Fund complied with the Board of County Commissioners’ resolution to establish the year-end committed fund balance of the General Fund to be no less than 10% of General Fund expenditures of the prior year. It shall exclude expenditures from voter-approved mill levies such as the purchase of development rights, developmental disabilities, the museum and heritage, and future voter-approved mill levies restricted for a specific purpose and transfers. Additionally, the committed fund balance complies with the Board of County Commissioners’ resolution to set aside funds to acquire capital assets. The capital committed fund balance will be comprised of Severance Tax collected in a calendar year greater than \$45,000, Building Use Tax collected in a calendar year greater than \$235,000 and other funds designated by the Commissioners. The 10% committed fund balance will be funded prior to the capital committed fund balance in the General Fund.

	Fund Balance					Net Position	
	General Fund	Road & Bridge	Human Services	E911 Communications	Total Governmental Funds	Governmental Activities	Business Activities
Nonspendable							
Prepays/Inventory/Deposit	\$ 102,167	\$ 60,391	\$ 2,289	\$ 19,000	\$ 183,847	\$ -	\$ -
Restricted							
Lottery	30,584	-	-	-	30,584	30,584	-
Museums and Heritage	308,328	-	-	-	308,328	308,328	-
Developmental Disabilities	396	-	-	-	396	396	-
Purchase of Development Rights	6,658,451	-	-	-	6,658,451	6,658,451	-
Public Trustee	36,128	-	-	-	36,128	36,128	-
Recycling	82,413	-	-	-	82,413	82,413	-
Sheriff Investigations	5,293	-	-	-	5,293	5,293	-
Contraband Forfeiture Act	1,527	-	-	-	1,527	1,527	-
Affordable Housing	75,000	-	-	-	75,000	75,000	-
County Manager severance	117,780	-	-	-	117,780	117,780	-
E-Recording	33,638	-	-	-	33,638	33,638	-
Phippsburg Water and Sanitation System - pledge for debt	-	-	-	-	-	-	712,286
Milner Sanitation System - pledge for debt	-	-	-	-	-	-	709,649
TABOR reserve for emergencies:							
General Fund	1,641,427	-	-	-	1,641,427	1,641,427	-
Yampa Valley Regional Airport	-	-	-	-	-	-	354,298
Phippsburg Water and Sanitation System	-	-	-	-	-	-	39,373
Milner Sanitation System	-	-	-	-	-	-	40,065
	<u>8,990,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,990,965</u>	<u>8,990,965</u>	<u>1,855,671</u>
Committed							
General Fund - 10%	3,154,079	-	-	-	3,154,079	-	-
General Fund - Capital	16,928,529	-	-	-	16,928,529	-	-
Road & Bridge	-	7,942,986	-	-	7,942,986	-	-
Human Services	-	-	405,127	-	405,127	-	-
Communications	-	-	-	3,747,146	3,747,146	-	-
	<u>20,082,608</u>	<u>7,942,986</u>	<u>405,127</u>	<u>3,747,146</u>	<u>32,177,867</u>	<u>-</u>	<u>-</u>
	<u>\$ 29,175,740</u>	<u>\$ 8,003,377</u>	<u>\$ 407,416</u>	<u>\$ 3,766,146</u>	<u>\$ 41,352,679</u>	<u>\$ 8,990,965</u>	<u>\$ 1,855,671</u>

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

NOTE 8. DEFINED CONTRIBUTION PLANS

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

The County provides pension benefits for all of its employees working 30 hours or more per week for the entire year through an Internal Revenue Code Section 401(a) defined contribution plan. As of January 1, 2022, employees are eligible to participate upon employment with the County, and at that time the County starts contributing to the plan. The County's contribution for each employee and earnings allocated to the employee's account is fully vested after five years of continuous service. County contributions for, and earnings forfeited by, employees who leave employment before five years of service are used to reduce the County's contribution requirement. Plan members and the County are required to contribute 6% of the annual covered salary. The required contributions by the County matching those actually made by the employees in 2024 totaled \$1,545,631. The forfeitures for employees who left employment with the County in 2024 totaled \$67,261.

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

NOTE 9. RISK MANAGEMENT

County Workers' Compensation Pool

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Insurance Pool

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

Casualty and Property Insurance

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

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

	Year Ended 12/31/2024
Unpaid claims, beginning of fiscal year	\$ (310)
Incurred claims (including IBNRs)	201,512
Claim payments	(186,084)
Unpaid claims, end of fiscal year	\$ 15,118

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Health and Dental Insurance

The County provides medical and dental coverage for eligible employees and is partially self-funded for these plans. The County is self-funded for the first \$75,000 per claim per year for health insurance and \$1,200 per member per year for dental insurance. A third party administers claim processing services. Commercial aggregate and individual stop loss insurance policies for health insurance are purchased to limit the risk of loss to the County. The individual stop loss policy covers individual claims in excess of \$75,000 annually with no annual or lifetime maximum. The aggregate stop loss policy covers total annual claims in excess of the 2024 aggregate deductible of \$7,037,809 up to \$1,000,000 per coverage period. In the past three years, the amount of settlement for any claim and the aggregate have not exceeded the insurance coverage.

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

	Year Ended 12/31/2024
Unpaid claims, beginning of fiscal year	\$ 186,899
Incurred claims (including IBNRs)	6,801,398
Claim payments	(6,703,571)
Unpaid claims, end of fiscal year	\$ 284,726

NOTE 10. CONSTRUCTION COMMITMENTS

Facilities Management has contracts to finish the replacement of the Detention Center roof, for consulting services to develop a solar array and battery energy storage system in the County, and for architectural services for a heated workshop, lean-to building and restroom at the Fairgrounds and a back entry and historic preservation at the Historic Courthouse. Funding for the County’s facilities projects is provided by reserves and a state grant for Historic Courthouse preservation.

YVRA has two projects; the Taxiway A connector rehabilitation and the terminal west expansion replacement of the parking lots access control equipment. The taxiway project has two contracts; one contract for design and project management and one contract for construction. While the terminal west expansion only has one contract for design and engineering, funding for the taxiway project is provided by federal grants, state grants and reserves. The terminal west expansion project is funded by federal grants and YVRA reserves.

Phippsburg Water and Sanitation System has three contracts; one contract for design and engineering, and two contracts for construction of the wastewater treatment plant project. Funding for the project is provided by two federal grants, a state grant and reserves.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Milner Sanitation System has three contracts; one contract for design and engineering, and two contracts for construction of the wastewater treatment plant project. Funding for the project is provided by two federal grants, a state grant and reserves.

Project	Spent to Date	Remaining Commitment
Facilities Management projects	\$ 677,522	\$ 581,754
YVRA taxiway A connector rehab	57,694	12,272,672
YVRA terminal west expansion	598,858	2,444,949
Phippsburg wastewater treatment plant	2,650,270	967,814
Milner wastewater treatment plant	2,533,597	868,112
Total	<u>\$ 6,517,941</u>	<u>\$ 17,135,301</u>

NOTE 11. CONTINGENCIES

Taxpayer’s Bill of Rights

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

TABOR also requires local governments to establish emergency reserves for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending, excluding certain expenditures as detailed in the amendment. The County has restricted a portion of its 2024 year-end fund balance/net position in the General Fund, Yampa Valley Regional Airport, Phippsburg Water and Sanitation and Milner Sanitation for emergencies as required under TABOR. As of December 31, 2024, the County had restricted fund balance/net position of \$1,641,127, \$354,298, \$39,373 and \$40,065 in the General Fund, Yampa Valley Regional Airport, Phippsburg Water and Sanitation and Milner Sanitation, respectively, for this purpose.

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

On September 17, 2002, by resolution, the Routt County Board of County Commissioners approved the Phippsburg Water and Sanitation System (System) as an Enterprise under Article X, Section 20 of the Colorado Constitution. The resolution states, “The System’s service charges and fees shall be set to maintain the System as a self-funding enterprise and, in that regard, the System’s operations and capital expenditures shall be financed so that it shall not, in any year, receive ten percent or more of its funding from state or local governments.” During 2024, Phippsburg Water and Sanitation System received state funding for the design and construction of the replacement wastewater treatment facility. The state funding represents more than ten percent of Phippsburg Water and Sanitation System's funding from state and local governments and results in restricted net position \$39,373.

On May 8, 2008, by resolution, the Routt County Board of County Commissioners approved the Milner Sanitation System (System) as an Enterprise under Article X, Section 20 of the Colorado Constitution. The resolution states, “The System’s service charges and fees shall be set to maintain the System as a self-funding enterprise and, in that regard, the System’s operations and capital expenditures shall be financed so that it shall not, in any year, receive ten percent or more of its funding from state or local governments.” During 2024, Milner Sanitation System received state funding for the design and construction of the replacement wastewater treatment facility. The state funding represents more than ten percent of Milner Sanitation System's funding from state and local governments and results in restricted net position \$40,065.

TABOR requires local governments to have voter approval in advance for the creation of multiple-fiscal year debt unless the local government has adequate present reserves pledged irrevocably and held for payment of the debt in all future years. Phippsburg Water and Sanitation System and Milner Sanitation System in 2024 pledged irrevocably cash and investments of \$712,286 and \$709,649, respectively for the future payment of debt and to meet the TABOR election requirements as stated above. See NOTE 6. LONG TERM OBLIGATIONS for additional information.

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

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

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

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

In 2024, the State of Colorado passed legislation limiting the increase in property taxes to approximately 5.25% for Museums, Purchase of Development Rights and Development Disabilities as a result of the large increases in assessed valuation and property taxes for these particular mill levies.

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

Contingent Liabilities

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

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

NOTE 12. JOINTLY GOVERNED ORGANIZATIONS

Affordable Housing Fund

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

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

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

Combined Law Enforcement Facility (CLEF)

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

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

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

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

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

Lease Term

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

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

Operations and Maintenance Costs

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

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

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

NOTE 13. SUBSEQUENT EVENTS

Routt County Power Plant and Mine

In 2021, the owner of the power plant located in Hayden, Colorado, announced that it will close Unit Two in 2027 and Unit One in 2028, which is earlier than the previously anticipated time frame of 2030 to 2036. The Hayden power plant is a coal driven plant and gets the majority of its coal from the 20 Mile Mine. Both the power plant and mine are located in Routt County. In 2024, the County has a base property tax temporary mill levy credit of 5.119 mills, which would allow the County to decrease assessed valuation by \$642,104,121 or 31.7% before there would be a reduction in the base property tax to the County. If the power plant and coal mine were to close in 2025, based on 2024 assessed valuation, the County's assessed valuation would decrease by \$79,378,050 or 4.0% of the total assessed valuation of the County. Voter approved property taxes, based on 2024 assessed valuation less the assessed valuation of the power plant and the mine, would decrease \$222,259 in 2024. County base property taxes using data from 2024 will not decrease with the closure of the power plant and mine. This is because of a significant increase in the County's assessed valuation for 2023, which increased by \$685,294,830 or 51.7%, to \$2,009,666,416. The assessed valuation of the power plant and coal mine in 2024 is not substantial enough to affect the County's property tax revenue. However, uncertainties remain regarding other potential impacts on Routt County operations resulting from the planned closure of the power plant.

Yampa Valley Regional Airport - Ground Transportation Operator

In April 2025, Yampa Valley Regional Airport (YVRA) issued a letter of default to Steamboat Express on their Ground Transportation Operator License and Use Agreement. As noted in NOTE 5 LEASE RECEIVABLE, Taxi Leases, Steamboat Express entered into their Ground Transportation Operator License and Use Agreement in April 2023, for a five-year non-cancelable lease for the right to use a 415-square-foot customer service booth in the terminal of the airport. The lessee is also required to pay monthly 11% of gross revenue. YVRA has not received the percentage of gross revenue payments for the months of January 2024 through March 2025 for a total of \$194,894 of which \$122,143 are for 2024 percentage of revenue payments and \$28,411 of interest on those 2024 late payments for a total of \$150,554. Additionally YVRA has not received rent payments for the months of March 2024 through March 2025 for a total of \$25,875 of which \$17,793 are for 2024 rent payments and \$2,342 of interest on those 2024 late rent payments for a total of \$20,135. YVRA as recorded an allowance of \$139,937 in 2024 to provide for the possible future uncollectibility of amounts due at December 31, 2024.

ROUTT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2024

NOTE 14. RESTATEMENT OF NET POSITION

As noted in Note 1, as of January 1, 2024, the County implemented GASB Statement No. 101 (GASB 101), Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences and associated salary-related payments, including certain defined contribution pension and defined contribution other post employment benefits (OPEB). With the implementation of GASB 101, the County is required to recognize a liability for other types of paid leave like jury duty, paid family medical leave, and military leave, to name a few, if paid leave was started in the report year and rolling into the following year. Upon review of all the various types of leave that were in place as of December 31, 2023, it was noted that some paid leave would need to be recognized with the implementation of this standard. The beginning balance for the Equipment Pool, an internal service fund, and the Governmental Activities were restated from their ending December 31, 2023 balance as summarized below.

	<u>Equipment Pool</u>	<u>Insurance Pool</u>	<u>Internal Service Funds</u>
Net Position, Beginning of year, as previously reported	\$ 65,997,368	\$ 2,312,642	\$ 68,310,010
Adoption of GASB 101	<u>(16,736)</u>	<u>-</u>	<u>(16,736)</u>
Net Position, Beginning of year, as restated	<u>\$ 65,980,632</u>	<u>\$ 2,312,642</u>	<u>\$ 68,293,274</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Primary Government - Total</u>
Net Position, Beginning of year, as previously reported	\$ 186,585,044	\$ 108,006,328	\$294,591,372
Adoption of GASB 101	<u>(130,272)</u>	<u>-</u>	<u>(130,272)</u>
Net Position, Beginning of year, as restated	<u>\$ 186,454,772</u>	<u>\$ 108,006,328</u>	<u>\$294,461,100</u>

Routt County, Colorado
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 25,438,928	\$ 25,484,928	\$ 25,640,896	\$ 155,968
Sales taxes	7,696,849	8,023,149	12,010,143	3,986,994
Intergovernmental	2,437,776	2,596,805	3,648,267	1,051,462
Charges for sales and services	5,313,627	5,317,277	6,185,642	868,365
Investment earnings	1,492,981	1,492,981	2,870,196	1,377,215
Total revenues	<u>42,380,161</u>	<u>42,915,140</u>	<u>50,355,144</u>	<u>7,440,004</u>
	42.4	42.9	50.4	7.4
EXPENDITURES				
Administration				
Accounting				
Salaries and benefits	1,636,823	1,704,823	1,704,510	313
Operations	109,105	109,105	102,369	6,736
Total	<u>1,745,928</u>	<u>1,813,928</u>	<u>1,806,879</u>	<u>7,049</u>
Attorney				
Salaries and benefits	819,861	852,861	852,845	16
Operations	19,510	19,510	9,357	10,153
Total	<u>839,371</u>	<u>872,371</u>	<u>862,202</u>	<u>10,169</u>
Commissioners				
Salaries and benefits	1,295,619	1,295,619	1,154,385	141,234
Operations	232,590	232,590	198,761	33,829
Total	<u>1,528,209</u>	<u>1,528,209</u>	<u>1,353,146</u>	<u>175,063</u>
Facilities management				
Salaries and benefits	949,711	949,711	867,048	82,663
Operations	2,807,770	2,902,145	2,764,586	137,559
Total	<u>3,757,481</u>	<u>3,851,856</u>	<u>3,631,634</u>	<u>220,222</u>
Geographical information systems				
Salaries and benefits	448,715	450,215	450,214	1
Operations	29,850	28,350	25,691	2,659
Total	<u>478,565</u>	<u>478,565</u>	<u>475,905</u>	<u>2,660</u>
Information technology				
Salaries and benefits	2,063,604	2,063,604	1,876,361	187,243
Operations	1,518,948	1,326,378	1,176,552	149,826
Capital outlay	-	31,470	31,455	15
Debt service	-	173,500	173,460	40
Total	<u>3,582,552</u>	<u>3,594,952</u>	<u>3,257,828</u>	<u>337,124</u>
Human resources				
Salaries and benefits	531,054	534,204	533,742	462
Operations	108,955	108,955	100,208	8,747
Total	<u>640,009</u>	<u>643,159</u>	<u>633,950</u>	<u>9,209</u>
Purchasing				
Salaries and benefits	143,691	144,191	144,148	43
Operations	1,095	2,095	1,602	493
Total	<u>144,786</u>	<u>146,286</u>	<u>145,750</u>	<u>536</u>
Total Administration	<u>\$ 12,716,901</u>	<u>\$ 12,929,326</u>	<u>\$ 12,167,294</u>	<u>\$ 762,032</u>

Routt County, Colorado
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Community Resources				
Developmental disabilities				
Operations	\$ 2,099,711	\$ 2,256,130	\$ 2,249,912	\$ 6,218
Total	2,099,711	2,256,130	2,249,912	6,218
Museums				
Salaries and benefits	2,059	2,059	2,049	10
Operations	867,012	867,012	603,925	263,087
Total	869,071	869,071	605,974	263,097
Elections				
Salaries and benefits	365,473	335,473	329,326	6,147
Operations	245,750	245,750	222,093	23,657
Total	611,223	581,223	551,419	29,804
Multi modal transportation				
Operations	45,000	48,100	48,056	44
Total	45,000	48,100	48,056	44
Affordable housing				
Operations	54,000	54,000	52,080	1,920
Total	54,000	54,000	52,080	1,920
Community services				
Operations	1,647,767	1,897,767	1,755,845	141,922
Total	1,647,767	1,897,767	1,755,845	141,922
Planning				
Salaries and benefits	843,132	843,132	781,383	61,749
Operations	786,914	786,914	760,479	26,435
Total	1,630,046	1,630,046	1,541,862	88,184
Recycling				
Operations	75,350	75,350	47,698	27,652
Total	75,350	75,350	47,698	27,652
Surveyor				
Salaries and benefits	7,197	7,197	7,196	1
Total	7,197	7,197	7,196	1
Taylor grazing				
Operations	36,048	36,048	27,871	8,177
Total	36,048	36,048	27,871	8,177
Noxious weed				
Salaries and benefits	308,174	308,174	263,207	44,967
Operations	116,612	116,612	92,712	23,900
Total	424,786	424,786	355,919	68,867
Environmental health				
Salaries and benefits	737,687	737,687	736,667	1,020
Operations	181,264	200,064	199,061	1,003
Total	918,951	937,751	935,728	2,023
Public health				
Salaries and benefits	811,344	811,344	771,960	39,384
Operations	92,240	116,010	101,775	14,235
Debt service	-	5,930	5,928	2
Total	903,584	933,284	879,663	53,621
Extension				
Salaries and benefits	318,756	318,756	314,082	4,674
Operations	82,545	82,545	63,357	19,188
Total	\$ 401,301	\$ 401,301	\$ 377,439	\$ 23,862

Routt County, Colorado
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Veterans				
Salaries and benefits	\$ 35,411	\$ 32,561	\$ 21,851	\$ 10,710
Operations	900	3,750	2,798	952
Total	36,311	36,311	24,649	11,662
Purchase of development rights				
Salaries and benefits	10,924	29,824	29,396	428
Operations	9,678,659	9,659,759	3,320,032	6,339,727
Total	9,689,583	9,689,583	3,349,428	6,340,155
Fair				
Salaries and benefits	275,602	264,702	205,018	59,684
Operations	469,600	480,500	480,407	93
Total	745,202	745,202	685,425	59,777
Total Community Resources	20,195,131	20,623,150	13,496,164	7,126,986
Property Tax Administration				
Clerk				
Salaries and benefits	297,035	327,035	296,990	30,045
Operations	31,027	31,027	30,223	804
Total	328,062	358,062	327,213	30,849
Motor vehicle				
Salaries and benefits	530,195	530,195	507,937	22,258
Operations	38,730	38,730	38,418	312
Total	568,925	568,925	546,355	22,570
Public trustee				
Salaries and benefits	45,837	29,337	27,754	1,583
Operations	20,690	20,690	2,981	17,709
Total	66,527	50,027	30,735	19,292
Assessor				
Salaries and benefits	1,407,758	1,407,758	1,348,492	59,266
Operations	37,903	37,903	37,838	65
Total	1,445,661	1,445,661	1,386,330	59,331
Treasurer				
Salaries and benefits	517,643	534,143	534,027	116
Operations	217,726	217,726	155,380	62,346
Total	735,369	751,869	689,407	62,462
Total Property Tax Administration	\$ 3,144,544	\$ 3,174,544	\$ 2,980,040	\$ 194,504

Routt County, Colorado
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Safety				
Coroner				
Salaries and benefits	\$ 178,177	\$ 178,777	\$ 178,753	\$ 24
Operations	117,170	116,570	114,318	2,252
Total	<u>295,347</u>	<u>295,347</u>	<u>293,071</u>	<u>2,276</u>
Detention center				
Salaries and benefits	3,830,632	3,790,632	3,434,015	356,617
Operations	525,035	589,825	589,580	245
Debt service	-	13,520	13,503	17
Total	<u>4,355,667</u>	<u>4,393,977</u>	<u>4,037,098</u>	<u>356,879</u>
Emergency medical				
Salaries and benefits	992	992	5	987
Operations	33,760	33,760	14,999	18,761
Total	<u>34,752</u>	<u>34,752</u>	<u>15,004</u>	<u>19,748</u>
Sheriff				
Salaries and benefits	4,752,122	4,752,122	4,726,154	25,968
Operations	881,586	803,496	782,932	20,564
Capital outlay	-	9,410	9,400	10
Debt service	-	78,090	78,044	46
Total	<u>5,633,708</u>	<u>5,643,118</u>	<u>5,596,530</u>	<u>46,588</u>
Office of Emergency Management				
Salaries and benefits	335,653	335,653	323,553	12,100
Operations	181,900	181,900	52,421	129,479
Total	<u>517,553</u>	<u>517,553</u>	<u>375,974</u>	<u>141,579</u>
District attorney				
Salaries and benefits	1,110,468	1,110,468	981,007	129,461
Operations	108,877	108,877	99,945	8,932
Total	<u>1,219,345</u>	<u>1,219,345</u>	<u>1,080,952</u>	<u>138,393</u>
Total Public Safety	<u>12,056,372</u>	<u>12,104,092</u>	<u>11,398,629</u>	<u>705,463</u>
Total expenditures	<u>48,112,948</u>	<u>48,831,112</u>	<u>40,042,127</u>	<u>8,788,985</u>
Excess (deficiency) of revenues over expenditures	<u>(5,732,787)</u>	<u>(5,915,972)</u>	<u>10,313,017</u>	<u>16,228,989</u>
OTHER FINANCING SOURCES (USES)				
Financing proceeds from leases	-	9,410	9,400	(10)
Financing proceeds from SBITAs	-	12,400	12,395	(5)
Transfers out	(4,062,043)	(4,150,668)	(3,925,599)	225,069
Total other financing sources (uses)	<u>(4,062,043)</u>	<u>(4,128,858)</u>	<u>(3,903,804)</u>	<u>225,054</u>
Net change in fund balance	(9,794,830)	(10,044,830)	6,409,213	16,454,043
Fund balance - beginning	22,766,527	22,766,527	22,766,527	-
Fund balance - ending	<u>\$ 12,971,697</u>	<u>\$ 12,721,697</u>	<u>\$ 29,175,740</u>	<u>\$ 16,454,043</u>

Routt County, Colorado
Road & Bridge Fund - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 961,798	\$ 961,798	\$ 931,486	\$ (30,312)
Sales taxes	5,622,657	5,622,657	3,988,258	(1,634,399)
Intergovernmental	6,194,029	6,510,029	6,506,137	(3,892)
Charges for sales and services	153,065	153,065	213,300	60,235
Investment earnings	3,115	3,115	-	(3,115)
Lease interest income	-	-	7,331	7,331
Interfund loan principal	6,520	6,520	-	(6,520)
Contributions and donations	-	4,406,400	4,406,364	(36)
Total revenues	<u>12,941,184</u>	<u>17,663,584</u>	<u>16,052,876</u>	<u>(1,610,708)</u>
EXPENDITURES				
Salaries and benefits	4,192,174	4,192,174	4,157,708	34,466
Operations	6,791,769	6,791,769	6,286,224	505,545
Infrastructure	1,284,728	6,171,128	6,091,568	79,560
Total expenditures	<u>12,268,671</u>	<u>17,155,071</u>	<u>16,535,500</u>	<u>619,571</u>
Excess (deficiency) of revenues over expenditures	<u>672,513</u>	<u>508,513</u>	<u>(482,624)</u>	<u>(991,137)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,724,432)	(1,724,432)	(316,326)	1,408,106
Total other financing sources (uses)	<u>(1,724,432)</u>	<u>(1,724,432)</u>	<u>(316,326)</u>	<u>1,408,106</u>
Net change in fund balance	(1,051,919)	(1,215,919)	(798,950)	416,969
Fund balance - Beginning	<u>8,802,327</u>	<u>8,802,327</u>	<u>8,802,327</u>	<u>-</u>
Fund balance - Ending	<u>\$ 7,750,408</u>	<u>\$ 7,586,408</u>	<u>\$ 8,003,377</u>	<u>\$ 416,969</u>

Routt County, Colorado
Human Services Fund - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 661,958	\$ 661,958	\$ 669,561	\$ 7,603
Intergovernmental	6,456,311	6,456,311	5,190,373	(1,265,938)
Operating grants	171,000	171,000	250,706	79,706
Total revenues	<u>7,289,269</u>	<u>7,289,269</u>	<u>6,110,640</u>	<u>(1,178,629)</u>
EXPENDITURES				
Salaries and benefits	2,983,510	2,983,510	2,818,429	165,081
Operations	4,717,598	4,717,598	3,970,923	746,675
Total expenditures	<u>7,701,108</u>	<u>7,701,108</u>	<u>6,789,352</u>	<u>911,756</u>
Excess (deficiency) of revenues over expenditures	<u>(411,839)</u>	<u>(411,839)</u>	<u>(678,712)</u>	<u>(266,873)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	412,588	412,588	659,572	246,984
Total other financing sources (uses)	<u>412,588</u>	<u>412,588</u>	<u>659,572</u>	<u>246,984</u>
Net change in fund balance	749	749	(19,140)	(19,889)
Fund balance - beginning	426,556	426,556	426,556	-
Fund balance - ending	<u>\$ 427,305</u>	<u>\$ 427,305</u>	<u>\$ 407,416</u>	<u>\$ (19,889)</u>

E911 Communications Fund - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,780,966	\$ 1,780,966	\$ 1,751,886	\$ (29,080)
Intergovernmental	50,000	50,000	200,791	150,791
Charges for sales and services	844,497	844,497	769,690	(74,807)
Lease interest income	-	-	13,048	13,048
Total revenues	<u>2,675,463</u>	<u>2,675,463</u>	<u>2,735,415</u>	<u>59,952</u>
EXPENDITURES				
Salaries and benefits	2,216,765	2,216,765	1,869,243	347,522
Operations	571,751	571,751	531,489	40,262
Total expenditures	<u>2,788,516</u>	<u>2,788,516</u>	<u>2,400,732</u>	<u>387,784</u>
Excess (deficiency) of revenues over expenditures	<u>(113,053)</u>	<u>(113,053)</u>	<u>334,683</u>	<u>447,736</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,500	2,500	-	(2,500)
Transfers out	-	(9,590)	(9,589)	1
Total other financing sources (uses)	<u>2,500</u>	<u>(7,090)</u>	<u>(9,589)</u>	<u>(2,499)</u>
Net change in fund balance	<u>(110,553)</u>	<u>(120,143)</u>	<u>325,094</u>	<u>445,237</u>
Fund balance - beginning	3,441,052	3,441,052	3,441,052	-
Fund balance - ending	<u>\$ 3,330,499</u>	<u>\$ 3,320,909</u>	<u>\$ 3,766,146</u>	<u>\$ 445,237</u>

ROUTT COUNTY, COLORADO
EXPLANATION OF FUNDS
December 31, 2024

EXPLANATION OF PROPRIETARY FUNDS

Enterprise Funds

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

Non-major Enterprise Funds

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

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

Routt County, Colorado
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2024

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and investments	\$ 1,372,616	\$ 13,880	\$ 1,386,496
Restricted cash and investments	712,286	709,649	1,421,935
Accounts receivable (net of allowance for uncollectibles)	9,172	2,790	11,962
Due from other governments	563,794	867,897	1,431,691
Total current assets	<u>2,657,868</u>	<u>1,594,216</u>	<u>4,252,084</u>
Noncurrent assets:			
Land and improvements (non-depreciable)	21,284	18,610	39,894
Water system	977,962	-	977,962
Sewer system	753,670	557,975	1,311,645
Construction in progress	2,485,544	2,430,814	4,916,358
Accumulated depreciation	(1,484,191)	(482,399)	(1,966,590)
Total noncurrent assets	<u>2,754,269</u>	<u>2,525,000</u>	<u>5,279,269</u>
Total assets	<u>5,412,137</u>	<u>4,119,216</u>	<u>9,531,353</u>
LIABILITIES			
Current liabilities:			
Accounts payable	225,401	96,516	321,917
Accrued interest	2,645	1,465	4,110
Retainage payable	109,193	100,440	209,633
Current portion of long-term debt	25,620	29,889	55,509
Total current liabilities	<u>362,859</u>	<u>228,310</u>	<u>591,169</u>
Noncurrent liabilities:			
Loans payable	62,375	166,379	228,754
Total noncurrent liabilities	<u>62,375</u>	<u>166,379</u>	<u>228,754</u>
Total liabilities	<u>425,234</u>	<u>394,689</u>	<u>819,923</u>
NET POSITION			
Net investment in capital assets	2,557,081	2,228,292	4,785,373
Restricted	751,659	749,714	1,501,373
Unrestricted	1,678,163	746,521	2,424,684
Total net position	<u>\$ 4,986,903</u>	<u>\$ 3,724,527</u>	<u>\$ 8,711,430</u>

Routt County, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2024

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for sales and services	\$ 183,937	\$ 74,465	\$ 258,402
Total operating revenues	<u>183,937</u>	<u>74,465</u>	<u>258,402</u>
OPERATING EXPENSES			
Depreciation	12,581	5,276	17,857
Repairs and maintenance	7,199	1,958	9,157
Purchased services and supplies	85,606	51,449	137,055
Total operating expenses	<u>105,386</u>	<u>58,683</u>	<u>164,069</u>
Operating income (loss)	<u>78,551</u>	<u>15,782</u>	<u>94,333</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	106,554	56,028	162,582
Interest expense	(11,018)	(5,953)	(16,971)
Lagoon decommissioning	(167,564)	(103,570)	(271,134)
Total nonoperating revenues (expenses)	<u>(72,028)</u>	<u>(53,495)</u>	<u>(125,523)</u>
Income (loss) before contributions and transfers	6,523	(37,713)	(31,190)
Capital grants	812,022	875,657	1,687,679
Loan forgiveness proceeds	781,915	781,915	1,563,830
Change in net position	<u>1,600,460</u>	<u>1,619,859</u>	<u>3,220,319</u>
Total net position - beginning	<u>3,386,443</u>	<u>2,104,668</u>	<u>5,491,111</u>
Total net position - ending	<u>\$ 4,986,903</u>	<u>\$ 3,724,527</u>	<u>\$ 8,711,430</u>

Routt County, Colorado
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2024

	Phippsburg Water & Sanitation System	Milner Sanitation System	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 182,121	\$ 75,401	\$ 257,522
Payments to suppliers	(95,781)	(53,864)	(149,645)
Net cash provided (used) by operating activities	<u>86,340</u>	<u>21,537</u>	<u>107,877</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Lagoon decommissioning	(167,564)	(103,570)	(271,134)
Net cash provided (used) by noncapital financing activities	<u>(167,564)</u>	<u>(103,570)</u>	<u>(271,134)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants	360,851	137,578	498,429
Loan forgiveness proceeds	781,915	781,915	1,563,830
Debt proceeds	96,440	206,169	302,609
Acquisition and construction of capital assets	(1,829,710)	(1,886,622)	(3,716,332)
Principal paid on capital debt	(43,849)	(9,901)	(53,750)
Interest paid on capital debt	(8,963)	(4,488)	(13,451)
Net cash provided (used) by capital and related financing activities	<u>(643,316)</u>	<u>(775,349)</u>	<u>(1,418,665)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	106,554	56,028	162,582
Net purchases and sales of investments	693,097	761,926	1,455,023
Net cash provided (used) by investing activities	<u>799,651</u>	<u>817,954</u>	<u>1,617,605</u>
Net increase (decrease) in cash and cash equivalents	75,111	(39,428)	35,683
Cash and cash equivalents, beginning	301,572	170,149	471,721
Cash and cash equivalents, ending	<u>376,683</u>	<u>130,721</u>	<u>507,404</u>
Investments	<u>1,708,219</u>	<u>592,808</u>	<u>2,301,027</u>
Cash and investments - end of the year	<u>\$ 2,084,902</u>	<u>\$ 723,529</u>	<u>\$ 2,808,431</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 78,551	\$ 15,782	\$ 94,333
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	12,581	5,276	17,857
Capital financing activities			
Capital grants and transfers			
Due from other governments	451,171	738,079	1,189,250
Capital assets			
Accounts payable	(203,676)	(81,540)	(285,216)
Interest expense			
Accrued interest	(2,645)	-	(2,645)
Changes in assets and liabilities:			
(Increase) decrease			
Accounts receivable	(1,816)	936	(880)
Due from other governments	(451,171)	(738,079)	(1,189,250)
Increase (decrease)			
Accounts payable	200,700	81,083	281,783
Accrued interest	2,645	-	2,645
Total adjustments	<u>7,789</u>	<u>5,755</u>	<u>13,544</u>
Net cash provided (used) by operating activities	<u>\$ 86,340</u>	<u>\$ 21,537</u>	<u>\$ 107,877</u>
Noncash investing, capital and financing activities			
Increase (decrease) in fair value of investments	\$ 7,246	\$ 2,515	\$ 9,761

Routt County, Colorado
Yampa Valley Regional Airport - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Sales taxes	\$ 448,390	\$ 448,390	\$ 495,050	\$ 46,660
Charges for sales and services	10,657,804	10,657,804	10,395,380	(262,424)
Operating grants	15,000	15,000	14,064	(936)
Total revenues	<u>11,121,194</u>	<u>11,121,194</u>	<u>10,904,494</u>	<u>(216,700)</u>
EXPENSES				
Salaries and benefits	4,626,921	4,626,921	4,495,391	131,530
Repairs and maintenance	525,477	516,717	434,196	82,521
Purchased services and supplies	2,619,088	2,616,378	2,212,822	403,556
Depreciation	699,338	699,338	699,338	-
Total expenses	<u>8,470,824</u>	<u>8,459,354</u>	<u>7,841,747</u>	<u>617,607</u>
Excess (deficiency) of revenues over expenditures	<u>2,650,370</u>	<u>2,661,840</u>	<u>3,062,747</u>	<u>400,907</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	783,148	783,148	1,361,003	577,855
Lease interest income	-	-	168,000	168,000
Capital outlay	(15,980,109)	(15,980,109)	(1,277,012)	14,703,097
Principal payments - SBITA	-	(11,080)	(11,062)	18
Interest expense - SBITA	-	(390)	(380)	10
Gain (loss) on disposal of capital assets	-	-	8,723	8,723
Capital grants	13,781,008	13,781,008	2,063,821	(11,717,187)
Intergovernmental	2,255,920	2,255,920	2,059,117	(196,803)
Total other financing sources (uses)	<u>839,967</u>	<u>828,497</u>	<u>4,372,210</u>	<u>3,543,713</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 3,490,337</u>	<u>\$ 3,490,337</u>	<u>\$ 7,434,957</u>	<u>\$ 3,944,620</u>

Routt County, Colorado
Regional Building Department - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for sales and services	\$ 2,001,000	\$ 2,027,500	\$ 3,707,484	\$ 1,679,984
Total revenues	<u>2,001,000</u>	<u>2,027,500</u>	<u>3,707,484</u>	<u>1,679,984</u>
EXPENSES				
Salaries and benefits	1,321,472	1,347,972	1,347,608	364
Purchased services and supplies	814,110	814,110	767,800	46,310
Total expenses	<u>2,135,582</u>	<u>2,162,082</u>	<u>2,115,408</u>	<u>46,674</u>
Excess (deficiency) of revenues over expenditures	<u>(134,582)</u>	<u>(134,582)</u>	<u>1,592,076</u>	<u>1,726,658</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	35,476	35,476
Transfers out	(316,000)	(316,000)	-	316,000
Total other financing sources (uses)	<u>(316,000)</u>	<u>(316,000)</u>	<u>35,476</u>	<u>351,476</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (450,582)</u>	<u>\$ (450,582)</u>	<u>\$ 1,627,552</u>	<u>\$ 2,078,134</u>

Routt County, Colorado
Phippsburg Water & Sanitation System - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for sales and services	\$ 188,544	\$ 188,544	\$ 183,937	\$ (4,607)
Total revenues	<u>188,544</u>	<u>188,544</u>	<u>183,937</u>	<u>(4,607)</u>
EXPENSES				
Repairs and maintenance	17,500	17,500	7,199	10,301
Purchased services and supplies	101,960	101,960	85,606	16,354
Total expenses	<u>119,460</u>	<u>119,460</u>	<u>92,805</u>	<u>26,655</u>
Excess (deficiency) of revenues over expenditures	<u>69,084</u>	<u>69,084</u>	<u>91,132</u>	<u>22,048</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	82,840	82,840	106,554	23,714
Capital outlay	(3,700,000)	(3,559,000)	(2,142,579)	1,416,421
Principal payments	(766,980)	(766,980)	(43,849)	723,131
Interest expense	(1,775)	(1,775)	(11,018)	(9,243)
Lagoon decommissioning	-	(141,000)	(167,564)	(26,564)
Tap fees	6,000	6,000	-	(6,000)
Capital grants	1,750,000	1,750,000	812,022	(937,978)
Loan forgiveness proceeds	-	-	781,915	781,915
Bond proceeds	750,000	750,000	96,440	(653,560)
Total other financing sources (uses)	<u>(1,879,915)</u>	<u>(1,879,915)</u>	<u>(568,079)</u>	<u>1,311,836</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (1,810,831)</u>	<u>\$ (1,810,831)</u>	<u>\$ (476,947)</u>	<u>\$ 1,333,884</u>

Routt County, Colorado
Milner Sanitation System - Enterprise Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for sales and services	\$ 75,372	\$ 75,372	\$ 74,465	\$ (907)
Total revenues	<u>75,372</u>	<u>75,372</u>	<u>74,465</u>	<u>(907)</u>
EXPENSES				
Repairs and maintenance	10,000	10,000	1,958	8,042
Purchased services and supplies	58,535	58,535	51,449	7,086
Total expenses	<u>68,535</u>	<u>68,535</u>	<u>53,407</u>	<u>15,128</u>
Excess (deficiency) of revenues over expenditures	<u>6,837</u>	<u>6,837</u>	<u>21,058</u>	<u>14,221</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	31,850	31,850	56,028	24,178
Capital outlay	(3,100,000)	(3,011,000)	(2,068,601)	942,399
Principal payments	(764,020)	(764,020)	(9,901)	754,119
Interest expense	(3,115)	(3,115)	(5,953)	(2,838)
Lagoon decommissioning	-	(89,000)	(103,570)	(14,570)
Capital grants	1,750,000	1,750,000	875,657	(874,343)
Loan forgiveness proceeds	-	-	781,915	781,915
Bond proceeds	750,000	750,000	206,169	(543,831)
Total other financing sources (uses)	<u>(1,335,285)</u>	<u>(1,335,285)</u>	<u>(268,256)</u>	<u>1,067,029</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (1,328,448)</u>	<u>\$ (1,328,448)</u>	<u>\$ (247,198)</u>	<u>\$ 1,081,250</u>

Routt County, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2024

	Equipment Pool	Insurance Pool	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 13,222,621	\$ 3,066,466	\$ 16,289,087
Accounts receivable (net of allowance for uncollectibles)	-	460,887	460,887
Due from other governments	7,046	-	7,046
Prepaid expenses	6,000	39,002	45,002
Inventory	42,053	-	42,053
Total current assets	<u>13,277,720</u>	<u>3,566,355</u>	<u>16,844,075</u>
Noncurrent assets:			
Land and improvements (non-depreciable/non-amortizable)	3,092,916	-	3,092,916
Land improvements (depreciable/amortizable)	2,543,175	-	2,543,175
Buildings	56,337,260	-	56,337,260
Equipment	36,625,311	-	36,625,311
Other (depreciable)	1,943,061	-	1,943,061
Other (non-depreciable)	803,173	-	803,173
Leased asset	10,638	-	10,638
Construction in progress	1,529,272	-	1,529,272
Accumulated depreciation/amortization	(46,313,230)	-	(46,313,230)
Total noncurrent assets	<u>56,571,576</u>	<u>-</u>	<u>56,571,576</u>
Total assets	<u>69,849,296</u>	<u>3,566,355</u>	<u>73,415,651</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	11,993	-	11,993
Total deferred outflows of resources	<u>11,993</u>	<u>-</u>	<u>11,993</u>
Total assets and deferred outflows of resources	<u>69,861,289</u>	<u>3,566,355</u>	<u>73,427,644</u>
LIABILITIES			
Current liabilities:			
Accounts payable	350,450	20,030	370,480
Compensated absences	12,436	-	12,436
Claims liability	-	323,189	323,189
Accrued interest	3,236	-	3,236
Retainage payable	39,689	-	39,689
Current portion of long-term debt (net of unamortized discount)	1,194,385	-	1,194,385
Current portion of lease payable	301	-	301
Total current liabilities	<u>1,600,497</u>	<u>343,219</u>	<u>1,943,716</u>
Noncurrent liabilities:			
Compensated absences	21,559	-	21,559
Total noncurrent liabilities	<u>21,559</u>	<u>-</u>	<u>21,559</u>
Total liabilities	<u>1,622,056</u>	<u>343,219</u>	<u>1,965,275</u>
NET POSITION			
Net investment in capital assets	55,349,194	-	55,349,194
Unrestricted	12,890,039	3,223,136	16,113,175
Total net position	<u>\$ 68,239,233</u>	<u>\$ 3,223,136</u>	<u>\$ 71,462,369</u>

Routt County, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2024

	Equipment Pool	Insurance Pool	Total Internal Service Funds
OPERATING REVENUES			
Internal service fees	\$ 4,994,550	\$ 6,673,559	\$ 11,668,109
Insurance proceeds	130,745	1,485,742	1,616,487
Total operating revenues	<u>5,125,295</u>	<u>8,159,301</u>	<u>13,284,596</u>
OPERATING EXPENSES			
Salaries and benefits	440,351	-	440,351
Depreciation	3,470,941	-	3,470,941
Amortization	3,553	-	3,553
Claims	-	6,683,892	6,683,892
Repairs and maintenance	1,467,330	-	1,467,330
Purchased services and supplies	119,707	2,003,171	2,122,878
Total operating expenses	<u>5,501,882</u>	<u>8,687,063</u>	<u>14,188,945</u>
Operating income (loss)	<u>(376,587)</u>	<u>(527,762)</u>	<u>(904,349)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	554,229	-	554,229
Interest expense	(96,063)	-	(96,063)
Amortization of refunding debt insurance	(3,751)	-	(3,751)
Gain (loss) on disposal of capital assets	62,563	-	62,563
Total nonoperating revenues (expenses)	<u>516,978</u>	<u>-</u>	<u>516,978</u>
Income (loss) before transfers	140,391	(527,762)	(387,371)
Transfers in	2,153,686	1,438,256	3,591,942
Transfers out	(35,476)	-	(35,476)
Change in net position	<u>2,258,601</u>	<u>910,494</u>	<u>3,169,095</u>
Total net position - beginning, as previously reported	65,997,368	2,312,642	68,310,010
Restatement due to adoption of GASB 101	(16,736)	-	(16,736)
Total net position - beginning, as restated	<u>65,980,632</u>	<u>2,312,642</u>	<u>68,293,274</u>
Total net position - ending	<u>\$ 68,239,233</u>	<u>\$ 3,223,136</u>	<u>\$ 71,462,369</u>

Rout County, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024

	<u>Equipment Pool</u>	<u>Insurance Pool</u>	<u>Total</u>
Cash flows from operating activities			
Receipts from interfund services provided	\$ 5,126,279	\$ 6,673,559	\$ 11,799,838
Receipts from insurance	-	1,889,044	1,889,044
Payments to suppliers	(1,569,940)	(1,973,151)	(3,543,091)
Payments to employees	(442,778)	-	(442,778)
Payments to claims	-	(6,571,840)	(6,571,840)
	<u>3,113,561</u>	<u>17,612</u>	<u>3,131,173</u>
Net cash provided (used) by operating activities			
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	255,299	-	255,299
Acquisition and construction of capital assets	(4,253,015)	-	(4,253,015)
Principal payments on certificates of participation	(1,160,000)	-	(1,160,000)
Interest payments on certificates of participation	(78,040)	-	(78,040)
Principal payments on leased asset	(3,553)	-	(3,553)
Interest payments on leased asset	(69)	-	(69)
Transfers in	2,153,686	1,438,256	3,591,942
Transfers out	(35,476)	-	(35,476)
Net cash provided (used) by capital and related financing activities	<u>(3,121,168)</u>	<u>1,438,256</u>	<u>(1,682,912)</u>
Cash flows from investing activities			
Earnings on investments	554,230	-	554,230
Net purchases and sales of investments	427,926	(1,081,556)	(653,630)
Net cash provided (used) by investing activities	<u>982,156</u>	<u>(1,081,556)</u>	<u>(99,400)</u>
Net increase (decrease) in cash and cash equivalents	974,549	374,312	1,348,861
Cash and cash equivalents, beginning	<u>1,414,408</u>	<u>179,713</u>	<u>1,594,121</u>
Cash and cash equivalents, ending	2,388,957	554,025	2,942,982
Investments	10,833,664	2,512,441	13,346,105
Cash and investments	<u>\$ 13,222,621</u>	<u>\$ 3,066,466</u>	<u>\$ 16,289,087</u>

Rout County, Colorado
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024

	Equipment Pool	Insurance Pool	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (376,587)	\$ (527,762)	\$ (904,349)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,470,941	-	3,470,941
Amortization	3,553	-	3,553
Capital financing activities			
Capital assets			
Accounts payable	(197,756)	-	(197,756)
Retainage payable	(18,430)	-	(18,430)
Interest expense			
Accrued interest	3,142	-	3,142
Change in assets and liabilities:			
(Increase) decrease			
Accounts receivable	984	403,302	404,286
Due from other governments	(3,153)	-	(3,153)
Inventory	2,315	-	2,315
Prepaid expenses	-	21,831	21,831
Increase (decrease)			
Accounts payable	221,822	8,189	230,011
Accrued interest	(3,142)	-	(3,142)
Compensated absences	(8,558)	-	(8,558)
Claims liability	-	112,052	112,052
Retainage payable	18,430	-	18,430
Total adjustments	3,490,148	545,374	4,035,522
Net cash provided (used) by operating activities	\$ 3,113,561	\$ 17,612	\$ 3,131,173
Noncash investing, capital, and financing activities:			
Increase (decrease) in fair value of investments	\$ 45,956	\$ 10,658	\$ 56,614
Amortization related to refunding debt issue	(24,849)	-	(24,849)

Routt County, Colorado
Equipment Pool - Internal Service Fund
Schedule of Revenues and Expenditures
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal service fees	\$ 4,935,060	\$ 4,935,060	\$ 4,994,550	\$ 59,490
Insurance proceeds	62,000	62,000	130,745	68,745
Total revenues	<u>4,997,060</u>	<u>4,997,060</u>	<u>5,125,295</u>	<u>128,235</u>
EXPENSES				
Salaries and benefits	566,718	566,718	440,351	126,367
Repairs and maintenance	1,552,846	1,552,846	1,467,330	85,516
Purchased services and supplies	95,810	95,810	119,707	(23,897)
Total expenses	<u>2,215,374</u>	<u>2,215,374</u>	<u>2,027,388</u>	<u>187,986</u>
Excess (deficiency) of revenues over expenditures	<u>2,781,686</u>	<u>2,781,686</u>	<u>3,097,907</u>	<u>316,221</u>
OTHER FINANCING SOURCES (USES)				
Investment earnings	365,720	365,720	554,229	188,509
Capital outlay	(7,155,031)	(7,155,031)	(4,474,688)	2,680,343
Principal payments	(1,160,000)	(1,160,000)	(1,160,000)	-
Principal payments - leases	-	(3,555)	(3,553)	2
Interest expense	(75,150)	(75,150)	(74,896)	254
Interest expense - leases	-	(70)	(69)	1
Gain (loss) on disposal of capital assets	350,500	350,500	62,563	(287,937)
Transfers in	4,249,131	4,252,756	2,153,686	(2,099,070)
Transfers out	-	(35,480)	(35,476)	4
Total other financing sources (uses)	<u>(3,424,830)</u>	<u>(3,460,310)</u>	<u>(2,978,204)</u>	<u>482,106</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ (643,144)</u>	<u>\$ (678,624)</u>	<u>\$ 119,703</u>	<u>\$ 798,327</u>

Routt County, Colorado
Insurance Pool - Internal Service Fund
Schedule of Revenues and Expenditures
Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Internal service fees	\$ 6,723,142	\$ 6,604,840	\$ 6,673,559	\$ 68,719
Insurance proceeds	966,557	1,910,937	1,485,742	(425,195)
Total revenues	<u>7,689,699</u>	<u>8,515,777</u>	<u>8,159,301</u>	<u>(356,476)</u>
EXPENSES				
Claims	5,950,600	7,276,370	6,683,892	592,478
Purchased services and supplies	2,030,390	2,051,220	2,003,171	48,049
Total expenses	<u>7,980,990</u>	<u>9,327,590</u>	<u>8,687,063</u>	<u>640,527</u>
Excess (deficiency) of revenues over expenditures	<u>(291,291)</u>	<u>(811,813)</u>	<u>(527,762)</u>	<u>284,051</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,438,256	1,523,256	1,438,256	(85,000)
Total other financing sources (uses)	<u>1,438,256</u>	<u>1,523,256</u>	<u>1,438,256</u>	<u>(85,000)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 1,146,965</u>	<u>\$ 711,443</u>	<u>\$ 910,494</u>	<u>\$ 199,051</u>

Routt County, Colorado
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	County Treasurer Fund	Public Trustee Fund	Inmate Commissary Fund	Total
ASSETS				
Cash and investments	\$ 1,709,741	\$ 65,539	\$ 125,141	\$ 1,900,421
Property tax receivable	78,829,490	-	-	78,829,490
Total assets	<u>80,539,231</u>	<u>65,539</u>	<u>125,141</u>	<u>80,729,911</u>
LIABILITIES				
Due to other governments	1,606,118	-	-	1,606,118
Funds held for others	103,623	65,539	2,518	171,680
Total liabilities	<u>1,709,741</u>	<u>65,539</u>	<u>2,518</u>	<u>1,777,798</u>
DEFERRED INFLOW OF RESOURCES				
Property taxes	78,829,490	-	-	78,829,490
Total deferred inflow of resources	<u>78,829,490</u>	<u>-</u>	<u>-</u>	<u>78,829,490</u>
NET POSITION				
Restricted				
Individuals, organizations, and other governments	-	-	122,623	122,623
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,623</u>	<u>\$ 122,623</u>

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

Routt County, Colorado
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2024

	County Treasurer Fund	Public Trustee Fund	Inmate Commissary Fund	Total
ADDITIONS				
Taxes collected for other governments	\$ 90,067,614	\$ -	\$ -	\$ 90,067,614
Public trustee activity	-	257,540	-	257,540
Funds held for others	17,652,262	-	374,916	18,027,178
Sales	-	-	49,946	49,946
Total additions	<u>107,719,876</u>	<u>257,540</u>	<u>424,862</u>	<u>108,402,278</u>
DEDUCTIONS				
Taxes disbursed to other governments	90,067,614	-	-	90,067,614
Public trustee disbursements	-	257,540	-	257,540
Disbursements of funds held for others	17,652,262	-	370,796	18,023,058
Cost of goods sold	-	-	47,898	47,898
Total deductions	<u>107,719,876</u>	<u>257,540</u>	<u>418,694</u>	<u>108,396,110</u>
Net increase (decrease) in fiduciary net position	-	-	6,168	6,168
Net position, beginning	-	-	116,455	116,455
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,623</u>	<u>\$ 122,623</u>

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

ROUTT COUNTY, COLORADO
NOTES TO THE SUPPLEMENTARY INFORMATION
December 31, 2024

NOTE 1. RECONCILIATION OF BUDGET TO GAAP

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

	Yampa Valley Regional Airport	Regional Building Department	Phippsburg Water & Sanitation System	Milner Sanitation System	Equipment Pool
GAAP basis	\$ 4,517,362	\$ 1,284,270	\$ 1,600,460	\$ 1,619,859	\$ 2,258,601
Revenues					
Unearned revenue	-	343,282	-	-	-
Expenditures					
Depreciation/amortization	4,194,702	-	12,581	5,276	3,470,941
Amortization of SBITA	10,967	-	-	-	3,553
Capital outlay	(1,277,012)	-	(2,142,579)	(2,068,601)	(4,474,688)
Amortization of refunding debt insurance	-	-	-	-	3,751
Interest expense, amortization of the deferred charge for refunding debt	-	-	-	-	19,887
Interest expense, amortization of the issue discount on refunding debt	-	-	-	-	1,211
Proceeds from debt issuance	-	-	96,440	206,169	-
Debt principal payments	-	-	(43,849)	(9,901)	(1,160,000)
SBITA principal payments	(11,062)	-	-	-	-
Lease principal payments	-	-	-	-	(3,553)
Budget basis	\$ 7,434,957	\$ 1,627,552	\$ (476,947)	\$ (247,198)	\$ 119,703

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

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO			
		YEAR ENDING : 12/2024			
This Information From The Records Of: The County of Routt		Prepared By: Phone:	Gina Goodman Norton 970-870-5372 gnorton@co.routt.co.us		
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. EXPENDITURES FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway expenditures:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	6,091,568		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	7,344,626		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	0		
c. Total (a.+b.)		a. Traffic control operations	0		
2. General fund appropriations	1,068,767	b. Snow and ice removal	1,760,983		
3. Other local imposts (from page 2)	4,973,406	c. Other	67,476		
4. Miscellaneous local receipts (from page 2)	4,626,991	d. Total (a. through c.)	1,828,459		
5. Transfers from toll facilities	0	4. General administration & miscellaneous	1,587,167		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,068,767		
a. Bonds - Original Issues	0	6. Total (1 through 5)	17,920,587		
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:			
c. Notes	0	1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	0		
7. Total (1 through 6)	10,669,164	b. Redemption	0		
B. Private Contributions	0	c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	3,622,535	2. Notes:			
D. Receipts from Federal Government (from page 2)	2,829,938	a. Interest	0		
E. Total receipts (A.7 + B + C + D)	17,121,637	b. Redemption	0		
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total expenditures (A.6 + B.3 + C + D)	17,920,587		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	0	0	0	0	
1. Bonds (Refunding Portion)	0	0	0	0	
B. Notes (Total)	0	0	0	0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 8,802,327	17,121,637	17,920,587	8,003,377	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/2024

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

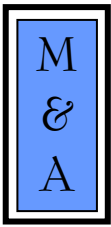
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	878,703	a. Interest on investments	7,331
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	3,988,258	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	203,891
5. Specific Ownership &/or Other	106,445	g. Other Misc. Receipts	4,413,507
6. Total (1. through 5.)	4,094,703	h. Capital Credits	2,262
c. Total (a. + b.)	4,973,406	i. Total (a. through h.)	4,626,991
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,474,050	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	103,485	d. Federal Transit Administration	0
d. Severance Tax	45,000	e. U.S. Corps of Engineers	0
e. State P.U.C. and EIAF funds	0	f. Other Federal	2,829,938
f. Total (a. through e.)	148,485	g. Total (a. through f.)	2,829,938
4. Total (1. + 2. + 3.f)	3,622,535	3. Total (1. + 2.g)	2,829,938
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	7,170	7,170
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	5,421,738	5,421,738
(3). System Preservation	0	662,660	662,660
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	6,084,398	6,084,398
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	6,091,568	6,091,568
			(Carry forward to page 1)

Notes and Comments:



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Routt County, Colorado (the "County") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 28, 2025.

Internal Control Over Financial Reporting

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

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

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

Member: American Institute of Certified Public Accountants

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

Compliance and Other Matters

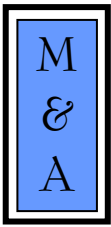
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
July 28, 2025**



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: www.McMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

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

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of Routt County, Colorado (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024 and its compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its Passenger Facility Charge program for the year ended December 31, 2024. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Member: American Institute of Certified Public Accountants

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (continued)

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

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

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
July 28, 2025**

Routt County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

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

Federal Awards:

Internal control over major programs:

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

Major programs:

Energy and Mineral Assistance Program – Mineral Lease Act	ALN 15.437
Highway Planning and Construction	ALN 20.205
CCDF Cluster	ALN 93.575, 93.596

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

Identified as low-risk auditee Yes

Part II – Findings Related to Financial Statements

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

Auditor-assigned reference number Not applicable

Part III – Findings Related to Federal Awards

Internal control findings None noted

Compliance findings None noted

Questioned costs None noted

Auditor-assigned reference number Not applicable

Routt County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024
(Continued)

There were no audit findings for the year ended December 31, 2023.

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

<u>Federal Department/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditure Amount</u>	<u>Cluster Ref</u>
<u>Department of Health and Human Services</u>				
Passed through Colorado Department of Human Services:				
Child Care and Development Block Grant	CDHS - FFA	93.575	\$ 675,481	A
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CDHS - FFA	93.596	199,984	A
Guardianship Assistance	CDHS - FFA	93.090	5,613	
Kinship Navigator Program	CDHS - FFA	93.471	18,478	
Family First Prevention Services Act	CDHS - FFA	93.472	9,103	
Temporary Assistance for Needy Families	CDHS - FFA	93.558	141,689	
Child Support Enforcement	CDHS - FFA	93.563	347,267	
Stephanie Tubbs Jones Child Welfare Services Program	CDHS - FFA	93.645	12,544	
Foster Care -Title IV-E	CDHS - FFA	93.658	236,575	
Adoption Assistance	CDHS - FFA	93.659	11,509	
Social Services Block Grant	CDHS - FFA	93.667	81,117	
Promoting Safe and Stable Families	CDHS - FFA	93.556	58,813	
Elder Abuse Prevention Interventions Program	CDHS - FFA	93.747	10,261	
Block Grants for Community Mental Health	BO9SM087337/B09SM089602	93.958	29,832	
Passed through Department of Health Care Policy and Financing:				
Medical Assistance Program	CDHS - FFA	93.778	386,520	B
Passed through Colorado Department of Local Affairs:				
Community Services Block Grant	L21CSBG39	93.569	5,395	
Passed through Colorado Department of Public Health and Environment:				
Local Core Public Health Services (Maternal and Child Health, Child Fatality, Local Public Health Agency) Block Grant to the States	25 FAA 00052 B044202	93.994	17,117	
Immunization Cooperative Agreements	NH23IP922600	93.268	12,865	
COVID-19 Immunization #3	FHJA202100010309	93.268	64,831	
COVID-19 Immunization #4	FHCA202200003017	93.268	40,290	
Total Immunization Cooperative Agreement Grants			<u>117,986</u>	
Public Health Emergency Preparedness Program	N5 NU90TP922028-05-06	93.069	64,400	
Preventative Health and Health Services Block Grant	FAAA202500004334	93.991	7,203	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC-2.1)	FHJA202100010532	93.323	15,510	
Public Health Crisis Response Award	75-0943-0-1-999	93.967	42,511	
Total Department of Health and Human Services			<u>\$ 2,494,908</u>	

The notes to the Schedule of Expenditures of Federal Awards are an intergral part of this statement

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

<u>Federal Department/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditure Amount</u>	<u>Cluster Ref</u>
<u>Department of Agriculture</u>				
Direct:				
Forest Service Cooperative Law Enforcement Agreement	20-LE-11020600-004	10.704	\$ 6,900	
Passed through Colorado Department of Human Services:				
Supplemental Nutrition Assistance Program	CDHS - FFA	10.551	6,643	C
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	CDHS - FFA	10.561	287,238	C
Total Department of Agriculture			<u>300,781</u>	
<u>Department of Interior</u>				
Direct:				
U.S. Geological Survey Cooperative Funding Authority Agreement	24REJFACO 118	15.unknown	15,416	
Pass through Department of Local Affairs				
Energy & Mineral Assistance Program - Mineral Lease Act	CTGG1NLAA202400003327 EIAF-09732	15.437	615,220	
Energy & Mineral Assistance Program - Mineral Lease Act	CTGG1NLAA202400003326 EIAF-09731	15.437	691,063	
			<u>1,306,283</u>	
Total Department of Interior			<u>1,321,699</u>	
<u>Department of Transportation</u>				
Direct:				
Airport Improvement Program	3-08-0031-056-2022	20.106	5,652.0	
Airport Improvement Program	3-08-0031-057-2022	20.106	5,944	
Airport Improvement Program	3-08-0031-060-2023	20.106	122,573	
Airport Improvement Program	3-08-0031-060-2023	20.106	51,924	
Airport Improvement Program	3-08-0031-058-2024	20.106	18,357	
Airport Improvement Program	3-08-0031-0628-2024	20.106	538,945	
CARES Act Airport Improvement Grant	3-08-0031-054-2021; DOT-FA2INM-K1182	20.106	1,370,394	
CARES Act Airport Improvement Grant	3-08-0031-05-2021; DOT-FA2INM-K1064	20.106	702,815	
Total Airport Improvement Program			<u>\$ 2,816,604</u>	

The notes to the Schedule of Expenditures of Federal Awards are an intergral part of this statement

ROUTT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

<u>Federal Department/Direct or Pass-Through Entity/Program</u>	<u>Identifying Number Assigned by Pass-through Entity</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditure Amount</u>	<u>Cluster Ref</u>
Passed through Colorado Department of Transportation: Division of Transportation Development CMAQ	22-HA3-ZL-00092	20.205	\$ 76,004	D
Federal Highway Administration Routt County-CR179 Trout Creek Bridge	21-HA3-XC-03125	20.205	796,726	
Federal Transit Administration Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program	22-HTR-ZL-00251	20.505	10,445	
			<u>883,175</u>	
Total Department of Transportation			<u>3,699,779</u>	
<u>Department of Justice</u>				
Direct: Bulletproof Vest Partnership Program	2018BUBX18093911	16.607	4,976	
Total Department of Justice			<u>4,976</u>	
<u>Department of Homeland Security</u>				
Direct: Transportation Security Administration - Law Enforcement Reimbursement Program	70T02021T6114N208	97.unknown	14,064	
Passed through Colorado Department of Public Safety, Division of Homeland Security and Emergency Management: Emergency Management Performance Grants	EMD-2023-EP-00004	97.042	91,496	
Total Department of Homeland Security			<u>105,560</u>	
<u>Department of Treasury</u>				
Passed through Colorado Department of Human Services: Coronavirus State and Local Fiscal Recovery Funds	n/a	21.027	3,633	
Total Department of Treasury			<u>3,633</u>	
Total Federal Expenditures			<u>\$ 7,931,336</u>	

The notes to the Schedule of Expenditures of Federal Awards are an intergral part of this statement

ROUTT COUNTY, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

<u>Additional Information for Clusters:</u>	<u>Amount</u>
<i>A</i> Child Care Cluster (CCDF)	\$ 875,465
<i>B</i> Medicaid Cluster	\$ 386,520
<i>C</i> SNAP Cluster	\$ 293,881
<i>D</i> Highway Planning and Construction Cluser	\$ 76,004

Note 1. Program Costs

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

Note 2. Basis of Accounting

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

Note 3. Indirect Facilities and Administration costs

The County uses the 10%, and effective October 1, 2024, 15% de minimis cost rate allowed in Title 2, U.S. Code of Federal Regulations (CFR), Part 200.414, Indirect (F & A) costs for some grants, primarily grants passed through Colorado Department of Public Health and Environment. The County also prepares an annual cost allocation plan to allocate indirect costs for other grants.

ROUTT COUNTY, COLORADO
SCHEDULE OF PASSENGER FACILITY CHARGES ("PFC")
COLLECTED AND EXPENDED
For the Year Ended December 31, 2024

	<u>Amounts for</u> <u>Current Year</u>	<u>Unliquidated</u> <u>Balance</u>
Unliquidated PFC revenues - beginning		\$ -
Revenues:		
Revenues from air carriers	\$ 809,158	
Total PFC revenues	809,158	809,158
Expenditures:		
Application 19-10-C-00-HDN	809,158	
Total PFC expenditures	\$ 809,158	809,158
Unliquidated PFC revenues - ending		\$ -