

City of Montrose, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2024



City of Montrose, Colorado

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Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
City of Montrose, Colorado
Montrose, Colorado

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 City'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 City's ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hick & Company, PC

Englewood, Colorado
September 9, 2025



Management's Discussion and Analysis

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

Financial Highlights

- The assets of the City exceeded its liabilities as of December 31, 2024, by \$186,429,158. Of this amount, \$33,898,089 is unrestricted to meet the City's ongoing obligations to its citizens and creditors.
- Sales and Use taxes make up a super majority of the revenue collected in the General and Public Safety Funds. This is revenue that is collected by businesses that conduct business within the City of Montrose which includes economic nexus sales.
- Sales & Use tax is collected at 3% for the General Fund. In 2024, \$27,621,535 was collected, which represents an increase of 4.0% over 2023 collections.
- After a vote of the people in November of 2019, sales and use taxes in Montrose increased by .58%. In 2024, \$5,453,382 was collected to finance Public Safety in our community which is an increase of 1.0% over 2023 collections.
- In 2020, the City issued \$15,980,000 of Certificate of Participation debt to build the new public safety facility. Payments have been made in accordance with the amortization schedule.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,868,254, a decrease of \$4,042,869 over the prior year. Approximately 48% of this total amount, \$8,245,597 is available for spending at the City Council's discretion (unassigned fund balance) for general government functions such as streets, parks, administration, and public safety.
- The fund balance policy requires 6 months of reserves for the General Fund. At the end of 2024, unassigned fund balance for the general fund was \$19,277,208 which is approximately 11 months of operating expenditures.
- Maintaining existing streets and sidewalk infrastructure is a high priority for the city. In 2024, the city spent \$9.5 million on infrastructure upgrades to streets and sidewalks as well as paying the debt service on the \$10 million dollar loan from Vectra Bank.
- The City's total long-term liabilities decreased by \$1,147,448 during the current fiscal year. This is due to annual payments made on long-term debt.
- The City collects a capacity fee when a water and/or sewer tap is issued. This fee is to recover the cost of new connector's proportionate share of capacity in the infrastructure and to fund growth related capital improvements. In 2024, the City collected \$156,502 in water capacity fees and \$624,522 in sewer capacity fees which is a decrease of 64.0% and 51.0% respectively over the 2023 collections.
- Water Fund capital investment in water lines totaled \$1.15 million and included the following: Niagara/Hillcrest Roundabout, Odelle and Loutsenhizer, Tributary Street Extension, Montrose Drive Waterline, and water line improvements for MoveMo projects. Other capital investments included Valve replacements, Hydrant replacements, Sunnyside Instrumentation Building
- Sewer Fund capital investment in sewer lines totaled \$698,286 and included the following projects: Niagara/Hillcrest Roundabout, Odelle and Loutsenhizer, Tributary Street Extension, Sanitary Sewer CIP 3 NE Trunkline and sewer line improvements for MoveMo projects. Other capital investments included Manhole Rehabilitation & H2S lining.
-

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial

statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances, in a manner like a private-sector business.

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

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

Both government-wide financial statements distinguish functions of the City of Montrose that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, public safety, Pavilion operations, parks maintenance and street maintenance. The business-type activities of the City of Montrose include Water distribution, Sewer collection and treatment, Trash and Recycling, Black Canyon Golf Course, Fleet Management, Information Services, and Facilities management.

The government-wide financial statements can be found on pages 4 and 5 of the financial statements.

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

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

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

The City of Montrose maintains 20 individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, public safety fund, Montrose urban renewal authority, and the capital improvement fund because they are major funds for the 2024 fiscal year. Data from the other 17 governmental

funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in the report.

The City of Montrose adopts an annual appropriated budget for all funds at the fund level. Budgetary comparison statements have been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 6-9 of this report.

Proprietary funds. The City of Montrose maintains two (2) different types of proprietary funds, enterprise and internal service funds. *Enterprise funds* are used to report on the same functions presented as *business-type activities* in the government-wide financial statements. The City of Montrose uses enterprise funds to account for its Water distribution, Sewer collection and treatment, Trash and Recycling services and Black Canyon Golf Course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Montrose uses internal service funds to account for its fleet of vehicles, information services, facilities maintenance and employee health and dental insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sewer, Trash & Recycling services, and the Black Canyon Golf Course which are major funds of the City of Montrose. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 10-12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-37 of the report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary comparisons. Required supplementary information can be found on page 38 and 39 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 40 - 77 of the report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a city's financial position. Approximately 78% of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

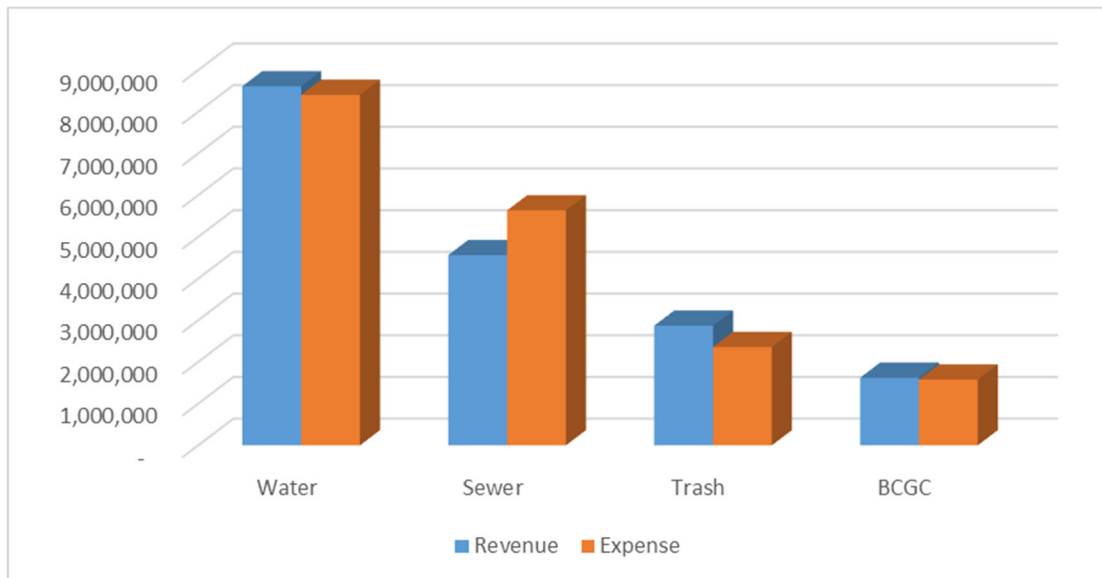
City of Montrose Statement of Net Position								
	Governmental activities		Business-type activities		Total		Amount of Change	% Change
	2024	2023	2024	2023	2024	2023		
Current assets	\$ 29,515,020	\$ 34,419,348	\$ 15,411,367	\$ 14,498,734	\$ 44,926,387	\$ 48,918,082	\$ (3,991,695)	-8.9%
Noncurrent assets	\$111,215,486	\$101,166,066	\$ 56,610,117	\$ 57,996,945	\$ 167,825,603	\$ 159,163,011	\$ 8,662,592	5.2%
Total assets	\$140,730,506	\$135,585,414	\$ 72,021,484	\$ 72,495,679	\$ 212,751,990	\$ 208,081,093	\$ 4,670,897	2.2%
Deferred Outflows	\$ 1,306,204	\$ 1,833,276			\$ 1,306,204	\$ 1,833,276	\$ (527,072)	-40.4%
Current liabilities	\$ 4,919,208	\$ 5,536,315	\$ 583,555	\$ 895,442	\$ 5,502,763	\$ 6,431,757	\$ (928,994)	-16.9%
Noncurrent liabilities	\$ 21,916,996	\$ 22,620,544	\$ 100,226	\$ 104,487	\$ 22,017,222	\$ 22,725,031	\$ (707,809)	-3.2%
Total liabilities	\$ 26,836,204	\$ 28,156,859	\$ 683,781	\$ 999,929	\$ 27,519,985	\$ 29,156,788	\$ (1,636,803)	-5.9%
Deferred Inflows								
Pension	\$ 109,051	\$ 47,491			\$ 109,051	\$ 47,491	\$ 61,560	
Total Deferred inflow	\$ 109,051	\$ 47,491	\$ -	\$ -	\$ 109,051	\$ 47,491	\$ 61,560	
Net Position:								
Net Investment in								
Capital Assets	\$ 89,207,408	\$ 78,346,947	\$ 56,610,117	\$ 57,660,238	\$ 145,817,525	\$ 136,007,185	\$ 9,810,340	6.7%
Restricted	\$ 7,713,544	\$ 7,477,623			\$ 7,713,544	\$ 7,477,623	\$ 235,921	3.1%
Unrestricted	\$ 18,170,503	\$ 23,241,932	\$ 14,727,586	\$ 13,835,512	\$ 32,898,089	\$ 37,225,282	\$ (4,327,193)	-13.2%
Total Net Position	\$115,091,455	\$109,066,502	\$ 71,337,703	\$ 71,495,750	\$ 186,429,158	\$ 180,710,090	\$ 5,719,068	3.1%

At the end of the current fiscal year, the City’s net position government-wide has increased over the net position reported in 2024. Under GASB 34 the audit shows the City’s net position increased by \$5,719,068 during the current fiscal year. This increase is partially due to investments in capital and debt payments to reduce liability.

Governmental activities increased the City’s net position by \$5,877,115 and business type activities decreased the City’s net position by \$158,047.

City of Montrose Changes in Net Position							
	Governmental activities		Business-type activities		Total		Amount of Change
	2024	2023	2024	2023	2024	2023	
Revenues:							
Program revenues:							
Charges for services	\$ 1,145,777	\$ 1,295,169	\$ 15,641,023	\$ 13,766,137	\$ 16,786,800	\$ 15,061,306	\$ 1,725,494
Operating grants and contributions	\$ 7,066,356	\$ 5,032,749	\$ 22,174		\$ 7,088,530	\$ 5,032,749	\$ 2,055,781
Capital Grants and contributions	\$ 293,050	\$ 39,375	\$ 882,495	\$ 1,844,911	\$ 1,175,545	\$ 1,884,286	\$ (708,741)
General revenues:							
Taxes							
Sales Tax	\$ 35,134,589	\$ 34,415,207			\$ 35,134,589	\$ 34,415,207	\$ 719,382
Franchise Fees	\$ 1,134,371	\$ 1,166,927			\$ 1,134,371	\$ 1,166,927	\$ (32,556)
Cigarette Tax	\$ 28,258	\$ 64,774			\$ 28,258	\$ 64,774	\$ (36,516)
Earnings on Investments	\$ 1,536,044	\$ 2,808,982	\$ 589,083	\$ 565,564	\$ 2,125,127	\$ 3,374,546	\$ (1,249,419)
Miscellaneous	\$ 931,143	\$ 874,045	\$ -	\$ (1,850)	\$ 931,143	\$ 872,195	\$ 58,948
Gain on disposal of assets	\$ -	\$ 11			\$ -	\$ 11	\$ (11)
Administrative Charges	\$ 667,364	\$ 593,765	\$ (667,364)	\$ (593,765)	\$ -	\$ -	\$ -
Contributions to Permanent Endowment	\$ 3,840	\$ 2,300					
Other	\$ 1,382,055	\$ 287,665	\$ 137,834	\$ (77)	\$ 1,519,889	\$ 287,588	\$ 1,232,301
Total revenues	\$ 49,322,847	\$ 46,580,969	\$ 16,605,245	\$ 15,580,920	\$ 65,928,092	\$ 62,161,889	\$ 3,766,203
Expenses:							
General government	\$ 9,518,445	\$ 6,972,346			\$ 9,518,445	\$ 6,972,346	\$ 2,546,099
Community Development	\$ 7,366,678	\$ 2,285,073			\$ 7,366,678	\$ 2,285,073	\$ 5,081,605
Public Safety	\$ 14,584,850	\$ 11,348,836			\$ 14,584,850	\$ 11,348,836	\$ 3,236,014
Engineering & Inspection	\$ 790,446	\$ 412,984			\$ 790,446	\$ 412,984	\$ 377,462
Public Works	\$ 7,566,398	\$ 6,611,775			\$ 7,566,398	\$ 6,611,775	\$ 954,623
Parks & Cemetery	\$ 2,908,844	\$ 2,814,016			\$ 2,908,844	\$ 2,814,016	\$ 94,828
Administration					\$ -	\$ -	\$ -
Contributed Capital Assets					\$ -	\$ -	\$ -
Interest	\$ 1,299,292	\$ 2,699,039			\$ 1,299,292	\$ 2,699,039	\$ (1,399,747)
Water			\$ 7,875,758	\$ 7,062,437	\$ 7,875,758	\$ 7,062,437	\$ 813,321
Sewer			\$ 4,589,845	\$ 5,706,682	\$ 4,589,845	\$ 5,706,682	\$ (1,116,837)
Trash & Recycling			\$ 2,142,758	\$ 1,849,113	\$ 2,142,758	\$ 1,849,113	\$ 293,645
Black Canyon Golf Course			\$ 1,565,810	\$ 1,412,484	\$ 1,565,810	\$ 1,412,484	\$ 153,326
Total expenses	\$ 44,034,953	\$ 33,144,069	\$ 16,174,171	\$ 16,030,716	\$ 60,209,124	\$ 49,174,785	\$ 11,034,339
Increase in net assets before transfers	\$ 5,287,894	\$ 13,436,900	\$ 431,074	\$ (449,796)	\$ 5,718,968	\$ 12,987,104	\$ (7,268,136)
Transfers	\$ 589,121	\$ (695,084)	\$ (589,121)	\$ 695,084	\$ -	\$ -	\$ -
Change in Net Position	\$ 5,877,015	\$ 12,741,816	\$ (158,047)	\$ 245,288	\$ 5,718,968	\$ 12,987,104	\$ (7,268,136)
Net Position - 1/1	\$ 109,214,440	\$ 96,472,524	\$ 71,495,750	\$ 71,250,462	\$ 180,710,190	\$ 167,722,986	\$ 12,987,204
Prior Period restatement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position, 1/1 (as restated)	\$ 109,214,440	\$ 96,472,524	\$ 71,495,750	\$ 71,250,462	\$ 180,710,190	\$ 167,722,986	\$ 12,987,204
Net Position - 12/31	\$ 115,091,455	\$ 109,214,340	\$ 71,337,703	\$ 71,495,750	\$ 186,429,158	\$ 180,710,090	\$ 5,719,068

Expenses and Program Revenues – Business type Activities



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,868,254 a decrease of \$4,042,869 over the prior year. Approximately 41.5% of the governmental fund balance constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance falls into one of four categories in accordance with GASB 54 to indicate that it is not available for new spending. *Unspendable fund balance of \$580,137* is made up of prepaid expenses, interfund advances and inventory (\$99,441) and permanent funds (\$480,696). *Restricted fund balance* is for emergencies per TABOR (\$1,350,000), economic development (\$180,014) pays debt service (\$476,314), parks and open space (\$668,947), capital projects (\$871,372) and for public safety (4,166,897). *Committed fund balance* consists of economic development (\$1,212,423) and public education (\$35,880) and *Assigned: capital project* (\$1,622,106), parks improvements (\$286,543), and animal benefit (\$172,024).

The general fund is the chief operating fund of the City of Montrose. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$19,277,208, while total fund balance reached \$21,001,622. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Due to sales and use tax revenues increasing in 2024 compared to 2023, the unassigned fund balance is more than adequate to meet the City’s reserve policy. The reserve policy is six months of operating expenditures which in 2024 totaled \$7.65 million or 40.0% of the fund balance.

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

The Unrestricted net position of the Water Fund and Sewer Fund at the end of the year amounted to \$8,879,885 and \$3,237,901 respectively. Changes from year to year are mostly based on capital project completion.

General Fund Budgetary Highlights

The Final Budget for the General Fund including transfers was \$37,971,681. Actual expenditures totaled \$37,706,851 which is an increase of \$2,821,358 from 2023 actual expenditures. In 2024, the city received two CDBG grants that totaled \$4,88 million and were not part of the budget. The budget was completed in accordance with the City’s Charter. The city has a Capital Improvement Plan that is a live document that is updated as the city experiences growth. It is a helpful budgetary planning tool to assist management with setting priorities to accomplish these large projects efficiently and effectively.

Capital Asset and Debt Administration

Capital Assets. The City’s gross investment in capital assets for its governmental and business type activities as of December 31, 2024, amounts to \$347,620,933. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, bridges and water distribution, sewer collection and wastewater treatment plant infrastructure.

City of Montrose Capital Assets								
(does not include internal service funds or depreciation)								
	Governmental		Business-type		Total		Amount of	%
	Activities		Activities				Change	Change
	2024	2023	2024	2023	2024	2023		
Land	\$ 15,973,730	\$ 15,555,443	\$ 1,657,525	\$ 1,657,525	\$ 17,631,255	\$ 17,212,968	418,287	2%
Improvements other than buildings	\$ 15,844,026	\$ 12,947,738	\$ 14,433,127	\$ 14,433,127	\$ 30,277,153	\$ 27,380,865	2,896,288	11%
Infrastructure	\$ 168,465,909	\$ 158,985,750			\$ 168,465,909	\$ 158,985,750	9,480,159	6%
Buildings & System	\$ 27,305,851	\$ 27,058,549	\$ 93,139,162	\$ 90,624,339	\$ 120,445,013	\$ 117,682,888	2,762,125	2%
Machinery & Equipment	\$ 7,339,820	\$ 7,125,970	\$ 3,461,783	\$ 3,399,303	\$ 10,801,603	\$ 10,525,273	276,330	3%
Total Gross Investment	\$ 234,929,336	\$ 221,673,450	\$ 112,691,597	\$ 110,114,294	\$ 347,620,933	\$ 331,787,744	\$ 15,833,189	5%
Less								
Accum Depreciation	\$ (133,736,496)	\$ (129,842,974)	\$ (56,081,480)	\$ (52,117,349)	\$ (189,817,976)	\$ (181,960,323)	(7,857,653)	4%
Net Capital Investment	\$ 101,192,840	\$ 91,830,476	\$ 56,610,117	\$ 57,996,945	\$ 157,802,957	\$ 149,827,421	\$ 7,975,536	5%

Additional information on the City’s capital assets can be found in note 5 on pages 25-26 of this report.

Long-term debt. At the end of the current fiscal year, the city had a total debt outstanding of \$22,008,078 that is backed by the full faith and credit of the city.

City of Montrose Outstanding Debt						
General Obligation Bonds, Revenue Bonds, Capital Lease Payable and Notes Payable						
	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General obligation bonds						
Special assessment debt with governmental commitment						
Revenue bonds	\$ -	\$ -			\$ -	\$ -
Certificate of Participation	\$ 14,945,000	\$ 15,305,000			\$ 14,945,000	\$ 15,305,000
Capital Lease Payable	\$ 7,063,078	\$ 7,513,930	\$ -	\$ -	\$ 7,063,078	\$ 7,513,930
Notes Payable	\$ -	\$ -	\$ -	\$ 336,707	\$ -	\$ 336,707
Total	\$ 22,008,078	\$ 22,818,930	\$ -	\$ 336,707	\$ 22,008,078	\$ 23,155,637

The City’s debt decreased by \$1,147,559 during 2024.

The City of Montrose’s Charter limits general obligation debt issuance to 5% of its total assessed valuation. Using the assessed valuation from the County of \$453,843,410 the current general obligation debt limitation for the city is \$22,692,171. Currently the City does not have any General Obligation debt.

Additional information on the City’s long-term debt can be found in note 6 on pages 27 - 28 of this report.

Economic Factors and Next Year’s Budgets and Rates

- According to the USDA website (<https://data.ers.usda.gov/>), the 2024 unemployment rate for Montrose County was 3.9%. Montrose County had a slightly higher unemployment rate than the state’s average rate of 4.6%.
- Montrose County’s median household income in 2023 was \$66,072, which is 71.7% of the State’s median household income.
- The city is a regional retail center for Montrose, San Miguel, Ouray, and Gunnison counties with expansion of current businesses and the addition of retail and restaurant building permits.
- Single family residential building permits numbers decreased 57.8% from 2023 and non-residential construction decreased 44% from 2023.
- Rates for Water increased by 5% plus .15 per thousand gallons of water usage, Sewer rates increased 5% and the rates for Trash and Recycling were increased 20% in 2024.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the City of Montrose, Office of the Finance Director, P. O. Box 790, 400 Main Street, Montrose, Colorado, 81402.

Basic Financial Statements

City of Montrose, Colorado
Statement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 19,759,995	\$ 9,269,125	\$ 29,029,120
Investments	6,735,683	1,481,531	8,217,214
Accounts Receivable, <i>net</i>	805,733	1,081,027	1,886,760
Sales Tax Receivable	3,393,898	-	3,393,898
Franchise Fee Receivable	220,261	-	220,261
Special Assessments Receivable	185,014	-	185,014
Interest Receivable	-	6,380	6,380
Due from Other Governments	557,696	-	557,696
Due from Other Funds	(2,386,580)	2,386,580	-
Inventory	172,557	317,956	490,513
Prepaid Expenses	70,763	868,768	939,531
Capital Assets, <i>Not being depreciated</i>	15,973,730	1,657,525	17,631,255
<i>Being depreciated, net</i>	<u>95,241,756</u>	<u>54,952,592</u>	<u>150,194,348</u>
 Total Assets	 <u>140,730,506</u>	 <u>72,021,484</u>	 <u>212,751,990</u>
Deferred Outflow of Resources			
Pensions	<u>1,306,204</u>	<u>-</u>	<u>1,306,204</u>
Liabilities			
Accounts Payable	1,614,003	346,196	1,960,199
Accrued Salaries and Benefits	473,654	86,510	560,164
Accrued Interest Payable	-	15,078	15,078
Claims Payable	599,310	-	599,310
Unearned Revenue	476,861	20,838	497,699
Customer Deposits	917,296	114,933	1,032,229
Noncurrent Liabilities			
Net Pension Asset	-	-	-
Due Within One Year	838,084	-	838,084
Due in More Than One Year	<u>21,916,996</u>	<u>100,226</u>	<u>22,017,222</u>
 Total Liabilities	 <u>26,836,204</u>	 <u>683,781</u>	 <u>27,519,985</u>
Deferred Inflows of Resources			
Pensions	<u>109,051</u>	<u>-</u>	<u>109,051</u>
Total Deferred Inflows of Resources	<u>109,051</u>	<u>-</u>	<u>109,051</u>
Net Position			
Net Investment in Capital Assets	89,207,408	56,610,117	145,817,525
Restricted for:	7,713,544	-	7,713,544
Unrestricted, Unreserved	<u>18,170,503</u>	<u>14,727,586</u>	<u>32,898,089</u>
 Total Net Position	 <u>\$ 115,091,455</u>	 <u>\$ 71,337,703</u>	 <u>\$ 186,429,158</u>

See Notes to the Financial Statements.

City of Montrose, Colorado
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 10,461,979	\$ 851,165	\$ 5,876,615	\$ 258,400	\$ (3,475,799)	\$ -	\$ (3,475,799)
Community Development	7,366,678	10,450	-	-	(7,356,228)	-	(7,356,228)
Public Safety	14,584,850	129,706	173,795	-	(14,281,349)	-	(14,281,349)
Public Works	7,282,662	-	1,015,946	-	(6,266,716)	-	(6,266,716)
Parks, Recreation and Cemetery	2,249,046	154,456	-	34,650	(2,059,940)	-	(2,059,940)
Engineering & Inspection	790,446	-	-	-	(790,446)	-	(790,446)
Interest on Long-Term Debt	1,299,292	-	-	-	(1,299,292)	-	(1,299,292)
Total Governmental Activities	<u>44,034,953</u>	<u>1,145,777</u>	<u>7,066,356</u>	<u>293,050</u>	<u>(35,529,770)</u>	<u>-</u>	<u>(35,529,770)</u>
Business-Type Activities							
Water	7,875,758	7,939,745	22,174	219,788	-	305,949	305,949
Sewer	4,589,845	3,762,844	-	662,707	-	(164,294)	(164,294)
Trash/Recycling	2,142,758	2,830,202	-	-	-	687,444	687,444
Black Canyon Golf Course	1,565,810	1,108,232	-	-	-	(457,578)	(457,578)
Total Business-Type Activities	<u>16,174,171</u>	<u>15,641,023</u>	<u>22,174</u>	<u>882,495</u>	<u>-</u>	<u>371,521</u>	<u>371,521</u>
Total Primary Government	<u>\$ 60,209,124</u>	<u>\$ 16,786,800</u>	<u>\$ 7,088,530</u>	<u>\$ 1,175,545</u>	<u>(35,529,770)</u>	<u>371,521</u>	<u>(35,158,249)</u>
General Revenues							
Taxes							
Sales and Use Taxes					35,134,589	-	35,134,589
Franchise Taxes					1,134,371	-	1,134,371
Cigarette Taxes					28,258	-	28,258
Other Taxes					1,382,055	-	1,382,055
Investment Income					1,536,044	589,083	2,125,127
Administrative Charges					667,364	(667,364)	-
Contributions to Permanent Endowment					3,840	-	3,840
Miscellaneous					931,143	137,834	1,068,977
Transfers					<u>589,121</u>	<u>(589,121)</u>	<u>-</u>
Total General Revenues and Transfers					<u>41,406,785</u>	<u>(529,568)</u>	<u>40,877,217</u>
Change in Net Position					<u>5,877,015</u>	<u>(158,047)</u>	<u>5,718,968</u>
Net Position, Beginning of Year					<u>109,214,440</u>	<u>71,495,750</u>	<u>180,710,190</u>
Net Position, End of Year					<u>\$ 115,091,455</u>	<u>\$ 71,337,703</u>	<u>\$ 186,429,158</u>

See Notes to the Financial Statements.

City of Montrose, Colorado
Balance Sheet
Governmental Funds
December 31, 2024

	General	Capital Improvement	Public Safety	Montrose Urban Renewal Authority	Nonmajor Funds	Total
Assets						
Cash and Cash Equivalents	\$ 5,755,276	\$ 44,028	\$ 3,839,724	\$ -	\$ 3,989,025	\$ 13,628,053
Investments	4,725,984	-	270,139	-	1,164,775	6,160,898
Accounts Receivable, <i>net</i>	255,438	96	33,451	-	359,124	648,109
Franchise Fee Receivable	220,261	-	-	-	-	220,261
Sales Tax Receivable	2,837,149	-	489,651	55,429	11,669	3,393,898
Special Assessments Receivable	-	-	-	-	185,014	185,014
Due from Other Governments	521,119	-	4,763	89	31,725	557,696
Due from Other Funds	8,066,838	6,090,688	-	-	-	14,157,526
Inventory	49,115	-	1,551	-	33,043	83,709
Prepaid Expenses	4,211	-	2,607	-	8,914	15,732
Total Assets	\$ 22,435,391	\$ 6,134,812	\$ 4,641,886	\$ 55,518	\$ 5,783,289	\$ 39,050,896
Liabilities						
Accounts Payable	\$ 316,373	\$ 488,403	\$ 170,544	\$ 282	\$ 103,518	\$ 1,079,120
Accrued Salaries and Benefits	173,701	-	254,659	-	15,479	443,839
Due to Other Funds	-	206,214	-	16,059,312	-	16,265,526
Unearned Revenue	27,039	-	1,600	-	448,222	476,861
Deposits	916,656	-	-	-	640	917,296
Total Liabilities	1,433,769	694,617	426,803	16,059,594	567,859	19,182,642
Fund Balance						
Unspendable:						
Prepaid Expenses and Inventory	53,326	-	4,158	-	41,957	99,441
Permanent Fund	-	-	-	-	480,696	480,696
Restricted for:						
Emergencies	1,350,000	-	-	-	-	1,350,000
Economic Development	-	-	-	-	180,014	180,014
Debt Service	-	-	-	-	476,314	476,314
Beautification	-	660,500	-	-	8,447	668,947
Capital Projects	321,088	-	-	-	550,284	871,372
Public Safety	-	-	4,166,897	-	-	4,166,897
Committed:						
Economic Development	-	-	-	-	1,212,423	1,212,423
Public Education	-	-	-	-	35,880	35,880
Assigned						
Capital Projects	-	-	-	-	1,622,106	1,622,106
Parks/Pavilion Improvements	-	-	-	55,236	231,307	286,543
Animal Shelter	-	-	-	-	172,024	172,024
Unrestricted, Unassigned	19,277,208	4,779,695	44,028	(16,059,312)	203,978	8,245,597
Total Fund Balance	21,001,622	5,440,195	4,215,083	(16,004,076)	5,215,430	19,868,254
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 22,435,391	\$ 6,134,812	\$ 4,641,886	\$ 55,518	\$ 5,783,289	\$ 39,050,896

See Notes to the Financial Statements.

City of Montrose, Colorado
 Reconciliation of the Balance Sheet of the Governmental Funds
 to the Statement of Net Position
 December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of Governmental Funds	\$ 19,868,254
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	101,192,840
Internal service funds are used by the City to charge the costs of vehicles and employee health and dental costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	15,519,425
Certain long-term pension and related costs and adjustments are not available to pay or are payable currently and are, therefore, not reported in the funds financial statements.	
Net Deferred FPPA Pension Outflows	1,306,204
FPPA Pension Asset (Liabilities)	-
Net Deferred FPPA Pension Inflows	(109,051)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Long-Term Debt	(22,008,078)
Accrued Compensated Absences	(678,139)
	(22,686,217)
Total Net Position of Governmental Activities	\$ <u>115,091,455</u>

City of Montrose, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	Montrose Urban					Total
	General	Capital Improvement	Public Safety	Renewal Authority	Nonmajor Funds	
Revenues						
Taxes	\$ 29,580,929	\$ -	\$ 5,453,383	\$ 957,565	\$ 1,687,396	\$ 37,679,273
Licenses and Permits	526,172	-	5	-	-	526,177
Intergovernmental	6,905,263	258,400	173,795	-	34,650	7,372,108
Charges for Services	175,465	-	129,676	-	1,408	306,549
Fines and Forfeitures	72,354	-	-	-	-	72,354
Special Assessments	-	-	-	-	254,182	254,182
Contributions and Donations	10,020	100,000	25	-	130,652	240,697
Permanently Restricted Contributions	-	-	-	-	3,840	3,840
Administrative Reimbursement	667,364	-	-	-	-	667,364
Investment Income	793,243	368,122	149,461	-	225,218	1,536,044
Miscellaneous	504,571	-	71,976	-	87,712	664,259
Total Revenues	<u>39,235,381</u>	<u>726,522</u>	<u>5,978,321</u>	<u>957,565</u>	<u>2,425,058</u>	<u>49,322,847</u>
Expenditures						
Current						
General Government	7,239,446	-	-	-	172,109	7,411,555
Community Development	5,501,631	-	-	120,314	1,751,251	7,373,196
Public Safety	-	-	14,013,804	-	-	14,013,804
Public Works	4,550,952	-	-	-	-	4,550,952
Parks, Recreation and Cemetery	2,212,917	-	-	-	-	2,212,917
Engineering and Inspection	790,446	-	-	-	-	790,446
Capital Outlay	1,721,363	12,720,481	211,151	48,580	790,359	15,491,934
Debt Service						
Principal	-	-	-	-	810,740	810,740
Interest and Fiscal Charges	-	-	-	520,206	779,087	1,299,293
Total Expenditures	<u>22,016,755</u>	<u>12,720,481</u>	<u>14,224,955</u>	<u>689,100</u>	<u>4,303,546</u>	<u>53,954,837</u>
Excess Revenues Over (Under) Expenditures	<u>17,218,626</u>	<u>(11,993,959)</u>	<u>(8,246,634)</u>	<u>268,465</u>	<u>(1,878,488)</u>	<u>(4,631,990)</u>
Other Financing Sources (Uses)						
Transfers (In)	14,400	12,261,271	8,350,085	-	2,006,644	22,632,400
Transfers (Out)	(21,140,085)	-	(898,794)	-	(4,400)	(22,043,279)
Other Financing Sources (Uses)	<u>(21,125,685)</u>	<u>12,261,271</u>	<u>7,451,291</u>	<u>-</u>	<u>2,002,244</u>	<u>589,121</u>
Net Change in Fund Balance	(3,907,059)	267,312	(795,343)	268,465	123,756	(4,042,869)
Fund Balance, Beginning of Year	<u>24,908,681</u>	<u>5,172,883</u>	<u>5,010,426</u>	<u>(16,272,541)</u>	<u>5,091,674</u>	<u>23,911,123</u>
Fund Balance, End of Year	<u>\$ 21,001,622</u>	<u>\$ 5,440,195</u>	<u>\$ 4,215,083</u>	<u>\$ (16,004,076)</u>	<u>\$ 5,215,430</u>	<u>\$ 19,868,254</u>

City of Montrose, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds	\$ (4,042,869)
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlays	13,608,282
Depreciation Expense	(4,245,917)
<p>Internal service funds are used by the City to charge the costs of vehicles and employee health and dental costs to individual funds. The net revenue (expense) of internal service funds is reported</p>	
	170,651
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This includes changes in the following:</p>	
Change in Net Pension Asset	289,402
Change in Deferred Outflows Related to Pensions	(527,072)
Change in Deferred Inflows Related to Pensions	(61,560)
<p>Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>	
Principal Payments on Capital Leases	810,741
Change in Accrued Compensated Absences	<u>(124,643)</u>
Change in Net Position of Governmental Activities	<u>\$ 5,877,015</u>

City of Montrose, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024

	Water Fund	Sewer Fund	Nonmajor Funds	Total	Internal Service Funds
Assets					
<i>Current Assets</i>					
Cash and Cash Equivalents	\$ 5,447,082	\$ 1,716,800	\$ 2,105,243	\$ 9,269,125	\$ 6,129,148
Investments	229,109	1,252,422	-	1,481,531	574,785
Accounts Receivable	494,580	335,701	250,746	1,081,027	160,254
Interest Receivable	-	6,380	-	6,380	-
Due from Other Funds	2,108,000	-	-	2,108,000	-
Inventory	89,174	106,643	122,139	317,956	88,848
Prepaid Expenses	866,435	1,830	503	868,768	55,031
Total Current Assets	<u>9,234,380</u>	<u>3,419,776</u>	<u>2,478,631</u>	<u>15,132,787</u>	<u>7,008,066</u>
<i>Noncurrent Assets</i>					
Capital Assets, Not Being Depreciated	526,338	936,752	194,435	1,657,525	-
Capital Assets, Net of Accumulated Depreciation	<u>30,351,619</u>	<u>23,821,505</u>	<u>779,468</u>	<u>54,952,592</u>	<u>10,022,648</u>
Total Noncurrent Assets	<u>30,877,957</u>	<u>24,758,257</u>	<u>973,903</u>	<u>56,610,117</u>	<u>10,022,648</u>
Total Assets	<u>40,112,337</u>	<u>28,178,033</u>	<u>3,452,534</u>	<u>71,742,904</u>	<u>17,030,714</u>
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	152,322	129,359	64,515	346,196	534,719
Accrued Salaries and Benefits	29,623	27,388	29,499	86,510	35,716
Accrued Interest	8,293	6,785	-	15,078	-
Claims Payable	-	-	-	-	599,310
Unearned Revenue	-	4,800	16,038	20,838	-
Deposits	114,733	200	-	114,933	-
Total Current Liabilities	<u>304,971</u>	<u>168,532</u>	<u>110,052</u>	<u>583,555</u>	<u>1,169,745</u>
<i>Noncurrent Liabilities</i>					
Accrued Compensated Absences	<u>49,524</u>	<u>13,343</u>	<u>37,359</u>	<u>100,226</u>	<u>62,964</u>
Total Noncurrent Liabilities	<u>49,524</u>	<u>13,343</u>	<u>37,359</u>	<u>100,226</u>	<u>62,964</u>
Total Liabilities	<u>354,495</u>	<u>181,875</u>	<u>147,411</u>	<u>683,781</u>	<u>1,232,709</u>
Net Position					
Net Investment in Capital Assets	30,877,957	24,758,257	973,903	56,610,117	10,022,648
Unrestricted	<u>8,879,885</u>	<u>3,237,901</u>	<u>2,331,220</u>	<u>14,449,006</u>	<u>5,775,357</u>
Total Net Position	<u>\$ 39,757,842</u>	<u>\$ 27,996,158</u>	<u>\$ 3,305,123</u>	<u>\$ 71,059,123</u>	<u>\$ 15,798,005</u>

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

	Water Fund	Sewer Fund	Nonmajor Funds	Total	Internal Service Funds
Operating Revenues					
Charges for Services	\$ 7,939,745	\$ 3,762,844	\$ 3,938,434	\$ 15,641,023	\$ -
Intergovernmental	22,174	-	-	22,174	-
Interfund Charges	-	-	-	-	10,891,530
Other Charges	-	-	-	-	314,828
Miscellaneous	9,764	122	142,452	152,338	623,670
Total Operating Revenues	<u>7,971,683</u>	<u>3,762,966</u>	<u>4,080,886</u>	<u>15,815,535</u>	<u>11,830,028</u>
Operating Expenses					
Administrative and General	284,025	222,131	460,631	966,787	4,181,739
Operations and Maintenance	5,827,431	2,875,507	3,357,949	12,060,887	1,621,552
Medical Claims	-	-	-	-	2,225,462
Insurance Premiums	-	-	-	-	1,017,000
Capital Outlay	-	-	-	-	714,013
Depreciation	2,060,776	1,786,630	118,798	3,966,204	2,526,045
Total Operating Expenses	<u>8,172,232</u>	<u>4,884,268</u>	<u>3,937,378</u>	<u>16,993,878</u>	<u>12,285,811</u>
Net Operating Income	<u>(200,549)</u>	<u>(1,121,302)</u>	<u>143,508</u>	<u>(1,178,343)</u>	<u>(455,783)</u>
Non-Operating Revenues (Expenses)					
Interest Income	421,318	137,548	30,217	589,083	331,548
Gain (Loss) on Sale of Asset	-	-	-	-	(175,802)
Interest Expense	(11,709)	(2,795)	-	(14,504)	-
Net Income (Loss) Before Contributed Capital	<u>209,060</u>	<u>(986,549)</u>	<u>173,725</u>	<u>(603,764)</u>	<u>(300,037)</u>
Contributed Capital and Transfers					
Capital Contributions	219,788	662,707	-	882,495	623,031
Transfers In	-	-	380,872	380,872	-
Transfers Out	(222,412)	(747,581)	-	(969,993)	-
Total Capital Contributions and Transfers	<u>(2,624)</u>	<u>(84,874)</u>	<u>380,872</u>	<u>293,374</u>	<u>623,031</u>
Change in Net Position	<u>206,436</u>	<u>(1,071,423)</u>	<u>554,597</u>	<u>(310,390)</u>	<u>322,994</u>
Net Position, Beginning of Year	<u>39,551,406</u>	<u>29,067,581</u>	<u>2,750,526</u>	<u>71,369,513</u>	<u>15,475,011</u>
Net Position, End of Year	<u>\$ 39,757,842</u>	<u>\$ 27,996,158</u>	<u>\$ 3,305,123</u>	<u>\$ 71,059,123</u>	<u>\$ 15,798,005</u>

Amounts Reported for Business-Type Activities in the Statement of Activities are Different Because:

Change in Net Position of the Enterprise Funds	\$ (310,390)
A portion of the net income of the internal service fund is included in business-type activities in the statement of activities.	<u>152,343</u>
Change in Net Position of Business Type Activities	<u>\$ (158,047)</u>

City of Montrose, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Water Fund	Sewer Fund	Nonmajor Funds	Total	Internal Service Funds
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 8,073,685	\$ 3,771,865	\$ 3,902,545	\$ 15,748,095	\$ 64,393
Cash Received from Others	31,938	122	142,452	174,512	9,699,338
Cash Paid to Suppliers	(6,160,822)	(2,321,888)	(2,879,592)	(11,362,302)	(9,377,283)
Cash Paid to Employees	(796,268)	(775,024)	(908,348)	(2,479,640)	25,623
Payments for Internal Services	-	-	-	-	2,075,330
Net Cash Provided by Operating Activities	<u>1,148,533</u>	<u>675,075</u>	<u>257,057</u>	<u>2,080,665</u>	<u>2,487,401</u>
Cash Flows From Noncapital Financing Activities					
Transfers In	-	-	380,872	380,872	-
Transfers Out	(290,412)	(747,581)	-	(1,037,993)	-
Net Cash Provided by Noncapital Financing Activities	<u>(290,412)</u>	<u>(747,581)</u>	<u>380,872</u>	<u>(657,121)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(1,229,530)	(1,094,082)	(255,764)	(2,579,376)	(3,213,401)
Proceeds from Sale of Capital Assets	-	-	-	-	(175,802)
Tap Fees and Capital Contributions	219,788	662,707	-	882,495	623,031
Investment Income	421,318	137,548	30,217	589,083	331,548
Debt Principal Payments	(181,457)	(155,250)	-	(336,707)	-
Debt Interest Payments	(11,709)	(2,795)	-	(14,504)	-
Net Cash Used by Capital and Related Financing Activities	<u>(781,590)</u>	<u>(451,872)</u>	<u>(225,547)</u>	<u>(1,459,009)</u>	<u>(2,434,624)</u>
Net Change in Cash and Cash Equivalents	76,531	(524,378)	412,382	(35,465)	52,777
Cash and Cash Equivalents, <i>Beginning of Year</i>	<u>5,599,660</u>	<u>3,493,600</u>	<u>1,692,861</u>	<u>10,786,121</u>	<u>6,651,156</u>
Cash and Cash Equivalents, <i>End of Year</i>	<u>\$ 5,676,191</u>	<u>\$ 2,969,222</u>	<u>\$ 2,105,243</u>	<u>\$ 10,750,656</u>	<u>\$ 6,703,933</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:					
Net Operating Income	\$ (200,549)	\$ (1,121,302)	\$ 143,508	\$ (1,178,343)	\$ (455,783)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	2,060,776	1,786,630	118,798	3,966,204	2,526,045
Changes in:					
Accounts Receivable	134,046	9,021	(40,579)	102,488	9,033
Inventories	(22,690)	(15,416)	39,576	1,470	275,827
Prepaid Expenses	(851,694)	20,452	(471)	(831,713)	(84,248)
Accounts Payable	23,697	(15,451)	(19,616)	(11,370)	190,904
Accrued Salaries	10,296	10,524	10,786	31,606	14,202
Deposits / Unearned Revenue	(106)	-	4,690	4,584	-
Accrued Compensated Absences	(5,243)	617	365	(4,261)	11,421
Net Cash Provided by Operating Activities	<u>\$ 1,148,533</u>	<u>\$ 675,075</u>	<u>\$ 257,057</u>	<u>\$ 2,080,665</u>	<u>\$ 2,487,401</u>

City of Montrose, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Fund
December 31, 2024

	Tax Pass-Through
Assets	
Cash and Cash Equivalents	\$ 238,015
Sales Tax Receivable	<u>253,211</u>
Total Assets	<u>491,226</u>
Liabilities	
Sales Tax Payable	<u>485,251</u>
Total Liabilities	<u>485,251</u>
Net Position	<u><u>\$ 5,975</u></u>

City of Montrose, Colorado
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
December 31, 2024

	<u>Tax Pass-Through</u>
Additions	
Contributions:	
Taxes Collected for Other Governments	\$ <u>2,837,494</u>
Total Additions	<u>2,837,494</u>
Deductions	
Taxes Distributed to Other Governments	<u>2,837,285</u>
Total Liabilities	<u>2,837,285</u>
Changes in Net Position	209
Net Position, Beginning of Year	<u>5,766</u>
Net Position, End of Year	<u>\$ <u>5,975</u></u>

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

The City of Montrose, Colorado (the City) is incorporated as a home-rule city under the laws of the State of Colorado with a Council-Manager form of government.

The financial statements of the City of Montrose, Colorado have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

In accordance with governmental accounting standards, the City has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Included within the reporting entity, in blended presentation:

Montrose Urban Renewal Authority (MURA) - The Authority was organized pursuant to Colorado Revised Statutes, Part I, Article 25, Title 31 to finance various improvement projects within the Authority's boundaries. The Authority is fiscally dependent upon Montrose because the City Council approves the Authority's boundaries. The Authority is fiscally dependent upon the City because the City Council approves the Authority's budget, levies taxes, and must approve any debt issuances. MURA is presented as a major governmental fund and is a component unit of the City because the governing bodies are substantively the same. Also, there is either a financial benefit or burden relationship between MURA and the City of Montrose.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the City. The difference between assets, liabilities and deferred inflows of the City is net position.

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Sales taxes, franchise taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

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

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

Public Safety Fund - In November of 2019, the voters approved a 0.58% sales and use tax to be collected and fund public safety. The fund issued certificates of participation in 2020 to fund capital improvements.

Montrose Urban Renewal Authority - The Montrose Urban Renewal Authority (MURA) was formed in late 2016 by a resolution of the Montrose City Council. MURA encompasses approximately 150 acres along the Uncompahgre River northwest of downtown Montrose.

Capital Improvement Fund - This fund accounts for the City's major Capital Improvements not accounted for in an enterprise or dedicated fund.

The City also reports the following major proprietary fund:

Water Fund - This fund accounts for the financial activities associated with the provision of water services.

Sewer Fund - This fund accounts for the financial activities associated with the sanitation services.

The City reports the following fund types:

Government-wide and Proprietary Fund Financial Statements - The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and *the accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

City of Montrose, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

Governmental Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 120 days after year-end, with the exception of sales taxes, which must be within 90 days. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual.

Fiduciary Funds - As required under GASB Statement No. 84, the City created one new fiduciary fund in 2020, the Tax Passthrough Fund. This fund records the activity related to sales tax collected by the City on behalf of other entities. The City then passes these tax payments along to these entities.

Internal Service Funds - These funds account for facilities, equipment purchased for fleet and technology, and medical insurance coverage provided to other departments on a cost-reimbursement basis.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Building and Improvements	30 years
Infrastructure	10 – 25 years
Transmission and Distribution Lines and Meters	12 – 30 years
Treatment and Filtration Plants	20 – 40 years
Reservoirs and Storage Facilities	50 – 100 years

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the City has classified the fund balance in the Conservation Trust Fund as restricted because their use is restricted by State Statute.

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Classification (Continued)

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City's committed resources are presented in the governmental fund balance sheet as of December 31, 2024.

Unassigned - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third-party limitations on their use.

Subsequent Events

The City has evaluated subsequent events through September 9, 2025, the date the financial statements were available to be issued.

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

- In October, the City staff submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to November 30, the budget is legally enacted through passage of an ordinance.
- The City Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- Budgets are legally adopted for all funds of the City. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the City Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Note 3: Cash and Investments

A summary of deposits and investments as of December 31, 2024 follows:

Petty Cash	\$	3,240
Cash Held in Checking Accounts		1,152,371
Cash Held in Deposits		27,873,509
Investments		<u>8,217,214</u>
Total	\$	<u><u>37,246,334</u></u>
Cash Held in Deposits		
CSAFE Deposits	\$	8,346,097
ColoTrust Deposits		13,532,978
New Public Works		1,167,132
Money Market Funds		<u>4,827,302</u>
Total	\$	<u><u>27,873,509</u></u>
Investments		
U.S. Treasury Bills	\$	246,935
Certificates of Deposits		<u>7,970,279</u>
Total	\$	<u><u>8,217,214</u></u>

City of Montrose, Colorado

Notes to Financial Statements

December 31, 2024

Note 3: Cash and Investments (Continued)

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors' accounts up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the City had bank balances with the financial institutions totaling \$13,117,911 of which \$500,000 were covered by the FDIC and \$12,617,911 were collateralized with securities held by the financial institution's agent but not in the City's name.

Investments

The City does have a formal investment policy which generally follows state statutes regarding investments. The City generally limits its concentration risk of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the City is not subject to concentration of risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

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

City of Montrose, Colorado

Notes to Financial Statements

December 31, 2024

Note 3: Cash and Investments (Continued)

Local Government Investment Pools - At December 31, 2024, the City had \$14,450,030 (fair value) invested in Colorado Local Government Liquid Asset Trust (COLOTRUST) and \$8,596,099 invested in Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk the City requires that U.S. Agency Securities have the highest possible rating. Colorado statutes establish standards for local government investment pools and the City requires the investment pool to maintain the highest possible rating.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to the increased risk of adverse interest rate changes. State statute limits investments in U.S. Agency Securities to a maximum five-year maturity. The City seeks to minimize interest rate risk by:

- Structuring investments to meet ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and structuring investments to have staggered maturities of less than five years.

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Interfund Transfers

Interfund transfers for the year ended December 31, 2024, consisted of the following:

Transfers Out	Transfers In	Amount
General Fund	Public Safety Fund	\$ 8,360,085
General Fund	2017 Certification of Participation Fund	637,857
General Fund	Capital Improvement Fund	12,261,271
General Fund	Black Canyon Golf Course Fund	380,872
General Fund	Retail Sales Enhancement Fund	60,000
General Fund	Special Improvement Fund	419,993
Public Safety Fund	2020 Certification of Participation Fund	888,794
Public Safety Fund	General Fund	10,000
Water Fund	General Fund	222,412
Sewer Fund	General Fund	747,581
Public Safety Fund	General Fund	10,000
Cemetery Fund	General Fund	4,400
Total		<u>\$ 24,003,265</u>

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Capital Assets

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

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24
Governmental Activities				
Capital Assets, <i>Not Being Depreciated</i>				
Land	\$ 15,555,443	\$ 418,287	\$ -	\$ 15,973,730
Total Capital Assets, <i>Not Being Depreciated</i>	15,555,443	418,287	-	15,973,730
Capital Assets, <i>Being Depreciated</i>				
Infrastructure	158,985,750	9,480,159	-	168,465,909
Land Improvements	12,947,738	3,248,684	(352,396)	15,844,026
Buildings	27,058,549	247,302	-	27,305,851
Equipment	7,125,970	213,850	-	7,339,820
Internal Service				
Vehicles	14,404,435	3,534,302	-	17,938,737
Equipment	4,348,633	39,472	-	4,388,105
Total Capital Assets, <i>Being Depreciated</i>	224,871,075	16,763,769	(352,396)	241,282,448
Less Accumulated Depreciation				
Infrastructure	(110,812,334)	(3,082,724)	-	(113,895,058)
Land Improvements	(6,820,586)	(462,667)	352,396	(6,930,857)
Buildings	(6,456,754)	(501,438)	-	(6,958,192)
Equipment	(5,753,301)	(199,088)	-	(5,952,389)
Internal Service				
Vehicles	(8,064,996)	(2,753,102)	-	(10,818,098)
Equipment	(1,352,781)	(133,317)	-	(1,486,098)
Total Accumulated Depreciation	(139,260,752)	(7,132,336)	352,396	(146,040,692)
Total Capital Assets, <i>Being Depreciated, net</i>	85,610,323	9,631,433	-	95,241,756
Governmental Activities Capital Assets, <i>net</i>	\$ 101,165,766	\$ 10,049,720	\$ -	\$ 111,215,486

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities	
General Government	\$ 3,641,239
Public Safety	630,581
Public Works	2,791,357
Parks, Recreation and Cemetery	69,159
Total	\$ 7,132,336

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Capital Assets (Continued)

Capital assets Business-Type activity for the year ended December 31, 2024 is summarized below:

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24
Business-Type Activities				
Capital Assets, <i>Not Being Depreciated</i>				
Land and Easements	\$ 1,657,525	\$ -	\$ -	\$ 1,657,525
Total Capital Assets, <i>Not Being Depreciated</i>	<u>1,657,525</u>	<u>-</u>	<u>-</u>	<u>1,657,525</u>
Capital Assets, <i>Being Depreciated</i>				
Reservoirs	14,433,127	-	-	14,433,127
Land Improvements	205,268	-	-	205,268
Buildings	513,609	269,925	-	783,534
Transmissions, Collections and Distribution Lines	74,693,091	2,055,713	(2,073)	76,746,731
Treatment Plant	15,212,371	191,258	-	15,403,629
Equipment	3,399,303	62,480	-	3,461,783
Total Capital Assets, <i>Being Depreciated</i>	<u>108,456,769</u>	<u>2,579,376</u>	<u>(2,073)</u>	<u>111,034,072</u>
Total Capital Assets	<u>110,114,294</u>	<u>2,579,376</u>	<u>(2,073)</u>	<u>112,691,597</u>
Less: Accumulated Depreciation				
Reservoirs	(2,232,778)	(300,710)	-	(2,533,488)
Land Improvements	(98,254)	(12,123)	-	(110,377)
Buildings	(291,933)	(42,122)	-	(334,055)
Transmissions, Collections and Distribution Lines	(35,092,459)	(3,012,929)	2,073	(38,103,315)
Treatment Plant	(12,589,205)	(406,054)	-	(12,995,259)
Equipment	(1,812,720)	(192,266)	-	(2,004,986)
	<u>(52,117,349)</u>	<u>(3,966,204)</u>	<u>2,073</u>	<u>(56,081,480)</u>
Business-Type Activities Capital Assets, <i>net</i>	<u>\$ 57,996,945</u>	<u>\$ (1,386,828)</u>	<u>\$ -</u>	<u>\$ 56,610,117</u>

Depreciation expense was charged to functions/programs of the City as follows:

Business-Type Activities	
Water	\$ 2,060,776
Sewer	1,786,630
Trash	-
Black Canyon Golf Course	<u>118,798</u>
Total	<u>\$ 3,966,204</u>

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 6: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

Governmental Activities	Balance 12/31/23	Additions	Deletions	Balance 12/31/24	Due Within One Year
2020 Certification of Participation	\$ 15,305,000	\$ -	\$ (360,000)	\$ 14,945,000	\$ 375,000
2017 Certification of Participation	7,513,819	-	(450,741)	7,063,078	463,084
	<u>22,818,819</u>	<u>-</u>	<u>(810,741)</u>	<u>22,008,078</u>	<u>838,084</u>
Compensated Absences	612,466	187,793	(53,257)	747,002	-
Total	<u>\$ 23,431,285</u>	<u>\$ 187,793</u>	<u>\$ (863,998)</u>	<u>\$ 22,755,080</u>	<u>\$ 838,084</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund.

2020 Certification of Participation

During 2020, the City entered into a Certification of Participation (COP) for the acquisition and construction of major public safety capital facilities and improvements. The debt is secured by the constructed facilities and improvements. Debt service payments are made from the rents collected by U.S. Bank, based upon the lease agreements between the City and UMB Bank.

Following is a schedule of the future minimum lease payments required under the outstanding 2020 Certification of Participation at December 31, 2024:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 375,000	\$ 524,394	\$ 899,394
2026	390,000	493,394	899,394
2027	405,000	493,794	898,794
2028	420,000	477,594	897,594
2029	435,000	460,794	895,794
2030-2034	2,455,000	1,806,473	4,261,473
2035-2039	2,955,000	1,359,923	4,314,923
2040-2044	3,445,000	914,427	4,359,427
2045-2049	<u>4,065,000</u>	<u>352,264</u>	<u>4,417,264</u>
Total	<u>\$ 14,945,000</u>	<u>\$ 6,899,057</u>	<u>\$ 21,844,057</u>

2017 Certification of Participation

During 2017, the City and the MURA entered into a Certification of Participation (COP) for infrastructure improvements total \$10,000,000. The City Hall portion of the lease requires bi-annual payments on April and October 1st and does not begin principal payments until 2033. Principal payments of \$298,050 will be made until maturity in 2037. The lender will recalculate the interest component for each five-year period using the Index Rate established on each Rental Adjustment Date. The interest rate as of December 31, 2024 is 2.72%. The City Hall building is used as collateral.

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 6: Long-Term Debt (Continued)

Governmental Activities (Continued)

2017 Certification of Participation (Continued)

The Pavilion portion of the agreement includes an original principal balance of \$7,019,496 and bears interest at 2.72%. The Pavilion lease requires bi-annual payments on April and October 1st. Total debt service payments of \$285,465 will be made until maturity in 2032. The Pavilion building is used as collateral.

Following is a schedule of the future minimum lease payments required under the outstanding 2017 Certification of Participation at December 31, 2024:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 463,084	\$ 164,773	\$ 627,857
2026	475,766	152,091	627,857
2027	488,795	139,062	627,857
2028	502,180	125,677	627,857
2029	515,933	111,925	627,858
2030-2034	2,792,450	346,837	3,139,287
2035-2037	1,824,870	61,389	1,886,259
Total	<u>\$ 7,063,078</u>	<u>\$ 1,101,754</u>	<u>\$ 8,164,832</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024.

Revenue Bonds

Revenue Bonds in the amount of \$6,045,000 were issued on March 15, 2004 for the purpose of refunding the City's outstanding 1993 water and sewer revenue refunding bonds and financing an additional \$4,000,000 in improvements to the City's water and sewer systems. In 2016, the remaining debt was refunded by a note with a principal balance of \$2,855,000 which resulted in a savings of \$295,000. This note is paid from the net revenue derived from the operation and use of the City's water and sewer enterprise system. Interest rate for this note is 1.8% payable semi-annually.

Following is a schedule of the future minimum lease payments required under the outstanding capital lease agreement:

Business-Type Activities	<u>Balance 12/31/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/24</u>	<u>Due Within One Year</u>
2004 Revenue Bonds	\$ 336,707	\$ -	\$ (336,707)	\$ -	\$ -
Compensated Absences	104,487	6,188	(10,449)	100,226	-
Total	<u>\$ 441,194</u>	<u>\$ 6,188</u>	<u>\$ (347,156)</u>	<u>\$ 100,226</u>	<u>\$ -</u>

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 7: Retirement Commitments

Deferred Compensation Plan

The City offers its employees deferred compensation plans, both a 457(b) plan and a 401(a) plan, which are defined contribution plans. The plan is available to all City employees. The City matches employee contributions up to 8% of eligible salary and this contribution is fully vested after 5 years of service. During the year ended December 31, 2024, the City contributions were \$591,558 equal to the required contribution.

FPPA Statewide Retirement Plan

Plan Description - The Statewide Retirement Plan (SRP) is a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits - A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan (Continued)

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost-of-living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions - Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 24.0 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 10.75 percent.

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan (Continued)

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014-member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022. For the year ended December 31, 2024, the re-entry contribution rate for officers was 12% and 10% for new employees.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

The City's contributions to the SWDB Plan for the year ended December 31, 2024, were \$361,648, equal to the required contributions.

The City and eligible employees are required to contribute to the SWH Plan at rates established by the City Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the City reported a net pension liability (asset) of \$(125,292) representing its proportionate share of the net pension asset of the Statewide Retirement Plan.

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2023. The City's proportion of the net pension asset was based on a projection of the City's contributions to the plans for the calendar year ended December 31, 2024, relative to the projected contributions of all participating employers.

At December 31, 2023, the City's proportion of the Statewide Retirement Plan was 0.31612189%, which was an decrease of 0.00992403% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense (Benefit) for the SWDB plan of \$275,833.

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 458,774	\$ 23,761
Net difference between projected and actual earnings on plan investments	389,797	-
Changes in assumptions and other inputs	269,698	-
Changes in proportion	-	85,290
Contributions subsequent to the measurement date	187,935	-
 Total	 \$ 1,306,204	 \$ 109,051

City contributions to the SWDB plan subsequent to the measurement date were \$187,935 and will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>			
2025		\$	321,279
2026			466,512
2027			183,242
2028			22,171
2029			2,553
Thereafter			13,461
 Total		 \$	 1,009,218

City of Montrose, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions - The actuarial valuation at January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

City of Montrose, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income Rates	10%	5.35%
Fixed Income Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.0%.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the City's proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the SWDB net pension (asset) liability	\$ 1,772,619	\$ -	\$ -

City of Montrose, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Pension Plan Fiduciary Net Position - Detailed information about the Plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Note 8: Public Entity Risk Pool

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the City does not approve budgets, nor does it have the ability to significantly affect the operations of the entity.

Note 9: Commitments and Contingencies

Public Entity Risk Pool

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

City of Montrose, Colorado
Notes to Financial Statements
December 31, 2024

Note 9: Commitments and Contingencies (Continued)

Public Entity Risk Pool (Continued)

CIRSA operates as a common risk management and insurance program for 281 members participating in the Property & Casualty Pool and 128 members in the Workers' Compensation Pool. The City pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. The City has other commercial insurance for other risks including employee health and accident insurance.

The City is not involved in any pending and threatened litigation as of December 31, 2024.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1996, voters within the City approved the collection, retention, and expenditure of all the revenues generated by the City in 1996 and subsequent years through 2019, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve of \$1,350,000 was recorded in the General Fund.

Raw Water Purchase

The City has entered into a contract with the Tri-County Conservancy District to purchase water from the Dallas Creek Project. The contract requires an annual purchase, operation and maintenance commitment for the Block One, Two and Three 10,000 acre feet from 2008 through 2049. The annual payments are \$841,135. The purchase price per acre-foot shall not exceed the average cost of all municipal and industrial water for which the Tri-County Water Conservancy District is obligated to pay the United States for such water, which is limited to \$38,000,000. The purchase price is currently \$77.61 per acre-foot, with potential cost adjustments at no longer than five-year intervals. Such annual payments are subject adjustments as a result of rate adjustment. In addition, the City pays the District a proportionate amount of the operations, maintenance and replacement costs of the project attributable to operations and maintenance was \$8.50 per acre-foot.

City of Montrose, Colorado

Notes to Financial Statements

December 31, 2024

Note 10: Jointly Governed Organization

Project 7 Water Authority

In 1977, the City along with the City of Delta, the Town of Olathe, the Tri-County Water Conservancy District, Chipeta Water District, and the Menoken Water District entered into a contract to create a separate governmental entity; the Project 7 Water Authority, which owns and operates a water treatment facility. This Authority is governed by a board consisting of appointed representatives from each of the contracting entities. The City is obligated by contract to purchase the treatment of 825 million gallons of water annually from the Authority so long as the Authority has any unpaid debt, other than from operating expenses. During 2024, the City purchased treatment of 1,245,668 gallons for \$2,429,053. At December 31, 2024, the City owed the Authority \$88,711 for 45,493,000 gallons of water. Separate financial statements of Project 7 Water Authority are available from the City or the Authority.

Note 11: Intergovernmental Agreements

In 2017, the City and Montrose Recreation District (MRD) determined there were cost savings to the taxpayers in Montrose if certain City services were made available to MRD for a fee. This arrangement has continued with small amendments to the IGA annually. In 2024, the City provided MRD fleet, information services, facility and finance services for \$33,199.

Note 12: Related Parties

In 2016, the City along with the Montrose Fire Protection District, the Town of Mountain Village, the Town of Telluride, the Telluride Fire Protection District and the Town of Olathe created a new dispatch center; the Western Colorado Regional Dispatch Center (WestCO), to provide emergency services. Article VII, section 3 of the bylaws provides the City services to WestCO without compensation. WestCO employees participate in the City's self-insurance plan and WestCO reimburses the City for all costs paid on their behalf. In 2024, WestCO paid \$297,684 related to the self-insurance plan.

Required Supplementary Information

City of Montrose, Colorado
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
 Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan
 For the Year Ended December 31, 2024

	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
Proportionate Share of the Net Pension Asset			
City's Proportion of the Net Pension Assets	0.03161220%	0.32604592%	0.33135000%
City's Proportion Share of the Net Pension Asset (Liability)	\$ -	\$ (289,402)	\$ 968,788
City's Covered Payroll	\$ 2,352,977	\$ 2,803,766	\$ 2,697,715
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	0.0%	-10.3%	35.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	97.7%	100.7%
	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>
City Contribution			
Statutorily Required Contribution	\$ 187,935	\$ 255,298	\$ 305,649
Contributions in Relation to the Statutorily Required Contribution	<u>(187,935)</u>	<u>(255,298)</u>	<u>(305,649)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 1,879,354	\$ 2,352,977	\$ 2,803,766
Contributions as a Percentage of Covered Payroll	10.00%	10.85%	10.90%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

(Continued)

City of Montrose, Colorado
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
 Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan
 For the Year Ended December 31, 2024
 (Continued)

	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
Proportionate Share of the Net Pension Asset			
City's Proportion of the Net Pension Assets	0.44624000%	0.47717000%	0.50725000%
City's Proportion Share of the Net Pension Asset (Liability)	\$ (252,377)	\$ (603,272)	\$ 641,298
City's Covered Payroll	\$ 2,601,018	\$ 3,397,825	\$ 3,397,825
City's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	-9.7%	-17.8%	18.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.7%	101.9%	95.2%
	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>
City Contribution			
Statutorily Required Contribution	\$ 283,402	\$ 281,351	\$ 271,826
Contributions in Relation to the Statutorily Required Contribution	<u>(283,402)</u>	<u>(281,351)</u>	<u>(271,826)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 2,697,715	\$ 2,601,018	\$ 3,397,825
Contributions as a Percentage of Covered Payroll	10.51%	10.82%	8.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

City of Montrose, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 28,079,835	\$ 28,079,835	\$ 29,580,929	\$ 1,501,094
Licenses and Permits	641,947	641,947	526,172	(115,775)
Intergovernmental	993,552	993,552	6,905,263	5,911,711
Charges for Services	167,796	167,796	175,465	7,669
Fines and Forfeitures	106,513	106,513	72,354	(34,159)
Contributions and Donations	70,000	70,000	10,020	(59,980)
Administrative Reimbursement	667,364	667,364	667,364	-
Investment Income	300,100	300,100	793,243	493,143
Miscellaneous	85,660	85,660	504,571	418,911
Total Revenues	31,112,767	31,112,767	39,235,381	8,122,614
Expenditures				
Current				
General Government				
City Council	176,914	176,914	178,678	(1,764)
Youth Council	12,300	12,300	21,269	(8,969)
Economic Support	406,500	1,486,295	1,643,969	(157,674)
City Attorney	544,548	544,548	433,901	110,647
City Manager	417,748	417,748	430,009	(12,261)
Website/Communications	175,933	175,933	172,007	3,926
Human Resources	581,634	581,634	687,761	(106,127)
Montrose Pavilion	740,085	740,085	723,137	16,948
GIS	473,989	473,989	452,744	21,245
Finance	901,249	901,249	909,311	(8,062)
Municipal Court	381,033	381,033	380,283	750
Teen Court	6,736	6,736	417	6,319
Innovation and Citizens Engagement	-	-	-	-
City Clerk	377,577	377,577	387,676	(10,099)
Grants	-	-	570,000	(570,000)
Competitive Youth Sports	52,708	52,708	78,052	(25,344)
Insurance	256,487	256,487	170,232	86,255
Total General Government	<u>5,505,441</u>	<u>6,585,236</u>	<u>7,239,446</u>	<u>(654,210)</u>
Community Development				
Planning Services	575,390	575,390	5,501,631	(4,926,241)
Total Community Development	<u>575,390</u>	<u>575,390</u>	<u>5,501,631</u>	<u>(4,926,241)</u>
Engineering and Inspection				
Building Services	\$ 857,315	\$ 857,315	\$ 790,446	\$ 66,869

(Continued)

City of Montrose, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024
 (Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (Continued)				
Current				
Public Works				
Engineer	\$ -	\$ -	\$ -	\$ -
Administration	563,596	563,596	595,206	(31,610)
Street Maintenance	4,684,711	5,099,711	3,404,995	1,694,716
Street Cleaning	778,505	778,505	550,751	227,754
Total General Government	<u>6,026,812</u>	<u>6,441,812</u>	<u>4,550,952</u>	<u>1,890,860</u>
Parks, Recreation and Cemetery				
Parks Maintenance	1,883,242	1,883,242	1,948,162	(64,920)
Tree Program	99,000	99,000	94,995	4,005
Sunset Mesa Maintenance	173,063	173,063	103,138	69,925
Cemetery	216,538	216,538	66,622	149,916
Competitive Youth Sports	-	-	-	-
Total Parks and Cemetery	<u>2,371,843</u>	<u>2,371,843</u>	<u>2,212,917</u>	<u>158,926</u>
Capital Outlay	949,000	1,364,000	1,721,363	(357,363)
Total Expenditures	<u>16,285,801</u>	<u>18,195,596</u>	<u>22,016,755</u>	<u>(3,821,159)</u>
Excess Revenues Over (Under) Expenditures	14,826,966	12,917,171	17,218,626	4,301,455
Other Financing Sources (Uses)				
Proceeds from the Sale of Assets	1,000	1,000	-	(1,000)
Transfers In	4,400	4,400	14,400	10,000
Transfers Out	<u>(21,140,085)</u>	<u>(21,140,085)</u>	<u>(21,140,085)</u>	<u>-</u>
Net Change in Fund Balance	(6,307,719)	(8,217,514)	(3,907,059)	4,310,455
Fund Balance, Beginning of Year	<u>13,955,353</u>	<u>13,955,353</u>	<u>24,908,681</u>	<u>10,953,328</u>
Fund Balance, End of Year	<u>\$ 7,647,634</u>	<u>\$ 5,737,839</u>	<u>\$ 21,001,622</u>	<u>\$ 15,263,783</u>

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Montrose Urban Renewal Authority Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 680,000	\$ 680,000	\$ 957,565	\$ 277,565
Total Revenues	680,000	680,000	957,565	277,565
Expenditures				
Community Development	-	170,000	120,314	49,686
Capital Outlay	350,000	350,000	48,580	301,420
Debt Service				
Principal	-	-	-	-
Interest	-	-	520,206	(520,206)
Total Expenditures	350,000	520,000	689,100	(169,100)
Net Change in Fund Balance	330,000	160,000	268,465	108,465
Fund Balance, Beginning of Year	(14,619,468)	(14,619,468)	(16,272,541)	(1,653,073)
Fund Balance, End of Year	\$ (14,289,468)	\$ (14,459,468)	\$ (16,004,076)	\$ (1,544,608)

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Public Safety Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 5,205,779	\$ 5,453,383	\$ 247,604
Intergovernmental Revenue	120,203	173,795	53,592
Charges for Services	119,405	129,676	10,271
Investment Income	-	149,461	149,461
Miscellaneous	46,868	72,006	25,138
Total Revenues	5,492,255	5,978,321	486,066
Expenditures			
Public Safety	14,252,806	14,013,804	239,002
Capital Outlay	96,617	211,151	(114,534)
Total Expenditures	14,349,423	14,224,955	124,468
Excess Revenues Over (Under) Expenditures	(8,857,168)	(8,246,634)	610,534
Other Financing Sources (Uses)			
Transfers In	8,360,085	8,350,085	(10,000)
Transfers Out	(898,794)	(898,794)	-
Net Change in Fund Balance	(1,395,877)	(795,343)	600,534
Fund Balance, Beginning of Year	7,341,561	5,010,426	(2,331,135)
Fund Balance, End of Year	\$ 5,945,684	\$ 4,215,083	\$ (1,730,601)

City of Montrose, Colorado
Notes to Required Supplementary Information
December 31, 2024

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the City. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- All appropriations lapse at year end.

Supplementary Information

City of Montrose, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds					
	Retail Sales Enhancement	Downtown Opportunity Fund	Downtown Improvement Fund	Surplus & Deficiency Fund	Conservation Trust Fund	Pavilion Improvement Fund
Assets						
Cash and Cash Equivalents	\$ 903,124	\$ 189,864	\$ 970	\$ 48,580	\$ 270,487	\$ 17,637
Investments	-	-	-	17,826	-	-
Accounts Receivable, <i>net</i>	13,510	15,056	-	-	-	-
Sales Tax Receivable	7,106	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	31,725	-
Inventory	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	<u>\$ 923,740</u>	<u>\$ 204,920</u>	<u>\$ 970</u>	<u>\$ 66,406</u>	<u>\$ 302,212</u>	<u>\$ 17,637</u>
Liabilities						
Accounts Payable	\$ 35,974	\$ -	\$ -	\$ -	\$ 7,540	\$ -
Accrued Salaries and Benefits	3,942	-	-	-	-	-
Unearned Revenue	-	24,906	-	-	-	-
Deposits	50	-	-	-	-	-
Total Liabilities	<u>39,966</u>	<u>24,906</u>	<u>-</u>	<u>-</u>	<u>7,540</u>	<u>-</u>
Fund Balance						
Unspendable:						
Prepaid Expenses and Inventory	-	-	-	-	-	-
Permanent Fund	-	-	-	-	-	-
Restricted for:						
Economic Development	-	180,014	-	-	-	-
Debt Service	-	-	-	-	-	-
Beautification	-	-	-	-	-	-
Capital Projects	-	-	970	66,406	294,672	-
Committed:						
Economic Development	883,774	-	-	-	-	-
Public Education	-	-	-	-	-	-
Assigned						
Capital Projects	-	-	-	-	-	-
Parks/Pavilion Improvements	-	-	-	-	-	17,637
Animal Shelter	-	-	-	-	-	-
Unrestricted, Unassigned	-	-	-	-	-	-
Total Fund Balance	<u>883,774</u>	<u>180,014</u>	<u>970</u>	<u>66,406</u>	<u>294,672</u>	<u>17,637</u>
Total Liabilities and Fund Balance	<u>\$ 923,740</u>	<u>\$ 204,920</u>	<u>\$ 970</u>	<u>\$ 66,406</u>	<u>\$ 302,212</u>	<u>\$ 17,637</u>

(Continued)

City of Montrose, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024
(Continued)

	Public Education Fund	Special Benefits Fund	Tourism Promotional Fund	2017 Certificates of Participation Fund	Capital Project Funds	
					Special Improvements Fund	Grand / Rio Grande Project Fund
Assets						
Cash and Cash Equivalents	\$ 35,880	\$ 586,297	\$ 260,051	\$ 476,314	\$ (41,244)	\$ 1,092,375
Investments	-	-	55,643	-	221,122	529,731
Accounts Receivable, <i>net</i>	-	18,400	65,498	-	246,660	-
Sales Tax Receivable	-	-	4,563	-	-	-
Special Assessments Receivable	-	-	-	-	185,014	-
Due from Other Governments	-	-	-	-	-	-
Inventory	-	-	33,043	-	-	-
Prepaid Expenses	-	-	8,914	-	-	-
Total Assets	\$ 35,880	\$ 604,697	\$ 427,712	\$ 476,314	\$ 611,552	\$ 1,622,106
Liabilities						
Accounts Payable	\$ -	\$ 15,025	\$ 44,979	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	-	-	11,537	-	-	-
Unearned Revenue	-	-	-	-	423,316	-
Deposits	-	-	590	-	-	-
Total Liabilities	-	15,025	57,106	-	423,316	-
Fund Balance						
Unspendable:						
Prepaid Expenses and Inventory	-	-	41,957	-	-	-
Permanent Fund	-	-	-	-	-	-
Restricted for:						
Economic Development	-	-	-	-	-	-
Debt Service	-	-	-	476,314	-	-
Beautification	-	-	-	-	-	-
Capital Projects	-	-	-	-	188,236	-
Committed:						
Economic Development	-	-	328,649	-	-	-
Public Education	35,880	-	-	-	-	-
Assigned						
Capital Projects	-	-	-	-	-	1,622,106
Parks/Pavilion Improvements	-	213,670	-	-	-	-
Animal Shelter	-	172,024	-	-	-	-
Unrestricted, Unassigned	-	203,978	-	-	-	-
Total Fund Balance	35,880	589,672	370,606	476,314	188,236	1,622,106
Total Liabilities and Fund Balance	\$ 35,880	\$ 604,697	\$ 427,712	\$ 476,314	\$ 611,552	\$ 1,622,106

(Continued)

City of Montrose, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024
(Continued)

	Permanent Funds		Total
	Demoret Trust Fund	Cemetery Fund	
Assets			
Cash and Cash Equivalents	\$ 5,470	\$ 143,220	\$ 3,989,025
Investments	340,453	-	1,164,775
Accounts Receivable, <i>net</i>	-	-	359,124
Sales Tax Receivable	-	-	11,669
Special Assessments Receivable	-	-	185,014
Due from Other Governments	-	-	31,725
Inventory	-	-	33,043
Prepaid Expenses	-	-	8,914
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 345,923	\$ 143,220	\$ 5,783,289
	<hr/>	<hr/>	<hr/>
Liabilities			
Accounts Payable	\$ -	\$ -	\$ 103,518
Accrued Salaries and Benefits	-	-	15,479
Unearned Revenue	-	-	448,222
Deposits	-	-	640
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	567,859
	<hr/>	<hr/>	<hr/>
Fund Balance			
Unspendable:			
Prepaid Expenses and Inventory	-	-	41,957
Permanent Fund	337,476	143,220	480,696
Restricted for:			
Economic Development	-	-	180,014
Debt Service	-	-	476,314
Beautification	8,447	-	8,447
Capital Projects	-	-	550,284
Committed:			
Economic Development	-	-	1,212,423
Public Education	-	-	35,880
Assigned			
Capital Projects	-	-	1,622,106
Parks/Pavilion Improvements	-	-	231,307
Animal Shelter	-	-	172,024
Unrestricted, Unassigned	-	-	203,978
	<hr/>	<hr/>	<hr/>
Total Fund Balance	345,923	143,220	5,215,430
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 345,923	\$ 143,220	\$ 5,783,289
	<hr/>	<hr/>	<hr/>

City of Montrose, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds					
	Retail Sales Enhancement	Downtown Opportunity Fund	Downtown Improvement Fund	Surplus and Deficiency Fund	Conservation Trust Fund	Pavilion Improvement Fund
Revenues						
Taxes	\$ 678,982	\$ -	\$ -	\$ -	\$ 129,396	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for Services	200	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Contributions and Donations	16,200	-	-	-	-	-
Permanently Restricted Contributions	-	-	-	-	-	-
Investment Income	13,221	4,874	970	1,151	42,269	589
Miscellaneous	900	-	-	-	-	-
Total Revenue	<u>709,503</u>	<u>4,874</u>	<u>970</u>	<u>1,151</u>	<u>171,665</u>	<u>589</u>
Expenditures						
Current						
General Government	-	-	-	-	164,901	-
Community Development	633,259	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>633,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,901</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	76,244	4,874	970	1,151	6,764	589
Other Financing Sources (Uses)						
Transfers (In)	60,000	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-
Other Financing Sources (Uses)	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	136,244	4,874	970	1,151	6,764	589
Fund Balance, Beginning of Year	<u>747,530</u>	<u>175,140</u>	<u>-</u>	<u>65,255</u>	<u>287,908</u>	<u>17,048</u>
Fund Balance, End of Year	<u>\$ 883,774</u>	<u>\$ 180,014</u>	<u>\$ 970</u>	<u>\$ 66,406</u>	<u>\$ 294,672</u>	<u>\$ 17,637</u>

(Continued)

City of Montrose, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
December 31, 2024
(Continued)

	Public Education Fund	Special Benefits Fund	Tourism Promotional Fund	2017 Certificates of Participation Fund	Capital Project Funds	
					Special Improvements Fund	Grand / Rio Grande Project Fund
Revenues						
Taxes	\$ 1,236	\$ -	\$ 877,782	\$ -	\$ -	\$ -
Intergovernmental	-	34,650	-	-	-	-
Charges for Services	-	-	1,208	-	-	-
Special Assessments	-	-	-	-	254,182	-
Contributions and Donations	-	114,452	-	-	-	-
Permanently Restricted Contributions	-	-	-	-	-	-
Investment Income	2,948	2,947	4,857	-	42,451	87,389
Miscellaneous	-	-	86,812	-	-	-
Total Revenue	4,184	152,049	970,659	-	296,633	87,389
Expenditures						
Current						
General Government	5,208	-	-	2,000	-	-
Community Development	-	66,771	1,051,221	-	-	-
Capital Outlay	-	-	-	-	790,359	-
Debt Service						
Principal	-	-	-	810,740	-	-
Interest and Fiscal Charges	-	-	-	779,087	-	-
Total Expenditures	5,208	66,771	1,051,221	1,591,827	790,359	-
Excess Revenues Over (Under) Expenditures	(1,024)	85,278	(80,562)	(1,591,827)	(493,726)	87,389
Other Financing Sources (Uses)						
Transfers (In)	-	-	-	1,526,651	419,993	-
Transfers (Out)	-	-	-	-	-	-
Other Financing Sources (Uses)	-	-	-	1,526,651	419,993	-
Net Change in Fund Balance	(1,024)	85,278	(80,562)	(65,176)	(73,733)	87,389
Fund Balance, Beginning of Year	36,904	504,394	451,168	541,490	261,969	1,534,717
Fund Balance, End of Year	\$ 35,880	\$ 589,672	\$ 370,606	\$ 476,314	\$ 188,236	\$ 1,622,106

(Continued)

City of Montrose, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
December 31, 2024
(Continued)

	Permanent Funds		Total
	Demoret Trust Fund	Cemetery Fund	
Revenues			
Taxes	\$ -	\$ -	\$ 1,687,396
Intergovernmental	-	-	34,650
Charges for Services	-	-	1,408
Special Assessments	-	-	254,182
Contributions and Donations	-	-	130,652
Permanently Restricted Contributions	-	3,840	3,840
Investment Income	14,564	6,988	225,218
Miscellaneous	-	-	87,712
Total Revenue	<u>14,564</u>	<u>10,828</u>	<u>2,425,058</u>
Expenditures			
Current			
General Government	-	-	172,109
Community Development	-	-	1,751,251
Capital Outlay	-	-	790,359
Debt Service			
Principal	-	-	810,740
Interest and Fiscal Charges	-	-	779,087
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,303,546</u>
Excess Revenues Over (Under) Expenditures	14,564	10,828	(1,878,488)
Other Financing Sources (Uses)			
Transfers (In)	-	-	2,006,644
Transfers (Out)	-	(4,400)	(4,400)
Other Financing Sources (Uses)	<u>-</u>	<u>(4,400)</u>	<u>2,002,244</u>
Net Change in Fund Balance	14,564	6,428	123,756
Fund Balance, Beginning of Year	<u>331,359</u>	<u>136,792</u>	<u>5,091,674</u>
Fund Balance, End of Year	<u>\$ 345,923</u>	<u>\$ 143,220</u>	<u>\$ 5,215,430</u>

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Retail Sales Enhancement Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 654,000	\$ 678,982	\$ 24,982
Intergovernmental Revenue	-	-	-
Charges for Services	-	200	200
Contributions and Donations	17,000	16,200	(800)
Investment Income	8,800	13,221	4,421
Miscellaneous	6,000	900	(5,100)
Total Revenues	685,800	709,503	23,703
Expenditures			
Community Development	754,357	633,259	121,098
Total Expenditures	754,357	633,259	121,098
Excess Revenues Over (Under) Expenditures	(68,557)	76,244	144,801
Other Financing Sources (Uses)			
Transfers In	60,000	60,000	-
Net Change in Fund Balance	(8,557)	136,244	144,801
Fund Balance, Beginning of Year	714,283	747,530	33,247
Fund Balance, End of Year	\$ 705,726	\$ 883,774	\$ 178,048

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental Revenue	\$ 300,000	\$ 258,400	\$ (41,600)
Contributions and Donations	50,000	100,000	50,000
Investment Income	163,874	368,122	204,248
 Total Revenues	 513,874	 726,522	 212,648
Expenditures			
Capital Outlay	12,950,000	12,720,481	229,519
 Total Expenditures	 12,950,000	 12,720,481	 229,519
Excess Revenues Over (Under) Expenditures	(12,436,126)	(11,993,959)	442,167
Other Financing Sources (Uses)			
Transfers In	12,261,271	12,261,271	-
Net Change in Fund Balance	(174,855)	267,312	442,167
Fund Balance, Beginning of Year	1,971,647	5,172,883	3,201,236
Fund Balance, End of Year	\$ 1,796,792	\$ 5,440,195	\$ 3,643,403

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Downtown Opportunity Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ -	\$ 4,874	\$ 4,874
Total Revenues	-	4,874	4,874
Expenditures			
General Government	40,000	-	(40,000)
Total Expenditures	40,000	-	(40,000)
Excess Revenues Over (Under) Expenditures	(40,000)	4,874	44,874
Other Financing Sources (Uses)			
Proceeds from Issuance of Debt	1,650	-	(1,650)
Net Change in Fund Balance	(38,350)	4,874	43,224
Fund Balance, Beginning of Year	171,764	175,140	3,376
Fund Balance, End of Year	\$ 133,414	\$ 180,014	\$ 46,600

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Downtown Improvement Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ -	\$ 970	\$ 970
Total Revenues	-	970	970
Excess Revenues Over			
Net Change in Fund Balance	-	970	970
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	-	970	970

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Public Education Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 16,600	\$ 1,236	\$ (15,364)
Investment Income	1,332	2,948	1,616
Total Revenues	<u>17,932</u>	<u>4,184</u>	<u>(13,748)</u>
Expenditures			
General Government	<u>6,849</u>	<u>5,208</u>	<u>1,641</u>
Total Expenditures	<u>6,849</u>	<u>5,208</u>	<u>1,641</u>
Excess Revenues Over (Under) Expenditures	11,083	(1,024)	(12,107)
Fund Balance, Beginning of Year	<u>35,385</u>	<u>36,904</u>	<u>1,519</u>
Fund Balance, End of Year	<u>\$ 46,468</u>	<u>\$ 35,880</u>	<u>\$ (10,588)</u>

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Surplus and Deficiency Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ -	\$ 1,151	\$ 1,151
Total Revenues	-	1,151	1,151
Net Change in Fund Balance	-	1,151	1,151
Fund Balance, Beginning of Year	63,066	65,255	2,189
Fund Balance, End of Year	\$ 63,066	\$ 66,406	\$ 3,340

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 125,600	\$ 129,396	\$ 3,796
Investment Income	12,600	42,269	29,669
	138,200	171,665	33,465
Expenditures			
General Government	250,000	164,901	85,099
	250,000	164,901	85,099
Excess Revenues Over Net Change in Fund Balance	(111,800)	6,764	118,564
Fund Balance, Beginning of Year	291,903	287,908	(3,995)
Fund Balance, End of Year	\$ 180,103	\$ 294,672	\$ 114,569

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Pavilion Improvement Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ -	\$ 589	\$ 589
Total Revenues	<u>-</u>	<u>589</u>	<u>589</u>
Net Change in Fund Balance	-	589	589
Fund Balance, Beginning of Year	<u>16,481</u>	<u>17,048</u>	<u>567</u>
Fund Balance, End of Year	<u>\$ 16,481</u>	<u>\$ 17,637</u>	<u>\$ 1,156</u>

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Special Benefits Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 37,000	\$ 34,650	\$ (2,350)
Contributions and Donations	68,300	114,452	46,152
Investment Income	300	2,947	2,647
Total Revenues	<u>105,600</u>	<u>152,049</u>	<u>46,449</u>
Expenditures			
Community Development	96,007	66,771	29,236
Capital Outlay	18,000	-	18,000
Total Expenditures	<u>114,007</u>	<u>66,771</u>	<u>47,236</u>
Excess Revenues Over (Under) Expenditures	(8,407)	85,278	93,685
Fund Balance, Beginning of Year	<u>443,337</u>	<u>504,394</u>	<u>61,057</u>
Fund Balance, End of Year	<u>\$ 434,930</u>	<u>\$ 589,672</u>	<u>\$ 154,742</u>

City of Montrose, Colorado
Budgetary Comparison Schedule
Tourism Promotional Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 817,500	\$ 817,500	\$ 877,782	\$ 60,282
Charges for Services	1,000	1,000	1,208	208
Investment Income	1,000	1,000	4,857	3,857
Miscellaneous	11,000	11,000	86,812	75,812
Total Revenues	<u>830,500</u>	<u>830,500</u>	<u>970,659</u>	<u>140,159</u>
Expenditures				
Community Development	913,132	992,212	1,051,221	(59,009)
Total Expenditures	<u>913,132</u>	<u>992,212</u>	<u>1,051,221</u>	<u>(59,009)</u>
Excess Revenues Over (Under) Expenditures	(82,632)	(161,712)	(80,562)	81,150
Fund Balance, Beginning of Year	<u>440,800</u>	<u>440,800</u>	<u>451,168</u>	<u>10,368</u>
Fund Balance, End of Year	<u>\$ 358,168</u>	<u>\$ 279,088</u>	<u>\$ 370,606</u>	<u>\$ 91,518</u>

City of Montrose, Colorado
 Budgetary Comparison Schedule
 2017 Certificates of Participation Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures			
General Government	\$ 4,000	\$ 2,000	\$ 2,000
Debt Service			
Principal	989,535	810,740	178,795
Interest	537,116	779,087	(241,971)
	1,530,651	1,591,827	(61,176)
Excess Revenues Over (Under) Expenditures	(1,530,651)	(1,591,827)	(61,176)
Other Financing Sources (Uses)			
Transfers In	1,526,651	1,526,651	-
Net Change in Fund Balance	(4,000)	(65,176)	(61,176)
Fund Balance, Beginning of Year	1,885,671	541,490	(1,344,181)
Fund Balance, End of Year	\$ 1,881,671	\$ 476,314	\$ (1,405,357)

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Demoret Trust Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ 3,600	\$ 14,564	\$ 10,964
Total Revenues	3,600	14,564	10,964
Net Change in Fund Balance	3,600	14,564	10,964
Fund Balance, Beginning of Year	9,856	331,359	321,503
Fund Balance, End of Year	\$ 13,456	\$ 345,923	\$ 332,467

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Cemetery Perpetual Care Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Contributions to Permanent Endowment	\$ 2,000	\$ 2,000	\$ 3,840	\$ 1,840
Investment Income	2,400	2,400	6,988	4,588
Total Revenues	<u>4,400</u>	<u>4,400</u>	<u>10,828</u>	<u>6,428</u>
Excess Revenues Over (Under) Expenditures	4,400	4,400	10,828	6,428
Other Financing Sources (Uses)				
Transfers Out	<u>(4,400)</u>	<u>(7,130)</u>	<u>(4,400)</u>	<u>-</u>
Net Change in Fund Balance	-	(2,730)	6,428	6,428
Fund Balance, Beginning of Year	<u>137,497</u>	<u>137,497</u>	<u>136,792</u>	<u>(705)</u>
Fund Balance, End of Year	<u>\$ 137,497</u>	<u>\$ 134,767</u>	<u>\$ 143,220</u>	<u>\$ 5,723</u>

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Special Improvements Revolving Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Special Assessments	\$ 59,400	\$ 59,400	\$ 254,182	\$ 194,782
Investment Income	2,500	2,500	42,451	39,951
Total Revenues	<u>61,900</u>	<u>61,900</u>	<u>296,633</u>	<u>234,733</u>
Expenditures				
Capital Outlay	1,200	791,287	790,359	928
Total Expenditures	<u>1,200</u>	<u>791,287</u>	<u>790,359</u>	<u>928</u>
Excess Revenues Over (Under) Expenditures	60,700	(729,387)	(493,726)	235,661
Other Financing Sources (Uses)				
Transfers In	-	-	419,993	419,993
Net Change in Fund Balance	60,700	(729,387)	(73,733)	655,654
Fund Balance, Beginning of Year	<u>287,510</u>	<u>287,510</u>	<u>261,969</u>	<u>(25,541)</u>
Fund Balance, End of Year	<u>\$ 348,210</u>	<u>\$ (441,877)</u>	<u>\$ 188,236</u>	<u>\$ 630,113</u>

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Grand / Rio Grande Project Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Income	\$ 26,684	\$ 87,389	\$ 60,705
Total Revenues	26,684	87,389	60,705
Expenditures			
Capital Outlay	250,000	-	250,000
Total Expenditures	250,000	-	250,000
Excess Revenues Over (Under) Expenditures	(223,316)	87,389	(189,295)
Fund Balance, Beginning of Year	1,526,128	1,534,717	8,589
Fund Balance, End of Year	\$ 1,302,812	\$ 1,622,106	\$ (180,706)

City of Montrose, Colorado
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2024

	Trash / Recycle Fund	Black Canyon Golf Course Fund	Total
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 1,419,365	\$ 685,878	\$ 2,105,243
Accounts Receivable	249,183	1,563	250,746
Inventory	82,005	40,134	122,139
Prepaid Expenses	-	503	503
Total Current Assets	<u>1,750,553</u>	<u>728,078</u>	<u>2,478,631</u>
<i>Noncurrent Assets</i>			
Capital Assets, <i>Not Being Depreciated</i>	-	194,435	194,435
Capital Assets, <i>Net of Accumulated Depreciation</i>	-	779,468	779,468
Total Noncurrent Assets	<u>-</u>	<u>973,903</u>	<u>973,903</u>
Total Assets	<u>1,750,553</u>	<u>1,701,981</u>	<u>3,452,534</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	60,731	3,784	64,515
Accrued Salaries and Benefits	15,402	14,097	29,499
Unearned Revenue	-	16,038	16,038
Total Current Liabilities	<u>76,133</u>	<u>33,919</u>	<u>110,052</u>
<i>Noncurrent Liabilities</i>			
Accrued Compensated Absences	22,846	14,513	37,359
Total Noncurrent Liabilities	<u>22,846</u>	<u>14,513</u>	<u>37,359</u>
Total Liabilities	<u>98,979</u>	<u>48,432</u>	<u>147,411</u>
Net Position			
Net Investment in Capital Assets	-	973,903	973,903
Unrestricted	1,651,574	679,646	2,331,220
Total Net Position	<u>\$ 1,651,574</u>	<u>\$ 1,653,549</u>	<u>\$ 3,305,123</u>

City of Montrose, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2024

	Trash / Recycle Fund	Black Canyon Golf Course Fund	Total
Operating Revenues			
Charges for Services	\$ 2,830,202	\$ 1,108,232	\$ 3,938,434
Miscellaneous	12,414	130,038	142,452
	<u>2,842,616</u>	<u>1,238,270</u>	<u>4,080,886</u>
Operating Expenses			
Administrative and General	166,984	293,647	460,631
Operations and Maintenance	2,192,291	1,165,658	3,357,949
Capital Outlay	-	-	-
Depreciation	-	118,798	118,798
	<u>2,359,275</u>	<u>1,578,103</u>	<u>3,937,378</u>
Total Operating Expenses			
Net Operating Income	<u>483,341</u>	<u>(339,833)</u>	<u>143,508</u>
Non-Operating Revenues (Expenses)			
Interest Income	<u>27,267</u>	<u>2,950</u>	<u>30,217</u>
Net Income (Loss) Before Contributed Capital	<u>510,608</u>	<u>(336,883)</u>	<u>173,725</u>
Contributed Capital and Transfers			
Transfers In	<u>-</u>	<u>380,872</u>	<u>380,872</u>
Total Capital Contributions and Transfers	<u>-</u>	<u>380,872</u>	<u>380,872</u>
Change in Net Position	<u>510,608</u>	<u>43,989</u>	<u>554,597</u>
Net Position, Beginning of Year	<u>1,140,966</u>	<u>1,609,560</u>	<u>2,750,526</u>
Net Position, End of Year	<u>\$ 1,651,574</u>	<u>\$ 1,653,549</u>	<u>\$ 3,305,123</u>

City of Montrose, Colorado
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2024

	Trash / Recycle Fund	Black Canyon Golf Course Fund	Total
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 2,789,623	\$ 1,112,922	\$ 3,902,545
Cash Received from Others	12,414	130,038	142,452
Cash Paid to Suppliers	(1,905,113)	(974,479)	(2,879,592)
Cash Paid to Employees	<u>(418,547)</u>	<u>(489,801)</u>	<u>(908,348)</u>
Net Cash Provided by Operating Activities	<u>478,377</u>	<u>(221,320)</u>	<u>257,057</u>
Cash Flows From Noncapital Financing Activities			
Transfers In	<u>-</u>	<u>380,872</u>	<u>380,872</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>380,872</u>	<u>380,872</u>
Cash Flows From Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	-	(255,764)	(255,764)
Proceeds from Sale of Capital Assets	-	-	-
Investment Income	<u>27,267</u>	<u>2,950</u>	<u>30,217</u>
Net Cash Used by Capital and Related Financing Activities	<u>27,267</u>	<u>(252,814)</u>	<u>(225,547)</u>
Net Change in Cash and Cash Equivalents	505,644	(93,262)	412,382
Cash and Cash Equivalents, Beginning of Year	<u>913,721</u>	<u>779,140</u>	<u>1,692,861</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,419,365</u>	<u>\$ 685,878</u>	<u>\$ 2,105,243</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:			
Net Operating Income	\$ 483,341	\$ (339,833)	\$ 143,508
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation Expense	-	118,798	118,798
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	(40,579)	-	(40,579)
Inventories	24,081	15,495	39,576
Prepaid Expenses	-	(471)	(471)
Accounts Payable	(916)	(18,700)	(19,616)
Accrued Salaries	5,454	5,332	10,786
Accrued Compensated Absences	6,996	(6,631)	365
Unearned Revenue	<u>-</u>	<u>4,690</u>	<u>4,690</u>
Net Cash Provided by Operating Activities	<u>\$ 478,377</u>	<u>\$ (221,320)</u>	<u>\$ 257,057</u>

City of Montrose, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges For Services	\$ 8,094,442	\$ 7,939,745	\$ (154,697)
Intergovernmental	9,368	22,174	12,806
Investment Income	12,500	421,318	408,818
Miscellaneous Revenue	2,418	9,764	7,346
Total Revenue	8,118,728	8,393,001	274,273
Expenses			
Enterprise Administration	295,814	284,025	11,789
Operations and Maintenance	8,258,963	5,827,431	2,431,532
Capital Outlay	-	4,074,132	(4,074,132)
Debt Services			
Principal	189,750	187,000	2,750
Interest	3,416	11,709	(8,293)
Total Expenses	8,747,943	10,384,297	(1,636,354)
Net Operating Income	(629,215)	(1,991,296)	(1,362,081)
Nonoperating Revenues (Expenses)			
Tap Fees	462,288	219,788	(242,500)
Transfer Out	-	(222,412)	(222,412)
Total Nonoperating Revenues (Expenses)	462,288	(2,624)	(464,912)
Change in Net Position, Budgetary Basis	\$ (166,927)	(1,993,920)	\$ (1,826,993)
Reconciliation to GAAP Basis			
Capital Outlay Capitalized		4,074,132	
Debt Service Principal		187,000	
Depreciation		(2,060,776)	
Change in Net Position, GAAP Basis		\$ 206,436	

City of Montrose, Colorado
Budgetary Comparison Schedule
Sewer Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges For Services	\$ 3,564,031	\$ 3,762,844	\$ 198,813
Investment Income	35,000	137,548	102,548
Miscellaneous Revenue	-	122	122
Total Revenue	3,599,031	3,900,514	301,483
Expenses			
Enterprise Administration	222,131	222,131	-
Operations and Maintenance	5,151,540	2,875,507	2,276,033
Capital Outlay	-	308,447	(308,447)
Debt Services			
Principal	155,250	153,000	(2,250)
Interest	2,794	2,795	(1)
Total Expenses	5,531,715	3,561,880	1,965,335
Net Operating Income	(1,932,684)	338,634	2,271,318
Nonoperating Revenues (Expenses)			
Tap Fees	975,724	662,707	(313,017)
Transfers Out	(550,000)	(747,581)	(197,581)
Total Nonoperating Revenues (Expenses)	425,724	(84,874)	(510,598)
Change in Net Position, Budgetary Basis	\$ (1,506,960)	253,760	\$ 1,760,720
Reconciliation to GAAP Basis			
Capital Outlay Capitalized		308,447	
Debt Service Principal		153,000	
Depreciation		(1,786,630)	
Change in Net Position, GAAP Basis		\$ (1,071,423)	

City of Montrose, Colorado
Budgetary Comparison Schedule
Trash / Recycling Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges For Services	\$ 2,762,453	\$ 2,830,202	\$ 67,749
Investment Income	9,822	27,267	17,445
Miscellaneous Income	4,718	12,414	7,696
Total Revenue	2,776,993	2,869,883	92,890
Expenses			
Enterprise Administration	166,739	166,984	(245)
Operations and Maintenance	2,615,312	2,192,291	423,021
Capital Outlay	-	-	-
Total Expenses	2,782,051	2,359,275	422,776
Change in Net Position, Budgetary Basis	\$ (5,058)	510,608	\$ 515,666
Reconciliation to GAAP Basis			
None		-	
Change in Net Position, GAAP Basis		\$ 510,608	

City of Montrose, Colorado
 Budgetary Comparison Schedule
 Black Canyon Golf Course Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges For Services	\$ 661,600	\$ 852,468	\$ 190,868
Investment Income	-	2,950	2,950
Miscellaneous Income	100,500	385,802	285,302
Total Revenue	762,100	1,241,220	479,120
Expenses			
Enterprise Administration	274,069	293,647	(19,578)
Operations and Maintenance	1,286,974	1,165,658	121,316
Total Expenses	1,561,043	1,459,305	101,738
Net Operating Income	(798,943)	(218,085)	580,858
Nonoperating Revenues (Expenses)			
Transfers In	380,872	380,872	-
Total Nonoperating Revenues (Expenses)	380,872	380,872	-
Change in Net Position, Budgetary Basis	\$ (418,071)	162,787	\$ 580,858
Reconciliation to GAAP Basis			
Depreciation		(118,798)	
Change in Net Position, GAAP Basis		\$ 43,989	

City of Montrose, Colorado
Combining Statement of Net Position
Internal Service Funds
December 31, 2024

	Fleet Management Fund	Employee Insurance Fund	Total
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 3,769,928	\$ 2,359,220	\$ 6,129,148
Investments	574,785	-	574,785
Accounts Receivable	41,430	118,824	160,254
Prepaid Expenses	88,848	-	88,848
Inventory	55,031	-	55,031
	<u>4,530,022</u>	<u>2,478,044</u>	<u>7,008,066</u>
<i>Noncurrent Assets</i>			
Capital Assets, <i>Net of Accumulated Depreciation</i>	10,022,648	-	10,022,648
	<u>10,022,648</u>	<u>-</u>	<u>10,022,648</u>
Total Noncurrent Assets			
	<u>10,022,648</u>	<u>-</u>	<u>10,022,648</u>
Total Assets	<u>14,552,670</u>	<u>2,478,044</u>	<u>17,030,714</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	536,461	(1,742)	534,719
Accrued Salaries and Benefits	35,716	-	35,716
Claims Payable	-	599,310	599,310
Current Portion of Long-Term Debt	62,964	-	62,964
	<u>635,141</u>	<u>597,568</u>	<u>1,232,709</u>
Total Current Liabilities			
	<u>635,141</u>	<u>597,568</u>	<u>1,232,709</u>
Total Liabilities			
	<u>635,141</u>	<u>597,568</u>	<u>1,232,709</u>
Net Position			
Net Investment in Capital Assets	10,022,648	-	10,022,648
Unrestricted	3,894,881	1,880,476	5,775,357
	<u>13,917,529</u>	<u>1,880,476</u>	<u>15,798,005</u>
Total Net Position	<u>\$ 13,917,529</u>	<u>\$ 1,880,476</u>	<u>\$ 15,798,005</u>

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

	Fleet Management Fund	Employee Insurance Fund	Total
Operating Revenues			
Interfund Charges	\$ 8,762,773	\$ 2,128,757	\$ 10,891,530
Other Charges	17,144	297,684	314,828
Miscellaneous	1,933	621,737	623,670
	<u>8,781,850</u>	<u>3,048,178</u>	<u>11,830,028</u>
Operating Expenses			
Administrative and General	3,990,187	191,552	4,181,739
Operations and Maintenance	1,596,004	25,548	1,621,552
Medical Claims	-	2,225,462	2,225,462
Insurance Premiums	-	1,017,000	1,017,000
Capital Outlay	714,013	-	714,013
Depreciation	2,526,045	-	2,526,045
	<u>8,826,249</u>	<u>3,459,562</u>	<u>12,285,811</u>
Total Operating Expenses			
Net Operating Income	<u>(44,399)</u>	<u>(411,384)</u>	<u>(455,783)</u>
Non-Operating Revenues (Expenses)			
Interest Income	194,419	137,129	331,548
Gain (Loss) on Sale of Asset	<u>(175,802)</u>	<u>-</u>	<u>(175,802)</u>
Net Income (Loss) Before Contributed Capital	<u>(25,782)</u>	<u>(274,255)</u>	<u>(300,037)</u>
Contributed Capital and Transfers			
Capital Contributions	<u>623,031</u>	<u>-</u>	<u>623,031</u>
Total Capital Contributions and Transfers	<u>623,031</u>	<u>-</u>	<u>623,031</u>
Change in Net Position	<u>597,249</u>	<u>(274,255)</u>	<u>322,994</u>
Net Position, Beginning of Year	<u>13,320,280</u>	<u>2,154,731</u>	<u>15,475,011</u>
Net Position, End of Year	<u>\$ 13,917,529</u>	<u>\$ 1,880,476</u>	<u>\$ 15,798,005</u>

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

	Fleet Management Fund	Employee Insurance Fund	Total
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 64,393	\$ -	\$ 64,393
Cash Received from Others	8,779,917	919,421	9,699,338
Cash Paid to Suppliers	(5,914,512)	(3,462,771)	(9,377,283)
Cash Paid to Employees	25,623	-	25,623
Payments for Internal Services	-	2,075,330	2,075,330
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Operating Activities	2,955,421	(468,020)	2,487,401
Cash Flows From Capital and Related Financing Activities			
Acquisition and Construction of Capital Assets	(3,213,401)	-	(3,213,401)
Proceeds from Sale of Capital Assets	(175,802)	-	(175,802)
Tap Fees and Capital contributions	623,031	-	623,031
	<hr/>	<hr/>	<hr/>
Net Cash Used by Capital and Related Financing Activities	(2,766,172)	-	(2,766,172)
Cash Flows From Investing Activities			
Investment Income	194,419	137,129	331,548
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Investing Activities	194,419	137,129	331,548
Net Change in Cash and Cash Equivalents	383,668	(330,891)	52,777
Cash and Cash Equivalents, Beginning of Year	3,961,045	2,690,111	6,651,156
	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents, End of Year	\$ 4,344,713	\$ 2,359,220	\$ 6,703,933
	<hr/>	<hr/>	<hr/>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:			
Net Operating Income	\$ (44,399)	\$ (411,384)	\$ (455,783)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation Expense	2,526,045	-	2,526,045
Changes in Assets and Liabilities Related to Operations			
Accounts Receivable	62,460	(53,427)	9,033
Inventories	275,827	-	275,827
Prepaid Expenses	(84,248)	-	(84,248)
Accounts Payable	194,113	(3,209)	190,904
Accrued Expenses	14,202	-	14,202
Accrued Compensated Absences	11,421	-	11,421
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 2,955,421	\$ (468,020)	\$ 2,487,401

City of Montrose, Colorado
Budgetary Comparison Schedule
Fleet Management Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interfund Charges	\$ 9,320,040	\$ 8,762,773	\$ (557,267)
Charges For Services	2,351	17,144	14,793
Contributions and Donations	-	623,031	623,031
Investment Income	45,323	194,419	149,096
Miscellaneous Income	519	1,933	1,414
Total Revenue	9,368,233	9,599,300	231,067
Expenses			
Administration	4,103,529	3,990,187	113,342
Operations and Maintenance	1,555,108	1,596,004	(40,896)
Capital Outlay	3,282,620	714,013	2,568,607
Total Expenses	8,941,257	6,300,204	2,641,053
Net Operating Income	426,976	3,299,096	2,872,120
Nonoperating Revenues (Expenses)			
Gain on Sale of Asses	100,000	(175,802)	(275,802)
Total Nonoperating Revenues (Expenses)	100,000	(175,802)	(275,802)
Change in Net Position, Budgetary Basis	\$ 526,976	3,123,294	\$ 2,596,318
Reconciliation to GAAP Basis			
Depreciation		(2,526,045)	
Change in Net Position, GAAP Basis		\$ 597,249	

City of Montrose, Colorado
Budgetary Comparison Schedule
Employee Insurance Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interfund Charges	\$ 2,097,317	\$ 2,128,757	\$ 31,440
Charges For Services	289,529	297,684	8,155
Contributions and Donations	-	-	-
Investment Income	46,261	137,129	90,868
Miscellaneous Income	538,098	621,737	83,639
Total Revenue	2,971,205	3,185,307	214,102
Expenses			
Administration	179,500	191,552	(12,052)
Operations and Maintenance	33,000	25,548	7,452
Medical Claims	2,237,000	2,225,462	11,538
Insurance Premiums	868,000	1,017,000	(149,000)
Total Expenses	3,317,500	3,459,562	(142,062)
Change in Net Position, Budgetary Basis	\$ (346,295)	(274,255)	\$ 72,040
Reconciliation to GAAP Basis			
Capital Outlay Capitalized		-	
Depreciation		-	
Change in Net Position, GAAP Basis		\$ (274,255)	

Compliance Section

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Montrose			
		YEAR ENDING : Dec-24			
This Information From The Records Of (example - City of _ or County of _): City of Montrose		Prepared By: Shani Wittenberg Phone: 970-240-1462			
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	9,067,269		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,955,745		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations	20,493,882	b. Snow and ice removal	115,590		
3. Other local imposts (from page 2)	-	c. Other			
4. Miscellaneous local receipts (from page 2)	483,613	d. Total (a. through c.)	115,590		
5. Transfers from toll facilities		4. General administration & miscellaneous	595,206		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	7,613,553		
a. Bonds - Original Issues		6. Total (1 through 5)	21,347,363		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	-	a. Interest	-		
7. Total (1 through 6)	20,977,495	b. Redemption	-		
B. Private Contributions		c. Total (a. + b.)	-		
C. Receipts from State government (from page 2)	1,060,902	2. Notes:			
D. Receipts from Federal Government (from page 2)	-	a. Interest	240,293		
E. Total receipts (A.7 + B + C + D)	22,038,396	b. Redemption	450,740		
		c. Total (a. + b.)	691,033		
		3. Total (1.c + 2.c)	691,033		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	22,038,396		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	-		-	-	
1. Bonds (Refunding Portion)					
B. Notes (Total)	7,511,133.00	-	450,741.00	7,060,392.00	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		22,038,396	22,038,396		-
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/31/2024

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		a. Interest on investments	411,483
b. Other local imposts:		b. Traffic Fines & Penalties	72,130
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	0	i. Total (a. through h.)	483,613
	(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	975,566	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	85,336	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) Federal Earmark	-	f. Other Federal	
f. Total (a. through e.)	85,336	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,060,902	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	13,270	250,774	264,044
b. Engineering Costs		54,338	54,338
c. Construction:			
(1). New Facilities		504,532	504,532
(2). Capacity Improvements		2,470,741	2,470,741
(3). System Preservation	103,553	5,517,946	5,621,498
(4). System Enhancement & Operation		152,117	152,117
(5). Total Construction (1) + (2) + (3) + (4)	103,553	8,645,334	8,748,887
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	116,823	8,950,446	9,067,269
			(Carry forward to page 1)

Notes and Comments: