

Phillips County, Colorado  
Financial Statements  
December 31, 2015

**Phillips County, Colorado  
Annual Financial Report  
December 31, 2015**

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*Independent Auditor's Report*

The Governing Body  
Phillips County, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Phillips County, Colorado, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Phillips County, Colorado's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Phillips County, Colorado, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***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 on pages iii-v and 25-28 be presented to supplement the basic financial statements. Such information, 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***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Phillips County, Colorado's basic financial statements. The supplementary information as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***rfarmer, llc***

July 20, 2016

## Phillips County, Colorado Management's Discussion and Analysis

December 31, 2015

As management of Phillips County, Colorado (the "County"), we offer readers of the county's financial statements a brief overview and analysis of some key financial factors of the County for the fiscal year ended December 31, 2015.

### County Profile

Phillips County is a small, agriculturally based county in the northeast corner of Colorado. It was established in 1889 and encompasses 680 square miles. The 2010 Census showed a countywide population of 4,442 people. The county has three incorporated municipalities – Paoli – 34; Haxtun – 946; and Holyoke, the County Seat – 2,313. The County also has a small unincorporated community of Amherst. The total unincorporated population is 1,149.

### Key Financial Factors

Healthy annual end-of-year fund balances and stable or increased assessed values are key components of the county's financial health.

### Fund Balance Review:

<b>Fund Balances</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General	\$1,184,798	\$1,079,099	\$1,116,332	\$1,067,873	\$910,145
Road & Bridge	\$545,760	\$462,346	\$513,701	\$526,840	\$560,558
Human Services	\$50,859	\$40,032	\$53,420	\$87,220	\$86,699
Capital Expenditures	\$208,659	\$99,823	\$8,986	\$221,882	\$280,232
Other	\$397,401	\$405,413	\$435,313	\$382,363	\$392,166
	<b>\$2,387,477</b>	<b>\$2,086,713</b>	<b>\$2,127,752</b>	<b>\$2,286,178</b>	<b>\$2,229,800</b>

The fund balance comparison shows an increase overall. The current funds of most concern are Human Services and Road and Bridge. Each is on the upswing but each still needs to be closely monitored. The low fund balance in Road and Bridge greatly affects the ability to purchase new equipment. The Capital Expenditure Fund has rebounded primarily because of grant payments covering previous expenditures.

### Assessed Value of the County

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$56,488,770	\$73,632,698	\$73,632,698	\$77,496,957	\$91,193,806

In five years the county's assessed value has increased \$34,705,036, a 61.4% increase. The substantial increase reflects positive overall growth in the county. The county's economy is primarily dependent on agriculture. Agriculture values have increased substantially because of high commodity prices in past years. Management must recognize that when those high commodity prices fall out of the assessment formula, the county will experience declines in assessed value.

Most assessment classifications remained fairly stable. The major increases have been in agricultural land and increases in residential and commercial property.

**Next Year's Budget and Rates:** The County's General Fund balance at the end of fiscal year 2015 was \$910,145. A reserve is necessary to start the year and provide basic services to the residents and visitors of Phillips County. An adequate reserve at the year-end on which to operate a minimum of three months or 25% is considered necessary, for the majority of the property tax revenue is received in April of each year. The County had a General Fund balance of 30% of the 2015 budgeted expenditures.

#### **Capital Assets and Debt Administration:**

The County's major purchases for capital assets in 2015 were:

Dell PowerEdge T430 Database Server	Computer Sys.	\$4,300
Dell PowerEdge R430 App Server	Computer Sys.	\$4,425
Dell PowerEdge R320 Web Server	Computer Sys.	\$3,600
Zebra ZXP Series 7 printer	Computer Sys.	\$4,595
2015 Ford Explorer	Sheriff	\$29,718
Propane Burnisher	Fairgrounds	\$3,580
Raven EPro injection sprayer	Weed & Pest	\$22,975
SprayLogger Mobile	Weed & Pest	\$15,640
2001 T800 Kenworth	Road & Bridge	\$46,000
84" Vibratory Roller	Road & Bridge	\$8,720
Terra-Riser Disc Harrow	Road & Bridge	\$8,550
2015 Jumping Jack Rammer	Road & Bridge	\$3,147
1983 New Holland U80 Loader	Road & Bridge	\$35,269
Gas propane heater	Road & Bridge	\$3,132
Truck blade attachment	Road & Bridge	\$4,098
2015 Rugby 11'7" std side dump body	Road & Bridge	\$5,896
1998 JD 8100	Road & Bridge	\$72,217
2001 IHC 4700	Road & Bridge	\$16,500
2014 Chev Type III Ambulance	Amb. Repl.	\$64,000
1989 Chevrolet Bucket Truck	Cap. Exp. - Maint.	\$5,000
Projector	Cap. Exp. - Event Center	\$10,803
Projection Screens	Cap. Exp. - Event Center	\$11,243
11.52 Acre Fairgrounds Expansion	Cap. Exp. - Fairgrounds	\$69,120
2015 Walker mower with 52" deck	Cap. Exp. - Maint.	\$9,763
JD Worksite Pro Rotary Cutter	Cap. Exp. - Maint.	\$6,162

JD 326E Skid Steer	Cap. Exp. - Maint.	\$45,101
Portable Arena/Pit Lights	Cap. Exp. - Fairgrounds	\$7,000
EC Parking Lot & Grandstand Lights	Cap. Exp. - Fairgrounds	\$4,480
Grandstand Sound System	Cap. Exp. - Fairgrounds	<u>\$22,795</u>
	<b>TOTAL</b>	<b>\$547,829</b>

The County has two (3) lease-purchase agreements in 2015 as referenced in Note 13 of the Audit Information.

Request for information: This brief financial overview is designed to highlight key components of the County's finances for all those with an interest. Questions concerning any of the information provided in this overview or requests for additional financial information should be addressed to the Phillips County Administration Office, 221 S. Interocean Ave., Holyoke, CO 80734.



**Phillips County, Colorado**  
**Statement of Net Position**  
**December 31, 2015**

	<u>Governmental Activities</u>	<u>Total</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,121,911	\$ 2,121,911
Receivables	2,584,636	2,584,636
Due from other governmental agencies	40,006	40,006
Inventories	112,029	112,029
Capital assets		
Land	137,203	137,203
Infrastructure	2,063,724	2,063,724
Buildings	6,703,550	6,703,550
Equipment and furniture	5,720,802	5,720,802
Vehicles	1,269,295	1,269,295
Less: accumulated depreciation	(7,934,990)	(7,934,990)
Total Capital Assets	<u>7,959,584</u>	<u>7,959,584</u>
Total Assets	<u>12,818,166</u>	<u>12,818,166</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	112,021	112,021
Due to other governmental agencies	15,317	15,317
Long-term liabilities		
Due within one year		
Capital leases	77,824	77,824
Due in more than one year		
Capital leases	30,736	30,736
Compensated absences	200,340	200,340
Total Liabilities	<u>436,238</u>	<u>436,238</u>
<b>DEFERRED CASH IN-FLOW OF RESOURCES</b>		
Deferred revenues-property taxes	<u>2,501,446</u>	<u>2,501,446</u>
<b>NET POSITION</b>		
Net investment in capital assets	7,851,024	7,851,024
Restricted for:		
TABOR and enabling legislation	182,770	182,770
Unrestricted	<u>1,846,688</u>	<u>1,846,688</u>
Total Net Position	<u>\$ 9,880,482</u>	<u>\$ 9,880,482</u>

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

**Phillips County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2015**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government		Total		
	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Governmental Activities	
<b>Primary government</b>					
Governmental Activities					
General Government	\$ 1,494,350	\$ 349,227	\$ 44,669	\$ (1,100,454)	\$ (1,100,454)
Public Safety	789,637	103,798	127,920	(657,919)	(657,919)
Highways and Streets	1,822,015	19,421	1,236,572	(566,022)	(566,022)
Health & Welfare	717,086	-	518,996	(182,090)	(182,090)
Culture and Recreation	684,324	171,259	13,470	(499,595)	(499,595)
Sanitation	332,202	152,801	-	(179,401)	(179,401)
Interest on Long-term debt	3,404	-	-	(3,404)	(3,404)
Economic Development	26,242	-	-	(26,242)	(26,242)
Judicial	87,710	-	-	(87,710)	(87,710)
Total governmental activities	5,956,970	796,506	1,941,627	(3,202,837)	(3,202,837)
Total primary government	5,956,970	796,506	1,941,627	(3,202,837)	(3,202,837)
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes				\$ 2,157,185	\$ 2,157,185
Sales & use taxes				609,637	609,637
Specific Ownership taxes				268,556	268,556
Unrestricted investment earnings				7,074	7,074
Miscellaneous				168,815	168,815
Special Item - gain (loss) on disposition of assets				(69,812)	(69,812)
Total general revenues, special items, and transfers				3,141,435	3,141,435
Change in net position				(61,382)	(61,382)
Net position - beginning				9,941,864	9,941,864
Net position - ending				\$ 9,880,482	\$ 9,880,482

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

Phillips County, Colorado  
Balance Sheet  
Governmental Funds  
December 31, 2015

	General	Road & Bridge	Human Services	Capital Expenditures	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 943,632	\$ 464,615	\$ 54,920	\$ 273,351	\$ 385,397	\$ 2,121,915
Taxes receivable, net	1,896,831	373,895	142,262	88,458	-	2,501,446
Due from State	-	-	40,006	-	-	40,006
Other receivables	38,257	22,063	7,090	7,576	8,203	83,189
Inventories	10,416	101,613	-	-	-	112,029
Total assets	2,889,136	962,186	244,278	369,385	393,600	4,858,585

**LIABILITIES AND FUND BALANCES**

Liabilities:						
Accounts payable	82,168	27,733	-	695	1,434	112,030
Payable to other governments	-	-	15,317	-	-	15,317
Other payables	(8)	-	-	-	-	(8)
Total liabilities	82,160	27,733	15,317	695	1,434	127,339
Deferred Cash In-flow of Resources:						
Deferred revenue-property taxes	1,896,831	373,895	142,262	88,458	-	2,501,446
Fund balances:						
Restricted for:						
TABOR and enabling legislation	8,039	-	7,080	-	167,651	182,770
Committed-Inventory	10,416	101,613	-	-	-	112,029
Unassigned	891,690	-	-	-	-	891,690
Assigned, reported in:						
Special revenue funds	-	458,945	79,619	280,232	224,515	1,043,311
Total fund balances	910,145	560,558	86,699	280,232	392,166	2,229,800
Total liabilities and fund balances	\$ 2,889,136	\$ 962,186	\$ 244,278	\$ 369,385	\$ 393,600	\$ 4,858,585

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

**Phillips County, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2015**

Total fund balance, governmental funds	\$ 2,229,800
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	7,959,582
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Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	<u>(308,900)</u>
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Net Assets of Governmental Activities in the Statement of Net Position	<u><u>\$ 9,880,482</u></u>
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The accompanying notes to the financial statements  
are an integral part of these statements.

Phillips County, Colorado  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015

	General	Road & Bridge	Human Services	Capital Expenditures	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 1,674,461	\$ 279,820	\$ 124,866	\$ 78,038	\$ -	\$ 2,157,185
SO Tax	203,696	40,169	15,194	9,496	-	268,555
Sales, Use and miscellaneous taxes	279,539	343,557	-	-	-	623,096
Fees and fines	1,118	-	-	-	-	1,118
Licenses and permits	1,645	4,562	-	-	-	6,207
Intergovernmental	113,999	1,223,113	501,096	88,689	13,470	1,940,367
Charges for services	321,913	14,420	-	141,073	230,229	707,635
Investment earnings	6,270	-	-	-	803	7,064
Miscellaneous	50,172	5,386	-	36,142	108,262	199,962
Rent received	63,703	-	-	-	-	63,703
Total revenues	<u>2,716,516</u>	<u>1,911,027</u>	<u>641,156</u>	<u>353,438</u>	<u>352,764</u>	<u>5,974,892</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,290,204	11,476	-	115,795	36	1,417,511
Public safety	643,047	-	-	-	67,676	710,723
Streets & Highways	-	1,579,766	-	-	-	1,579,766
Health and Welfare	61,266	-	641,677	-	-	702,943
Culture and recreation	346,885	-	-	-	216,399	563,284
Judicial	87,710	-	-	-	-	87,710
Sanitation	286,645	-	-	-	-	286,645
Economic development	-	-	-	-	53,341	53,341
Debt Service:						
Principal	-	127,734	-	-	-	127,734
Interest and other charges	-	3,404	-	-	-	3,404
Capital outlay	101,006	203,529	-	179,293	64,000	547,828
Total Expenditures	<u>2,816,763</u>	<u>1,925,909</u>	<u>641,677</u>	<u>295,088</u>	<u>401,452</u>	<u>6,080,889</u>
Excess (deficiency) of revenues over expenditures	<u>(100,247)</u>	<u>(14,882)</u>	<u>(521)</u>	<u>58,350</u>	<u>(48,688)</u>	<u>(105,997)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from capital leases	-	48,600	-	-	-	48,600
Transfers in	-	-	-	-	58,500	58,500
Transfers out	(58,500)	-	-	-	-	(58,500)
Total other financing sources and uses	<u>(58,500)</u>	<u>48,600</u>	<u>-</u>	<u>-</u>	<u>58,500</u>	<u>48,600</u>
<b>SPECIAL ITEM</b>						
Proceeds from sale of assets	1,019	-	-	-	-	1,019
Net change in fund balances	<u>(157,728)</u>	<u>33,718</u>	<u>(521)</u>	<u>58,350</u>	<u>9,812</u>	<u>(56,378)</u>
Fund balances - beginning	1,067,873	526,840	87,220	221,882	382,354	2,286,178
Fund balances - ending	<u>\$ 910,145</u>	<u>\$ 560,558</u>	<u>\$ 86,699</u>	<u>\$ 280,232</u>	<u>\$ 392,166</u>	<u>\$ 2,229,800</u>

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

**Phillips County, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2015**

Net change in fund balances - total governmental funds: \$ (56,378)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of \$547,828 was less than depreciation of \$550,667 in the current period. (2,839)

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. (70,831)

Governmental funds report capital lease payments as current financial resources. In contrast, the Statement of Activities treats such debt as a liability. Governmental funds report repayment of capital lease principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. 79,134

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in Compensated Absences (10,477)

Rounding 9

Change in net position of governmental activities \$ (61,382)

The notes to the financial statements  
are an integral part of these statements.

**Phillips County, Colorado**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2015**

	<b>TOTAL AGENCY FUNDS</b>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 1,738,231
Total assets	<u>1,738,231</u>
<b>LIABILITIES:</b>	
Due to other governmental units	1,738,231
Total Liabilities	<u>\$ 1,738,231</u>

The accompanying notes to financial statements  
 are an integral part of these statements.

**Phillips County, Colorado**  
**Notes to Financial Statements**  
**December 31, 2015**

**Note 1      Reporting Entity**

Phillips County (the County) is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. There are also five other elected officials of the County (Assessor, Clerk and Recorder, Sheriff, Treasurer and Coroner).

All financial transactions of the offices of elected officials of the County are included in the General Fund of the County's financial statements. The Board of County Commissioners has budgetary authority over the elected officials and is accountable for all fiscal matters. County property taxes fund a significant portion of the costs of operating the elected officials' offices. Services provided by the elected officials are for the benefit of Phillips County residents and are conducted within the boundaries of the County.

The basic financial statements present the financial statements of the County (the primary government) and its component units in accordance with Statements of the Governmental Accounting Standards Board, "The Financial Reporting Entity," as amended.

The County has examined other entities and there are no other entities that should be included.

The County is within the 13th Judicial District and participates with other counties in receiving services from the District Attorney. The District Attorney - 13th Judicial District is not a component unit of Phillips County.

**Note 2      Summary of Significant Accounting Policies**

The accounting and reporting policies of the County conform to accounting principles generally accepted in the United States of America (USGAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.



## Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide and Fund Financial Statements The County government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the County accompanied by the total column. Fiduciary activities of the County are not included in these statements. *Government 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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 segments 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 of *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are presented on an *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the County's assets and liabilities, including capital assets, as well as infrastructure assets when capitalized, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within sixty days of the end

of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues, and other taxes. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

General Fund The General fund is the general operating fund of the County. It is used to account for all resources except those required to be accounted for in another fund. The main sources of revenues are property taxes and sales taxes.

Road & Bridge Fund This fund records costs related to County road and bridge construction and maintenance. By state law, Colorado counties are required to maintain a Road and Bridge Fund and a portion of road and bridge taxes is allocated to cities and towns for their road and street activities. The main sources of income are highway user trust fund payments and property taxes.

Department of Human Services (Public Welfare) This fund administers social services programs under state and federal regulations. Colorado counties are required by law to maintain a Human Services fund. The main sources of revenues include state and federal grants and property taxes.

Capital Expenditure Fund This fund accounts for the majority of capital expenditures not budgeted by the General and Road & Bridge funds. The main sources of revenues are property taxes.

The County has one Fiduciary Fund, which consists of the cash with county treasurer. The fund is not included with any other fund.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated.

However, those transactions between governmental and business-type activities have not been eliminated.

Reconciliation of the Fund financial statements to the Government-Wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

The County follows the policy of capitalizing all assets, other than infrastructure, that cost more than \$2,000 with an estimated useful life of more than one year. Infrastructure assets that cost more than the following amounts will be capitalized:

Gravel roads	\$ 500,000
Bridges	\$ 75,000
Other Infrastructure	\$ 250,000

The useful lives of the assets are:

Buildings & Improvements	50-75 years
Furniture & Fixtures	7-10 years
Machinery, Equipment, & Vehicles	5-10 years
Infrastructure	75 years

Program revenues derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues. The statement of activities reports separately three categories of program revenues: (a) charges for services, (b) program-specific *operating* grants and contributions and (c) program-specific *capital* grants and contributions.

*Charges for services* include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase, use or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services, such as water use or garbage collection; licenses and permits, such as dog licenses, liquor licenses, and building permits; operating special assessments, such as for street cleaning or special street lighting; and any other amounts charged to service recipients.

*Program-specific grants and contributions (operating and capital)* include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes - to purchase, construct or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of

the program at the discretion of the reporting government. These categories of program revenue are specifically attributable to a program and reduce the net expense of that program to the reporting government. Multipurpose grants (those that provide financing for more than one program) are reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application. Multipurpose grants that do not provide for specific identification of the programs and amounts are reported as general revenues.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions, which constitute reimbursements of a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures or expended in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year-end, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### Budgets and Budgetary Accounting

Annual budgets are adopted as required by Colorado Statutes. Formal budgetary integration is employed as a management control device during the year.

The budget calendar is as follows:

August 25      Assessors must submit abstract of assessments, reflecting all assessed values of property in the County by class and subclass to the Division of Property Taxation.

Assessors must certify to all taxing entities and the Division of Local Government of the new total assessed valuation and the

amounts for the various factors needed to compute the statutory property tax revenue limits.

- October 15 Statutory deadline for submission of proposed budget to the local governing body. "Notice of Budget" to be published when budget is received.
- December 15 Statutory deadline for certification of mill levies to the Board of County Commissioners. Local government levying a property tax must adopt their budget before certifying the levy to the County. Local Governing Body shall enact an ordinance or resolution making appropriations for the ensuing fiscal period.
- December 22 Statutory deadline for Board of County Commissioners to certify levies and revenues to Assessor and the Division of Property Taxation.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons in this report are presented on the GAAP basis.

Appropriations are adopted by resolution for each fund in total. Over expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations. All appropriations lapse at year-end.

Supplemental budgets were adopted due to unanticipated revenues and expenditures.

The Ambulance Fund overspent its budget, which may be a violation of Colorado Revised Statutes.

#### Property Taxes

Annual property taxes are levied and assessed on January 1, and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits collections on a monthly basis to the County. County property tax revenues are recognized as they become current receivables from the County Treasurer. One-half of the property taxes are due by February 28 and one-half due by June 15 or all may be paid by April 30 to avoid penalties and interest.

#### Vacation Days and Sick Leave

All full-time County employees are entitled to ten working days of paid vacation per year after one full year of employment. After the tenth year

of employment, an additional five days of vacation are allowed per calendar year. Vacation time accrues for one year, and any amounts not used by December 31 of the following year are lost, except amounts approved by the Commissioners to carry to the subsequent year.

Every employee may accrue sick leave at a rate of one day per month of service. Such leave is allowed only to the extent of actual illness or death of an immediate family member. Employees hired after November 1, 2005, with 10 years or more of service may be compensated for a portion of unused sick leave upon leaving the County.

Employees hired prior to November 1, 2005, upon retirement after the age of 62 or upon becoming disabled, shall be compensated based on regular pay for a maximum of ninety days of accrued sick leave.

#### Contraband

Per Colorado Contraband Forfeiture Act (CRS 16-13-501 to 511), proceeds received from the seizure of contraband must be used for the specific purpose of law enforcement activities. These proceeds are exempt from the appropriation process. Phillips County received no material proceeds from contraband during the year.

#### Inventories

Inventory of construction and maintenance supplies and weed control chemicals are reflected in the Road and Bridge Fund and General Fund, respectively, as an asset. Inventory is recorded at cost using the first-in, first-out (FIFO) method.

### **Note 3      Deposits and Investments**

#### Deposits

Colorado State Statutes, specifically the Public Deposit Protection Act of 1989, require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral, as promulgated by the State banking board, having a market value in excess of 102% of the aggregate uninsured public deposits. Eligible collateral must be held in the custody of any federal reserve bank or any branch thereof or of any depository trust company which is a member of the Federal Reserve System, and which is supervised by the State banking board. The Statutes further restrict such deposits to eligible public depositories having their principal offices within the State of Colorado.

### Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized,
- b. Collateralized with securities held by the pledging financial institution, or
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

As of year-end, the County was not exposed to custodial risk in that all funds held by the county are deposited in various financial institutions that are covered by FDIC insurance or meet the requirements of the Public Deposit Protection Act as amended per Colorado Revised Statutes. The county is not exposed to any other risk as defined by GASB 40.

### **Note 4      Changes in Fixed Assets**

Capital asset activity for the current year is shown below:

	Beginning Balance	Additions	Deletions	Ending Balances
Governmental Activities:				
Land	\$ 137,203	\$ -	\$ -	\$ 137,203
Total Capital Assets, Not Being Depreciated	137,203	-	-	137,203
Capital Assets Being Depreciated:				
Infrastructure	2,063,724	-	-	2,063,724
Buildings	6,708,813	-	( 5,263)	6,703,550
Equipment	5,391,416	547,828	(218,442)	5,720,802
Vehicles	1,298,552	-	(29,257)	1,269,295
Total Capital Assets Being Depreciated	15,462,505	547,828	(252,962)	15,757,371
Less Accumulated Depreciation	(7,553,272)	(550,667)	168,949	(7,934,990)
Total Capital Assets Being Depreciated, Net	7,909,233	(2,839)	( 84,013)	7,822,381
Governmental Activities Capital Assets, Net	\$ 8,046,436	\$ (2,839)	\$ ( 84,013)	\$ 7,959,584

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

Governmental activities:

General government	\$ 48,765
Public safety	78,914
Public Works	242,249
Sanitation	50,817
Health & Welfare	8,882
Culture & Recreation	<u>121,040</u>
Total depreciation expense-governmental activities	<u>\$ 550,667</u>

**Note 5      Joint Ventures**

The County participates in the County Technical Services, Inc. (CTSI) Insurance Pool. This joint venture does not meet the criteria for inclusion within the reporting entity because the County Health Pool has the following characteristics:

- is financially independent and responsible for its own financial deficits and entitled to its own surpluses,
- is a separate governing board from that of the County, which is comprised of 1 voting member from each participating County/entity.
- the governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

Financial information is available from CTSI.

**Note 6      Pension Plan**

Defined Contribution Plan

The County is participating in a Defined Contribution Pension Plan through Colorado Counties Officials and Employees Retirement Association (CCOERA). The Plan is funded by employee's contributions at 4 percent of gross salary with the County matching another 4 percent. All employees who work over 20 hours per week and have been employed one year are required to be in the plan. The employee is immediately vested in their contribution. The vesting period for the employer's



contribution is 20% per year for 5 years. At the end of the fifth year of participating in the plan, the employee is fully vested in the County's contribution. The Board of County Commissioners authorizes any changes to the plan.

During 2015 the employee and employer paid \$74,960 each into CCOERA. Total salaries were \$2,159,489 with qualifying salaries being \$1,874,000.

The employees can also contribute to an IRC 457 pension plan. All contributions are made by the employee.

#### **Note 7      Operating Leases**

The County has various operating leases and maintenance contracts for copiers, faxes, and computer equipment that are entered into during the normal course of business. These costs are charged to expense as incurred based on terms and renewals. The County is current on all operating leases.

#### **Note 8      Transfers**

The transfers made during 2015 were from the General Fund to the Economic Development Fund, Ambulance Replacement Fund, and Fair Fund in the amounts of \$25,500, \$8,000, and \$25,000, respectively.

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions, which constitute reimbursement of a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

Non-recurring or non-routine transfers of equity between funds are referred to as residual equity transfers and are reported as additions to or deductions from the fund balance of Governmental Funds. Transfers of equity to Proprietary Funds are treated as contributed capital and such transfers from proprietary funds are reported as reductions of retained earnings or contributed capital as is appropriate in the circumstances. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both Governmental and Proprietary Funds.

**Note 9****Risk Management**County Workers' Compensation Pool

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

Colorado Counties Casualty and Property Pool

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

The County, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the County would be financially responsible. Claims have not exceeded coverages during the past three years.

**Note 10****Tax, Spending and Debt Limitations**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue rising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain

interpretations of the amendment's language in order to determine its compliance.

On November 7, 1995, the voters of Phillips County approved a ballot initiative allowing the County to retain funds over the limitations imposed by the amendment in 1995 and all subsequent years. It is the opinion of the County that the revenue and spending limitation imposed by the amendment no longer applies to the County.

**Note 11      Reserved Fund Balances**

With the passage of Amendment One to the Colorado State Constitution, the County has reserved at least 3 percent of its spending limitation for emergencies. For 2015, \$175,690 has been reflected as the emergency reserve.

**Note 12      Landfill**

State and federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. At December 31, 2015, the County has closed 25.3% of the estimated capacity of the landfill. The County expects the closure and post-closure liability to be \$319,898 to cover the last cell open at the time of closure. The amount is based on what it would cost to perform all closure and post-closure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County expects to close the landfill in the year 2061. The County has completed the financial assurance report; however, no contributions have been made to a trust to finance closure and post-closure care. As of year-end, the county has not restricted any assets for the payment of the closure and post-closure care costs.

**Note 13      Lease Purchase**

During 2015, the County entered into two lease purchase agreements for a total of \$96,777. During 2015 there was \$49,625 paid which includes the value of the equipment traded in. Interest is approximately 1.96% with future payments as follows with those payments being made from the Road and Bridge Fund.

Due Date	Interest	Principal
2016	\$ 1,998	\$47,165

During 2012, the County entered into a lease purchase of \$182,000. The lease calls for a down payment and annual payments beginning February 2013 of \$32,093. There is a stated interest rate of 2.29%. The payments are made from the Road & Bridge Fund.

Due Date	Interest	Principal
February 21, 2016	\$ 1,421	\$ 30,672
February 21, 2017	723	30,736
	<u>\$ 2,144</u>	<u>\$ 61,408</u>

Changes in long-term debt:

	Beginning Balance	Additions	Deletions	Ending Balances	Current Portion
Equipment Lease	\$ -	\$ 96,777	\$ (49,625)	\$ 47,152	\$ 47,152
Equipment Lease	96,300	-	(96,300)	-	-
Equipment Lease	91,394	-	(29,986)	61,408	30,672
Compensated Absences	189,863	10,477	-	200,340	-
	<u>\$ 377,557</u>	<u>\$ 107,254</u>	<u>\$ (175,911)</u>	<u>\$ 308,900</u>	<u>\$ 77,824</u>

#### Note 14 Fund Balance

In the fund financial statements the following classifications describe the relative strength of spending constraints.

- *Non-spendable balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained for specific purposes according to the limitations imposed by the County's highest level of decision-making authority, the County Commissioners, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes but are neither restricted nor committed. The intended use may be expressed by the County Commissioners or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

The County considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Note 15      Schedule of EBT Authorizations**

Refer to the following page for EBT authorizations during 2015.

Note 15

Phillips County Department of Social Services  
Human Services Fund

Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures  
for the year ended December 31, 2015

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	County EBT Authorizations and Expenditures by County Warrant	Total Expenditures
Regular County Administration	\$ -	\$ -	\$ 165,607	\$ 165,607	\$ 165,607
HCA EBT	1,302	65	-	1,302	65
LEAP EBT Admin.	79,077	-	3,485	82,562	3,485
AND EBT	3,784	756	-	3,784	756
Child Support - Admin	-	-	63,816	63,816	63,816
Colo Works - Administration	-	-	30,807	30,807	30,807
Colo Works - EBT	61,793	6,642	-	61,793	6,642
Employment First	-	-	13,903	13,903	13,903
General Assistance	-	-	114	114	114
Adult Protective Serv - Administration	-	-	15,827	15,827	15,827
Old Age Pension - EBT & Admin	75,541	-	2,637	78,178	2,637
Child Care - Admin	-	-	35,253	35,253	35,253
Child Care - EBT	46,111	8,517	-	46,111	8,517
Child Welfare - 100% Admin	-	-	23,652	23,652	23,652
Child Welfare - 80% Admin	-	-	191,014	191,014	191,014
Child Welfare - Rel Child Care Admin	-	-	15,944	15,944	15,944
Child Welfare - Res Mental Health	14,343	2,868	-	14,343	2,868
Child Welfare - Sub Adopt	12,165	2,433	-	12,165	2,433
Child Welfare - Case Services	4,109	(600)	-	4,109	(600)
Child Welfare - OOH	68,935	13,788	-	68,935	13,788
Child Welfare - Rel Child Care EBT	10,869	2,175	-	10,869	2,175
Child Welfare - Grant	-	-	5,292	5,292	5,292
Core Services - Admin	4,619	(2,778)	39,901	44,520	37,123
County Only	-	-	786	786	786
<b>Sub-Total</b>	382,648	33,866	608,038	990,686	641,904
Food Assistance	583,597	-	(700)	582,897	(700)
<b>Grand Total</b>	\$ 966,245	\$ 33,866	\$ 607,338	\$ 1,573,583	\$ 641,204

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**General**  
**For the year ended December 31, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property Taxes	\$ 1,663,310	\$ 1,663,310	\$ 1,674,461	\$ 11,151
SO Tax	170,000	170,000	203,696	33,696
Sales and miscellaneous taxes	195,000	195,000	279,539	84,539
Fees and fines	700	700	1,118	418
Licenses and permits	1,075	1,075	1,645	570
Intergovernmental	93,709	93,709	113,999	20,290
Charges for services	202,150	202,150	321,913	119,763
Investment earnings	5,500	5,500	6,270	770
Rent	44,000	44,000	63,703	19,703
Miscellaneous	41,200	41,200	50,172	8,972
Total revenues	<u>2,416,644</u>	<u>2,416,644</u>	<u>2,716,516</u>	<u>299,872</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,297,510	1,374,095	1,290,204	83,891
Public Safety	782,623	782,623	643,047	139,576
Health and sanitation	402,723	402,723	347,911	54,812
Culture and recreation	357,907	357,907	346,885	11,022
Judicial	87,701	87,701	87,710	(9)
Capital Outlay	102,802	102,802	101,006	1,796
Total Expenditures	<u>3,031,266</u>	<u>3,107,851</u>	<u>2,816,763</u>	<u>291,088</u>
Excess (deficiency) of revenues over expenditures	<u>(614,622)</u>	<u>(691,207)</u>	<u>(100,247)</u>	<u>590,960</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(58,500)	(58,500)	(58,500)	-
Total other financing sources and uses	<u>(58,500)</u>	<u>(58,500)</u>	<u>(58,500)</u>	<u>-</u>
<b>SPECIAL ITEM</b>				
Proceeds from sale capital assets	-	-	1,019	(1,019)
Net change in fund balances	(673,122)	(749,707)	(157,728)	591,979
Fund balances - beginning	819,289	819,289	1,067,873	248,584
Fund balances - ending	<u>\$ 146,167</u>	<u>\$ 69,582</u>	<u>\$ 910,145</u>	<u>\$ 840,563</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Road & Bridge**  
**For the year ended December 31, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property Taxes	\$ 327,812	\$ 327,812	\$ 279,820	\$ (47,992)
SO Taxes	29,000	29,000	40,169	11,169
Sales and miscellaneous taxes	286,000	286,000	343,557	57,557
Licenses and permits	-	-	4,562	4,562
Intergovernmental	1,136,085	1,136,085	1,223,113	87,028
Charges for services	-	-	14,420	14,420
Miscellaneous	-	-	5,386	5,386
Total revenues	<u>1,778,897</u>	<u>1,778,897</u>	<u>1,911,027</u>	<u>132,130</u>
<b>EXPENDITURES</b>				
Current:				
General government	9,200	9,200	11,476	(2,276)
Highways and roads	1,729,156	1,729,156	1,579,766	149,390
Debt Service:				
Principal	126,286	126,286	127,734	(1,448)
Interest and other charges	4,852	4,852	3,404	1,448
Capital Outlay	180,000	180,000	203,529	(23,529)
Total Expenditures	<u>2,049,494</u>	<u>2,049,494</u>	<u>1,925,909</u>	<u>123,585</u>
Excess (deficiency) of revenues over expenditures	<u>(270,597)</u>	<u>(270,597)</u>	<u>(14,882)</u>	<u>255,715</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital leases	-	-	48,600	48,600
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>48,600</u>	<u>48,600</u>
Net change in fund balances	(270,597)	(270,597)	33,718	304,315
Fund balances - beginning	298,074	298,074	526,840	228,766
Fund balances - ending	<u>\$ 27,477</u>	<u>\$ 27,477</u>	<u>\$ 560,558</u>	<u>\$ 533,081</u>



Phillips County, Colorado  
 Budget and Actual (with Variances)  
 Human Services  
 For the year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 123,995	\$ 123,995	\$ 124,866	\$ 871
SO Taxes	13,500	13,500	15,194	1,694
Intergovernmental	678,872	678,872	501,096	(177,776)
Miscellaneous	10,500	10,500	-	(10,500)
Total revenues	826,867	826,867	641,156	(185,711)
<b>EXPENDITURES</b>				
Current:				
Health and human services	860,843	860,843	641,677	219,166
Total Expenditures	860,843	860,843	641,677	219,166
Excess (deficiency) of revenues over expenditures	(33,976)	(33,976)	(521)	33,455
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,000	30,000	-	30,000
Total other financing sources and uses	30,000	30,000	-	30,000
Net change in fund balances	(3,976)	(3,976)	(521)	3,455
Fund balances - beginning	5,050	5,050	87,220	82,170
Fund balances - ending	\$ 1,074	\$ 1,074	\$ 86,699	\$ 85,625

Phillips County, Colorado  
 Budget and Actual (with Variances)  
 Capital Expenditures  
 For the year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 77,497	\$ 77,497	\$ 78,038	\$ 541
SO Taxes	6,750	6,750	9,496	2,746
Intergovernmental	1,594,815	1,594,815	88,689	(1,506,126)
Charges for services	112,000	112,000	141,073	29,073
Miscellaneous	18,500	18,500	36,142	17,642
Total revenues	<u>1,809,562</u>	<u>1,809,562</u>	<u>353,438</u>	<u>(1,456,126)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,226,700	1,226,700	115,795	1,110,905
Capital Outlay	<u>380,000</u>	<u>380,000</u>	<u>179,293</u>	<u>200,707</u>
Total Expenditures	<u>1,606,700</u>	<u>1,606,700</u>	<u>295,088</u>	<u>1,311,612</u>
Excess (deficiency) of revenues over expenditures	<u>202,862</u>	<u>202,862</u>	<u>58,350</u>	<u>(144,514)</u>
Net change in fund balances	202,862	202,862	58,350	(144,512)
Fund balances - beginning	<u>155,731</u>	<u>155,731</u>	<u>221,882</u>	<u>66,151</u>
Fund balances - ending	<u>\$ 358,593</u>	<u>\$ 358,593</u>	<u>\$ 280,232</u>	<u>\$ (78,361)</u>

Phillips County, Colorado  
Balance Sheet  
Other Governmental Funds  
December 31, 2015

	Ambulance Replacement	Conservation Trust	Contingent	E911	Fair	Jr. Livestock Sale	Economic Development	Total Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 29,686	\$ 46,547	\$ 167,651	\$ 98,413	\$ 29,223	\$ 4,889	\$ 8,988	\$ 385,397
Other receivables	-	-	-	8,203	-	-	-	8,203
Total assets	29,686	46,547	167,651	106,616	29,223	4,889	8,988	393,600
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	-	-	-	1,434	-	-	-	1,434
Total liabilities	-	-	-	1,434	-	-	-	1,434
Fund balances:								
Restricted for:								
TABOR	-	-	167,651	-	-	-	-	167,651
Assigned	29,686	46,547	-	105,182	29,223	4,889	8,988	224,515
Total fund balances	29,686	46,547	167,651	105,182	29,223	4,889	8,988	392,166
Total liabilities and fund balances	\$ 29,686	\$ 46,547	\$ 167,651	\$ 106,616	\$ 29,223	\$ 4,889	\$ 8,988	\$ 393,600

**Phillips County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

	Ambulance Replacement	Conservation Trust	Contingent	E911	Fair	Jr. Livestock Sale	Economic Development	Total-Other Governmental Funds
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ 13,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,470
Charges for services	-	-	-	93,359	-	136,870	-	230,229
Investment earnings	84	40	669	-	-	10	-	803
Miscellaneous	16,000	-	-	-	61,323	-	30,939	108,262
Total revenues	16,084	13,510	669	93,359	61,323	136,880	30,939	352,764
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	36	36
Public Safety	-	-	-	67,676	-	-	-	67,676
Culture and recreation	-	2,876	-	-	76,349	137,174	-	216,399
Economic Development	-	-	-	-	-	-	53,341	53,341
Capital Outlay	64,000	-	-	-	-	-	-	64,000
Total Expenditures	64,000	2,876	-	67,676	76,349	137,174	53,377	401,452
Excess (deficiency) of revenues over expenditures	(47,916)	10,634	669	25,683	(15,026)	(294)	(22,438)	(48,688)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	8,000	-	-	-	25,000	-	25,500	58,500
Total other financing sources and uses	8,000	-	-	-	25,000	-	25,500	58,500
Net change in fund balances	(39,916)	10,634	669	25,683	9,974	(294)	3,062	9,812
Fund balances - beginning	69,602	35,913	166,982	79,499	19,249	5,183	5,926	382,354
Fund balances - ending	\$ 29,686	\$ 46,547	\$ 167,651	\$ 105,182	\$ 29,223	\$ 4,889	\$ 8,988	\$ 392,166

Phillips County, Colorado  
Budget and Actual (with Variances)  
Ambulance Replacement  
For the year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 84	\$ 84
Miscellaneous	8,000	8,000	16,000	8,000
Total revenues	8,000	8,000	16,084	8,084
<b>EXPENDITURES</b>				
Current:				
Capital Outlay	-	-	64,000	(64,000)
Total Expenditures	-	-	64,000	(64,000)
Excess (deficiency) of revenues over expenditures	8,000	8,000	(47,916)	(55,916)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,000	8,000	8,000	-
Total other financing sources and uses	8,000	8,000	8,000	-
Net change in fund balances	16,000	16,000	(39,916)	(55,916)
Fund balances - beginning	16,068	16,068	69,602	53,534
Fund balances - ending	\$ 32,068	\$ 32,068	\$ 29,686	\$ (2,382)

Phillips County, Colorado  
 Budget and Actual (with Variances)  
 Conservation Trust  
 For the year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 11,500	\$ 11,500	\$ 13,470	\$ 1,970
Investment earnings	30	30	40	10
Total revenues	<u>11,530</u>	<u>11,530</u>	<u>13,510</u>	<u>1,980</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	42,875	42,875	2,876	39,999
Total Expenditures	<u>42,875</u>	<u>42,875</u>	<u>2,876</u>	<u>39,999</u>
Excess (deficiency) of revenues over expenditures	<u>(31,345)</u>	<u>(31,345)</u>	<u>10,634</u>	<u>41,979</u>
Net change in fund balances	(31,345)	(31,345)	10,634	41,979
Fund balances - beginning	35,998	359,989	35,913	(324,076)
Fund balances - ending	<u>\$ 4,653</u>	<u>\$ 328,644</u>	<u>\$ 46,547</u>	<u>\$ (282,097)</u>

Phillips County, Colorado  
 Budget and Actual (with Variances)  
 Contingent  
 For the year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ 525	\$ 525	\$ 669	\$ 144
Total revenues	525	525	669	144
<b>EXPENDITURES</b>				
Contingency	167,339	167,339	-	167,339
Total Expenditures	167,339	167,339	-	167,339
Excess (deficiency) of revenues over expenditures	(166,814)	(166,814)	669	167,483
Net change in fund balances	(166,814)	(166,814)	669	167,483
Fund balances - beginning	166,814	166,814	166,982	168
Fund balances - ending	\$ -	\$ -	\$ 167,651	\$ 167,651

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**E911**  
**For the year ended December 31, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 77,350	\$ 77,350	\$ 93,359	\$ 16,009
Total revenues	77,350	77,350	93,359	16,009
<b>EXPENDITURES</b>				
Current:				
Public Safety	92,175	92,175	67,676	24,499
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	102,175	102,175	67,676	34,499
Excess (deficiency) of revenues over expenditures	(24,825)	(24,825)	25,683	50,508
Net change in fund balances	(24,825)	(24,825)	25,683	50,508
Fund balances - beginning	51,376	51,376	79,499	28,123
Fund balances - ending	\$ 26,551	\$ 26,551	\$ 105,182	\$ 78,631



Phillips County, Colorado  
 Budget and Actual (with Variances)  
 Fair  
 For the year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 41,500	\$ 57,893	\$ 61,323	\$ 3,430
Total revenues	41,500	57,893	61,323	3,430
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	64,420	76,400	76,349	51
Total Expenditures	64,420	76,400	76,349	51
Excess (deficiency) of revenues over expenditures	(22,920)	(18,507)	(15,026)	3,481
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,000	25,000	25,000	-
Total other financing sources and uses	25,000	25,000	25,000	-
Net change in fund balances	2,080	6,493	9,974	3,481
Fund balances - beginning	25,939	25,939	19,249	(6,690)
Fund balances - ending	\$ 28,019	\$ 32,432	\$ 29,223	\$ (3,209)

Phillips County, Colorado  
 Budget and Actual (with Variances)  
 Jr. Livestock Sale  
 For the year ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charge for services	\$ -	\$ 136,851	\$ 136,870	\$ 19
Investment earnings	18	18	10	(8)
Total revenues	18	136,869	136,880	11
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	5,163	137,200	137,174	26
Total Expenditures	5,163	137,200	137,174	26
Excess (deficiency) of revenues over expenditures	(5,145)	(331)	(294)	37
Net change in fund balances	(5,145)	(331)	(294)	37
Fund balances - beginning	5,145	5,145	5,183	(38)
Fund balances - ending	\$ -	\$ 4,814	\$ 4,889	\$ (1)

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Economic Development**  
**For the year ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 38,100	\$ 38,100	\$ 30,939	\$ (7,161)
Total revenues	<u>38,100</u>	<u>38,100</u>	<u>30,939</u>	<u>(7,161)</u>
<b>EXPENDITURES</b>				
Current:				
Economic Development	62,522	62,522	53,341	9,181
Public Safety	-	-	36	(36)
Total Expenditures	<u>62,522</u>	<u>62,522</u>	<u>53,377</u>	<u>9,145</u>
Excess (deficiency) of revenues over expenditures	<u>(24,422)</u>	<u>(24,422)</u>	<u>(22,438)</u>	<u>1,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,500	25,500	25,500	-
Total other financing sources and uses	<u>25,500</u>	<u>25,500</u>	<u>25,500</u>	<u>-</u>
Net change in fund balances	1,078	1,078	3,062	(1,984)
Fund balances - beginning	3,050	3,050	5,926	2,876
Fund balances - ending	<u>\$ 4,128</u>	<u>\$ 4,128</u>	<u>\$ 8,988</u>	<u>\$ 892</u>

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Phillips County, Colorado	
		YEAR ENDING : Dec-15	
This Information From The Records Of Phillips County, Colorado:		Prepared By: Randy Schafer Phone: 970-854-3778	

  

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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	203,529
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,579,766
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	0
3. Other local imposts (from page 2)	654,649	c. Other	
4. Miscellaneous local receipts (from page 2)	19,792	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	11,476
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,794,771
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	674,441	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	1,236,572	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	14	a. Interest	3,404
<b>E. Total receipts (A.7 + B + C + D)</b>	1,911,027	b. Redemption	127,734
		c. Total (a. + b.)	131,138
		3. Total (1.c + 2.c)	131,138
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,925,909

  

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	0	0		0

  

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	526,840	1,911,027	1,925,909	511,958	0
<b>Notes and Comments:</b>					

# LOCAL HIGHWAY FINANCE REPORT

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
Dec-15

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	279,820	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	330,098	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	274
4. Licenses	4,562	f. Charges for Services	14,420
5. Specific Ownership &/or Other	40,169	g. Other Misc. Receipts	5,098
6. Total (1. through 5.)	374,829	h. Other undepreciated basis of assets	0
c. Total (a. + b.)	654,649	i. Total (a. through h.)	19,792
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	1,210,669	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	13,459	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)	12,444	f. Other Federal	14
f. Total (a. through e.)	25,903	g. Total (a. through f.)	14
4. Total (1. + 2. + 3.f)	1,236,572	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		203,529	203,529
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	203,529	203,529
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	203,529	203,529
		(Carry forward to page 1)	

Notes and Comments:

**Phillips County, Colorado**  
**Schedule of Due From/ Due to the State of Colorado**  
**Human Services Fund**  
**for the year ended December 31, 2015**

	<u>Due From</u>	<u>Due To</u>
County Administration- State	\$ 5,937	\$ -
County Administration- HCPF	3,724	-
Child Care	2,434	-
Child Welfare- State	15,144	-
Child Welfare- HCPF	77	-
Colorado Works	1,870	-
IV-D Admin	4,646	-
LEAP	18	-
AND	-	38
Adult Protection	1,245	-
HCA	-	31
OAP	199	-
F Assistance	-	60
State Incentives	723	-
Federal Incentives	75	-
Employment First	1,378	-
CORE- State	2,625	-
CORE- HCPF	40	-
	<u>\$ 40,135</u>	<u>\$ 129</u>
Due From (Net)	<u>\$ 40,006</u>	