

**Phillips County, Colorado**

**Financial Statements**

**December 31, 2019**

**Phillips County, Colorado  
Annual Financial Report  
December 31, 2019**

Table of Contents  
Financial Section

	Page
Report of Independent Certified Public Accountant	i
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Governmental Fund Financial Statements:	
Balance Sheet	5
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Fiduciary Fund Financial Statements:	
Statement of Net Assets	9
Notes to the Financial Statements	10
Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balance-Actual and Budget Major Funds:	
General Fund	25
Road & Bridge	26
Human Services	27
Capital Expenditures	28
Fairgrounds Improvement Project	29
Supplementary Information:	
Combining Statements of Non-major Governmental Funds:	
Combining Balance Sheet	30
Combining Statements of Revenues, Expenditures and Changes in Fund Balances	31

**Phillips County, Colorado  
Annual Financial Report  
December 31, 2019**

**Table of Contents  
(Continued)**

	Page
Schedules of Revenues, Expenditures and Changes in Fund Balance- Actual and Budget Non-Major Governmental Funds:	
Special Revenue Funds:	
Ambulance Replacement	32
Conservation Trust	33
Contingent	34
E-911	35
Fair	36
Jr. Livestock Sale	37
Economic Development	38
Local Highway Finance Report	39

*Independent Auditor's Report*

County Commissioners  
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 (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

The County'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 the County, as of December 31, 2019, 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 required budgetary comparison information 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be present to supplement the basic financial statements. Our opinion on the basic financial statements is not affected by this omission.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information consisting of the coming balance sheet and statement of revenues, expenditures, and changes in fund balances, actual to budget information, and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as listed above 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 supplementary information as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*rfarmer, llc*

July 14, 2020

**Phillips County, Colorado**  
**Statement of Net Position**  
**December 31, 2019**

	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,609,149	\$ 3,609,149
Receivables	2,890,326	2,890,326
Due from other governmental agencies	21,371	21,371
Inventories	88,838	88,838
Capital assets		
Land	268,567	268,567
Infrastructure	2,828,352	2,828,352
Buildings	9,396,651	9,396,651
Equipment and furniture	5,345,001	5,345,001
Vehicles	1,887,079	1,887,079
Less: accumulated depreciation	(9,760,719)	(9,760,719)
Total Capital Assets	9,964,931	9,964,931
Total Assets	16,574,615	16,574,615
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	85,221	85,221
Due to other governmental agencies	15,317	15,317
Long-term liabilities		
Due within one year		
Capital leases	347,451	347,451
Due in more than one year		
Capital leases	683,223	683,223
Compensated absences	207,525	207,525
Total Liabilities	1,338,737	1,338,737
<b>DEFERRED IN-FLOW OF RESOURCES</b>		
Deferred revenues-property taxes	2,766,675	2,766,675
<b>NET POSITION</b>		
Net investment in capital assets	9,617,480	9,617,480
Restricted for:		
TABOR and enabling legislation	247,265	247,265
Unrestricted	2,604,458	2,604,458
Total Net Position	\$ 12,469,203	\$ 12,469,203

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, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenue</b>			<b>Net (Expense) Revenue and Changes in Net Position Primary Government</b>	
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Total</b>
<b>Primary government</b>						
Governmental Activities						
General Government	\$ 1,685,716	\$ 398,654	\$ 44,810	\$ -	\$ (1,242,252)	\$ (1,242,252)
Public Safety	887,804	141,146	107,390	-	(639,268)	(639,268)
Highways and Streets	1,712,542	5,082	1,569,587	-	(137,873)	(137,873)
Health & Welfare	745,944	-	517,738	8,000	(220,206)	(220,206)
Culture and Recreation	821,678	31,938	12,693	105,064	(671,983)	(671,983)
Sanitation	435,041	252,130	-	-	(182,911)	(182,911)
Economic Development	43,716	-	-	-	(43,716)	(43,716)
Judicial	96,851	-	-	-	(96,851)	(96,851)
Total governmental activities	6,429,292	828,950	2,252,218	113,064	(3,235,060)	(3,235,060)
Total primary government	<u>6,429,292</u>	<u>828,950</u>	<u>2,252,218</u>	<u>113,064</u>	<u>(3,235,060)</u>	<u>(3,235,060)</u>
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes					\$ 2,583,378	\$ 2,583,378
Sales & use taxes					679,843	679,843
Specific Ownership taxes					308,959	308,959
Unrestricted investment earnings					22,033	22,033
Miscellaneous					128,222	128,222
Special item - gain (loss) on disposition of assets					1,000	1,000
Total general revenues, special items, and transfers					<u>3,723,435</u>	<u>3,723,435</u>
Change in net position					488,375	488,375
Net position - beginning					12,118,035	12,118,035
Net position - ending					<u>\$ 12,469,203</u>	<u>\$ 12,469,203</u>

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

**Phillips County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

	General	Road & Bridge	Human Services	Capital Expenditures	Fairground Project	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,171,004	\$ 1,685,186	\$ 97,399	\$ 281,571	\$ 82,374	\$ 291,615	\$ 3,609,149
Taxes receivable, net	2,098,486	413,827	156,530	97,832	-	-	2,766,675
Due from State	-	-	21,371	-	-	-	21,371
Other receivables	55,460	23,635	6,672	21,718	5,500	10,666	123,651
Inventories	19,943	68,894	-	-	-	-	88,837
Total assets	<u>3,344,893</u>	<u>2,191,542</u>	<u>281,972</u>	<u>401,121</u>	<u>87,874</u>	<u>302,281</u>	<u>6,609,683</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	23,978	42,930	-	12,813	-	5,500	85,221
Payable to other governments	-	-	15,317	-	-	-	15,317
Total liabilities	<u>23,978</u>	<u>42,930</u>	<u>15,317</u>	<u>12,813</u>	<u>-</u>	<u>5,500</u>	<u>100,538</u>
Deferred Cash In-flow of Resources:							
Deferred revenue-property taxes	<u>2,098,486</u>	<u>413,827</u>	<u>156,530</u>	<u>97,832</u>	<u>-</u>	<u>-</u>	<u>2,766,675</u>
Fund balances:							
Restricted for:							
TABOR and enabling legislation	61,906	-	14,728	-	-	170,631	247,265
Non-spendable-Inventory	19,943	57,452	-	-	-	-	77,395
Committed-Equipment	-	122,345	-	-	-	-	122,345
Unassigned	1,140,580	-	-	-	-	-	1,140,580
Committed, reported in:							
Special revenue funds	-	1,554,988	95,397	290,476	87,874	126,150	2,154,885
Total fund balances	<u>1,222,429</u>	<u>1,734,785</u>	<u>110,125</u>	<u>290,476</u>	<u>87,874</u>	<u>296,781</u>	<u>3,742,470</u>
Total liabilities and fund balances	<u>\$ 3,344,893</u>	<u>\$ 2,191,542</u>	<u>\$ 281,972</u>	<u>\$ 401,121</u>	<u>\$ 87,874</u>	<u>\$ 302,281</u>	<u>\$ 6,609,683</u>

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, 2019**

Total fund balance, governmental funds	\$ 3,742,470
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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.	9,964,931
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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.	(1,238,199)
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Rounding	<u>1</u>
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Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 12,469,203</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, 2019**

	<u>General</u>	<u>Road &amp; Bridge</u>	<u>Human Services</u>	<u>Capital Expenditures</u>	<u>Fairground Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Property Taxes	\$ 2,002,840	\$ 340,687	\$ 146,568	\$ 93,283	\$ -	\$ -	\$ 2,583,378
SO Tax	232,305	45,811	20,012	10,830	-	-	308,958
Sales, Use and miscellaneous taxes	606,209	86,598	-	-	-	-	692,807
Fees and fines	2,847	-	-	-	-	-	2,847
Licenses and permits	776	1,053	-	-	-	-	1,829
Intergovernmental	203,885	1,556,624	503,038	-	58,096	12,693	2,334,336
Charges for services	363,487	4,148	-	241,473	-	123,065	732,173
Investment earnings	19,513	-	-	-	175	2,346	22,034
Miscellaneous	61,217	3,193	-	18,453	2,262	55,248	140,373
Rent received	66,180	-	-	-	46,968	-	113,148
Total revenues	<u>3,559,259</u>	<u>2,038,114</u>	<u>669,618</u>	<u>364,039</u>	<u>107,501</u>	<u>193,352</u>	<u>6,931,883</u>
<b>EXPENDITURES</b>							
Current:							
General government	1,562,774	10,959	-	15,169	-	1,186	1,590,088
Public safety	779,888	-	-	-	-	21,146	801,034
Streets & Highways	-	1,472,632	-	-	-	-	1,472,632
Health and Welfare	74,723	-	670,436	-	-	-	745,159
Culture and recreation	466,611	-	-	-	71,861	8,235	546,707
Judicial	96,851	-	-	-	-	-	96,851
Sanitation	393,848	-	-	-	-	-	393,848
Economic development	-	-	-	-	-	79,133	79,133
Debt Service:							
Principal	-	152,820	-	128,853	-	-	281,673
Interest and other charges	-	14,307	-	19,536	-	-	33,843
Capital outlay	123,958	826,394	-	47,287	327,872	64,788	1,390,299
Total Expenditures	<u>3,498,653</u>	<u>2,477,112</u>	<u>670,436</u>	<u>210,845</u>	<u>399,733</u>	<u>174,488</u>	<u>7,431,267</u>
Excess (deficiency) of revenues over expenditures	<u>60,606</u>	<u>(438,998)</u>	<u>(818)</u>	<u>153,194</u>	<u>(292,232)</u>	<u>18,864</u>	<u>(499,384)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from lease purchase	-	638,500	-	-	200,000	-	838,500
Other sources	-	-	-	-	-	-	-
Other use	-	-	-	-	-	-	-
Transfers in	-	-	-	-	61,142	33,500	94,642
Transfers out	36,143	-	-	(21,412)	-	(109,373)	(94,642)
Total other financing sources and uses	<u>36,143</u>	<u>638,500</u>	<u>-</u>	<u>(21,412)</u>	<u>261,142</u>	<u>(75,873)</u>	<u>838,500</u>
<b>SPECIAL ITEM</b>							
Proceeds from sale of assets	1,000	-	-	-	-	-	1,000
Net change in fund balances	97,749	199,502	(818)	131,782	(31,090)	(57,009)	340,116
Fund balances - beginning	1,124,680	1,535,283	110,943	158,694	118,964	353,790	3,402,354
Fund balances - ending	<u>\$ 1,222,429</u>	<u>\$ 1,734,785</u>	<u>\$ 110,125</u>	<u>\$ 290,476</u>	<u>\$ 87,874</u>	<u>\$ 296,781</u>	<u>\$ 3,742,470</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, 2019**

Net change in fund balances - total governmental funds: \$ 340,116

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 \$1,390,299 was more than depreciation of \$676,980 in the current period.

713,319

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 were less than proceeds.

(556,827)

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  
Change in net position of governmental activities

	(8,233)
	488,375
	488,375

**Phillips County, Colorado**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2019**

	<b>TOTAL AGENCY FUNDS</b>
<b>ASSETS:</b>	
Cash and cash equivalents	<u>\$ 1,572,889</u>
Total assets	<u><u>1,572,889</u></u>
 <b>LIABILITIES:</b>	
Due to other governmental units	<u>1,572,889</u>
Total Liabilities	<u><u>\$ 1,572,889</u></u>

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

**Phillips County, Colorado**  
**Notes to Financial Statements**  
**December 31, 2019**

**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 resource's measurement focus* and the *accrual basis of accounting*. Accordingly, all 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 Position. The Statement of Activities presents changes in net position. 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.

Fairgrounds Improvement Project

This fund is used specifically for improvements to the Fair Grounds. Contributions and grants are the main sources of income.

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 regarding interfund activities, payables, and receivables. All internal balances in the Statement of Net Position 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 ensuring 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 Road and Bridge Fund overspent its 2019 budget.

### 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. After twenty years of service, an additional five days of vacation is 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 of a 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	\$ 131,364	\$ -	\$ 268,567
Total Capital Assets, Not Being Depreciated	137,203	131,364	-	268,567
Capital Assets Being Depreciated:				
Infrastructure	2,063,724	764,628	-	2,828,352
Buildings	9,147,640	249,011	-	9,396,651
Equipment	5,989,749	(578,643)	(66,105)	5,345,001
Vehicles	1,200,346	686,733	-	1,887,079
Total Capital Assets Being Depreciated	18,401,459	1,121,729	(66,105)	19,457,083
Less Accumulated Depreciation	(9,149,844)	(676,980)	66,105	(9,760,719)
Total Capital Assets Being Depreciated, Net	9,251,615	444,749	-	9,696,364
Governmental Activities Capital Assets, Net	\$ 9,388,818	\$ 444,749	-	\$ 9,964,931

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

Governmental activities:	
General government	\$ 47,656
Public safety	86,771
Public Works	228,456
Sanitation	41,193
Health & Welfare	785
Culture & Recreation	272,119
Total depreciation expense-governmental activities	<u>\$ 676,980</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 could 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 Retirement Association (CRA). 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 2019, the employee and employer paid \$86,376 each into CRA. Total salaries were \$2,246,303 with qualifying salaries being \$2,159,413.

There were approximately 70 total employees at year-end who are considered general employees.

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.

During 2017, the County entered into an agreement to lease voting machines and other equipment. The lease is for five (5) years with annual lease payments of approximately \$19,123 per year.

## **Note 8            Transfers**

The transfers made during 2019 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 \$25,300, respectively. The Capital Expenditures Fund also transferred \$21,411 to the Fairground Project and the Conservation Trust Fund transferred \$15,800 to the Fairground Project during.

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 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 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 County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance.

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      Restricted Fund Balances**

With the passage of Amendment One to the Colorado State Constitution, the County has restricted at least 3 percent of its non-federal spending for emergencies. For 2019, \$232,537 has been reflected as the emergency reserve.

In addition, the Human Services Fund has restricted \$14,728 due to enabling legislation.

**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, 2019, the County has closed approximately 26.0% of the estimated capacity of the landfill. The County expects the closure and post-closure liability to be \$342,702 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 2018. 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 nor booked any liability.

**Note 13****Lease Purchase**

During 2018, the County entered into a lease purchase agreement as a result of a sale lease-back agreement. The County sold certain individual pieces of equipment to the bank for \$500,000. That amount is reflected as other financing sources in the Fairgrounds Improvement Fund. The County immediately entered into an agreement with the bank to buy back the same equipment under a lease-purchase agreement. The terms of the agreement call for monthly payments of \$9,177 for sixty months beginning September 2018 with interest at the rate of 3.19%. If all payments are made, the equipment can be purchased for \$1.

	Principle	Interest	Total
2020	\$ 98,541	\$ 11,585	\$ 110,126
2021	102,023	8,103	110,126
2022	105,618	4,508	110,126
2023	72,475	945	73,420
	<u>\$ 369,507</u>	<u>\$ 25,114</u>	<u>\$ 394,621</u>

Changes in long-term debt are as follows:

	Beginning Balance	Additions	Payments	Ending Balances	Current Portion
Equipment Lease	\$ 473,847	\$ 838,500	\$ (281,673)	\$ 1,030,674	\$ 347,451
Compensated Absences	199,292	8,233	-	207,525	-
	<u>\$ 673,139</u>	<u>\$ 846,733</u>	<u>\$ (281,673)</u>	<u>\$ 1,238,199</u>	<u>\$ 347,451</u>



During 2019, the County entered into a lease-purchase agreement as a result of a sale lease-back agreement. The County sold certain individual pieces of equipment to the bank for \$200,000. That amount is reflected as other financing sources in the Fairgrounds Improvement Fund. The County immediately entered into an agreement with the bank to buyback the same equipment under a lease purchase agreement. The terms of the agreement call for monthly payments of \$3,636 for sixty months beginning July 2019 with interest at the rate of 3.47%. If all payments are made, the equipment can be purchased for \$1.

	Principle	Interest	Total
2020	\$ 38,038	\$ 5,589	\$ 43,627
2021	39,376	4,251	43,627
2022	40,768	2,859	43,627
2023	42,211	1,416	43,627
2024	14,397	146	14,543
	<u>\$ 174,790</u>	<u>\$ 14,261</u>	<u>\$ 189,051</u>

During, 2019 the County entered into a lease-purchase agreement for three John Deere motor graders. The total cost was \$760,500. A down payment of \$122,000 was paid with \$638,500 financed. The terms call for 36 monthly payments of \$18,570, including principal and interest, with interest at the rate of 2.94%. The equipment is collateral for the agreement.

	Principle	Interest	Total
2020	\$ 210,872	\$ 11,968	\$ 222,840
2021	217,194	5,646	222,840
2022	55,302	408	55,710
	<u>\$ 483,368</u>	<u>\$ 18,022</u>	<u>\$ 501,390</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 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 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      Subsequent Events**

Phillips County has already been greatly affected financially by the COVID-19 Pandemic and to date, there is no projected date to the end of this Pandemic.

Phillips County's highest rate of revenue comes from Property Taxes, Highway User Tax Funds (HUTF), and Sales Tax. Below are the decreased percentages already and Assessor's predictions.

- The County's Assessor predicts that over the next few years:
  - Property Tax's commercial rate will remain stagnant.
  - That there will be a decrease in agriculture and oil/gas revenues.
  - The impact on residential properties is not yet known but could be material.

Phillips County main economic driver is agriculture consisting of 688 square miles of farm and ranch land. It is predicted that the agriculture industry will incur, at a minimum, a 10% decrease in gross revenues. (Food & Agricultural Policy Research Institute, April 2020)

In 2019 there were 274 active oil/gas wells with a revenue of approximately \$1,802,580. The State of Colorado is predicting a 50% revenue decrease for 2020. (Westword, April 15, 2020)

- HUTF decreased 16% from January-April 2020. HUTF revenue accounts for 75% of Phillips County Road & Bridge revenue.
- Sales tax has decreased 24% year to date. It is anticipated that the loss of sales tax dollars will increase.

The Board of County Commissioners predict that Phillips County financially will be affected for five years plus, thus crippling essential services provided by all departments of the County. Areas affected include but are not limited to a decrease in maintaining equipment that already needs to be replaced, possibly decreasing the number of personnel, related benefits, and lower, if any, cost of living increases.

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**General**  
**For the year ended December 31, 2019**

	<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	\$ 1,994,742	\$ 1,994,742	\$ 2,002,840	\$ 8,098
SO Tax	185,000	185,000	232,305	47,305
Sales and miscellaneous taxes	410,000	410,000	606,209	196,209
Fees and fines	1,200	1,200	2,847	1,647
Licenses and permits	875	875	776	(99)
Intergovernmental	202,009	202,009	203,885	1,876
Charges for services	230,600	230,600	363,487	132,887
Investment earnings	7,500	7,500	19,513	12,013
Rent	50,000	50,000	66,180	16,180
Miscellaneous	82,700	82,700	61,217	(21,483)
Total revenues	<u>3,164,626</u>	<u>3,164,626</u>	<u>3,559,259</u>	<u>394,633</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,565,152	1,565,152	1,562,774	2,378
Public Safety	950,519	950,519	779,888	170,631
Health and sanitation	520,552	520,552	468,571	51,981
Culture and recreation	469,418	469,418	466,611	2,807
Judicial	96,851	96,851	96,851	-
Capital Outlay	83,000	83,000	123,958	(40,958)
Total Expenditures	<u>3,685,492</u>	<u>3,685,492</u>	<u>3,498,653</u>	<u>186,839</u>
Excess (deficiency) of revenues over expenditures	<u>(520,866)</u>	<u>(520,866)</u>	<u>60,606</u>	<u>581,472</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(58,500)	(58,500)	36,143	94,643
Total other financing sources and uses	<u>(58,500)</u>	<u>(58,500)</u>	<u>36,143</u>	<u>94,643</u>
Special Item				
Gain on sale of assets	-	-	1,000	1,000
Net change in fund balances	<u>(579,366)</u>	<u>(579,366)</u>	<u>97,749</u>	<u>677,115</u>
Fund balances - beginning	845,810	845,810	1,124,680	278,870
Fund balances - ending	<u>\$ 266,444</u>	<u>\$ 266,444</u>	<u>\$ 1,222,429</u>	<u>\$ 955,985</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Road & Bridge**  
**For the year ended December 31, 2019**

	<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	\$ 393,290	\$ 393,290	\$ 340,687	\$ (52,603)
SO Taxes	31,000	31,000	45,811	14,811
Sales and miscellaneous taxes	61,000	61,000	86,598	25,598
Licenses and permits	-	-	1,053	1,053
Intergovernmental	1,330,346	1,330,346	1,556,624	226,278
Charges for services	-	-	4,148	4,148
Miscellaneous	-	-	3,193	3,193
Total revenues	<u>1,815,636</u>	<u>1,815,636</u>	<u>2,038,114</u>	<u>222,478</u>
<b>EXPENDITURES</b>				
Current:				
General government	12,500	12,500	10,959	1,541
Highways and roads	1,776,365	1,898,710	1,472,632	426,078
Debt Service:				
Principal	-	-	152,820	(152,820)
Interest and other charges	-	-	14,307	(14,307)
Capital Outlay	<u>372,345</u>	<u>372,345</u>	<u>826,394</u>	<u>(454,049)</u>
Total Expenditures	<u>2,161,210</u>	<u>2,283,555</u>	<u>2,477,112</u>	<u>(193,557)</u>
Excess (deficiency) of revenues over expenditures	<u>(345,574)</u>	<u>(467,919)</u>	<u>(438,998)</u>	<u>28,921</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital leases	-	-	638,500	638,500
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>638,500</u>	<u>638,500</u>
Net change in fund balances	(345,574)	(467,919)	199,502	667,421
Fund balances - beginning	1,082,743	-	1,535,283	1,535,283
Fund balances - ending	<u>\$ 737,169</u>	<u>\$ (467,919)</u>	<u>\$ 1,734,785</u>	<u>\$ 2,202,704</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Human Services**  
**For the year ended December 31, 2019**

	<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	\$ 148,779	\$ 148,779	\$ 146,568	\$ (2,211)
SO Taxes	16,500	16,500	20,012	3,512
Intergovernmental	808,048	808,048	503,038	(305,010)
Total revenues	<u>973,327</u>	<u>973,327</u>	<u>669,618</u>	<u>(303,709)</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	<u>991,362</u>	<u>991,362</u>	<u>670,436</u>	<u>320,926</u>
Total Expenditures	<u>991,362</u>	<u>991,362</u>	<u>670,436</u>	<u>320,926</u>
Excess (deficiency) of revenues over expenditures	<u>(18,035)</u>	<u>(18,035)</u>	<u>(818)</u>	<u>17,217</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Total other financing sources and uses	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Net change in fund balances	26,965	26,965	(818)	(27,783)
Fund balances - beginning	<u>140,949</u>	<u>140,949</u>	<u>110,943</u>	<u>(30,006)</u>
Fund balances - ending	<u>\$ 167,914</u>	<u>\$ 167,914</u>	<u>\$ 110,125</u>	<u>\$ (57,789)</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Capital Expenditures**  
**For the year ended December 31, 2019**

	<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	\$ 92,976	\$ 92,976	\$ 93,283	\$ 307
SO Taxes	8,800	8,800	10,830	2,030
Charges for services	119,000	119,000	241,473	122,473
Miscellaneous	7,500	7,500	18,453	10,953
Total revenues	<u>228,276</u>	<u>228,276</u>	<u>364,039</u>	<u>135,763</u>
<b>EXPENDITURES</b>				
Current:				
General government	61,800	61,800	15,169	46,631
Culture and recreation	25,000	25,000	-	25,000
Debt Service:				
Principal	109,625	109,625	128,853	(19,228)
Interest and other charges	13,913	13,913	19,536	(5,623)
Capital Outlay	25,000	25,000	47,287	(22,287)
Total Expenditures	<u>235,338</u>	<u>235,338</u>	<u>210,845</u>	<u>24,493</u>
Excess (deficiency) of revenues over expenditures	<u>(7,062)</u>	<u>(7,062)</u>	<u>153,194</u>	<u>160,256</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(21,412)	21,412
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(21,412)</u>	<u>21,412</u>
Net change in fund balances	(7,062)	(7,062)	131,782	138,844
Fund balances - beginning	17,497	17,497	158,694	141,197
Fund balances - ending	<u>\$ 10,435</u>	<u>\$ 10,435</u>	<u>\$ 290,476</u>	<u>\$ 280,041</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Fairground Project**  
**For the year ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 20,000	\$ 74,733	\$ 58,096	\$ (16,637)
Miscellaneous	-	-	2,262	2,262
Investment earnings	-	-	175	175
Contributions	35,000	35,000	46,968	11,968
Total revenues	<u>55,000</u>	<u>109,733</u>	<u>107,501</u>	<u>(2,232)</u>
<b>EXPENDITURES</b>				
Culture and recreation	-	-	71,861	(71,861)
Capital Outlay	105,000	359,733	327,872	31,861
Total Expenditures	<u>105,000</u>	<u>359,733</u>	<u>399,733</u>	<u>(40,000)</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>(250,000)</u>	<u>(292,232)</u>	<u>(42,232)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital leases	-	200,000	200,000	-
Transfers in	50,000	50,000	61,142	(11,142)
Total other financing sources and uses	<u>50,000</u>	<u>250,000</u>	<u>261,142</u>	<u>(11,142)</u>
Net change in fund balances	-	-	(31,090)	31,090
Fund balances - beginning	-	-	118,964	118,964
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,874</u>	<u>\$ 150,054</u>



**Phillips County, Colorado  
Balance Sheet  
Other Governmental Funds  
December 31, 2019**

	<b>Ambulance Replacement</b>	<b>Conservation Trust</b>	<b>Contingent</b>	<b>E911</b>	<b>Economic Development</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 28,746	\$ 5,601	\$ 172,750	\$ 91,076	\$ (6,558)	\$ 291,615
Other receivables	-	-	-	10,666	-	10,666
Total assets	<u>28,746</u>	<u>5,601</u>	<u>172,750</u>	<u>101,742</u>	<u>(6,558)</u>	<u>302,281</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	-	5,500	-	-	-	5,500
Total liabilities	<u>-</u>	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
Fund balances:						
Restricted for:						
TABOR	-	-	170,631	-	-	170,631
Committed	28,746	101	2,119	101,742	(6,558)	126,150
Total fund balances	<u>28,746</u>	<u>101</u>	<u>172,750</u>	<u>101,742</u>	<u>(6,558)</u>	<u>296,781</u>
Total liabilities and fund balances	<u>\$ 28,746</u>	<u>\$ 5,601</u>	<u>\$ 172,750</u>	<u>\$ 101,742</u>	<u>\$ (6,558)</u>	<u>\$ 302,281</u>

**Phillips County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	<b>Ambulance Replacement</b>	<b>Conservation Trust</b>	<b>Contingent</b>	<b>E911</b>	<b>Fair</b>	<b>Jr. Livestock Sale</b>	<b>Economic Development</b>	<b>Total-Other Governmental Funds</b>
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ 12,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,693
Charges for services	-	-	-	123,065	-	-	-	123,065
Investment earnings	134	11	2,119	-	-	82	-	2,346
Miscellaneous	8,000	-	-	1,718	-	-	45,530	55,248
Total revenues	<u>8,134</u>	<u>12,704</u>	<u>2,119</u>	<u>124,783</u>	<u>-</u>	<u>82</u>	<u>45,530</u>	<u>193,352</u>
<b>EXPENDITURES</b>								
Current:								
General government	776	-	-	-	-	-	410	1,186
Public Safety	-	-	-	21,146	-	-	-	21,146
Culture and recreation	-	-	-	-	-	8,235	-	8,235
Economic Development	-	-	-	-	-	-	79,133	79,133
Capital Outlay	64,788	-	-	-	-	-	-	64,788
Total Expenditures	<u>65,564</u>	<u>-</u>	<u>-</u>	<u>21,146</u>	<u>-</u>	<u>8,235</u>	<u>79,543</u>	<u>174,488</u>
Excess (deficiency) of revenues over expenditures	<u>(57,430)</u>	<u>12,704</u>	<u>2,119</u>	<u>103,637</u>	<u>-</u>	<u>(8,153)</u>	<u>(34,013)</u>	<u>18,864</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	8,000	-	-	-	-	-	25,500	33,500
Transfers out	-	(15,800)	-	(66,500)	(28,763)	1,690	-	(109,373)
Total other financing sources and uses	<u>8,000</u>	<u>(15,800)</u>	<u>-</u>	<u>(66,500)</u>	<u>(28,763)</u>	<u>1,690</u>	<u>25,500</u>	<u>(75,873)</u>
Net change in fund balances	(49,430)	(3,096)	2,119	37,137	(28,763)	(6,463)	(8,513)	(57,009)
Fund balances - beginning	78,176	3,197	170,631	64,605	28,763	6,463	1,955	353,790
Fund balances - ending	<u>\$ 28,746</u>	<u>\$ 101</u>	<u>\$ 172,750</u>	<u>\$ 101,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,558)</u>	<u>\$ 296,781</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Ambulance Replacement**  
**For the year ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 134	\$ 134
Miscellaneous	8,000	8,000	8,000	-
Total revenues	8,000	8,000	8,134	134
<b>EXPENDITURES</b>				
Current:				
General government	-	-	776	(776)
Capital Outlay	78,027	78,027	64,788	13,239
Total Expenditures	78,027	78,027	65,564	12,463
Excess (deficiency) of revenues over expenditures	(70,027)	(70,027)	(57,430)	12,597
<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	(62,027)	(62,027)	(49,430)	12,597
Fund balances - beginning	78,027	78,027	78,176	149
Fund balances - ending	\$ 16,000	\$ 16,000	\$ 28,746	\$ 12,746

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Conservation Trust**  
**For the year ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 8,500	\$ 10,300	\$ 12,693	\$ 2,393
Investment earnings	-	-	11	11
Miscellaneous	-	-	-	-
Total revenues	<u>8,500</u>	<u>10,300</u>	<u>12,704</u>	<u>2,404</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	8,500	10,300	-	10,300
Total Expenditures	<u>8,500</u>	<u>10,300</u>	<u>-</u>	<u>10,300</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>12,704</u>	<u>12,704</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(15,800)	15,800
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(15,800)</u>	<u>15,800</u>
Net change in fund balances	-	-	(3,096)	(3,096)
Fund balances - beginning	-	-	3,197	3,197
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 101</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Contingent**  
**For the year ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 750	\$ 750	\$ 2,119	\$ 1,369
Total revenues	<u>750</u>	<u>750</u>	<u>2,119</u>	<u>1,369</u>
<b>EXPENDITURES</b>				
Contingency	170,309	170,309	-	170,309
Total Expenditures	<u>170,309</u>	<u>170,309</u>	<u>-</u>	<u>170,309</u>
Excess (deficiency) of revenues over expenditures	<u>(169,559)</u>	<u>(169,559)</u>	<u>2,119</u>	<u>171,678</u>
Net change in fund balances	(169,559)	(169,559)	2,119	171,678
Fund balances - beginning	170,309	170,309	170,631	322
Fund balances - ending	<u>\$ 750</u>	<u>\$ 750</u>	<u>\$ 172,750</u>	<u>\$ 172,000</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**E911**  
**For the year ended December 31, 2019**

	<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	\$ 116,950	\$ 116,950	\$ 123,065	\$ 6,115
Miscellaneous	-	-	1,718	1,718
Total revenues	<u>116,950</u>	<u>116,950</u>	<u>124,783</u>	<u>7,833</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	113,780	113,780	21,146	92,634
Capital Outlay	8,000	8,000	-	8,000
Total Expenditures	<u>121,780</u>	<u>121,780</u>	<u>21,146</u>	<u>100,634</u>
Excess (deficiency) of revenues over expenditures	<u>(4,830)</u>	<u>(4,830)</u>	<u>103,637</u>	<u>108,467</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(66,500)	66,500
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(66,500)</u>	<u>66,500</u>
Net change in fund balances	(4,830)	(4,830)	37,137	41,967
Fund balances - beginning	45,384	45,384	64,605	19,221
Fund balances - ending	<u>\$ 40,554</u>	<u>\$ 40,554</u>	<u>\$ 101,742</u>	<u>\$ 61,188</u>

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Fair**  
**For the year ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 82,900	\$ 82,900	\$ -	\$ (82,900)
Total revenues	82,900	82,900	-	(82,900)
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	90,100	90,100	-	90,100
Total Expenditures	90,100	90,100	-	90,100
Excess (deficiency) of revenues over expenditures	(7,200)	(7,200)	-	7,200
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,300	25,300	-	(25,300)
Transfers out	-	-	(28,763)	28,763
Total other financing sources and uses	25,300	25,300	(28,763)	3,463
Net change in fund balances	18,100	18,100	(28,763)	(46,863)
Fund balances - beginning	28,713	28,713	28,763	50
Fund balances - ending	\$ 46,813	\$ 46,813	\$ -	\$ (46,813)

**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Jr. Livestock Sale**  
**For the year ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 82	\$ 82
Miscellaneous	165,000	165,000	-	(165,000)
Total revenues	165,000	165,000	82	(164,918)
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	165,000	165,000	8,235	156,765
Total Expenditures	165,000	165,000	8,235	156,765
Excess (deficiency) of revenues over expenditures	-	-	(8,153)	(8,153)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	1,690	(1,690)
Total other financing sources and uses	-	-	1,690	(1,690)
Net change in fund balances	-	-	(6,463)	(6,463)
Fund balances - beginning	5,819	5,819	6,463	(644)
Fund balances - ending	\$ 5,819	\$ 5,819	\$ -	\$ (7,107)



**Phillips County, Colorado**  
**Budget and Actual (with Variances)**  
**Economic Development**  
**For the year ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 39,500	\$ 58,557	\$ 45,530	\$ (13,027)
Total revenues	39,500	58,557	45,530	(13,027)
<b>EXPENDITURES</b>				
Current:				
Economic Development	60,551	79,543	79,133	410
Public Safety	-	-	410	(410)
Total Expenditures	60,551	79,543	79,543	-
Excess (deficiency) of revenues over expenditures	(21,051)	(20,986)	(34,013)	(13,027)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,500	25,500	25,500	-
Total other financing sources and uses	25,500	25,500	25,500	-
Net change in fund balances	4,449	4,514	(8,513)	13,027
Fund balances - beginning	4,875	4,875	1,955	(2,920)
Fund balances - ending	<u>\$ 9,324</u>	<u>\$ 9,389</u>	<u>\$ (6,558)</u>	<u>\$ 10,107</u>

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Phillips County, Colorado			
		YEAR ENDING : Dec-19			
This Information From The Records Of Phillips County, Colorado:		Prepared By: Pam Jensen Phone: 970-854-3778			
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
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					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
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)	826,394		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,472,632		
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)	461,186	c. Other			
4. Miscellaneous local receipts (from page 2)	7,342	d. Total (a. through c.)	0		
5. Transfers from toll facilities		4. General administration & miscellaneous	10,959		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	2,309,985		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes	638,500	1. Bonds:			
d. Total (a. + b. + c.)	638,500	a. Interest			
7. Total (1 through 6)	1,107,028	b. Redemption			
<b>B. Private Contributions</b>		c. Total (a. + b.)	0		
<b>C. Receipts from State government</b> (from page 2)	1,569,587	2. Notes:			
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	14,307		
<b>E. Total receipts (A.7 + B + C + D)</b>	2,676,615	b. Redemption	152,820		
		c. Total (a. + b.)	167,127		
		3. Total (1.c + 2.c)	167,127		
		<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>	2,477,112		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Closing Debt		
<b>A. Bonds (Total)</b>			0		
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>	0	638,500	485,680		
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,535,283	2,676,615	2,477,112	1,734,786	0
Notes and Comments:					

**LOCAL HIGHWAY FINANCE REPORT**

STATE:

Colorado

YEAR ENDING (mm/yy):

Dec-19

**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	340,687	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	73,635	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	249
4. Licenses	1,053	f. Charges for Services	4,148
5. Specific Ownership &/or Other	45,811	g. Other Misc. Receipts	2,945
6. Total (1. through 5.)	120,499	h. Other sale of assets	0
c. Total (a. + b.)	461,186	i. Total (a. through h.)	7,342
(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	1,556,624	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	12,963	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through c.)	12,963	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,569,587	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		826,394	826,394
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	826,394	826,394
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	826,394	826,394
			(Carry forward to page 1)

Notes and Comments: