

Phillips County, Colorado

Financial Statements

December 31, 2020

**Phillips County, Colorado
Annual Financial Report
December 31, 2020**

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Independent Auditor's Report

Board of 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, 2020, 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

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, 2020, 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 required supplementary information, such as management's discussion and analysis and 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.

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 accompanying supplementary information, such as the combining and individual nonmajor fund financial statements, budget to actual comparison statements 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 accompanying supplementary information as noted 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

July 16, 2021

Phillips County, Colorado

Management's Discussion and Analysis

December 31, 2020

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, 2020.

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 U.S. Census Bureau estimated the countywide population at 4,265 people. The county has three incorporated municipalities – Paoli – 34; Haxtun – 849; and Holyoke, the County Seat – 2,407. The County also has a small unincorporated community of Amherst. The total unincorporated population is 975.

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:

Fund Balances					
	2016	2017	2018	2019	2020
General	\$992,337	\$1,107,362	\$1,124,680	\$1,222,429	\$1,580,058
Road & Bridge	\$943,350	\$1,150,034	\$1,535,284	\$1,734,785	\$1,556,255
Human Services	\$94,771	\$86,247	\$110,942	\$110,125	\$183,120
Capital Expenditures	\$260,173	\$262,676	\$158,695	\$290,476	\$427,608
Pavilion Project	\$292,800	\$506,220	\$118,964	\$87,874	\$0
Other	<u>\$447,535</u>	<u>\$382,634</u>	<u>\$353,791</u>	<u>\$296,781</u>	<u>\$355,497</u>
	\$3,030,965	\$3,495,173	\$3,402,356	\$3,742,470	\$4,102,538

The fund balance comparison shows an increase overall. The fund of most concern would be Human Services. Its fund balance remains fairly consistent but still needs to be closely monitored. The Pavilion fund will only exist until the overall project is completed.

Assessed Value of the County

2016	2017	2018	2019	2020
\$88,413,157	\$92,726,290	\$92,976,300	\$97,831,530	\$98,041,740

In the five-year period from 2016 to 2020, the county's assessed value increased \$9,628,533, a 10.89% increase. The increase in assessed value come from gains in residential values, which is based on sales, and agriculture values, based on a 10-year average of income vs. expenditures. The increase reflects modest positive overall growth in the county. The county's economy is primarily dependent on agriculture. Agriculture values continue to increase 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 although Industrial values did decrease 9.62% in the 2020 reappraisal from the 2018 reappraisal. The major increase has been in residential values.

Next Year's Budget and Rates: The County's General Fund's balance at the end of fiscal year 2020 was \$1,580,058 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 40.95% of the 2021 budgeted expenditures.

Capital Assets and Debt Administration:

Due to the COVID-19 pandemic, the federal government made available grants funds that the County, in accordance with grant guidelines, were used to purchase several capital items* directly related to providing a safe environment for employees and Phillips County residents alike. The County's major purchases for capital assets in 2020 were:

Stump Grinder	Fund 10 - Maintenance	\$2,300
Shop Heater Unit*	Fund 10 - Maintenance	\$3,000
Judge's Chambers HVAC*	Fund 10 – Maintenance	\$3,610
Courtroom HVAC*	Fund 10 – Maintenance	\$8,107
3 rd Fl Mtg Rm HVAC*	Fund 10 – Maintenance	\$6,808
DHS HVAC*	Fund 10 – Maintenance	\$5,268
Scrubber*	Fund 10 – Event Center	\$7,045
Camera and (3) pump kits	Fund 10 – Weed & Pest	\$18,260
2001 Trail King Lowboy trlr (2)	Fund 20 – Road & Bridge	\$29,000
2021 JD 672G Grader	Fund 20 – Road & Bridge	\$199,757
Clerk & Recorder AC unit	Fund 61 – Maintenance	\$5,000
Capitalized repairs	Fund 20 – Road & Bridge	<u>\$31,546</u>
TOTAL		\$319,701

The County has three remaining lease-purchase agreements in 2021 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, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,942,046
Receivables	3,181,901
Due from other governmental agencies	29,150
Inventories	109,397
Capital assets	
Land	268,567
Infrastructure	2,828,352
Buildings	9,403,696
Equipment and furniture	5,491,252
Vehicles	1,887,079
Less: accumulated depreciation	(10,264,633)
Total Capital Assets	<u>9,614,313</u>
Total Assets	<u>16,876,807</u>
LIABILITIES	
Accounts payable and accrued expenses	372,019
Due to other governmental agencies	15,317
Long-term liabilities	
Due within one year	
Capital leases	358,593
Due in more than one year	
Capital leases	175,922
Compensated absences	227,163
Total Liabilities	<u>1,149,014</u>
DEFERRED IN-FLOW OF RESOURCES	
Deferred revenues-property taxes	<u>2,772,621</u>
NET POSITION	
Net investment in capital assets	8,726,732
Restricted for:	
TABOR and enabling legislation	202,612
Unrestricted	4,025,828
Total Net Position	<u>\$ 12,955,172</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, 2020

Functions/Programs	Expenses	Charges for Services	Program Revenue		Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities
			Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental Activities					
General Government	\$ 1,709,440	\$ 427,248	\$ 39,067	\$ -	\$ (1,243,125)
Public Safety	1,002,605	138,505	468,408	-	(395,692)
Highways and Streets	1,588,345	5,910	1,185,441	-	(396,994)
Health & Welfare	876,337	-	418,068	4,000	(454,269)
Culture and Recreation	704,809	22,424	11,205	5,048	(666,132)
Sanitation	440,046	217,753	-	-	(222,293)
Interest on Long-term debt	14,549	-	-	-	(14,549)
Economic Development	25,500	-	-	-	(25,500)
Judicial	98,789	-	-	-	(98,789)
Total governmental activities	6,460,420	811,840	2,122,189	9,048	(3,517,343)
Total primary government	6,460,420	811,840	2,122,189	9,048	(3,517,343)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					\$ 2,715,048
Sales & use taxes					809,518
Specific Ownership taxes					295,797
Unrestricted investment earnings					29,456
Miscellaneous					152,442
Special item - gain (loss) on disposition of assets					1,050
Total general revenues, special items, and transfers					4,003,311
Change in net position					485,968
Net position - beginning					12,469,204
Net position - ending					\$ 12,955,172

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

Phillips County, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General	Road & Bridge	Human Services	Capital Expenditures	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,277,588	\$ 1,669,203	\$ 161,623	\$ 480,086	\$ 353,547	\$ 3,942,047
Taxes receivable, net	2,102,995	414,717	156,867	98,042	-	2,772,621
Due from State	-	-	29,150	-	-	29,150
Other receivables	357,230	24,673	7,664	9,334	10,378	409,279
Inventories	19,943	89,453	-	-	-	109,396
Total assets	3,757,756	2,198,046	355,304	587,462	363,925	7,262,493
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	74,704	227,074	-	61,813	8,428	372,019
Payable to other governments	-	-	15,317	-	-	15,317
Total liabilities	74,704	227,074	15,317	61,813	8,428	387,336
Deferred Cash In-flow of Resources:						
Deferred revenue-property taxes	2,102,995	414,717	156,867	98,042	-	2,772,621
Fund balances:						
 Restricted for:						
TABOR and enabling legislation	13,813	-	16,049	-	172,750	202,612
Non-spendable-Inventory	19,943	89,454	-	-	-	109,397
Unassigned	1,546,302	-	-	-	-	1,546,302
 Committed, reported in:						
Special revenue funds	-	1,466,801	167,071	427,608	182,747	2,244,227
Total fund balances	1,580,058	1,556,255	183,120	427,608	355,497	4,102,538
Total liabilities and fund balances	\$ 3,757,757	\$ 2,198,046	\$ 355,304	\$ 587,463	\$ 363,925	\$ 7,262,495

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, 2020

Total fund balance, governmental funds	\$ 4,102,538
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.	9,614,313
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>(761,678)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 12,955,173</u></u>

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, 2020

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Capital Expenditures</u>	<u>Fairground Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Property Taxes	\$ 2,104,831	\$ 358,119	\$ 154,018	\$ 98,081	\$ -	\$ -	\$ 2,715,049
SO Tax	224,358	44,244	16,735	10,460	-	-	295,797
Sales, Use and miscellaneous taxes	758,480	64,335	-	-	-	-	822,815
Fees and fines	10,561	-	-	-	-	-	10,561
Licenses and permits	2,025	-	-	-	-	-	2,025
Intergovernmental	544,785	1,172,143	401,237	19,762	-	11,205	2,149,132
Charges for services	369,090	1,820	-	215,514	-	119,647	706,071
Investment earnings	23,103	-	-	-	34	6,319	29,456
Miscellaneous	57,515	11,090	-	31,012	-	59,245	158,862
Rent received	61,395	-	-	-	5,048	-	66,443
Total revenues	4,156,143	1,651,751	571,990	374,829	5,082	196,416	6,956,211
EXPENDITURES							
Current:							
General government	1,577,330	11,332	-	29,943	-	119	1,618,724
Public safety	887,671	-	-	-	-	39,148	926,819
Streets & Highways	-	1,335,811	-	-	-	-	1,335,811
Health and Welfare	373,657	-	501,895	-	-	-	875,552
Culture and recreation	427,288	-	-	-	1,011	288	428,587
Judicial	98,789	-	-	-	-	-	98,789
Sanitation	396,481	-	-	-	-	-	396,481
Economic development	-	-	-	-	-	65,144	65,144
Debt Service:							
Principal	-	216,009	-	188,206	91,945	-	496,160
Interest and other charges	-	6,827	-	14,549	-	-	21,376
Capital outlay	71,348	260,303	-	5,000	-	-	336,651
Total Expenditures	3,832,564	1,830,282	501,895	237,698	92,956	104,699	6,600,094
Excess (deficiency) of revenues over expenditures	323,579	(178,531)	70,095	137,131	(87,874)	91,717	356,117
OTHER FINANCING SOURCES (USES)							
Other sources	-	-	2,899	-	-	-	2,899
Transfers in	-	-	-	-	-	33,500	33,500
Transfers out	33,000	-	-	-	-	(66,500)	(33,500)
Total other financing sources and uses	33,000	-	2,899	-	-	(33,000)	2,899
SPECIAL ITEM							
Proceeds from sale of assets	1,050	-	-	-	-	-	1,050
Net change in fund balances	357,629	(178,531)	72,994	137,131	(87,874)	58,717	360,066
Fund balances - beginning	1,222,429	1,734,786	110,126	290,477	87,874	296,780	3,742,472
Fund balances - ending	\$ 1,580,058	\$ 1,556,255	\$ 183,120	\$ 427,608	\$ -	\$ 355,497	\$ 4,102,538

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, 2020

Net change in fund balances - total governmental funds:	\$ 360,066
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 \$336,652 was less than depreciation of \$687,269 in the current period.	(350,617)
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 more than proceeds.	496,160
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	(20,618)
Rounding	<u>(3)</u>
Change in net position of governmental activities	<u><u>\$ 484,988</u></u>

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

Phillips County, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	TOTAL AGENCY FUNDS
ASSETS:	
Cash and cash equivalents	<u>\$ 1,904,646</u>
Total assets	<u><u>1,904,646</u></u>
 LIABILITIES:	
Due to other governmental units	<u>1,904,646</u>
Total Liabilities	<u><u>\$ 1,904,646</u></u>

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

Phillips County, Colorado
Notes to Financial Statements
December 31, 2020

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.

The Ambulance and Economic Development Funds overspent their 2020 budgets.

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 begin accruing paid vacation leave upon hire. New hires may use up to 40 hours of paid vacation leave after six-months of employment and are then entitled to an additional 40 hours of paid vacation at one full year of employment. After the 10th year of employment, an additional 40 hours of vacation leave is allowed per calendar year. After the 20th year of employment, an additional 40 hours of vacation leave is allowed per calendar year. Vacation leave earned during the year is available for use on the January 1st of the year and any amount not used by March 31st of the following year are lost, except as granted by the Commissioners. Permanent part-time employees who work at least 20 hours per week receive a pro-rated amount of vacation time and are under the same use and accrual guidelines.

Every full-time employee will accrue sick leave at a rate of 8 hours per month of service (permanent part-time accrue a pro-rated amount). Such leave is allowed only to the extent of actual illness of a family member as defined in the County Personnel Policy. Employees hired after November 1, 2005 will be compensated based on regular pay 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 720 hours 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	\$ 268,567	\$ -	\$ -	\$ 268,567
Total Capital Assets, Not Being Depreciated	268,567	-	-	268,567
Capital Assets Being Depreciated:				
Infrastructure	2,828,352	-	-	2,828,352
Buildings	9,396,651	7,045	-	9,403,696
Equipment	5,345,001	329,606	(183,355)	5,491,252
Vehicles	1,887,079	-	-	1,887,079
Total Capital Assets Being Depreciated	19,457,083	336,651	(183,355)	19,610,379
Less Accumulated Depreciation	(9,760,719)	(687,269)	183,355	(10,264,633)
Total Capital Assets Being Depreciated, Net	9,696,364	(350,618)	-	9,345,746
Governmental Activities Capital Assets, Net	\$ 9,964,931	\$ (350,618)	\$ -	\$ 9,614,313

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

Governmental activities:	
General government	\$ 45,204
Public safety	75,786
Public Works	261,213
Sanitation	43,565
Health & Welfare	785
Culture & Recreation	276,026
Total depreciation expense-governmental activities	<u>\$ 702,579</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 2020, the employee and employer paid \$86,817 each into CRA. Total salaries were \$2,450,237 with qualifying salaries being \$2,170,425.

There were approximately 69 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 2020 were from the General Fund to the Economic Development Fund and Ambulance Replacement Fund in the amounts of \$25,500 and \$8,000, respectively. The E911 Fund also transferred \$65,500 to the General Fund.

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 2020, \$186,563 has been reflected as the emergency reserve.

In addition, the Human Services Fund has restricted \$16,049 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, 2020, the County has closed approximately 27.0% of the estimated capacity of the landfill. The County expects the closure and post-closure liability to be \$348,870 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, adjusted by the inflation percentages. Actual costs may be higher or lower 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
2021	\$ 102,023	\$ 8,103	\$ 110,126
2022	23,244	741	23,985
	<u>\$ 125,267</u>	<u>\$ 8,844</u>	<u>\$ 134,111</u>

Changes in long-term debt are as follows:

	Beginning Balance	Additions	Payments	Ending Balances	Current Portion
Equipment Lease	\$ 1,030,674	\$ -	\$ (496,159)	\$ 534,515	\$ 358,593
Compensated Absences	207,525	19,638	-	227,163	-
	<u>\$ 1,238,199</u>	<u>\$ 19,638</u>	<u>\$ (496,159)</u>	<u>\$ 761,678</u>	<u>\$ 358,593</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
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>\$ 136,752</u>	<u>\$ 8,672</u>	<u>\$ 145,424</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
2021	\$ 217,194	\$ 5,646	\$ 222,840
2022	55,302	408	55,710
	<u>\$ 272,496</u>	<u>\$ 6,054</u>	<u>\$ 278,550</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,034,236	\$ 2,034,236	\$ 2,104,831	\$ 70,595
SO Tax	183,000	183,000	224,358	41,358
Sales and miscellaneous taxes	447,420	447,420	758,480	311,060
Fees and fines	2,500	2,500	10,561	8,061
Licenses and permits	1,675	1,675	2,025	350
Intergovernmental	172,900	172,900	544,785	371,885
Charges for services	257,700	257,700	369,090	111,390
Investment earnings	10,000	10,000	23,103	13,103
Rent	62,000	62,000	61,395	(605)
Miscellaneous	153,320	153,320	57,515	(95,805)
Total revenues	<u>3,324,751</u>	<u>3,324,751</u>	<u>4,156,143</u>	<u>831,392</u>
EXPENDITURES				
Current:				
General Government	1,700,823	1,700,823	1,577,330	123,493
Public Safety	931,764	931,764	887,671	44,093
Health and sanitation	587,014	587,014	770,138	(183,124)
Culture and recreation	436,703	436,703	427,288	9,415
Judicial	98,789	98,789	98,789	-
Capital Outlay	109,471	109,471	71,348	38,123
Total Expenditures	<u>3,864,564</u>	<u>3,864,564</u>	<u>3,832,564</u>	<u>32,000</u>
Excess (deficiency) of revenues over expenditures	<u>(539,813)</u>	<u>(539,813)</u>	<u>323,579</u>	<u>863,392</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	164,500	164,500	33,000	(131,500)
Total other financing sources and uses	<u>164,500</u>	<u>164,500</u>	<u>33,000</u>	<u>(131,500)</u>
Special Item				
Proceeds from sale of assets	-	-	1,050	1,050
Net change in fund balances	<u>(375,313)</u>	<u>(375,313)</u>	<u>357,629</u>	<u>732,942</u>
Fund balances - beginning	771,207	771,207	1,222,429	451,222
Fund balances - ending	<u>\$ 395,894</u>	<u>\$ 395,894</u>	<u>\$ 1,580,058</u>	<u>\$ 1,184,164</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Road & Bridge
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 398,374	\$ 398,374	\$ 358,119	\$ (40,255)
SO Taxes	34,389	34,389	44,244	9,855
Sales and miscellaneous taxes	61,068	61,068	64,335	3,267
Licenses and permits	17	17	-	(17)
Intergovernmental	1,452,365	1,452,365	1,172,143	(280,222)
Charges for services	5,586	5,586	1,820	(3,766)
Miscellaneous	11,126	11,126	11,090	(36)
Total revenues	<u>1,962,925</u>	<u>1,962,925</u>	<u>1,651,751</u>	<u>(311,174)</u>
EXPENDITURES				
Current:				
General government	12,500	12,500	11,332	1,168
Highways and roads	1,684,998	1,684,998	1,335,811	349,187
Debt Service:				
Principal	210,872	210,872	216,009	(5,137)
Interest and other charges	11,963	11,963	6,827	5,136
Capital Outlay	255,000	255,000	260,303	(5,303)
Total Expenditures	<u>2,175,333</u>	<u>2,175,333</u>	<u>1,830,282</u>	<u>345,051</u>
Excess (deficiency) of revenues over expenditures	<u>(212,408)</u>	<u>(212,408)</u>	<u>(178,531)</u>	<u>33,877</u>
Net change in fund balances	(212,408)	(212,408)	(178,531)	33,877
Fund balances - beginning	1,435,423	1,435,423	1,535,283	99,860
Fund balances - ending	<u>\$ 1,223,015</u>	<u>\$ 1,223,015</u>	<u>\$ 1,356,752</u>	<u>\$ 133,737</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Human Services
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 159,030	\$ 159,030	\$ 154,018	\$ (5,012)
SO Taxes	16,500	16,500	16,735	235
Intergovernmental	1,463,717	1,463,717	401,237	(1,062,480)
Miscellaneous	8,400	8,400	-	(8,400)
Total revenues	<u>1,647,647</u>	<u>1,647,647</u>	<u>571,990</u>	<u>(1,075,657)</u>
EXPENDITURES				
Current:				
Health and human services	1,688,191	1,688,191	501,895	1,186,296
Total Expenditures	<u>1,688,191</u>	<u>1,688,191</u>	<u>501,895</u>	<u>1,186,296</u>
Excess (deficiency) of revenues over expenditures	<u>(40,544)</u>	<u>(40,544)</u>	<u>70,095</u>	<u>110,639</u>
OTHER FINANCING SOURCES (USES)				
Other Sources	-	-	2,899	(2,899)
Transfers in	45,000	45,000	-	45,000
Total other financing sources and uses	<u>45,000</u>	<u>45,000</u>	<u>2,899</u>	<u>42,101</u>
Net change in fund balances	4,456	4,456	72,994	68,538
Fund balances - beginning	(46,659)	(46,659)	110,126	156,785
Fund balances - ending	<u>\$ (42,203)</u>	<u>\$ (42,203)</u>	<u>\$ 183,120</u>	<u>\$ 225,323</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Capital Expenditures
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 94,817	\$ 94,817	\$ 98,081	\$ 3,264
SO Taxes	8,700	8,700	10,460	1,760
Intergovernmental	10,500	10,500	19,762	9,262
Charges for services	158,900	158,900	215,514	56,614
Miscellaneous	8,200	8,200	31,012	22,812
Total revenues	<u>281,117</u>	<u>281,117</u>	<u>374,829</u>	<u>93,712</u>
EXPENDITURES				
Current:				
General government	62,000	62,000	29,943	32,057
Debt Service:				
Principal	140,061	140,061	188,206	(48,145)
Interest and other charges	13,683	13,683	14,549	(866)
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>5,000</u>	<u>20,000</u>
Total Expenditures	<u>240,744</u>	<u>240,744</u>	<u>237,698</u>	<u>3,046</u>
Excess (deficiency) of revenues over expenditures	<u>40,373</u>	<u>40,373</u>	<u>137,131</u>	<u>96,758</u>
Net change in fund balances	40,373	40,373	137,131	96,758
Fund balances - beginning	<u>242,625</u>	<u>242,625</u>	<u>290,477</u>	<u>47,852</u>
Fund balances - ending	<u>\$ 282,998</u>	<u>\$ 282,998</u>	<u>\$ 427,608</u>	<u>\$ 144,610</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Fairground Project
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 3,500	\$ 3,500	\$ -	\$ (3,500)
Investment earnings	-	-	34	34
Contributions	10,000	10,000	5,048	(4,952)
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>5,082</u>	<u>(8,418)</u>
EXPENDITURES				
Current:				
Culture and recreation	10,100	10,100	1,011	9,089
Debt Service:				
Principal	59,957	59,957	91,945	(31,988)
Capital Outlay	50,000	50,000	-	50,000
Total Expenditures	<u>120,057</u>	<u>120,057</u>	<u>92,956</u>	<u>27,101</u>
Excess (deficiency) of revenues over expenditures	<u>(106,557)</u>	<u>(106,557)</u>	<u>(87,874)</u>	<u>18,683</u>
Net change in fund balances	(106,557)	(106,557)	(87,874)	(18,683)
Fund balances - beginning	95,456	95,456	87,874	(7,582)
Fund balances - ending	<u>\$ (11,101)</u>	<u>\$ (11,101)</u>	<u>\$ -</u>	<u>\$ (26,265)</u>

**Phillips County, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2020**

	Ambulance Replacement	Conservation Trust	Contingent	E911	Economic Development	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 44,739	\$ 11,022	\$ 174,991	\$ 113,864	\$ 8,931	\$ 353,547
Other receivables	-	-	-	10,378	-	10,378
Total assets	<u>44,739</u>	<u>11,022</u>	<u>174,991</u>	<u>124,242</u>	<u>8,931</u>	<u>363,925</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	8,428	-	8,428
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,428</u>	<u>-</u>	<u>8,428</u>
Fund balances:						
Restricted for:						
TABOR	-	-	172,750	-	-	172,750
Committed	44,739	11,022	2,241	115,814	8,931	182,747
Total fund balances	<u>44,739</u>	<u>11,022</u>	<u>174,991</u>	<u>115,814</u>	<u>8,931</u>	<u>355,497</u>
Total liabilities and fund balances	<u>\$ 44,739</u>	<u>\$ 11,022</u>	<u>\$ 174,991</u>	<u>\$ 124,242</u>	<u>\$ 8,931</u>	<u>\$ 363,925</u>

Phillips County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	Ambulance Replacement	Conservation Trust	Contingent	E911	Economic Development	Total-Other Governmental Funds
REVENUES						
Intergovernmental	\$ -	\$ 11,205	\$ -	\$ -	\$ -	\$ 11,205
Charges for services	-	-	-	119,647	-	119,647
Investment earnings	4,074	4	2,241	-	-	6,319
Miscellaneous	4,000	-	-	73	55,172	59,245
Total revenues	<u>8,074</u>	<u>11,209</u>	<u>2,241</u>	<u>119,720</u>	<u>55,172</u>	<u>196,416</u>
EXPENDITURES						
Current:						
General government	81	-	-	-	38	119
Public Safety	-	-	-	39,148	-	39,148
Culture and recreation	-	288	-	-	-	288
Economic Development	-	-	-	-	65,144	65,144
Total Expenditures	<u>81</u>	<u>288</u>	<u>-</u>	<u>39,148</u>	<u>65,182</u>	<u>104,699</u>
Excess (deficiency) of revenues over expenditures	<u>7,993</u>	<u>10,921</u>	<u>2,241</u>	<u>80,572</u>	<u>(10,010)</u>	<u>91,717</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	8,000	-	-	-	25,500	33,500
Transfers out	-	-	-	(66,500)	-	(66,500)
Total other financing sources and uses	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>(66,500)</u>	<u>25,500</u>	<u>(33,000)</u>
Net change in fund balances	15,993	10,921	2,241	14,072	15,490	58,717
Fund balances - beginning	28,746	101	172,750	101,742	(6,559)	296,780
Fund balances - ending	<u>\$ 44,739</u>	<u>\$ 11,022</u>	<u>\$ 174,991</u>	<u>\$ 115,814</u>	<u>\$ 8,931</u>	<u>\$ 355,497</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Ambulance Replacement
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 200	\$ 200	\$ -	(200)
Investment earnings	-	-	4,074	\$ 4,074
Miscellaneous	8,000	8,000	4,000	(4,000)
Total revenues	8,200	8,200	8,074	(126)
EXPENDITURES				
Current:				
General government	-	-	81	(81)
Total Expenditures	-	-	81	(81)
Excess (deficiency) of revenues over expenditures	8,200	8,200	7,993	(207)
OTHER FINANCING SOURCES (USES)				
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	16,200	16,200	15,993	(207)
Fund balances - beginning	29,549	29,549	28,746	(803)
Fund balances - ending	\$ 45,749	\$ 45,749	\$ 44,739	\$ (1,010)

Phillips County, Colorado
Budget and Actual (with Variances)
Conservation Trust
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,750	\$ 8,750	\$ 11,205	\$ 2,455
Charges for services	12	12	-	(12)
Investment earnings	-	-	4	4
Total revenues	<u>8,762</u>	<u>8,762</u>	<u>11,209</u>	<u>2,447</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>8,750</u>	<u>8,750</u>	<u>288</u>	<u>8,462</u>
Total Expenditures	<u>8,750</u>	<u>8,750</u>	<u>288</u>	<u>8,462</u>
Excess (deficiency) of revenues over expenditures	<u>12</u>	<u>12</u>	<u>10,921</u>	<u>10,909</u>
SPECIAL ITEM				
Proceeds from sale capital assets	<u>-</u>	<u>8,750</u>	<u>-</u>	<u>8,750</u>
Net change in fund balances	<u>12</u>	<u>12</u>	<u>10,921</u>	<u>10,909</u>
Fund balances - beginning	<u>2,409</u>	<u>2,409</u>	<u>101</u>	<u>(2,308)</u>
Fund balances - ending	<u><u>\$ 2,421</u></u>	<u><u>\$ 2,421</u></u>	<u><u>\$ 11,022</u></u>	<u><u>\$ 8,601</u></u>

Phillips County, Colorado
Budget and Actual (with Variances)
Contingent
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 2,241	\$ 2,241
Total revenues	-	-	2,241	2,241
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	2,241	2,241
OTHER FINANCING SOURCES (USES)				
Transfers out	(171,931)	(171,931)	-	(171,931)
Total other financing sources and uses	(171,931)	(171,931)	-	(171,931)
Net change in fund balances	(171,931)	(171,931)	2,241	174,172
Fund balances - beginning	171,931	171,931	172,750	819
Fund balances - ending	\$ -	\$ -	\$ 174,991	\$ 174,991

Phillips County, Colorado
Budget and Actual (with Variances)
E911
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 116,900	\$ 116,900	\$ 119,647	\$ 2,747
Miscellaneous	2,500	2,500	73	(2,427)
Total revenues	<u>119,400</u>	<u>119,400</u>	<u>119,720</u>	<u>320</u>
EXPENDITURES				
Current:				
Public Safety	107,030	107,030	39,148	67,882
Capital Outlay	8,000	8,000	-	8,000
Total Expenditures	<u>115,030</u>	<u>115,030</u>	<u>39,148</u>	<u>75,882</u>
Excess (deficiency) of revenues over expenditures	<u>4,370</u>	<u>4,370</u>	<u>80,572</u>	<u>76,202</u>
OTHER FINANCING SOURCES (USES)				
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	4,370	4,370	14,072	9,702
Fund balances - beginning	87,216	87,216	101,742	14,526
Fund balances - ending	<u>\$ 91,586</u>	<u>\$ 91,586</u>	<u>\$ 115,814</u>	<u>\$ 24,228</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Economic Development
For the year ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 55,172	\$ 25,172
Total revenues	30,000	30,000	55,172	25,172
EXPENDITURES				
Current:				
Economic Development	60,631	60,631	65,144	(4,513)
Public Safety	-	-	38	(38)
Total Expenditures	60,631	60,631	65,182	(4,551)
Excess (deficiency) of revenues over expenditures	(30,631)	(30,631)	(10,010)	20,621
OTHER FINANCING SOURCES (USES)				
Transfers in	51,000	51,000	25,500	25,500
Total other financing sources and uses	51,000	51,000	25,500	25,500
Net change in fund balances	20,369	20,369	15,490	4,879
Fund balances - beginning	58,280	58,280	(6,559)	(64,839)
Fund balances - ending	\$ 78,649	\$ 78,649	\$ 8,931	\$ (59,960)

LOCAL HIGHWAY FINANCE REPORT		City or County: Phillips County, Colorado			
		YEAR ENDING : Dec-20			
This Information From The Records Of Phillips County, Colorado:		Prepared By: Laura Schroetlin 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		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	0		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,596,114		
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)	453,402	c. Other			
4. Miscellaneous local receipts (from page 2)	10,091	d. Total (a. through c.)	0		
5. Transfers from toll facilities		4. General administration & miscellaneous	11,332		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	1,607,446		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes	0	1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest			
7. Total (1 through 6)	463,493	b. Redemption			
B. Private Contributions		c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	1,185,441	2. Notes:			
D. Receipts from Federal Government (from page 2)	2,817	a. Interest	6,827		
E. Total receipts (A.7 + B + C + D)	1,651,751	b. Redemption	216,009		
		c. Total (a. + b.)	222,836		
		3. Total (1.c + 2.c)	222,836		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	1,830,282		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)				0	
1. Bonds (Refunding Portion)					
B. Notes (Total)	485,680	0	216,009	269,671	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,734,785	1,651,751	1,830,282	1,556,254	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): Dec-20	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	358,120	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	51,038	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	1,817
5. Specific Ownership &/or Other	44,244	g. Other Misc. Receipts	8,274
6. Total (1. through 5.)	95,282	h. Other sale of assets	0
c. Total (a. + b.)	453,402	i. Total (a. through h.)	10,091
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,172,143	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	13,298	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal	2,817
f. Total (a. through e.)	13,298	g. Total (a. through f.)	2,817
4. Total (1. + 2. + 3.f)	1,185,441	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		0	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: