

Phillips County, Colorado

Financial Statements

December 31, 2016

**Phillips County, Colorado
Annual Financial Report
December 31, 2016**

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Independent Auditor's Report

The Governing Body
Phillips County, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Phillips County, Colorado, (the County) as of and for the year ended December 31, 2016, 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, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iii–v and 25–29 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 supplementary information as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

rfarmer, llc

June 26, 2017

Phillips County, Colorado Management's Discussion and Analysis

December 31, 2016

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, 2016.

County Profile

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

Key Financial Factors

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

Fund Balance Review:

Fund Balances					
	2012	2013	2014	2015	2016
General	\$1,184,798	\$1,079,099	\$1,116,332	\$910,145	\$992,337
Road & Bridge	\$545,760	\$462,346	\$513,701	\$560,558	\$943,350
Human Services	\$50,859	\$40,032	\$53,420	\$86,699	\$94,771
Capital Expenditures	\$208,659	\$99,823	\$8,986	\$280,232	\$260,173
Other	<u>\$397,401</u>	<u>\$405,413</u>	<u>\$435,313</u>	<u>\$392,166</u>	<u>\$447,535</u>
	\$2,387,477	\$2,086,713	\$2,127,752	\$2,229,800	\$3,030,965

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

Assessed Value of the County

2012	2013	2014	2015	2016
\$60,314,002	\$73,632,698	\$77,496,957	\$91,193,806	\$88,413,157

In the five year period from 2012 to 2016, the county's assessed value increased \$28,099,155, a 46.58% increase. The valuation falls from 2015 to 2016, primarily because of a loss of oil and gas revenue. The substantial increase reflects positive overall growth in the county. The county's economy is primarily dependent on agriculture. Agriculture values have increased substantially because of high commodity prices in past years. Management must recognize that when those high commodity prices fall out of the assessment formula, the county will experience declines in assessed value.

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

Next Year's Budget and Rates: The County's General Fund balance at the end of fiscal year 2016 was \$992,337. 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 29.5% of the 2017 budgeted expenditures.

Capital Assets and Debt Administration:

The County's major purchases for capital assets in 2016 were:

2012 Chevrolet Impala	Fund 10 -Maintenance	\$10,550
2016 Ford Explorer	Fund 10 - Sheriff	\$31,291
E911 Software	Fund 911 – Comm Center	\$14,854
Artic Air Freezer	Fund 61 – Event Center	\$2,929
Quick Snow-Away 2140 Snowblower	Fund 10 – Maintenance	\$6,616
Quick Sweep Power Angle Broom	Fund 20 – Road & Bridge	\$5,507
Grapple	Fund 10 - Landfill	\$5,820
1980 Caterpillar Compactor	Fund 10 – Landfill	\$15,500
9 section Solenoid Regulator	Fund 10 – Weed & Pest	\$3,450
7 section sprayhead	Fund 10 – Weed & Pest	\$3,943
2010 Ford pickup	Fund 10 – Weed & Pest	\$18,500
Earth Auger	Fund 20 – Road & Bridge	\$4,802
Sidump'r trailer	Fund 10 & 20 Landfill/R&B	<u>\$49,340</u>
	TOTAL	\$173,102

The County paid off one lease-purchase agreement in 2016 and has one remaining in 2017 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, 2016

	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 2,910,698	\$ 2,910,698
Receivables	2,579,167	2,579,167
Due from other governmental agencies	42,614	42,614
Inventories	143,505	143,505
Capital assets		
Land	137,203	137,203
Infrastructure	2,063,724	2,063,724
Buildings	6,703,550	6,703,550
Equipment and furniture	5,870,152	5,870,152
Vehicles	1,269,295	1,269,295
Less: accumulated depreciation	<u>(8,472,327)</u>	<u>(8,472,327)</u>
Total Capital Assets	<u>7,571,597</u>	<u>7,571,597</u>
Total Assets	<u>13,247,581</u>	<u>13,247,581</u>
LIABILITIES		
Accounts payable and accrued expenses	129,385	129,385
Due to other governmental agencies	15,317	15,317
Long-term liabilities		
Due within one year		
Capital leases	30,736	30,736
Due in more than one year		
Compensated absences	<u>216,552</u>	<u>216,552</u>
Total Liabilities	<u>391,990</u>	<u>391,990</u>
DEFERRED CASH IN-FLOW OF RESOURCES		
Deferred revenues-property taxes	<u>2,500,324</u>	<u>2,500,324</u>
NET POSITION		
Net investment in capital assets	7,522,361	7,522,361
Restricted for:		
TABOR and enabling legislation	178,344	178,344
Unrestricted	<u>2,654,562</u>	<u>2,654,562</u>
Total Net Position	<u>\$ 10,355,267</u>	<u>\$ 10,355,267</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, 2016

<u>Functions/Programs</u>	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Total
Primary government					
Governmental Activities					
General Government	\$ 1,439,398	\$ 364,066	\$ 9,545	\$ (1,065,787)	\$ (1,065,787)
Public Safety	857,081	125,556	110,734	(620,791)	(620,791)
Highways and Streets	1,731,186	13,303	1,243,024	(474,859)	(474,859)
Health & Welfare	732,966	-	528,716	(196,250)	(196,250)
Culture and Recreation	725,029	185,648	9,580	(471,293)	(471,293)
Sanitation	338,343	192,766	-	(145,577)	(145,577)
Economic Development	26,616	-	-	(26,616)	(26,616)
Judicial	87,710	-	-	(87,710)	(87,710)
Total governmental activities	5,938,329	881,339	1,901,599	(3,088,883)	(3,088,883)
Total primary government	5,938,329	881,339	1,901,599	(3,088,883)	(3,088,883)
General revenues:					
Taxes:					
Property taxes, levied for general purposes				\$ 2,455,868	\$ 2,455,868
Sales & use taxes				545,635	545,635
Specific Ownership taxes				260,875	260,875
Unrestricted investment earnings				10,569	10,569
Miscellaneous				239,764	239,764
Special item - gain (loss) on disposition of assets				76,455	76,455
Transfers				(25,500)	(25,500)
Total general revenues, special items, and transfers				3,563,666	3,563,666
Change in net position				474,783	474,783
Net position - beginning				9,880,484	9,880,484
Net position - ending				\$ 10,355,267	\$ 10,355,267

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

Phillips County, Colorado
Balance Sheet
Governmental Funds
December 31, 2016

	General	Road & Bridge	Human Services	Capital Expenditures	Fairground Project	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,017,112	\$ 835,650	\$ 60,640	\$ 252,957	\$ 303,173	\$ 441,173	\$ 2,910,705
Taxes receivable, net	1,896,462	373,988	141,461	88,413	-	-	2,500,324
Due from State	-	-	42,614	-	-	-	42,614
Other receivables	34,042	15,677	6,834	11,071	-	11,219	78,843
Inventories	15,422	128,083	-	-	-	-	143,505
Total assets	<u>2,963,038</u>	<u>1,353,398</u>	<u>251,549</u>	<u>352,441</u>	<u>303,173</u>	<u>452,392</u>	<u>5,675,991</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	74,247	36,060	-	3,855	10,374	4,857	129,393
Payable to other governments	-	-	15,317	-	-	-	15,317
Other payables	(8)	-	-	-	-	-	(8)
Total liabilities	<u>74,239</u>	<u>36,060</u>	<u>15,317</u>	<u>3,855</u>	<u>10,374</u>	<u>4,857</u>	<u>144,702</u>
Deferred Cash In-flow of Resources:							
Deferred revenue-property taxes	<u>1,896,462</u>	<u>373,988</u>	<u>141,461</u>	<u>88,413</u>		-	<u>2,500,324</u>
Fund balances:							
Restricted for:							
TABOR and enabling legislation	-	-	10,693	-	-	167,651	178,344
Committed-Inventory	15,422	128,083	-	-	-	-	143,505
Committed-Equipment	-	73,250	-	-	-	-	73,250
Unassigned	976,915	-	-	-	-	-	976,915
Assigned, reported in:							
Special revenue funds	-	742,017	84,078	260,173	292,799	279,884	1,658,951
Total fund balances	<u>992,337</u>	<u>943,350</u>	<u>94,771</u>	<u>260,173</u>	<u>292,799</u>	<u>447,535</u>	<u>3,030,965</u>
Total liabilities and fund balances	<u>\$ 2,963,038</u>	<u>\$ 1,353,398</u>	<u>\$ 251,549</u>	<u>\$ 352,441</u>	<u>\$ 303,173</u>	<u>\$ 452,392</u>	<u>\$ 5,675,991</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, 2016

Total fund balance, governmental funds	\$ 3,030,965
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	7,571,595
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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.	(247,288)
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Rounding	<u>(5)</u>
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Net Assets of Governmental Activities in the Statement of Net Position	<u><u>\$ 10,355,267</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, 2016

	General	Road & Bridge	Human Services	Capital Expenditures	Fairground Project	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 1,901,487	\$ 323,263	\$ 142,509	\$ 88,609	\$ -	\$ -	\$ 2,455,868
SO Tax	197,825	38,996	14,829	9,225	-	-	260,875
Sales, Use and miscellaneous taxes	261,131	297,722	-	-	-	-	558,853
Fees and fines	1,678	-	-	-	-	-	1,678
Licenses and permits	1,355	2,974	-	-	-	-	4,329
Intergovernmental	112,933	1,229,807	525,944	9,077	-	9,580	1,887,341
Charges for services	352,507	12,294	-	178,368	-	249,315	792,484
Investment earnings	9,296	-	-	-	274	999	10,569
Miscellaneous	94,586	8,227	-	12,187	3,245	131,562	249,807
Rent received	56,348	-	-	-	58,508	-	114,856
Total revenues	<u>2,989,146</u>	<u>1,913,283</u>	<u>683,282</u>	<u>297,466</u>	<u>62,027</u>	<u>391,456</u>	<u>6,336,660</u>
EXPENDITURES							
Current:							
General government	1,263,627	15,250	-	59,047	-	60	1,337,984
Public safety	680,990	-	-	-	-	100,247	781,237
Streets & Highways	-	1,474,556	-	-	-	-	1,474,556
Health and Welfare	55,977	-	675,210	-	-	-	731,187
Culture and recreation	362,190	-	-	-	14,228	218,869	595,287
Judicial	87,710	-	-	-	-	-	87,710
Sanitation	290,419	-	-	-	-	-	290,419
Economic development	-	-	-	-	-	60,555	60,555
Debt Service:							
Principal	-	77,824	-	-	-	-	77,824
Interest and other charges	-	2,091	-	-	-	-	2,091
Capital outlay	107,543	37,225	-	13,479	-	14,854	173,101
Total Expenditures	<u>2,848,456</u>	<u>1,606,946</u>	<u>675,210</u>	<u>72,526</u>	<u>14,228</u>	<u>394,585</u>	<u>5,611,951</u>
Excess (deficiency) of revenues over expenditures	<u>140,690</u>	<u>306,337</u>	<u>8,072</u>	<u>224,940</u>	<u>47,799</u>	<u>(3,129)</u>	<u>724,709</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	(245,000)	245,000	58,500	58,500
Transfers out	(58,500)	-	-	-	-	-	(58,500)
Total other financing sources and uses	<u>(58,500)</u>	<u>-</u>	<u>-</u>	<u>(245,000)</u>	<u>245,000</u>	<u>58,500</u>	<u>-</u>
SPECIAL ITEM							
Proceeds from sale of assets	-	76,455	-	-	-	-	76,455
Net change in fund balances	82,190	382,792	8,072	(20,060)	292,799	55,371	801,164
Fund balances - beginning	910,147	560,558	86,699	280,233	-	392,164	2,229,801
Fund balances - ending	<u>\$ 992,337</u>	<u>\$ 943,350</u>	<u>\$ 94,771</u>	<u>\$ 260,173</u>	<u>\$ 292,799</u>	<u>\$ 447,535</u>	<u>\$ 3,030,965</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, 2016

Net change in fund balances - total governmental funds: \$ 801,164

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 \$173,101 was less than depreciation of \$561,091 in the current period. (387,990)

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

Governmental funds report capital lease payments as current financial resources. In contrast, the Statement of Activities treats such debt as a liability. Governmental funds report repayment of capital lease principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. 77,824

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 (16,212)

Rounding (3)

Change in net position of governmental activities \$ 474,783

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

Phillips County, Colorado
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2016

	TOTAL AGENCY FUNDS
ASSETS:	
Cash and cash equivalents	<u>\$ 1,617,200</u>
Total assets	<u><u>1,617,200</u></u>
LIABILITIES:	
Due to other governmental units	<u>1,617,200</u>
Total Liabilities	<u><u>\$ 1,617,200</u></u>

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

Phillips County, Colorado
Notes to Financial Statements
December 31, 2016

Note 1 Reporting Entity

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

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

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

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

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

Note 2 Summary of Significant Accounting Policies

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide and Fund Financial Statements The County government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the County accompanied by the total column. Fiduciary activities of the County are not included in these statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities

and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated. However, those transactions between governmental and business-type activities have not been eliminated.

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

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

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

The useful lives of the assets are:

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

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

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

Program-specific grants and contributions (operating and capital) include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes - to

purchase, construct or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the reporting government. These categories of program revenue are specifically attributable to a program and reduce the net expense of that program to the reporting government. Multipurpose grants (those that provide financing for more than one program) are reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application. Multipurpose grants that do not provide for specific identification of the programs and amounts are reported as general revenues.

Estimates

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

Interfund Transactions

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

Budgets and Budgetary Accounting

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

The budget calendar is as follows:

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

Assessors must certify to all taxing entities and the Division of Local Government of the new total assessed valuation and the amounts for the various factors needed to compute the statutory property tax revenue limits.

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

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

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

Supplemental budgets were adopted due to unanticipated revenues and expenditures.

Property Taxes

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

Vacation Days and Sick Leave

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

calendar year. Vacation time accrues for one year, and any amounts not used by December 31 of the following year are lost, except amounts approved by the Commissioners to carry to the subsequent year.

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

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

Contraband

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

Inventories

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

Note 3 Deposits and Investments

Deposits

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

Custodial Credit Risk

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

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

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

Note 4 Changes in Fixed Assets

Capital asset activity for the current year is shown below:

	Beginning Balance	Additions	Deletions	Ending Balances
Governmental Activities:				
Land	\$ 137,203	\$ -	\$ -	\$ 137,203
Total Capital Assets, Not Being Depreciated	137,203	-	-	137,203
Capital Assets Being Depreciated:				
Infrastructure	2,063,724	-	-	2,063,724
Buildings	6,703,550	-	-	6,703,550
Equipment	5,720,802	173,102	(23,752)	5,870,152
Vehicles	1,269,295	-	-	1,269,295
Total Capital Assets Being Depreciated	15,757,371	173,102	(23,752)	15,906,721
Less Accumulated Depreciation	(7,934,990)	(561,091)	-	(8,472,327)
Total Capital Assets Being Depreciated, Net	7,822,381	(387,989)	-	7,434,394
Governmental Activities Capital Assets, Net	\$ 7,959,584	\$ (387,989)	\$ -	\$ 7,571,597

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

Governmental activities:

General government	\$ 51,263
Public safety	75,844
Public Works	254,540
Sanitation	49,703
Health & Welfare	-
Culture & Recreation	<u>129,741</u>
Total depreciation expense-governmental activities	<u>\$ 561,091</u>

Note 5 Joint Ventures

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

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

Financial information is available from CTSI.

Note 6 Pension Plan

Defined Contribution Plan

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

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

During 2016 the employee and employer paid \$75,812 each into CCOERA. Total salaries were \$2,282,818 with qualifying salaries being \$1,895,297.

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 2016, the County entered into an operating lease for three (3) 772G Motor Graders. The agreement calls for 36 monthly payments of \$1,747 with a purchase option of \$214,500 per motor grader. The purchase option date is January 2019. The 2017 and 2018 annual payments are \$20,964 per year per motor grader or \$62,892 for all 3 motor graders.

Note 8 Transfers

The transfers made during 2016 were from the General Fund to the Economic Development Fund, Ambulance Replacement Fund, and Fair Fund in the amounts of \$25,500, \$8,000, and \$25,000, respectively. The Capital Expenditures fund also transferred \$245,000 to the Fairgrounds Improvement Fund during 2016.

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

Non-recurring or non-routine transfers of equity between funds are referred to as residual equity transfers and are reported as additions to or

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

Note 9 Risk Management

County Workers' Compensation Pool

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

Colorado Counties Casualty and Property Pool

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

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

Note 10 Tax, Spending and Debt Limitations

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

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

Note 11 Reserved Fund Balances

With the passage of Amendment One to the Colorado State Constitution, the County has reserved at least 3 percent of its spending limitation for emergencies. For 2016, \$167,651 has been reflected as the emergency reserve.

Note 12 Landfill

State and federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. At December 31, 2016, the County has closed 25.3% of the estimated capacity of the landfill. The County expects the closure and post-closure liability to be \$323,145 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 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Note 13 Lease Purchase

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

Due Date	Interest	Principal
February 21, 2017	\$ 723	\$ 30,736

Changes in long-term debt:

	Beginning Balance	Additions	Payments	Ending Balances	Current Portion
Equipment Lease	\$ 47,152	\$ -	\$ (47,152)	\$ -	\$ -
Equipment Lease	61,408	-	(30,672)	30,736	30,736
Compensated Absences	200,340	16,212	-	216,552	-
	<u>\$ 308,900</u>	<u>\$ 16,212</u>	<u>\$ (77,824)</u>	<u>\$ 247,288</u>	<u>\$ 247,288</u>

Note 14 Fund Balance

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

- *Non-spendable balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained for specific purposes according to the limitations imposed by the County's highest level of decision-making authority, the County Commissioners, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.
- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes but are neither restricted nor committed. The intended use may be expressed by the County Commissioners or other individuals authorized to assign funds to

be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

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

Note 15 Schedule of EBT Authorizations

Refer to the following page for EBT authorizations during 2016.

Note 15

**Phillips County Department of Social Services
Human Services Fund
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures
for the year ended December 31, 2016**

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	County EBT Authorizations and Expenditures by County Warrant	Total Expenditures
Regular County Administration	\$ -	\$ -	\$ 167,917	\$ 167,917	\$ 167,917
HCA EBT	1,710	86	-	1,710	86
LEAP EBT Admin.	47,859	-	5,705	53,564	5,705
AND EBT	6,382	1,276	-	6,382	1,276
Child Support - Admin	-	-	79,637	79,637	79,637
Colo Works - Administration	-	-	34,709	34,709	34,709
Colo Works - EBT	72,137	11,056	-	72,137	11,056
Employment First	1,967	917	11,929	13,896	12,846
General Assistance	-	-	2,315	2,315	2,315
Adult Protective Serv - Administration	-	-	17,053	17,053	17,053
Old Age Pension - EBT & Admin	59,358	-	4,836	64,194	4,836
Child Care - Admin	-	-	39,842	39,842	39,842
Child Care - EBT	57,520	8,950	-	57,520	8,950
Child Welfare - 100% Admin	-	-	23,751	23,751	23,751
Child Welfare - 80% Admin	-	-	192,556	192,556	192,556
Child Welfare - Rel Child Care Admin	-	-	3,135	3,135	3,135
Child Welfare - Res Mental Health	11,408	2,281	-	11,408	2,281
Child Welfare - Sub Adopt	18,210	3,642	-	18,210	3,642
Child Welfare - Case Services	275	55	-	275	55
Child Welfare - OOH	79,572	18,118	-	79,572	18,118
Child Welfare - Rel Child Care EBT	4,152	830	-	4,152	830
Child Welfare - Grant	-	-	5,366	5,366	5,366
Core Services - Admin	4,517	-	35,438	39,955	35,438
County Only	-	-	619	619	619
Sub-Total	365,067	47,211	624,808	989,875	672,019
Food Assistance	513,337	-	(1,286)	512,051	(1,286)
Grand Total	\$ 878,404	\$ 47,211	\$ 623,522	\$ 1,501,926	\$ 670,733

Phillips County, Colorado
Budget and Actual (with Variances)
General
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,897,831	\$ 1,897,831	\$ 1,901,487	\$ 3,656
SO Tax	175,000	175,000	197,825	22,825
Sales and miscellaneous taxes	205,000	205,000	261,131	56,131
Fees and fines	620	620	1,678	1,058
Licenses and permits	1,075	1,075	1,355	280
Intergovernmental	101,954	101,954	112,933	10,979
Charges for services	214,900	214,900	352,507	137,607
Investment earnings	4,500	4,500	9,296	4,796
Rent	46,000	46,000	56,348	10,348
Miscellaneous	82,060	82,060	94,586	12,526
Total revenues	<u>2,728,940</u>	<u>2,728,940</u>	<u>2,989,146</u>	<u>260,206</u>
EXPENDITURES				
Current:				
General Government	1,385,306	1,393,406	1,263,627	129,779
Public Safety	827,652	830,124	680,990	149,134
Health and sanitation	440,566	444,658	346,396	98,262
Culture and recreation	389,244	389,244	362,190	27,054
Judicial	87,710	87,710	87,710	-
Capital Outlay	170,500	170,500	107,543	62,957
Total Expenditures	<u>3,300,978</u>	<u>3,315,642</u>	<u>2,848,456</u>	<u>467,186</u>
Excess (deficiency) of revenues over expenditures	<u>(572,038)</u>	<u>(586,702)</u>	<u>140,690</u>	<u>727,392</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(58,500)</u>	<u>(58,500)</u>	<u>(58,500)</u>	<u>-</u>
Total other financing sources and uses	<u>(58,500)</u>	<u>(58,500)</u>	<u>(58,500)</u>	<u>-</u>
Net change in fund balances	(630,538)	(645,202)	82,190	727,392
Fund balances - beginning	983,150	983,150	910,147	(73,003)
Fund balances - ending	<u>\$ 352,612</u>	<u>\$ 337,948</u>	<u>\$ 992,337</u>	<u>\$ 654,389</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Road & Bridge
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 373,895	\$ 373,895	\$ 323,263	\$ (50,632)
SO Taxes	29,000	29,000	38,996	9,996
Sales and miscellaneous taxes	286,000	286,000	297,722	11,722
Licenses and permits	-	-	2,974	2,974
Intergovernmental	1,158,186	1,158,186	1,229,807	71,621
Charges for services	-	-	12,294	12,294
Miscellaneous	-	-	8,227	8,227
Total revenues	<u>1,847,081</u>	<u>1,847,081</u>	<u>1,913,283</u>	<u>66,202</u>
EXPENDITURES				
Current:				
General government	12,000	12,000	15,250	(3,250)
Highways and roads	1,761,830	1,761,830	1,474,556	287,274
Debt Service:				
Principal	56,900	56,900	77,824	(20,924)
Interest and other charges	1,970	1,970	2,091	(121)
Capital Outlay	<u>250,000</u>	<u>250,000</u>	<u>37,225</u>	<u>212,775</u>
Total Expenditures	<u>2,082,700</u>	<u>2,082,700</u>	<u>1,606,946</u>	<u>475,754</u>
Excess (deficiency) of revenues over expenditures	<u>(235,619)</u>	<u>(235,619)</u>	<u>306,337</u>	<u>541,956</u>
SPECIAL ITEM				
Proceeds from sale capital assets	-	-	76,455	(76,455)
Net change in fund balances	<u>(235,619)</u>	<u>(235,619)</u>	<u>382,792</u>	<u>618,411</u>
Fund balances - beginning	449,760	449,760	560,558	110,798
Fund balances - ending	<u>\$ 214,141</u>	<u>\$ 214,141</u>	<u>\$ 943,350</u>	<u>\$ 729,209</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Human Services
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 142,262	\$ 142,262	\$ 142,509	\$ 247
SO Taxes	29,980	29,980	14,829	(15,151)
Intergovernmental	709,856	709,856	525,944	(183,912)
Total revenues	<u>882,098</u>	<u>882,098</u>	<u>683,282</u>	<u>(198,816)</u>
EXPENDITURES				
Current:				
Health and human services	891,089	891,089	675,210	215,879
Total Expenditures	<u>891,089</u>	<u>891,089</u>	<u>675,210</u>	<u>215,879</u>
Excess (deficiency) of revenues over expenditures	<u>(8,991)</u>	<u>(8,991)</u>	<u>8,072</u>	<u>17,063</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	-	30,000
Total other financing sources and uses	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net change in fund balances	21,009	21,009	8,072	(12,937)
Fund balances - beginning	96,498	96,498	86,699	(9,799)
Fund balances - ending	<u>\$ 117,507</u>	<u>\$ 117,507</u>	<u>\$ 94,771</u>	<u>\$ (22,736)</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Capital Expenditures
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 88,458	\$ 88,458	\$ 88,609	\$ 151
SO Taxes	8,800	8,800	9,225	425
Intergovernmental	350,000	350,000	9,077	(340,923)
Charges for services	113,000	113,000	178,368	65,368
Miscellaneous	16,500	16,500	12,187	(4,313)
Total revenues	<u>576,758</u>	<u>576,758</u>	<u>297,466</u>	<u>(279,294)</u>
EXPENDITURES				
Current:				
General government	26,550	26,550	59,047	(32,497)
Capital Outlay	<u>450,000</u>	<u>450,000</u>	<u>13,479</u>	<u>436,521</u>
Total Expenditures	<u>476,550</u>	<u>476,550</u>	<u>72,526</u>	<u>404,024</u>
Excess (deficiency) of revenues over expenditures	<u>100,208</u>	<u>100,208</u>	<u>224,940</u>	<u>124,730</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(245,000)	245,000
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(245,000)</u>	<u>245,000</u>
Net change in fund balances	100,208	100,208	(20,060)	(120,268)
Fund balances - beginning	<u>261,257</u>	<u>261,257</u>	<u>280,233</u>	<u>18,976</u>
Fund balances - ending	<u>\$ 361,465</u>	<u>\$ 361,465</u>	<u>\$ 260,173</u>	<u>\$ (101,292)</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Fairground Project
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,245	\$ 3,245
Investment earnings	-	-	274	274
Contributions	-	-	58,508	58,508
Total revenues	-	-	62,027	62,027
EXPENDITURES				
Culture and recreation	-	14,500	14,228	272
Total Expenditures	-	14,500	14,228	272
Excess (deficiency) of revenues over expenditures	-	(14,500)	47,799	62,299
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	245,000	(245,000)
Total other financing sources and uses	-	-	245,000	(245,000)
Net change in fund balances	-	(14,500)	292,799	(307,299)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (14,500)	\$ 292,799	\$ (307,299)

Phillips County, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2016

	Ambulance Replacement	Conservation Trust	Contingent	E911	Fair	Jr. Livestock Sale	Economic Development	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 45,777	\$ 56,224	\$ 168,451	\$ 123,010	\$ 32,906	\$ 5,819	\$ 8,986	\$ 441,173
Other receivables	-	-	-	11,219	-	-	-	11,219
Total assets	<u>45,777</u>	<u>56,224</u>	<u>168,451</u>	<u>134,229</u>	<u>32,906</u>	<u>5,819</u>	<u>8,986</u>	<u>452,392</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	-	-	4,857	-	-	-	4,857
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,857</u>
Fund balances:								
Restricted for:								
TABOR	-	-	167,651	-	-	-	-	167,651
Assigned	45,777	56,224	800	129,372	32,906	5,819	8,986	279,884
Total fund balances	<u>45,777</u>	<u>56,224</u>	<u>168,451</u>	<u>129,372</u>	<u>32,906</u>	<u>5,819</u>	<u>8,986</u>	<u>447,535</u>
Total liabilities and fund balances	<u>\$ 45,777</u>	<u>\$ 56,224</u>	<u>\$ 168,451</u>	<u>\$ 134,229</u>	<u>\$ 32,906</u>	<u>\$ 5,819</u>	<u>\$ 8,986</u>	<u>\$ 452,392</u>

Phillips County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	Ambulance Replacement	Conservation Trust	Contingent	E911	Fair	Jr. Livestock Sale	Economic Development	Total-Other Governmental Funds
REVENUES								
Intergovernmental	\$ -	\$ 9,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,580
Charges for services	-	-	-	109,292	5,325	134,698	-	249,315
Investment earnings	91	98	800	-	-	10	-	999
Miscellaneous	8,000	-	-	30,000	58,450	-	35,112	131,562
Total revenues	8,091	9,678	800	139,292	63,775	134,708	35,112	391,456
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	60	60
Public Safety	-	-	-	100,247	-	-	-	100,247
Culture and recreation	-	-	-	-	85,091	133,778	-	218,869
Economic Development	-	-	-	-	-	-	60,555	60,555
Capital Outlay	-	-	-	14,854	-	-	-	14,854
Total Expenditures	-	-	-	115,101	85,091	133,778	60,615	394,585
Excess (deficiency) of revenues over expenditures	8,091	9,678	800	24,191	(21,316)	930	(25,503)	(3,129)
OTHER FINANCING SOURCES (USES)								
Transfers in	8,000	-	-	-	25,000	-	25,500	58,500
Total other financing sources and uses	8,000	-	-	-	25,000	-	25,500	58,500
Net change in fund balances	16,091	9,678	800	24,191	3,684	930	(3)	55,371
Fund balances - beginning	29,686	46,546	167,651	105,181	29,222	4,889	8,989	392,164
Fund balances - ending	\$ 45,777	\$ 56,224	\$ 168,451	\$ 129,372	\$ 32,906	\$ 5,819	\$ 8,986	\$ 447,535

Phillips County, Colorado
Budget and Actual (with Variances)
Ambulance Replacement
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 91	\$ 91
Miscellaneous	8,000	8,000	8,000	-
Total revenues	8,000	8,000	8,091	91
EXPENDITURES				
Current:				
Capital Outlay	37,670	37,670	-	37,670
Total Expenditures	37,670	37,670	-	37,670
Excess (deficiency) of revenues over expenditures	(29,670)	(29,670)	8,091	37,761
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	(21,670)	(21,670)	16,091	37,761
Fund balances - beginning	29,677	29,677	29,686	9
Fund balances - ending	<u>\$ 8,007</u>	<u>\$ 8,007</u>	<u>\$ 45,777</u>	<u>\$ 37,770</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Conservation Trust
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 11,500	\$ 11,500	\$ 9,580	\$ (1,920)
Investment earnings	30	30	98	68
Miscellaneous	8,000	8,000	-	(8,000)
Total revenues	<u>19,530</u>	<u>19,530</u>	<u>9,678</u>	<u>(9,852)</u>
EXPENDITURES				
Current:				
Culture and recreation	66,000	66,000	-	66,000
Total Expenditures	<u>66,000</u>	<u>66,000</u>	<u>-</u>	<u>66,000</u>
Excess (deficiency) of revenues over expenditures	<u>(46,470)</u>	<u>(46,470)</u>	<u>9,678</u>	<u>56,148</u>
Net change in fund balances	(46,470)	(46,470)	9,678	56,148
Fund balances - beginning	52,804	52,804	46,546	(6,258)
Fund balances - ending	<u>\$ 6,334</u>	<u>\$ 6,334</u>	<u>\$ 56,224</u>	<u>\$ 49,890</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Contingent
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 500	\$ 500	\$ 800	\$ 300
Total revenues	500	500	800	300
EXPENDITURES				
Contingency	168,151	168,151	-	168,151
Total Expenditures	168,151	168,151	-	168,151
Excess (deficiency) of revenues over expenditures	(167,651)	(167,651)	800	168,451
Net change in fund balances	(167,651)	(167,651)	800	168,451
Fund balances - beginning	167,651	167,651	167,651	-
Fund balances - ending	\$ -	\$ -	\$ 168,451	\$ 168,451

Phillips County, Colorado
Budget and Actual (with Variances)
E911
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 117,453	\$ 117,453	\$ 109,292	\$ (8,161)
Miscellaneous	-	-	30,000	30,000
Total revenues	<u>117,453</u>	<u>117,453</u>	<u>139,292</u>	<u>21,839</u>
EXPENDITURES				
Current:				
Public Safety	133,675	133,675	100,247	33,428
Capital Outlay	10,000	10,000	14,854	(4,854)
Total Expenditures	<u>143,675</u>	<u>143,675</u>	<u>115,101</u>	<u>28,574</u>
Excess (deficiency) of revenues over expenditures	<u>(26,222)</u>	<u>(26,222)</u>	<u>24,191</u>	<u>50,413</u>
Net change in fund balances	(26,222)	(26,222)	24,191	50,413
Fund balances - beginning	61,660	61,660	105,181	43,521
Fund balances - ending	<u>\$ 35,438</u>	<u>\$ 35,438</u>	<u>\$ 129,372</u>	<u>\$ 93,934</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Fair
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 5,325	\$ 5,325
Miscellaneous	57,700	63,774	58,450	(5,324)
Total revenues	57,700	63,774	63,775	1
EXPENDITURES				
Current:				
Culture and recreation	75,600	85,100	85,091	9
Total Expenditures	75,600	85,100	85,091	9
Excess (deficiency) of revenues over expenditures	(17,900)	(21,326)	(21,316)	10
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	25,000	-
Total other financing sources and uses	25,000	25,000	25,000	-
Net change in fund balances	7,100	3,674	3,684	10
Fund balances - beginning	25,792	25,792	29,222	3,430
Fund balances - ending	\$ 32,892	\$ 29,466	\$ 32,906	\$ 3,440

Phillips County, Colorado
Budget and Actual (with Variances)
Jr. Livestock Sale
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charge for services	\$ -	\$ -	\$ 134,698	\$ 134,698
Investment earnings	-	-	10	10
Miscellaneous	150,000	150,000	-	(150,000)
Total revenues	150,000	150,000	134,708	(15,292)
EXPENDITURES				
Current:				
Culture and recreation	150,000	150,000	133,778	16,222
Total Expenditures	150,000	150,000	133,778	16,222
Excess (deficiency) of revenues over expenditures	-	-	930	930
Net change in fund balances	-	-	930	930
Fund balances - beginning	4,829	4,829	4,889	(60)
Fund balances - ending	\$ 4,829	\$ 4,829	\$ 5,819	\$ 870

Phillips County, Colorado
Budget and Actual (with Variances)
Economic Development
For the year ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 38,000	\$ 38,000	\$ 35,112	\$ (2,888)
Total revenues	38,000	38,000	35,112	(2,888)
EXPENDITURES				
Current:				
Economic Development	58,988	60,615	60,555	60
Public Safety	-	-	60	(60)
Total Expenditures	58,988	60,615	60,615	-
Excess (deficiency) of revenues over expenditures	(20,988)	(22,615)	(25,503)	(2,888)
OTHER FINANCING SOURCES (USES)				
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	4,512	2,885	(3)	2,888
Fund balances - beginning	5,261	5,261	8,989	3,728
Fund balances - ending	<u>\$ 9,773</u>	<u>\$ 8,146</u>	<u>\$ 8,986</u>	<u>\$ 6,616</u>

LOCAL HIGHWAY FINANCE REPORT		City or County: Phillips County, Colorado	
		YEAR ENDING : Dec-16	
This Information From The Records Of Phillips County, Colorado:		Prepared By: Randy Schafer Phone: 970-854-3778	

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
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:	1,511,781
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)	649,737	c. Other	
4. Miscellaneous local receipts (from page 2)	96,961	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	15,250
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,527,031
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)	746,698	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,243,025	2. Notes:	
D. Receipts from Federal Government (from page 2)	15	a. Interest	2,091
E. Total receipts (A.7 + B + C + D)	1,989,738	b. Redemption	77,824
		c. Total (a. + b.)	79,915
		3. Total (1.c + 2.c)	79,915
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,606,946

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)	0	0		0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	560,558	1,989,738	1,606,946	943,350	0
Notes and Comments:					

(Next Page)

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): Dec-16	
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	323,263	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	284,504	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	76,515
4. Licenses	2,974	f. Charges for Services	12,294
5. Specific Ownership &/or Other	38,996	g. Other Misc. Receipts	8,152
6. Total (1. through 5.)	326,474	h. Other undepreciated basis of assets	0
c. Total (a. + b.)	649,737	i. Total (a. through h.)	96,961
	(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	1,229,807	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	13,218	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal	15
f. Total (a. through e.)	13,218	g. Total (a. through f.)	15
4. Total (1. + 2. + 3.f)	1,243,025	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:			

Phillips County, Colorado
Schedule of Due From/ Due to the State of Colorado
Human Services Fund
for the year ended December 31, 2016

	<u>Due From</u>	<u>Due To</u>
County Administration- State	\$ 7,647	\$ -
County Administration- HCPF	7,627	-
Child Care	1,455	-
Child Welfare- State	13,679	-
Child Welfare- HCPF	104	-
Child Support	3,537	-
Colorado Works	2,954	-
LEAP	1,455	-
AND	-	149
FA Job Search	128	-
APS	556	-
OAP	420	-
TANF	39	-
State Incentives	297	-
Federal Incentives	14	-
Food Assistance	-	110
CORE- State	2,917	-
CORE- HCPF	44	-
	<u>\$ 42,873</u>	<u>\$ 259</u>
Due From (Net)	<u>\$ 42,614</u>	