

Prowers County, Colorado

Financial Statements

December 31, 2016



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**Prowers County, Colorado
Annual Financial Report
For The Year Ended December 31, 2016**

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Independent Auditor's Report

The Board of County Commissioners
Prowers County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Prowers County, (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 did not audit the financial statements of the Department of Human Services, which represent 3.3% percent, 2.4% percent, and 22.0% percent, respectively, of the assets, net position, and revenues of the County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the County, is based solely on the report of the other auditors. 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, based on our audit and the report of the other auditors, 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 required budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 and other information including 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 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 by us and the other auditors. 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 5, 2017

Management Discussion and Analysis

As management of the County of Prowers, we offer readers this narrative overview and analysis of the financial activities of Prowers County for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

- Prowers County's assets exceeded liabilities by \$18,914,857 at December 31, 2016.
- The General Fund balance was \$1,118,219 as of December 31, 2016 which is \$34,440 less than at the same time the previous year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a manner similar to a private sector business.

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

The *statement of activities* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Prowers County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The basic governmental fund financial statements can be found on page 5 of this report.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 9.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 24 of this report.

Budgetary Comparisons. The Prowers County Commissioners adopt an annual appropriated budget for all funds in accordance with Colorado Revised Statutes. Budgetary comparison statements have been provided for the financial statements on pages 25 through 30 and 33 through 38 of this report.

Government-wide Financial Analysis

Net Position. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of December 31, 2016, Prowers County's assets exceeded liabilities by \$18,914,857.

The following table provides a summary of the County's net assets:

	12/31/16	12/31/15
Assets:		
Current and other assets	22,076,808	21,727,582
Capital assets	<u>7,263,283</u>	<u>6,960,038</u>
Total Assets	\$29,340,091	\$28,687,620
Liabilities:		
Current liabilities	6,485,083	6,780,256
Long Term liabilities	<u>444,136</u>	<u>445,830</u>
Total Liabilities	\$6,929,219	\$7,226,086
Net Position:		
Invested in capital assets	7,175,443	6,850,238
Unrestricted	<u>11,739,414</u>	<u>11,172,666</u>
Total Net Position	\$18,914,857	\$18,022,904

A significant portion of Prowers County's net position represents unrestricted net assets of \$11,739,414, which may be used to meet the County's ongoing obligations to its citizens. The County's net position also reflects its investment in capital assets. These assets include land, buildings, equipment, and vehicles. These capital assets are used to provide services to citizens; consequently, they are not available for future spending.

The following table indicates the changes in net assets:

	2016	2015
Revenues:		
Program Revenues:		
Operating Grants and Contributions	8,671,553	8,298,758
Capital Grants and Contributions	201,559	23,500
Charges for Services	1,021,261	1,044,824
General Revenues:		
Property and S.O. Taxes	5,841,416	5,674,794
Investment Earnings	141,435	121,396
Miscellaneous	478,799	437,924
Gain or Loss on Sale of Assets	<u>100</u>	<u>2,685</u>
Total Revenues	\$16,356,123	\$15,603,881
Expenses:		
Program Services	<u>15,464,171</u>	<u>15,119,020</u>
Total Expenses	\$15,464,171	\$15,119,020
Increase in Net Assets	<u>891,952</u>	<u>484,861</u>

Governmental Activities. Governmental activities increased Prowers County's net position by \$891,952 during the current year. Key elements are as follows:

- Total revenues were \$16,356,123, up 4.82% from the prior year.
- Expenses totaled \$15,464,171. This represents a 2.28% increase over the previous year.

General Fund Budgetary Highlights

Prowers County’s budgets are prepared according to Colorado Revised Statutes.

	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balances	416,509	1,152,659
Revenue	4,857,367	4,973,608
Expenditures	6,936,331	6,399,001
Transfers	1,890,853	1,390,853
Special Item	11,000	100
Ending Fund Balance	<u>\$239,398</u>	<u>\$1,118,219</u>

All categories of spending were less than the appropriated amounts within the annual budget.

Capital Asset and Debt Administration

Capital Assets. Prowers County’s investment in capital assets for its governmental type activities as of December 31, 2016, was \$7,211,947. This amount represents a net increase of \$251,909 from last year.

The County implemented the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated. Additional information on the County’s capital assets can be found in Note 4 of this report.

This year’s major capital asset additions include:

\$22,236	Human Services vehicle
\$42,543	Public Health vehicles
\$60,115	Sheriff vehicles and equipment
\$326,260	Road and Bridge vehicles and equipment
\$470,249	Courthouse upgrades

Requests for Information

This report is designed to provide a general overview of Prowers County’s finances for all those with an interest. Questions concerning any of the information provided or for additional information should be addressed to Janet Lundy, Prowers County Finance Director/Budget Officer, 301 South Main Street, Suite 215, Lamar, Colorado 81052.

**Prowers County
Statement of Net Position
December 31, 2016**

	Governmental Activities	Total
ASSETS		
Cash and Equivalents	\$ 17,261,491	\$ 17,261,491
Receivables	4,815,317	4,815,317
Capital Assets		
Land, water shares, and other intangibles	499,596	499,596
Buildings	8,663,522	8,663,522
Equipment and Furniture	8,192,701	8,192,701
Less: Accumulated Depreciation	(10,092,536)	(10,092,536)
Total Capital Assets	7,263,283	7,263,283
Total Assets	29,340,091	29,340,091
LIABILITIES		
Accounts payable and accrued expenses	370,663	370,663
Due to fiscal agent	26,587	26,587
Unearned Revenues	5,971,309	5,971,309
Long-term liabilities		
Due within one year		
Bonds, capital leases and contracts	21,960	21,960
Compensated Absences	94,564	94,564
Due in more than one year		
Bonds, capital leases and contracts	65,880	65,880
Compensated absences	378,256	378,256
Total liabilities	6,929,219	6,929,219
Deferred Inflows of Resources		
Deferred property taxes	3,496,015	3,496,015
NET POSITION		
Net investment in capital assets	7,175,443	7,175,443
Unrestricted	11,739,414	11,739,414
Total net position	\$ 18,914,857	\$ 18,914,857

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

Prowers County
Statement of Activities
For the Year Ended December 31, 2016

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary government						
Governmental Activities						
General Government	\$ 4,504,650	\$ 577,650	\$ 428,216	\$ 201,559	\$ (3,297,225)	\$ (3,297,225)
Public Safety	3,292,141	256,833	935,320	-	(2,079,988)	(2,079,988)
Public Works	2,092,349	12,143	2,495,716	-	415,510	415,510
Public Health and Human Services	5,314,575	181,233	4,697,869	-	(435,473)	(435,473)
Culture and Recreation	211,304	(6,598)	45,280	-	(172,622)	(172,622)
Community Development	49,152	-	49,152	-	-	-
Total governmental activities	<u>15,464,171</u>	<u>1,021,261</u>	<u>8,671,553</u>	<u>201,559</u>	<u>(5,569,798)</u>	<u>(5,569,798)</u>
Total primary government	<u>15,464,171</u>	<u>1,021,261</u>	<u>8,671,553</u>	<u>201,559</u>	<u>(5,569,798)</u>	<u>(5,569,798)</u>

General revenues:

Taxes:		
Property taxes, levied for general purposes	\$ 3,468,901	\$ 3,468,901
Cigarette taxes	2,399	2,399
Sales and SO taxes	2,370,116	2,370,116
Unrestricted investment earnings	141,435	141,435
Miscellaneous	478,799	478,799
Special item - gain (loss) on sale of fixed assets	100	100
Total general revenues, special items, and transfers	<u>6,461,750</u>	<u>6,461,750</u>
Change in net assets	891,952	891,952
Net position - beginning	18,022,905	18,022,905
Net position - ending	<u>\$ 18,914,857</u>	<u>\$ 18,914,857</u>

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

**Prowers County
Balance Sheet
Governmental Funds
December 31, 2016**

	General	Road & Bridge	Human Services	Sales & Use Tax	Public Health	Hotline County Connection Center	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 1,106,307	\$ 9,965,830	\$ 304,368	\$ 4,049,715	\$ 815,004	\$ 182,495	\$ 837,770	\$ 17,261,489
Taxes receivable, net	2,788,319	386,016	321,680	-	-	-	-	3,496,015
Receivable from other governments	-	-	70,688	-	-	-	-	70,688
Other receivables	183,104	161,119	51,078	283,048	389,600	73,425	107,241	1,248,615
Total assets	<u>4,077,730</u>	<u>10,512,965</u>	<u>747,814</u>	<u>4,332,763</u>	<u>1,204,604</u>	<u>255,920</u>	<u>945,011</u>	<u>22,076,807</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	171,192	58,187	4,778	-	132,505	1,132	2,870	370,664
Unearned revenue	-	5,850,000	104,945	-	16,364	-	-	5,971,309
Due to fiscal agent	-	-	26,587	-	-	-	-	26,587
Total liabilities	<u>171,192</u>	<u>5,908,187</u>	<u>136,310</u>	<u>-</u>	<u>148,869</u>	<u>1,132</u>	<u>2,870</u>	<u>6,368,560</u>
Deferred Inflows of Resources:								
Deferred property taxes	<u>2,788,319</u>	<u>386,016</u>	<u>321,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,496,015</u>
Fund balances:								
Committed:								
Capital Improvements	-	480,000	-	-	-	-	-	480,000
Unassigned	1,118,219	-	-	-	-	-	-	1,118,219
Assigned:								
Special revenue funds	-	3,738,762	289,824	4,332,763	1,055,735	254,788	942,141	10,614,013
Total fund balances	<u>1,118,219</u>	<u>4,218,762</u>	<u>289,824</u>	<u>4,332,763</u>	<u>1,055,735</u>	<u>254,788</u>	<u>942,141</u>	<u>12,212,232</u>
Total liabilities and fund balances	<u>\$ 4,077,730</u>	<u>\$ 10,512,965</u>	<u>\$ 747,814</u>	<u>\$ 4,332,763</u>	<u>\$ 1,204,604</u>	<u>\$ 255,920</u>	<u>\$ 945,011</u>	<u>\$ 22,076,807</u>

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

Prowers County
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2016

Total fund balance, governmental funds	\$	12,212,232
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>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 Assets.</p>		7,263,283
<p>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 Assets.</p>		(560,660)
Adjustment due to rounding		2
Net Assets of Governmental Activities in the Statement of Net Position	\$	18,914,857

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

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

	General	Road & Bridge	Human Services	Sales & Use Tax	Public Health	Hotline County Connection Center	Other Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	\$ 2,755,576	\$ 376,388	\$ 326,449	\$ -	\$ -	\$ -	\$ 4	\$ 3,458,417
SO tax	410,708	78,552	33,198	-	-	-	-	522,458
Sales and miscellaneous taxes	2,399	-	-	1,746,165	-	-	-	1,748,564
Lodging tax	-	-	-	-	-	-	101,493	101,493
Fees and fines	-	-	-	-	-	-	36,118	36,118
Licenses and permits	-	-	-	-	23,004	-	-	23,004
Intergovernmental	561,533	2,495,716	3,421,897	-	1,842,360	827,122	273,762	9,422,390
Charges for services	806,430	30,449	-	-	101,611	15,714	-	954,204
Investment earnings	26,558	75,410	-	39,467	-	-	145	141,580
Miscellaneous	233,522	2,570	-	-	1,674	-	352,601	590,367
Rent	176,882	-	-	-	-	-	-	176,882
Total revenues	<u>4,973,608</u>	<u>3,059,085</u>	<u>3,781,544</u>	<u>1,785,632</u>	<u>1,968,649</u>	<u>842,836</u>	<u>764,123</u>	<u>17,175,477</u>
EXPENDITURES								
General government	3,437,665	-	-	-	-	-	351,449	3,789,114
Public safety	2,753,861	-	-	-	23,008	716,984	-	3,493,853
Public works	-	2,092,349	-	-	-	-	-	2,092,349
Public health	-	-	-	-	1,909,276	-	-	1,909,276
Culture and recreation	76,370	-	-	-	-	-	245,950	322,320
Human services/Public welfare	-	-	3,924,360	-	-	-	-	3,924,360
Debt Service:								
Capital lease payments, principal	21,960	-	-	-	-	-	-	21,960
Capital outlay	109,145	326,260	-	-	42,543	-	552,320	1,030,268
Total Expenditures	<u>6,399,001</u>	<u>2,418,609</u>	<u>3,924,360</u>	<u>-</u>	<u>1,974,827</u>	<u>716,984</u>	<u>1,149,719</u>	<u>16,583,500</u>
Excess (deficiency) of revenues over expenditures	<u>(1,425,393)</u>	<u>640,476</u>	<u>(142,816)</u>	<u>1,785,632</u>	<u>(6,178)</u>	<u>125,852</u>	<u>(385,596)</u>	<u>591,977</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	1,500,000	126,948	140,000	105,000	42,647	105,000	551,700	2,571,295
Transfers out	(109,147)	-	-	(2,357,148)	-	(105,000)	-	(2,571,295)
Total other financing sources and uses	<u>1,390,853</u>	<u>126,948</u>	<u>140,000</u>	<u>(2,252,148)</u>	<u>42,647</u>	<u>-</u>	<u>551,700</u>	<u>-</u>
SPECIAL ITEM								
Proceeds from sale of capital assets	100	-	-	-	-	-	-	100
Net change in fund balances	(34,440)	767,424	(2,816)	(466,516)	36,469	125,852	166,104	592,077
Fund balances - beginning	1,152,659	3,451,338	292,640	4,799,279	1,019,266	128,936	776,037	11,620,155
Fund balances - ending	<u>\$ 1,118,219</u>	<u>\$ 4,218,762</u>	<u>\$ 289,824</u>	<u>\$ 4,332,763</u>	<u>\$ 1,055,735</u>	<u>\$ 254,788</u>	<u>\$ 942,141</u>	<u>\$ 12,212,232</u>

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

Prowers County
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:	\$	592,077
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p> <p>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.</p> <p>This is the amount by which capital outlay of \$1,030,268 was more than depreciation of \$727,023 in the current period.</p>		
		303,245
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond 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 proceeds exceeded repayments.</p>		
		21,960
<p>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:</p>		
Decrease (Increase) in Compensated Absences		(25,333)
Adjustment due to rounding		3
Change in net position of governmental activities	<u>\$</u>	<u>891,952</u>

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

Prowers County
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2016

	TOTAL AGENCY FUNDS
ASSETS:	
Cash and cash equivalents	<u>\$ 634,873</u>
Total assets	<u>634,873</u>
LIABILITIES:	
Due to other governmental units	<u>634,873</u>
Total Liabilities	<u>\$ 634,873</u>

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

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

Note 1 Reporting Entity

Prowers 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 Prowers County (Assessor, Clerk and Recorder, Coroner, Sheriff, and Treasurer).

All financial transactions of the offices of elected officials of Prowers County are included in the General Fund of the County's basic 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 Prowers County residents and are conducted within the boundaries of the County.

The financial statements present the financial position of Prowers County (the primary government) and its component units in accordance with Statement 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity." The County has no component units.

The Prosperity Lane Sewer Improvement District (the District) is located within the boundaries of the County, but only serves a small population of County residents and is not a component unit of Prowers County. The District does have debt related to the sewer project, but the debt belongs to the District and not the County.

Note 2 Summary of Significant Accounting Policies

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

Separate financial statements are provided for governmental funds, proprietary 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, 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are 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 usually collected within sixty days of year-end. 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 financial resources except those required to be accounted for in another fund. The majority of revenues come from property taxes, grants, fees for services, and transfers.

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 majority of revenues come from property taxes and highway users trust fund receipts.

Human Services This fund accounts for public welfare costs paid to qualifying clients. The majority of federal funds expended are expenses through this fund. The majority of revenues come from federal and state programs and property taxes.

Sales and Use Tax Fund This fund accounts for the receipt of all sales and use taxes collected. The fund may transfer funds to the General or other funds to help defray expenses.

Public Health This fund accounts for all program income and expenses relating to the County providing public health services. Colorado Revised Statutes require the fund to account for all public health services revenues and costs of providing those services.

Hotline County Connection Center This fund was created when the County and the Colorado Department of Human Services entered into a contract whereby the County would provide a call center to route callers to the appropriate county when the Child Welfare Abuse and Neglect Routing System's IVR system cannot recognize the name of the county; accept calls on behalf of a county or group of counties; or provide back-up support services for calls routed directly to a county, if requested.

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 Position have been eliminated except those representing balances between the governmental activities and any 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, if any, have been eliminated; however, those transactions between governmental and business-type activities, if any, 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 reports the following non-major governmental funds:

Conservation Trust Fund This fund accounts for lottery proceeds required to be expended solely on park and recreation improvements.

Other Governmental Capital Projects This fund accounts for funds received that are for non-operating purposes, such as capital outlay projects that are not accounted for in a specific fund.

Contingency Fund This fund accounts for unusual and non-reoccurring items that are not accounted for in the General Fund.

Lodging Tax Fund This fund accounts for lodging tax proceeds required to be expended solely for marketing and advertising related to tourism.

Library Fund This fund and the majority of its activities were transferred to the General Fund.

Outside Agency This fund accounts predominantly for pass-thru activities, including federal dollars passed-thru to other agencies. Monies received belong to other entities or are assigned for other purposes.

The County has two fiduciary funds, which are the Treasurer's and the Clerk & Recorder's Offices. Both collect tax revenues and other monies. The fiduciary funds are not included in any other financial statements.

The County follows the policy of capitalizing all assets that cost more than \$5,000 with an estimated useful life of more than one year. The useful lives of the assets are:

Infrastructure	75 years
Buildings & Improvements	20-40 years
Furniture & Fixtures	5-12 years
Machinery, Equipment, & Vehicles	5-12 years

The County will capitalize all infrastructure costs incurred after July 1, 1980 that exceed \$300,000. No infrastructure has exceeded that cost since July 1, 1980.

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, licenses and permits, liquor licenses, operating special assessments 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. Multi-purpose 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. Multi-purpose grants that do not provide for specific identification of the programs and amounts are reported as general revenues.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements of those assets.

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 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 of accounting.

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 during the year.

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.

Taxes receivable represent 2016 assessed tax to be collected in 2017. This receivable has been offset with a charge to Deferred Inflow of Resources.

Vacation Days

All County employees accrue vacation leave based on their tenure.

Vacation accrual and usage is accounted for based on the employee's date of hire. It must be approved in advance by the department head.

Vacation benefits should normally be taken within 12 months of being earned. Accrued vacation leave up to a maximum of 240 hours may be carried over into the succeeding year, depending on the employee's length of service.

Sick Leave

Full-time employees accrue sick leave benefits at a monthly accrual based on the employee's years of employment. Part-time employees accrue sick leave benefits at a rate of one hour for each 29 hours worked.

All County employees can carry over up to a maximum of 720 hours of sick leave. Twenty-five percent of total accrued sick leave may be paid upon termination provided various conditions are met.

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. Prowers County did not receive any material contraband during the year.

Note 3

Deposits and Investments

Deposits

Colorado State Statutes, specifically the Public Deposit Protection Act (PDPA) 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 or PDPA 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.

The County was not exposed to custodial credit risk in that all cash and investments are deposited in four local financial institutions that are covered by FDIC insurance and the Public Depository Protection Act (PDPA). The County does receive notification from the various banks that they are in compliance with the PDPA requirements as defined in Colorado Revised Statutes, as amended.

The County is not exposed to any other investment risks as defined in GASB 40.

Investments

Colorado State Statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper, repurchase agreements, money market funds and local government investment pools with a maturity date no more than five years from the date of purchase. Investments are reported at fair value, except for non-participating contracts, which are reported at amortized cost.

Local government investment pools include: Colorado Liquid Asset Trust (COLOTRUST), the Colorado Surplus Asset Fund Trust (CSAFE), the Colorado Diversified Trust (CDT), and the Government Asset Pool (GAP), which are 2a7-like investment pools. Investments are valued at amortized cost with each share valued at \$1.00. The Colorado Division of Securities with regard to operations

and investments routinely monitors the investment pools. Investments consist of U.S. Treasury bills, noted and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by each pooled investment are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each pool investor.

At December 31, 2016, the County had no investments in the above government Investment pools.

Note 4 Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning	Additions	Deletions	Ending
Governmental Activities:				
Capital assets, not being depreciated				
Other Intangibles	\$ 18,400	\$ -	\$ -	\$ 18,400
Water Shares	100,100	-	-	100,100
Land	381,096	-	-	381,096
Total	<u>499,596</u>	<u>-</u>	<u>-</u>	<u>499,596</u>
Capital assets, being depreciated				
Gen Govt Buildings	8,111,202	552,321	-	8,663,523
Gen Govt Equipment	2,544,322	113,808	-	2,658,130
Public Safety-Equipment	760,081	60,115	-	820,196
Public Works-Equipment	4,097,509	326,260	(230,989)	4,192,780
Total	<u>15,513,114</u>	<u>1,052,504</u>	<u>(230,989)</u>	<u>16,334,629</u>
Less: Accumulated Depreciation	<u>(9,052,672)</u>	<u>(727,023)</u>	<u>157,417</u>	<u>(9,622,278)</u>
Total capital assets, being depreciated, net	<u>6,460,442</u>	<u>325,481</u>	<u>(73,572)</u>	<u>6,712,351</u>
Governmental Activities capital assets net	<u>\$ 6,960,038</u>	<u>\$ 325,481</u>	<u>\$ (73,572)</u>	<u>\$ 7,211,947</u>

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

Governmental activities:	
Total depreciation expense-governmental activities	<u>\$ 727,023</u>

Note 5 Joint Ventures

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

- Is financially independent and responsible for its own financial deficits and entitled to its own surpluses.
- Has 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 not included, but may be obtained from CTSI.

Note 6 Pension Plan

Defined Contribution Plan

The County provides pension benefits in the Colorado County Officials and Employees Retirement Association (CCOERA) for all of its employees immediately upon employment, except for seasonal employees who will be covered after twelve (12) months of continuous service at twenty-four (24) hours or more per week. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after meeting the service requirement. The County rate of contribution is 5%. The employee must contribute 5% also. The County's contributions for each employee (and interest allocated to the employee's account) are vested each month at the rate, which equals the product of 1/12 multiplied by 20%. Employees are immediately vested 100% in their own contributions. Plan provisions and contribution requirements are established and may be amended by the Commissioners.

During 2016 the County, including the Department of Human Services and Welcome Home Center, and the employees each contributed \$362,652 on qualifying wages of \$7,262,454 with total gross wages being \$7,292,086.

During 2016 the County, including the Department of Human Services and Welcome Home Center, and the employees each contributed \$362,652 on qualifying wages of \$7,262,454 with total gross wages being \$7,292,086.

A deferred compensation plan under Section 457(b) of the Internal Revenue Code is also available to all eligible employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate after 90 days of service. The plan is administered by Nationwide Retirement Solutions, Inc.

The County, including Department of Human Services and Welcome Home Center, had approximately 180 employees as of year-end.

Note 7 Leases

The County has several operating leases with various vendors for the Treasurer’s Collection System, the Assessor’s Appraisal/Administrative System and copiers and other equipment. All leases were current at year-end.

Future lease expense is:

2017	\$226,163
2018	26,584
2019	17,661
2020	2,896
2021	2,635

The lease expense paid in 2016 was approximately \$136,925.

Note 8 Long Term Debt

During 2015, the County entered into a lease purchase agreement for improvements to the County Jail. Annual payments are as follows:

	<u>Principal</u>
2017	\$ 21,960
2018	21,960
2019	21,960
2020	21,960
Total	\$ 87,840

As of year-end, the following summary indicates County debt:

	Jan 1 2016	Deletions	Additions	Dec 31 2016	Due In One Year
Personal Time Off	\$ 447,487	\$ -	\$ 25,333	\$ 472,820	\$ 94,564
Lease Purchase	109,800	21,960	-	87,840	21,960
	<u>\$ 557,287</u>	<u>\$ 21,960</u>	<u>\$ 25,333</u>	<u>\$ 560,660</u>	<u>\$ 116,524</u>

Note 9 Committed Fund Balances

The Road & Bridge Fund has a committed fund balance of \$480,000 for future use of highway user's trust fund money for bridge projects.

Note 10 Contingent Liabilities

The County receives various grants. Management believes the County is in compliance with all grant requirements. Funding agencies could find differently if the grants were audited. If any differences were found, they would not be material.

Note 11 Transfers

Transfers made during the year were as follows:

<u>FROM:</u>	<u>TO:</u>
Sales & Use	General
Sales & Use	Road & Bridge
Sales & Use	Human Services
Sales & Use	Capital Projects
Sales & Use	Hotline County Connection Center
General	Public Health
General	Outside Agency

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.

Note 12 **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 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; claims relating to professional liability; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverages the past three years.

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 could be financially responsible.

Note 13 Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local 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.

In 1994, the voters of Prowers County approved a ballot issue allowing the County to retain funds over the limitations imposed by the amendment. It is the opinion of the County that the revenue and spending limitation imposed by the amendment no longer applies to the County.

Note 14 Fund Balances

The County has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." In the fund financial statements the following classifications describe the relative strength of spending constraints.

Non-Spendable Fund Balance

This is 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

This is 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

This is 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

This is the portion of fund balance set aside for planned or intended purposes but is 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

This is 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.

When both restricted and unrestricted fund balance are available for use, it is the County's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

Required Supplementary Information

**Prowers County
Budget and Actual
General
For the year ended December 31, 2016**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 2,753,688	\$ 2,753,688	\$ 2,755,576
SO Taxes	410,000	410,000	410,708
Sales and miscellaneous taxes	2,600	2,600	2,399
Intergovernmental	563,101	563,101	561,533
Charges for services	704,519	704,519	806,430
Investment earnings	6,585	6,585	26,558
Rent	179,399	179,399	176,882
Miscellaneous	237,475	237,475	233,522
Total revenues	<u>4,857,367</u>	<u>4,857,367</u>	<u>4,973,608</u>
EXPENDITURES			
Current:			
General government	3,813,755	3,813,755	3,437,665
Public Safety	2,926,933	2,926,933	2,753,861
Health and sanitation	100	100	-
Culture and recreation	81,483	81,483	76,370
Debt Service:			
Principal	-	-	21,960
Capital Outlay	114,060	114,060	109,145
Total Expenditures	<u>6,936,331</u>	<u>6,936,331</u>	<u>6,399,001</u>
Excess (deficiency) of revenues over expenditures	<u>(2,078,964)</u>	<u>(2,078,964)</u>	<u>(1,425,393)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,000,000	2,000,000	1,500,000
Transfers out	(109,147)	(109,147)	(109,147)
Total other financing sources and uses	<u>1,890,853</u>	<u>1,890,853</u>	<u>1,390,853</u>
SPECIAL ITEM			
Proceeds from sale capital assets	11,000	11,000	100
Net change in fund balances	(177,111)	(177,111)	(34,440)
Fund balances - beginning	416,509	416,509	1,152,659
Fund balances - ending	<u>\$ 239,398</u>	<u>\$ 239,398</u>	<u>\$ 1,118,219</u>

**Prowers County
Budget and Actual
Human Services
For the year ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 316,400	\$ 316,400	\$ 326,449
SO Taxes	33,000	33,000	33,198
Intergovernmental	3,866,441	3,866,441	3,421,897
Miscellaneous	14,050	14,050	-
Total revenues	<u>4,229,891</u>	<u>4,229,891</u>	<u>3,781,544</u>
EXPENDITURES			
Current:			
Welfare	<u>4,376,757</u>	<u>4,376,757</u>	<u>3,924,360</u>
Total Expenditures	<u>4,376,757</u>	<u>4,376,757</u>	<u>3,924,360</u>
Excess (deficiency) of revenues over expenditures	<u>(146,866)</u>	<u>(146,866)</u>	<u>(142,816)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>
Total other financing sources and uses	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>
Net change in fund balances	<u>(6,866)</u>	<u>(6,866)</u>	<u>(2,816)</u>
Fund balances - beginning	<u>288,849</u>	<u>288,849</u>	<u>-</u>
Fund balances - ending	<u>\$ 281,983</u>	<u>\$ 281,983</u>	<u>\$ (2,816)</u>

**Prowers County
Budget and Actual
Road & Bridge
For the year ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 382,179	\$ 382,179	\$ 376,388
SO Taxes	100,000	100,000	78,552
Sales and miscellaneous taxes	2,500	2,500	-
Intergovernmental	2,366,139	2,366,139	2,495,716
Charges for services	41,000	41,000	30,449
Investment earnings	65,000	65,000	75,410
Miscellaneous	10,500	10,500	2,570
Total revenues	<u>2,967,318</u>	<u>2,967,318</u>	<u>3,059,085</u>
EXPENDITURES			
Current:			
Highways and roads	2,395,016	2,395,016	2,092,349
Capital Outlay	274,700	274,700	326,260
Total Expenditures	<u>2,669,716</u>	<u>2,669,716</u>	<u>2,418,609</u>
Excess (deficiency) of revenues over expenditures	<u>297,602</u>	<u>297,602</u>	<u>640,476</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	127,500	127,500	126,948
Total other financing sources and uses	<u>127,500</u>	<u>127,500</u>	<u>126,948</u>
Net change in fund balances	425,102	425,102	767,424
Fund balances - beginning	3,394,031	3,394,031	3,451,338
Fund balances - ending	<u>\$ 3,819,133</u>	<u>\$ 3,819,133</u>	<u>\$ 4,218,762</u>

**Prowers County
Budget and Actual
Sales & Use Tax
For the year ended December 31, 2016**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Sales taxes	\$ 1,700,000	\$ 1,700,000	\$ 1,746,165
Investment earnings	15,000	15,000	39,467
Miscellaneous	2,500	2,500	-
Total revenues	1,717,500	1,717,500	1,785,632
EXPENDITURES			
Current:			
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	1,717,500	1,717,500	1,785,632
OTHER FINANCING SOURCES (USES)			
Transfers in	105,000	105,000	105,000
Transfers out	(3,000,264)	(3,000,264)	(2,357,148)
Total other financing sources and uses	(2,895,264)	(2,895,264)	(2,252,148)
Net change in fund balances	(1,177,764)	(1,177,764)	(466,516)
Fund balances - beginning	5,327,799	5,327,799	4,799,279
Fund balances - ending	\$ 4,150,035	\$ 4,150,035	\$ 4,332,763

**Prowers County
Budget and Actual
Public Health
For the year ended December 31, 2016**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Licenses and permits	\$ 28,500	\$ 28,500	\$ 23,004
Intergovernmental	1,734,665	1,857,410	1,842,360
Charges for services	87,865	87,865	101,611
Miscellaneous	1,500	1,500	1,674
Total revenues	<u>1,852,530</u>	<u>1,975,275</u>	<u>1,968,649</u>
EXPENDITURES			
Current:			
Public Safety	32,001	32,001	23,008
Health and sanitation	1,664,764	1,954,200	1,909,276
Capital Outlay	54,000	54,000	42,543
Total Expenditures	<u>1,750,765</u>	<u>2,040,201</u>	<u>1,974,827</u>
Excess (deficiency) of revenues over expenditures	<u>101,765</u>	<u>(64,926)</u>	<u>(6,178)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	42,647	42,647	42,647
Total other financing sources and uses	<u>42,647</u>	<u>42,647</u>	<u>42,647</u>
SPECIAL ITEM			
Proceeds from sale of capital assets	5,000	5,000	-
Net change in fund balances	149,412	(17,279)	36,469
Fund balances - beginning	1,373,523	1,373,523	992,613
Fund balances - ending	<u>\$ 1,522,935</u>	<u>\$ 1,356,244</u>	<u>\$ 1,029,082</u>

**Prowers County
Budget and Actual
Hotline County Connection Center
For the year ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 915,270	\$ 915,270	\$ 827,122
Total revenues	<u>915,270</u>	<u>915,270</u>	<u>842,836</u>
EXPENDITURES			
Current:			
Public Safety	795,887	795,887	716,984
Total Expenditures	<u>795,887</u>	<u>795,887</u>	<u>716,984</u>
Excess (deficiency) of revenues over expenditures	<u>119,383</u>	<u>119,383</u>	<u>125,852</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(105,000)	(105,000)	(105,000)
Total other financing sources and uses	<u>(105,000)</u>	<u>(105,000)</u>	<u>-</u>
Net change in fund balances	14,383	14,383	125,852
Fund balances - beginning	130,811	130,811	128,936
Fund balances - ending	<u>\$ 145,194</u>	<u>\$ 145,194</u>	<u>\$ 254,788</u>

Supplementary Information

**Prowers County
Balance Sheet
Nonmajor Governmental Funds
December 31, 2016**

	Conservation Trust	Contingent	Library	Outside Agency	Lodging Tax	Other Governmental Capital Projects	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 105,792	\$ 500,020	\$ 45	\$ 76,090	\$ 41,934	\$ 113,889	\$ 837,770
Other receivables	-	-	-	-	252	106,989	107,241
Total assets	<u>105,792</u>	<u>500,020</u>	<u>45</u>	<u>76,090</u>	<u>42,186</u>	<u>220,878</u>	<u>945,011</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	790	-	-	-	-	2,080	2,870
Total liabilities	<u>790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,080</u>	<u>2,870</u>
Fund balances:							
Assigned	105,002	500,020	45	76,090	42,186	218,798	942,141
Total fund balances	<u>105,002</u>	<u>500,020</u>	<u>45</u>	<u>76,090</u>	<u>42,186</u>	<u>218,798</u>	<u>942,141</u>
Total liabilities and fund balances	<u>\$ 105,792</u>	<u>\$ 500,020</u>	<u>\$ 45</u>	<u>\$ 76,090</u>	<u>\$ 42,186</u>	<u>\$ 220,878</u>	<u>\$ 945,011</u>

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

	Conservation Trust	Contingent	Library	Outside Agency	Lodging Tax	Other Governmental Capital Projects	Total-Other Governmental Funds
REVENUES							
Property Taxes	\$ -	2	\$ -	-	\$ -	-	\$ 4
Lodging taxes	-	-	-	-	101,493	-	101,493
Fees and fines	-	-	-	36,118	-	-	36,118
Intergovernmental	31,397	-	-	49,152	-	193,213	273,762
Investment earnings	145	-	-	-	-	-	145
Miscellaneous	-	-	-	352,601	-	-	352,601
Total revenues	31,542	2	2	437,871	101,493	193,213	764,123
EXPENDITURES							
Current:							
General government	-	-	-	241,307	106,988	3,154	351,449
Culture and recreation	14,249	-	-	222,884	-	8,817	245,950
Capital Outlay	-	-	-	-	-	552,320	552,320
Total Expenditures	14,249	-	-	464,191	106,988	564,291	1,149,719
Excess (deficiency) of revenues over expenditures	17,293	2	2	(26,320)	(5,495)	(371,078)	(385,596)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	66,500	-	485,200	551,700
Total other financing sources and uses	-	-	-	66,500	-	485,200	551,700
Net change in fund balances	17,293	2	2	40,180	(5,495)	114,122	166,104
Fund balances - beginning	87,709	500,018	43	35,910	47,681	104,676	776,037
Fund balances - ending	\$ 105,002	\$ 500,020	\$ 45	\$ 76,090	\$ 42,186	\$ 218,798	\$ 942,141

**Prowers County
Budget and Actual
Conservation Trust
For the year ended December 31, 2016**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 30,000	\$ 30,000	\$ 31,397
Investment earnings	70	70	145
Total revenues	<u>30,070</u>	<u>30,070</u>	<u>31,542</u>
EXPENDITURES			
Current:			
Culture and recreation	<u>106,713</u>	<u>106,713</u>	<u>14,249</u>
Total Expenditures	<u>107,213</u>	<u>107,213</u>	<u>14,249</u>
Excess (deficiency) of revenues over expenditures	<u>(77,143)</u>	<u>(77,143)</u>	<u>17,293</u>
Net change in fund balances	(77,143)	(77,143)	17,293
Fund balances - beginning	87,143	87,143	87,709
Fund balances - ending	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 105,002</u>

**Prowers County
Budget and Actual
Contingent
For the year ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 2	\$ 2	\$ 2
Miscellaneous	4	4	-
Total revenues	<u>6</u>	<u>6</u>	<u>2</u>
EXPENDITURES			
Current:			
General government	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	<u>6</u>	<u>6</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	-	-
Transfers in	-	-	-
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	-
Total other financing sources and uses	<u>(500,000)</u>	<u>(500,000)</u>	-
Net change in fund balances	(499,994)	(499,994)	2
Fund balances - beginning	500,019	500,019	500,018
Fund balances - ending	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 500,020</u>

**Prowers County
Budget and Actual
Library
For the year ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 2	\$ 2	\$ 2
Miscellaneous	3	3	-
Total revenues	<u>5</u>	<u>5</u>	<u>2</u>
EXPENDITURES			
Current:			
Culture and recreation	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	<u>5</u>	<u>5</u>	<u>2</u>
Net change in fund balances	5	5	2
Fund balances - beginning	44	44	43
Fund balances - ending	<u>\$ 49</u>	<u>\$ 49</u>	<u>\$ 45</u>

**Prowers County
Budget and Actual
Outside Agency
For the year ended December 31, 2016**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Fees and fines	\$ 27,500	\$ 27,500	\$ 36,118
Intergovernmental	93,286	93,286	49,152
Miscellaneous	194,200	317,085	352,601
Total revenues	<u>314,986</u>	<u>437,871</u>	<u>437,871</u>
EXPENDITURES			
Current:			
General government	181,004	181,004	241,307
Culture and recreation	195,423	286,937	222,884
Total Expenditures	<u>376,427</u>	<u>467,941</u>	<u>464,191</u>
Excess (deficiency) of revenues over expenditures	<u>(61,441)</u>	<u>(30,070)</u>	<u>(26,320)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	66,500	66,500	66,500
Total other financing sources and uses	<u>66,500</u>	<u>66,500</u>	<u>66,500</u>
Net change in fund balances	5,059	36,430	40,180
Fund balances - beginning	33,144	33,144	35,910
Fund balances - ending	<u>\$ 38,203</u>	<u>\$ 69,574</u>	<u>\$ 76,090</u>

**Prowers County
Budget and Actual
Lodging Tax
For the year ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Lodging tax	\$ 75,000	\$ 75,000	\$ 101,493
Miscellaneous	75	75	-
Total revenues	<u>75,075</u>	<u>75,075</u>	<u>101,493</u>
EXPENDITURES			
Current:			
General government	109,758	109,758	106,988
Total Expenditures	<u>109,758</u>	<u>109,758</u>	<u>106,988</u>
Excess (deficiency) of revenues over expenditures	<u>(34,683)</u>	<u>(34,683)</u>	<u>(5,495)</u>
Net change in fund balances	(34,683)	(34,683)	(5,495)
Fund balances - beginning	42,556	42,556	47,681
Fund balances - ending	<u>\$ 7,873</u>	<u>\$ 7,873</u>	<u>\$ 42,186</u>

**Prowers County
Budget and Actual
Other Governmental Capital Projects
For the year ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 448,620	\$ 540,134	\$ 193,213
Total revenues	<u>448,620</u>	<u>540,134</u>	<u>193,213</u>
EXPENDITURES			
Current:			
General government	-	-	3,154
Culture and recreation	-	-	8,817
Capital Outlay	1,301,880	1,393,394	552,320
Total Expenditures	<u>1,301,880</u>	<u>1,393,394</u>	<u>564,291</u>
Excess (deficiency) of revenues over expenditures	<u>(853,260)</u>	<u>(853,260)</u>	<u>(371,078)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	732,764	732,764	485,200
Total other financing sources and uses	<u>732,764</u>	<u>732,764</u>	<u>485,200</u>
Net change in fund balances	(120,496)	(120,496)	114,122
Fund balances - beginning	120,496	120,496	104,676
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,798</u>

LOCAL HIGHWAY FINANCE REPORT	City or County: Prowers County
	YEAR ENDING : December 31, 2016

This Information From The Records Of County of Prowers:	Prepared By: Janet Lundy Phone: 719 336-8025
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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:	2,350,764
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	430,177	c. Other	
4. Miscellaneous local receipts (from page 2)	236,792	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	67,845
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,418,609
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	666,969	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,519,064	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,186,033	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,418,609

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,451,338	3,186,033	2,418,609	4,218,762	0

Notes and Comments:

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	374,973	a. Interest on investments	75,410
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	0
4. Licenses		f. Charges for Services	30,449
5. Specific Ownership &/or Other	55,204	g. Other Misc. Receipts	3,985
6. Total (1. through 5.)	55,204	h. Other--transfers	126,948
c. Total (a. + b.)	430,177	i. Total (a. through h.)	236,792
	(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	2,045,716	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	23,348	d. Federal Transit Admin	
d. Other severance tax	0	e. U.S. Corps of Engineers	
e. Other (Specify)	450,000	f. Other Federal	0
f. Total (a. through e.)	473,348	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	2,519,064	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
(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: