

Phillips County, Colorado

Financial Statements

December 31, 2022

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Independent Auditor's Report

Board of County Commissioners
Phillips County
Holyoke CO 80737

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Phillips County (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and budgetary comparison information on pages iii-iv and 25-29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 on pages 30 through 38, 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. 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, 2023

**Phillips County, Colorado
Management’s Discussion and Analysis**

December 31, 2022

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, 2022.

County Profile

Phillips County is a small, agriculturally based county in the northeast corner of Colorado. It was established in 1889 and encompasses 680 square miles. The U.S. Census Bureau 2022 estimated countywide population at 4,449 people. The county has three incorporated municipalities – Paoli – 48; Haxtun – 975; and Holyoke, the County Seat – 2,332. The County also has a small unincorporated community of Amherst. The total unincorporated population is 1,094.

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:

	2018	2019	2020	2021	2022
General	\$1,124,680	\$1,222,429	\$1,580,058	\$2,256,906	\$2,778,279
Road & Bridge	\$1,535,284	\$1,734,785	\$1,556,255	\$1,719,327	\$1,195,518
Human Services	\$110,942	\$110,125	\$183,120	\$271,007	\$367,488
Capital Expenditures	\$158,695	\$290,476	\$427,608	\$601,408	\$762,536
ARPA Project			\$0	\$0	\$0
Other	\$353,791	\$296,781	\$355,497	\$231,230	\$227,423
	\$3,402,356	\$3,742,470	\$4,102,538	\$5,320,044	\$5,331,244

The fund balance comparison shows an increase overall. After years of low fund balance, the Human Services fund has shown steady increases since 2019. This can be tied directly to a reduction in work force. Should the demands of the department require additional staff, the fund balance would need to be watched closely. The Road & Bridget fund will also need to be monitored due to an emphasis on replacing aging equipment while dealing with a reduction in HUTF funds, the major source of revenue for Road & Bridge. The American Recovery Plan Act fund will only exist until the funds are expended, at the latest, by 2026.

Assessed Value of the County

2018	2019	2020	2021	2022
\$92,976,300	\$97,831,530	\$98,041,740	\$100,458,180	97,360,110

In the five-year period from 2018 to 2022, the County’s assessed value increased \$4,383,810, a 4.72% increase. Residential property increased 23.85%, commercial property increased 5.99%, industrial property decreased 33.62% and agricultural property increased .35%. The significant change in industrial property assessed values stems from reclassifying some businesses from industrial to commercial, due to a change in operations. The overall increase reflects very modest growth in the county. The increase comes mainly from gains in residential values, which is based on sales. However, agriculture values, based on a 10-year average of income vs. expenditures, was basically stagnant. As Phillips County’s economy is primarily dependent on agriculture, the County must recognize the significant effect a substantial decrease in agricultural assessment would have on the County’s economic health. A significant decrease in residential sales would also have a similar negative effect.

Next Year’s Budget and Rates: The General Fund balance at the end of fiscal year 2022 was \$2,778,279. A reserve is necessary to start the year and provide basic services to the residents and visitors of Phillips County. An adequate reserve at year-end on which to operate a minimum of four months or 30% of the approved expenditure budget is considered a fiscally responsible policy and furthermore, recommended by the county auditor, for the majority of the property tax revenue is received in April of each year. The General Fund balance at the beginning of 48.67% of the 2023 budgeted expenditures.

Capital Assets and Debt Administration:

Due to the COVID-19 pandemic, the Federal government passed the American Recovery Plan Act (ARPA) which allotted the county \$828,990, \$414,495 received in 2021 and \$414,495 in 2022. ARPA expenditures are made from Fund 66. The County’s major purchases for capital assets in 2022 were:

Trailer	Fund 10 - Landfill	\$2,500
Dump trailer – part 1	Fund 10 - Maintenance	\$6,000
Dump trailer – part 2	Fund 61 – Maintenance	\$6,140
Cat 140LR motor grader	Fund 20 – R&B	\$216,140
Millermatic welder	Fund 20 – R&B	\$3,749
2022 Ford F150	Fund 20 – R&B	\$29,925
2023 Peterbilt 567	Fund 20 – R&B	\$173,768
Rhino mower	Fund 20 – R&B	\$23,500
2002 Grade-all	Fund 20 – R&B	\$20,000
2023 Load King trailer	Fund 20 – R&B	\$46,500
2005 Kenworth overhaul	Fund 20 – R&B	\$17,398
NIR-SYS software	Fund 66 - E911	\$12,677
Cat 903D wheel loader	Fund 66 – Landfill	\$69,710
JD SP10C snow pusher	Fund 66 – Maintenance	\$5,675
Harvest Park upgrades	Fund 66 – Fairgrounds	\$11,483
Motorola equipment	Fund 66 – E911	\$15,825
Video system	Fund 66 – Event Center	<u>\$20,072</u>
	TOTAL	\$681,062

The County paid off the three remaining lease-purchase agreements in 2022 as referenced in Note 12 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, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,447,468
Receivables	2,905,449
Due from other governmental agencies	30,033
Inventories	187,058
Capital assets	
Land	268,567
Infrastructure	2,828,352
Buildings	9,403,696
Equipment and furniture	5,998,769
Vehicles	2,103,021
Less: accumulated depreciation	(11,476,012)
Total Capital Assets	9,126,393
Total Assets	17,696,401
 LIABILITIES	
Accounts payable and accrued expenses	43,358
Due to other governmental agencies	15,317
Unearned Revenues	426,744
Long-term liabilities	
Due in more than one year	
Compensated absences	285,266
Total Liabilities	770,685
 DEFERRED IN-FLOW OF RESOURCES	
Deferred revenues-property taxes	2,753,343
 NET POSITION	
Net investment in capital assets	9,126,393
Restricted for:	
TABOR and enabling legislation	211,304
Unrestricted	4,834,676
Total Net Position	\$ 14,172,373

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, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital Grants</u>	<u>and Changes in</u>
		<u>Services</u>	<u>Grants and</u>	<u>and</u>	<u>Net Position</u>
Primary government					Primary Government
Governmental Activities					Governmental
General Government	\$ 2,030,510	\$ 447,660	\$ (10,006)	\$ -	\$ (1,592,856)
Public Safety	1,047,740	188,401	138,122	-	(721,217)
Highways and Streets	1,900,164	4,358	1,296,665	-	(599,141)
Health & Welfare	542,871	-	403,771	8,000	(131,100)
Culture and Recreation	742,114	33,390	14,721	183,479	(510,524)
Sanitation	412,779	202,399	-	-	(210,380)
Interest on Long-term debt	44,609	-	-	-	(44,609)
Economic Development	28,000	-	-	-	(28,000)
Judicial	98,789	-	-	-	(98,789)
Total governmental activities	<u>6,847,576</u>	<u>876,208</u>	<u>1,843,273</u>	<u>191,479</u>	<u>(3,936,616)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					\$ 2,857,634
Sales & use taxes					864,003
Specific Ownership taxes					311,161
Unrestricted investment earnings					15,071
Miscellaneous					262,472
Total general revenues, special items, and transfers					<u>4,310,341</u>
Change in net position					<u>373,725</u>
Net position - beginning					<u>13,798,648</u>
Net position - ending					<u>\$ 14,172,373</u>

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

Phillips County, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Capital Expenditures</u>	<u>American Recovery Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 2,671,777	\$ 1,047,146	\$ 346,090	\$ 741,241	\$ 427,464	\$ 213,749	\$ 5,447,467
Taxes receivable, net	2,185,734	363,153	155,776	48,680	-	-	2,753,343
Due from State	-	-	30,033	-	-	-	30,033
Other receivables	109,502	-	6,682	22,246	-	13,674	152,104
Inventories	19,943	167,115	-	-	-	-	187,058
Total assets	<u>4,986,956</u>	<u>1,577,414</u>	<u>538,581</u>	<u>812,167</u>	<u>427,464</u>	<u>227,423</u>	<u>8,570,005</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	22,943	18,743	-	951	720	-	43,357
Payable to other governments	-	-	15,317	-	-	-	15,317
Unearned revenue	-	-	-	-	426,743	-	426,743
Total liabilities	<u>22,943</u>	<u>18,743</u>	<u>15,317</u>	<u>951</u>	<u>427,463</u>	<u>-</u>	<u>485,417</u>
Deferred Cash In-flow of Resources:							
Deferred revenue-property taxes	<u>2,185,734</u>	<u>363,153</u>	<u>155,776</u>	<u>48,680</u>	<u>-</u>	<u>-</u>	<u>2,753,343</u>
Fund balances:							
Restricted for:							
TABOR and enabling legislation	195,255	-	16,049	-	-	-	211,304
Non-spendable-Inventory	19,943	57,452	-	-	-	-	77,395
Unassigned	2,563,081	-	-	-	-	-	2,563,081
Committed, reported in:							
Special revenue funds	-	1,138,066	351,439	762,536	1	227,423	2,479,465
Total fund balances	<u>2,778,279</u>	<u>1,195,518</u>	<u>367,488</u>	<u>762,536</u>	<u>1</u>	<u>227,423</u>	<u>5,331,245</u>
Total liabilities and fund balances	<u>\$ 4,986,956</u>	<u>\$ 1,577,414</u>	<u>\$ 538,581</u>	<u>\$ 812,167</u>	<u>\$ 427,464</u>	<u>\$ 227,423</u>	<u>\$ 8,570,005</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, 2022

Total fund balance, governmental funds	\$ 5,331,245
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	9,126,394
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	<u>(285,266)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 14,172,373</u></u>

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

Phillips County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Capital Expenditures</u>	<u>American Recovery Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Property Taxes	\$ 2,222,337	\$ 376,614	\$ 157,611	\$ 101,073	\$ -	\$ -	\$ 2,857,635
SO Tax	241,162	41,423	17,585	10,991	-	-	311,161
Sales, Use and miscellaneous taxes	864,003	13,027	-	-	-	-	877,030
Fees and fines	3,820	-	-	-	-	-	3,820
Licenses and permits	1,910	173	-	-	-	-	2,083
Intergovernmental	173,062	1,283,637	384,418	26,681	183,480	14,721	2,065,999
Charges for services	364,129	880	-	206,433	-	176,087	747,529
Investment earnings	14,984	-	-	-	-	86	15,070
Miscellaneous	29,813	8,731	-	147,186	1,555	59,090	246,375
Rent received	101,305	-	-	-	-	-	101,305
Total revenues	<u>4,016,525</u>	<u>1,724,485</u>	<u>559,614</u>	<u>492,364</u>	<u>185,035</u>	<u>249,984</u>	<u>7,228,007</u>
EXPENDITURES							
Current:							
General government	1,662,916	10,208	-	208,866	-	60,936	1,942,926
Public safety	844,253	-	-	-	-	79,905	924,158
Streets & Highways	-	1,624,552	-	-	-	-	1,624,552
Health and Welfare	70,608	-	471,476	-	-	-	542,084
Culture and recreation	460,741	-	-	-	22,359	1,405	484,505
Judicial	98,789	-	-	-	-	-	98,789
Sanitation	376,840	-	-	-	-	-	376,840
Economic development	-	-	-	-	-	79,049	79,049
Debt Service:							
Principal	-	55,302	-	71,620	-	-	126,922
Interest and other charges	-	217	-	44,609	-	-	44,826
Capital outlay	8,500	558,014	-	6,140	162,675	-	735,329
Total Expenditures	<u>3,522,647</u>	<u>2,248,293</u>	<u>471,476</u>	<u>331,235</u>	<u>185,034</u>	<u>221,295</u>	<u>6,979,980</u>
Excess (deficiency) of revenues over expenditures	<u>493,878</u>	<u>(523,808)</u>	<u>88,138</u>	<u>161,129</u>	<u>1</u>	<u>28,689</u>	<u>248,027</u>
OTHER FINANCING SOURCES (USES)							
Other sources	-	-	3,343	-	-	-	3,343
Transfers in	68,495	-	5,000	-	-	36,000	109,495
Transfers out	(41,000)	-	-	-	-	(68,495)	(109,495)
Total other financing sources and uses	<u>27,495</u>	<u>-</u>	<u>8,343</u>	<u>-</u>	<u>-</u>	<u>(32,495)</u>	<u>3,343</u>
Net change in fund balances	521,373	(523,808)	96,481	161,129	1	(3,806)	251,370
Fund balances - beginning	2,256,906	1,719,326	271,007	601,407	-	231,229	5,079,875
Fund balances - ending	<u>\$ 2,778,279</u>	<u>\$ 1,195,518</u>	<u>\$ 367,488</u>	<u>\$ 762,536</u>	<u>\$ 1</u>	<u>\$ 227,423</u>	<u>\$ 5,331,245</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, 2022

Net change in fund balances - total governmental funds:	\$ 251,370
<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. This is the amount by which capital outlay of \$735,330 was less than depreciation of \$690,670 in the current period.</p>	44,660
<p>Governmental funds report capital lease payments as current financial resources. In contrast, the Statement of Activities treats such debt as a liability. Governmental funds report repayment of capital lease principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments were more than proceeds.</p>	126,922
<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>	
Change in Compensated Absences	(49,224)
Rounding	(3)
Change in net position of governmental activities	\$ 373,725

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

Phillips County, Colorado
Custodial Funds
Statement of Changes in Fiduciary Net Position
December 31, 2022

Cash, beginning of the year	\$ 6,877,126
Collections for 2022	<u>18,006,118</u>
Total available	24,883,244
Disbursements for 2022	(18,208,192)
Cash, end of the year	<u><u>\$ 6,675,052</u></u>

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

Phillips County, Colorado
Notes to Financial Statements
December 31, 2022

Note 1 Reporting Entity

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

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

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

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

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

Note 2 Summary of Significant Accounting Policies

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide and Fund Financial Statements

The County government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of

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

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

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

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

Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

General Fund

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

Road & Bridge Fund

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

Department of Human Services (Public Welfare)

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

Capital Expenditure Fund

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

American Recovery Plan

This fund is part of the American Rescue Plan Act, signed into law by the Federal Government, to support the county's response to and recovery from the COVID-19 public health emergency.

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 regarding interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated. However, those transactions between governmental and business-type activities have not been eliminated.

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

The County follows the policy of capitalizing all assets, other than infrastructure, which 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.

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.

Personal Time Off formally Vacation Days and Sick Leave

In July 2022, the County ended the sick and vacation leave benefit and replaced it with paid time off (PTO). Employees with accumulated sick leave as of June 30, 2022, were allowed to keep it as a Sick Leave Transition Reserve to be used for bona-fide medical reasons as defined in the County Personnel policy. Employees whose date of hire entitled them to specific leave payout at separation of service retained the benefit. All accumulated vacation leave was converted to PTO on July 1, 2022.

PTO leave is earned based on date of hire. Full-time employees as of the conversion date received from 15.25 hours to 20.5 hours PTO monthly, depending on length of service and work schedule. Those employed after July 1, 2022, receive from 8.25 hours to 20.5 hours of PTO per month, again dependent on length of service and work schedule. Permanent part-time employees who work at least 20 hours per week receive a pro-rated monthly amount of PTO. New employees may use accrued PTO for purposes other than sick leave after three months of service. At separation of service, employees will be paid out for unused PTO at their current hourly rate of pay.

The sick bank was dissolved upon conversion to PTO with all donated sick leave returned to the individual employees. A leave sharing program will be utilized going forward.

Contraband

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

Inventories

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

Note 3

Deposits and Investments

Deposits

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

Custodial Credit Risk

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

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

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

Note 4 Changes in Fixed Assets

Capital asset activity for the current year is shown below:

	Beginning Balance	Additions	Deletions	Ending Balances
Governmental Activities:				
Land	\$ 268,567	\$ -	\$ -	\$ 268,567
Total Capital Assets, Not Being Depreciated	268,567	-	-	268,567
Capital Assets Being Depreciated:				
Infrastructure	2,828,352	-	-	2,828,352
Buildings	9,403,696	-	-	9,403,696
Equipment	5,614,255	531,635	(147,122)	5,998,768
Vehicles	1,899,328	203,693	-	2,103,021
Total Capital Assets Being Depreciated	19,745,631	735,328	(147,122)	20,333,837
Less Accumulated Depreciation	(10,932,464)	(690,670)	147,122	(11,476,012)
Total Capital Assets Being Depreciated, Net	8,813,167	44,658	-	8,857,825
Governmental Activities Capital Assets, Net	\$ 9,081,734	\$ 44,658	\$ -	\$ 9,126,392

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

Governmental activities:	
General government	\$ 42,813
Public safety	62,686
Public Works	275,395
Sanitation	35,939
Health & Welfare	786
Culture & Recreation	273,051
Total depreciation expense-governmental activities	\$ 690,670

Note 5 Joint Ventures

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

- is financially independent and responsible for its own financial deficits and entitled to its own surpluses,

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

Financial information is available from CTSI.

Note 6 Pension Plan

Defined Contribution Plan

The County is participating in a Defined Contribution Pension Plan through Colorado Retirement Association (CRA). The Plan is funded by employee's contributions at 4 percent of gross salary with the County matching another 4 percent. All employees who work at least 24 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 2022, the employee and employer paid \$86,851 each into CRA. Total salaries were \$2,616,382 with qualifying salaries being \$2,171,275.

There were approximately 74 total employees at year-end who are considered general employees.

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

Note 7 Transfers

The transfers made during 2022 were from the General Fund to the Economic Development Fund, Department of Human Services Fund, and Ambulance Replacement Fund in the amounts of \$28,000, \$5,000, and \$8,000, respectively. The E911 Fund transferred \$68,495 to the General Fund.

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

expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

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

Note 8 Risk Management

County Workers' Compensation Pool

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

Colorado Counties Casualty and Property Pool

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

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

Note 9 Tax, Spending and Debt Limitations

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

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

Note 10 Restricted Fund Balances

With the passage of Amendment One to the Colorado State Constitution, the County has restricted at least 3 percent of its non-federal spending for emergencies. For 2022, \$195,255 has been reflected as the emergency reserve.

In addition, the Human Services Fund has restricted \$16,049 due to enabling legislation.

Note 11 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 post-closure 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, 2022, the County closed approximately 28.0% of the estimated capacity of the landfill. The County expects the closure and post-closure liability to be \$358,040 to cover the last cell open at the time of closure. The amount is based on what it would cost to perform all closure and post-closure care in 2018, adjusted by the inflation percentages. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

The County expects to close the landfill in the year 2061. The County has completed the financial assurance report; however, no contributions have been made to a trust to finance closure and post-closure care. As of year-end, the county has not restricted any assets for the payment of the closure and post-closure care costs nor booked any liability.

Note 12 Long-Term Debt

During 2018, the County entered into a lease purchase agreement as a result of a sale lease-back agreement. The County sold certain individual pieces of equipment to the bank for \$500,000. That amount is reflected as other financing sources in the Fairgrounds Improvement Fund. The County immediately entered into an agreement with the bank to buy back the same equipment under a lease-purchase agreement. The terms of the agreement call for monthly payments of \$9,177 for sixty months beginning September 2018 with interest at the rate of 3.19%. If all payments are made, the equipment can be purchased for \$1. The agreement was paid in full during 2022.

During 2019, the County entered into a lease-purchase agreement as a result of a sale lease-back agreement. The County sold certain individual pieces of equipment to the bank for \$200,000. That amount is reflected as other financing sources in the Fairgrounds Improvement Fund. The County immediately entered into an agreement with the bank to buyback the same equipment under a lease purchase agreement. The terms of the agreement call for monthly payments of \$3,636 for sixty months beginning July 2019 with interest at the rate of 3.47%. If all payments are made, the equipment can be purchased for \$1. The agreement was paid in full during 2022.

During, 2019 the County entered into a lease-purchase agreement for three John Deere motor graders. The total cost was \$760,500. A down payment of \$122,000 was paid with \$638,500 financed. The terms call for 36 monthly payments of \$18,570, including principal and interest, with interest at the rate of 2.94%. The equipment is collateral for the agreement. The agreement was paid in full during 2022.

Changes in long-term debt are as follows:

	Beginning Balance	Additions	Payments	Ending Balances	Current Portion
Equipment Lease	\$ 126,922	\$ -	\$ (126,922)	\$ -	\$ -
Compensated Absences	236,042	49,224	-	285,266	-
	<u>\$ 362,964</u>	<u>\$ 49,224</u>	<u>\$ (126,922)</u>	<u>\$ 285,266</u>	<u>\$ -</u>

Note 13 Fund Balance

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

- *Non-spendable balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions, or enabling legislation.

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

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

Note 14 Subsequent Events

Phillips County has already been greatly affected financially by the COVID-19 Pandemic.

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

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

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

In 2022 there were 274 active oil/gas wells generating \$16,841 taxes for the County. Production, and as a consequence tax revenue, fluctuate greatly from year to year due to the position of elected officials regarding these energy sources.

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

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

Phillips County, Colorado
Budget and Actual (with Variances)
General
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 2,211,973	\$ 2,211,973	\$ 2,222,337	\$ 10,364
SO Tax	200,000	200,000	241,162	41,162
Sales and miscellaneous taxes	561,100	561,100	864,003	302,903
Fees and fines	6,600	6,600	3,820	(2,780)
Licenses and permits	1,575	1,575	1,910	335
Intergovernmental	185,482	185,482	173,062	(12,420)
Charges for services	328,600	328,600	364,129	35,529
Investment earnings	15,000	15,000	14,984	(16)
Rent	74,640	74,640	101,305	26,665
Miscellaneous	34,700	34,700	29,813	(4,887)
Total revenues	<u>3,619,670</u>	<u>3,619,670</u>	<u>4,016,525</u>	<u>396,855</u>
EXPENDITURES				
Current:				
General Government	1,765,095	1,765,095	1,662,916	102,179
Public Safety	951,595	951,595	844,253	107,342
Health and sanitation	530,198	530,198	447,448	82,750
Culture and recreation	461,763	461,763	460,741	1,022
Judicial	98,789	98,789	98,789	-
Capital Outlay	16,500	16,500	8,500	8,000
Total Expenditures	<u>3,823,940</u>	<u>3,823,940</u>	<u>3,522,647</u>	<u>301,293</u>
Excess (deficiency) of revenues over expenditures	<u>(204,270)</u>	<u>(204,270)</u>	<u>493,878</u>	<u>698,148</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	68,495	68,495	68,495	-
Transfers out	<u>(76,000)</u>	<u>(76,000)</u>	<u>(41,000)</u>	<u>35,000</u>
Total other financing sources and uses	<u>(7,505)</u>	<u>(7,505)</u>	<u>27,495</u>	<u>35,000</u>
Net change in fund balances	(211,775)	(211,775)	521,373	733,148
Fund balances - beginning	1,941,044	1,941,044	2,256,906	315,862
Fund balances - ending	<u>\$ 1,729,269</u>	<u>\$ 1,729,269</u>	<u>\$ 2,778,279</u>	<u>\$ 1,049,010</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Road & Bridge
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 374,709	\$ 374,709	\$ 376,614	\$ 1,905
SO Taxes	41,000	41,000	41,423	423
Sales and miscellaneous taxes	62,200	62,200	13,027	(49,173)
Licenses and permits	500	500	173	(327)
Intergovernmental	1,683,332	1,683,332	1,283,637	(399,695)
Charges for services	600	600	880	280
Miscellaneous	-	-	8,731	8,731
Total revenues	<u>2,162,341</u>	<u>2,162,341</u>	<u>1,724,485</u>	<u>(437,856)</u>
EXPENDITURES				
Current:				
General government	12,500	12,500	10,208	2,292
Highways and roads	1,751,489	1,751,489	1,624,552	126,937
Debt Service:				
Principal	73,826	73,826	55,302	18,524
Interest and other charges	453	453	217	236
Capital Outlay	1,237,510	1,237,510	558,014	679,496
Total Expenditures	<u>3,075,778</u>	<u>3,075,778</u>	<u>2,248,293</u>	<u>827,485</u>
Excess (deficiency) of revenues over expenditures	<u>(913,437)</u>	<u>(913,437)</u>	<u>(523,808)</u>	<u>389,629</u>
SPECIAL ITEM				
Proceeds from sale capital assets	220,000	220,000	-	220,000
Net change in fund balances	(693,437)	(693,437)	(523,808)	169,629
Fund balances - beginning	1,665,020	1,655,020	1,719,326	64,306
Fund balances - ending	<u>\$ 971,583</u>	<u>\$ 961,583</u>	<u>\$ 1,195,518</u>	<u>\$ 233,935</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Human Services
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 158,033	\$ 158,033	\$ 157,611	\$ (422)
Senior Exemption	2,700	2,700	3,343	
SO Taxes	15,000	15,000	17,585	2,585
Intergovernmental	400,000	400,000	384,418	(15,582)
Miscellaneous	4,300	4,300	-	(4,300)
Total revenues	<u>580,033</u>	<u>580,033</u>	<u>562,957</u>	<u>(17,719)</u>
EXPENDITURES				
Current:				
Health and human services	<u>567,745</u>	<u>567,745</u>	<u>471,476</u>	<u>96,269</u>
Total Expenditures	<u>567,745</u>	<u>567,745</u>	<u>471,476</u>	<u>96,269</u>
Excess (deficiency) of revenues over expenditures	<u>12,288</u>	<u>12,288</u>	<u>91,481</u>	<u>78,550</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>5,000</u>	<u>35,000</u>
Total other financing sources and uses	<u>40,000</u>	<u>40,000</u>	<u>5,000</u>	<u>35,000</u>
Net change in fund balances	52,288	52,288	96,481	44,193
Fund balances - beginning	180,903	180,903	271,007	90,104
Fund balances - ending	<u>\$ 233,191</u>	<u>\$ 233,191</u>	<u>\$ 367,488</u>	<u>\$ 134,297</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Capital Expenditures
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 100,458	\$ 100,458	\$ 101,073	\$ 615
SO Taxes	8,700	8,700	10,991	2,291
Intergovernmental	106,193	106,193	26,681	(79,512)
Charges for services	193,000	193,000	206,433	13,433
Miscellaneous	27,000	27,000	147,186	120,186
Total revenues	<u>435,351</u>	<u>435,351</u>	<u>492,364</u>	<u>57,013</u>
EXPENDITURES				
Current:				
General government	145,740	145,740	208,866	(63,126)
Debt Service:				
Principal	120,640	120,640	71,620	49,020
Interest and other charges	1,970	1,970	44,609	(42,639)
Capital Outlay	182,000	182,000	6,140	175,860
Total Expenditures	<u>450,350</u>	<u>450,350</u>	<u>331,235</u>	<u>119,115</u>
Excess (deficiency) of revenues over expenditures	<u>(14,999)</u>	<u>(14,999)</u>	<u>161,129</u>	<u>176,128</u>
Net change in fund balances	(14,999)	(14,999)	161,129	176,128
Fund balances - beginning	570,299	570,299	601,407	31,108
Fund balances - ending	<u>\$ 555,300</u>	<u>\$ 555,300</u>	<u>\$ 762,536</u>	<u>\$ 207,236</u>

Phillips County, Colorado
Budget and Actual (with Variances)
American Recovery Plan
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 414,213	\$ 414,213	\$ 183,480	\$ (230,733)
Miscellaneous	-	-	1,555	1,555
Total revenues	<u>414,213</u>	<u>414,213</u>	<u>185,035</u>	<u>(229,178)</u>
EXPENDITURES				
Current:				
Culture and recreation	-	-	22,359	(22,359)
Capital Outlay	<u>674,663</u>	<u>674,663</u>	<u>162,675</u>	<u>511,988</u>
Total Expenditures	<u>674,663</u>	<u>674,663</u>	<u>185,034</u>	<u>489,629</u>
Excess (deficiency) of revenues over expenditures	<u>(260,450)</u>	<u>(260,450)</u>	<u>1</u>	<u>260,451</u>
Net change in fund balances	(260,450)	(260,450)	1	(260,451)
Fund balances - beginning	<u>167,470</u>	<u>167,470</u>	<u>-</u>	<u>(167,470)</u>
Fund balances - ending	<u>\$ (92,980)</u>	<u>\$ (92,980)</u>	<u>\$ 1</u>	<u>\$ (427,921)</u>

**Phillips County, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2022**

	<u>Ambulance Replacement</u>	<u>Conservation Trust</u>	<u>E911</u>	<u>Economic Development</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 15,922	\$ 36,594	\$ 152,301	\$ 8,932	\$ 213,749
Other receivables	-	-	13,674	-	13,674
Total assets	<u>15,922</u>	<u>36,594</u>	<u>165,975</u>	<u>8,932</u>	<u>227,423</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Committed	<u>15,922</u>	<u>36,594</u>	<u>165,975</u>	<u>8,932</u>	<u>227,423</u>
Total fund balances	<u>15,922</u>	<u>36,594</u>	<u>165,975</u>	<u>8,932</u>	<u>227,423</u>
Total liabilities and fund balances	<u>\$ 15,922</u>	<u>\$ 36,594</u>	<u>\$ 165,975</u>	<u>\$ 8,932</u>	<u>\$ 227,423</u>

Phillips County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	<u>Ambulance Replacement</u>	<u>Conservation Trust</u>	<u>E911</u>	<u>Economic Development</u>	<u>Total-Other Governmental Funds</u>
REVENUES					
Intergovernmental	\$ -	\$ 14,721	\$ -	\$ -	\$ 14,721
Charges for services	-	-	176,087	-	176,087
Investment earnings	52	34	-	-	86
Miscellaneous	8,000	-	-	51,090	59,090
Total revenues	<u>8,052</u>	<u>14,755</u>	<u>176,087</u>	<u>51,090</u>	<u>249,984</u>
EXPENDITURES					
Current:					
General government	60,896	-	-	40	60,936
Public Safety	-	-	79,905	-	79,905
Culture and recreation	-	1,405	-	-	1,405
Economic Development	-	-	-	79,049	79,049
Total Expenditures	<u>60,896</u>	<u>1,405</u>	<u>79,905</u>	<u>79,089</u>	<u>221,295</u>
Excess (deficiency) of revenues over expenditures	<u>(52,844)</u>	<u>13,350</u>	<u>96,182</u>	<u>(27,999)</u>	<u>28,689</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	8,000	-	-	28,000	36,000
Transfers out	-	-	(68,495)	-	(68,495)
Total other financing sources and uses	<u>8,000</u>	<u>-</u>	<u>(68,495)</u>	<u>28,000</u>	<u>(32,495)</u>
Net change in fund balances	(44,844)	13,350	27,687	1	(3,806)
Fund balances - beginning	60,766	23,244	138,288	8,931	231,229
Fund balances - ending	<u>\$ 15,922</u>	<u>\$ 36,594</u>	<u>\$ 165,975</u>	<u>\$ 8,932</u>	<u>\$ 227,423</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Ambulance Replacement
For the year ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 8,000	\$ 200	\$ 52	\$ (148)
Miscellaneous	200	8,000	8,000	-
Total revenues	8,200	8,200	8,052	(148)
EXPENDITURES				
Current:				
General government	76,972	76,972	60,896	16,076
Total Expenditures	76,972	76,972	60,896	16,076
Excess (deficiency) of revenues over expenditures	(68,772)	(68,772)	(52,844)	15,928
OTHER FINANCING SOURCES				
Transfers in	-	-	8,000	(8,000)
Transfers out	8,000	8,000	-	8,000
Total other financing sources and uses	8,000	8,000	8,000	-
Net change in fund balances	(60,772)	(60,772)	(44,844)	15,928
Fund balances - beginning	60,772	60,772	60,766	(6)
Fund balances - ending	\$ -	\$ -	\$ 15,922	\$ 15,922

Phillips County, Colorado
Budget and Actual (with Variances)
Conservation Trust
For the year ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 14,000	\$ 14,000	\$ 14,721	\$ 721
Investment earnings	15	15	34	19
Total revenues	<u>14,015</u>	<u>14,015</u>	<u>14,755</u>	<u>740</u>
EXPENDITURES				
Current:				
Culture and recreation	42,898	42,898	1,405	41,493
Total Expenditures	<u>42,898</u>	<u>42,898</u>	<u>1,405</u>	<u>41,493</u>
Excess (deficiency) of revenues over expenditures	<u>(28,883)</u>	<u>(28,883)</u>	<u>13,350</u>	<u>42,233</u>
Net change in fund balances	(28,883)	(28,883)	13,350	42,233
Fund balances - beginning	28,883	28,883	23,244	(5,639)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,594</u>	<u>\$ 36,594</u>

Phillips County, Colorado
Budget and Actual (with Variances)
E911
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 165,745	\$ 165,745	\$ 176,087	\$ 10,342
Total revenues	<u>165,745</u>	<u>165,745</u>	<u>176,087</u>	<u>10,342</u>
EXPENDITURES				
Current:				
Public Safety	80,672	80,672	79,905	767
Capital Outlay	8,000	8,000	-	8,000
Total Expenditures	<u>88,672</u>	<u>88,672</u>	<u>79,905</u>	<u>8,767</u>
Excess (deficiency) of revenues over expenditures	<u>77,073</u>	<u>77,073</u>	<u>96,182</u>	<u>19,109</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(68,495)</u>	<u>(68,495)</u>	<u>(68,495)</u>	<u>-</u>
Total other financing sources and uses	<u>(68,495)</u>	<u>(68,495)</u>	<u>(68,495)</u>	<u>-</u>
Net change in fund balances	8,578	8,578	27,687	19,109
Fund balances - beginning	114,351	114,351	138,288	23,937
Fund balances - ending	<u>\$ 122,929</u>	<u>\$ 122,929</u>	<u>\$ 165,975</u>	<u>\$ 43,046</u>

Phillips County, Colorado
Budget and Actual (with Variances)
Economic Development
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 53,869	\$ 53,869	\$ 51,090	\$ (2,779)
Total revenues	<u>53,869</u>	<u>53,869</u>	<u>51,090</u>	<u>(2,779)</u>
EXPENDITURES				
Current:				
Economic Development	81,825	81,825	79,049	2,776
General Government	40	40	40	-
Total Expenditures	<u>81,865</u>	<u>81,865</u>	<u>79,089</u>	<u>2,776</u>
Excess (deficiency) of revenues over expenditures	<u>(27,996)</u>	<u>(27,996)</u>	<u>(27,999)</u>	<u>(3)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Total other financing sources and uses	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Net change in fund balances	4	4	1	3
Fund balances - beginning	<u>8,931</u>	<u>8,931</u>	<u>8,931</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,935</u>	<u>\$ 8,935</u>	<u>\$ 8,932</u>	<u>\$ 3</u>

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: Phillips
	YEAR ENDING : December 2022
This Information From The Records Of County of Phillips:	Prepared By: Laura L Schroetlin Phone: 970-854-3778

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,118,911
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	8,726
2. General fund appropriations	111,409	b. Snow and ice removal	102,683
3. Other local imposts (from page 2)	417,114	c. Other	
4. Miscellaneous local receipts (from page 2)	10,707	d. Total (a. through c.)	111,409
5. Transfers from toll facilities		4. General administration & miscellaneous	129,383
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,359,703
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)	539,230	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,296,664	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,835,894	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)	2,359,703

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
	1,719,326	1,835,894	2,359,703	1,195,517	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2022

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	375,691	a. Interest on investments	923
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	1,053
5. Specific Ownership &/or Other	41,423	g. Other Misc. Receipts	8,731
6. Total (1. through 5.)	41,423	h. Other	
c. Total (a. + b.)	417,114	i. Total (a. through h.)	10,707
	(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	1,283,637	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	13,027	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	13,027	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,296,664	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	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: