

Crowley County, Colorado

Financial Statements

December 31, 2019

Crowley County, Colorado
Table of Contents
December 31, 2019

	Page
Table of Contents	i
Independent Auditor's Report	1
Management's Discussion and Analysis	iii
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet - Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Position - Proprietary Fund	9
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	10
Statement of Cash Flows - Proprietary Fund	11
Statement of Fiduciary Net Position - Fiduciary Funds	13
Notes to the Financial Statements	14
Required Supplementary Information:	
Schedule of Revenues and Expenditures - Budget & Actual - General Fund	29
Schedule of Revenues and Expenditures - Budget & Actual - Road & Bridge Fund	30
Schedule of Revenues and Expenditures - Budget & Actual - Department of Human Services	31

Crowley County, Colorado
Table of Contents
December 31, 2019

	Page
Supplementary Information:	
Schedule of Revenues and Expenditures - Budget & Actual - Water Fund	32
Schedule of Revenues and Expenditures - Budget & Actual - Ambulance Fund	33
Balance Sheet - Other Governmental Funds	34
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Funds	35
Schedule of Revenues and Expenditures - Budget & Actual - EMS/Fire Fund	36
Schedule of Revenues and Expenditures - Budget & Actual - Revolving Loan Fund	37
Schedule of Revenues and Expenditures - Budget & Actual - E-911 Fund	38
Schedule of Revenues and Expenditures - Budget & Actual - Conservation Trust Fund	39
Schedule of Revenues and Expenditures - Budget & Actual - Contingent Fund	40
Schedule of Expenditure of Federal Awards	41
Schedule of Findings and Questioned Costs	42
Local Highway Finance Report	43
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45
Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance	47

rfarmer, llc
a certified public accounting and consulting firm

Independent Auditor's Report

Board of County Commissioners
Crowley County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crowley County (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof 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 the required budgetary comparison information be present 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 including the combining and individual nonmajor fund financial statements, budgetary comparison information, local highway finance report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the preceding paragraph 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

rfarmer, llc

June 3, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Crowley County, Colorado

Crowley County has maintained a very strong asset base. The majority of the assets continue to be held in liquid form in the government activities portion of the total county asset base. Investment in capital assets less outstanding related debt used in acquiring these assets represents 21% of Crowley County's net assets. Capital assets reported net of debt are used to provide services to the residents of Crowley County, and therefore are not available for future spending. Crowley County continues to have a very strong cash balance, which represents 59% of total net assets.

Liabilities increased by 43% from the previous year. This is the result of \$179,984.00 in unearned revenue from the Clerk's electronic recording grant, and the addition of \$57,320.00 in compensated absences for employees. In 2020, the \$179,984.00 will be transferred to revenue for completion of the electronic recording grant.

The County has a very low debt to asset ratio, and there is no significant impact to the cash flow of governmental activity funds. Business-type funds have no debt. Unrestricted net assets represent 61% of the total net governmental assets and may be used for ongoing obligations of the County without restriction.

The cash balances in the individual departments of the governmental and business funds are illustrated as follows:

	Analysis of Cash Balances									
Year	Gen Fund	R/B	EMS/Fire	Amb	Water	DHS	CTF	Cont	E911	RLF
2019	3,725,700	1,472,273	254,383	844,762	1,135,081	561,646	228,392	29,355	105,095	750
2018	3,087,950	1,394,621	279,781	809,706	1,083,095	535,844	252,525	29,354	100,857	750
2017	2,844,540	1,405,958	296,930	774,690	1,039,452	528,974	244,563	29,354	116,009	750
2016	2,706,906	1,117,065	299,663	674,540	997,691	480,714	233,458	29,354	187,284	750
2015	2,398,890	933,086	449,788	648,269	999,060	541,326	202,766	29,352	100,407	750
2014	2,395,795	722,029	439,743	479,192	972,716	496,837	174,555	29,352	85,732	750
2013	2,397,182	659,202	464,682	388,432	950,206	375,137	145,929	29,352	70,969	750
2012	2,123,405	642,523	436,059	337,197	875,210	361,284	166,320	29,352	72,653	750
2011	1,945,234	503,525	421,857	236,294	850,777	316,603	168,818	29,352	71,373	37,111
2010	1,985,505	480,132	442,709	157,690	706,574	245,397	156,954	29,352	62,544	21,862

The cash balances for most funds increased during 2019. EMS/Fire decreased because revenue from the Emergency Management Performance Grant was delayed, and not received until 2020. There was also an increase in expenditures across the entire fund. The Conservation Trust cash balance decreased because of project expenditures. General fund experienced an increase in tax revenue, interest earned, and marijuana revenue.

Primary government expenditures increased by 4% from 2018. The table below is a comparison of annual expenditures:

Analysis of Expenditures						
	2019	2018	2017	2016	2015	2014
Governmental Activities						
General Government	\$1,798,975	\$1,632,309	\$1,401,236	\$1,607,681	\$1,751,548	\$1,687,194
Public Safety	\$1,533,457	\$1,656,641	\$1,567,163	\$1,697,156	\$1,414,428	\$1,391,452
Public Works	\$1,040,916	\$959,926	\$799,184	\$ 946,035	\$802,719	\$941,378
Human Services	\$1,442,758	\$1,330,844	\$1,258,562	\$1,307,767	\$1,293,882	\$1,133,554
Culture and Recreation	\$44,337	\$15,350	\$29,362	\$12,667	\$5,413	\$5,888
Revolving Loan	\$0	\$0	\$0	\$0	\$0	-
Interest on Debt	\$2,743	\$4,055	\$5,343	\$6,843	\$0	\$1,627
Total Governmental	\$5,863,186	\$5,599,125	\$5,060,850	\$5,578,149	\$5,267,990	\$5,161,093
Business Type						
Water	\$221,129	\$213,160	\$204,863	\$247,403	\$215,648	\$219,555
Ambulance/EMS	\$260,926	\$268,290	\$237,775	\$241,717	\$209,422	\$252,152
Total Business	\$482,055	\$ 481,450	\$442,638	\$489,210	\$425,070	\$472,107
Total Primary Govt	\$6,345,241	\$6,080,575	\$5,503,488	\$6,067,269	\$5,693,060	\$5,633,200

General government increased due to the purchase of a new software system for the Treasurer, Assessor, and Administration offices; the purchase of three vehicles, and lighting system the Sheriff Department's new trucks. These purchases totaled to \$223,710.00. Public Works increased because of equipment purchases totaling \$225,000.00. Crowley County DHS serves as the fiscal pass-thru agent for the six-county region for Signal with the drug treatment program and also the IVE Waiver Demonstration Project. Culture and recreation expenditures increased because a septic system was installed at the fairgrounds.

Governmental Fund Balances

The governmental funds provide a detailed short-term view of the County's general government operations and the basic services provided. Governmental fund information helps determine the amount of short-term financial resources available for County programs. The unassigned portion of the fund balance may serve as an annual benchmark of the net resources available for discretionary spending at the end of each fiscal year.

Fund Balances			
Governmental Fund Type	2019	2018	Percent of Change
General	\$3,803,570	\$3,142,404	21%
Road & Bridge	\$1,506,194	\$1,442,110	4%
Human Services	\$601,640	\$583,319	3%
E-911	\$107,667	\$103,223	4%
Conservation Trust	\$228,392	\$252,524	-10%
Contingent	\$29,355	\$29,355	0%
Revolving Loan Fund	\$750	\$750	0%
EMS/Fire	\$253,166	\$287,795	-12%
Total Fund Balances	\$6,530,734	\$5,841,480	12%
Unassigned Fund Balance	\$3,803,570	\$3,142,404	21%

The General Fund experienced a large increase in fund balance. This is the result of acquiring \$285,147.00 in water shares from the Water Fund. General Fund also saw an increase in cash balances likely due to increased tax revenue, interest income, and marijuana revenue. Tax revenue increased by 10%, interest income increased by 36%, and marijuana revenue increased by 60%.

The decreased fund balance for the Conservation Trust Fund was the result of project expenditures. These projects included: installation of a septic/lift system, gun range improvements, and electrical and building improvements at the fairground.

The EMS/Fire Fund experienced a decrease in fund balance. Revenue was less than anticipated because the Emergency Management Performance Grant revenue for 2019 was not received until February 2020, and overall expenditures across the fund increased.

Business-Type Fund Balances

The county's business-type funds include the enterprise funds of Ambulance and Water Fund. The enterprise funds' financial information is essentially the same as that presented in the government-wide financial statements under business-type activities.

Business-Type Fund Balances			
Enterprise Fund Type	2019	2018	Percent of Change
Water Fund Balance	\$2,006,468	\$2,276,397	-12%
Water Unrestricted Funds	\$1,339,342	\$1,277,532	5%
Ambulance Fund Balance	\$1,006,846	\$1,012,183	-1%
Ambulance Unrestricted Funds	\$902,007	\$856,514	5%
Total Net Position	\$3,013,314	\$3,288,580	-8%

The Water Fund balance decreased because \$285,147.00 worth of water share assets were transferred to General Fund.

For any additional questions or information, please contact the County.

Crowley County, Colorado
Statement of Net Position
December 31, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	\$ 6,377,590	\$ 1,979,843	\$ 8,357,433
Investments	285,147	204,917	490,064
Receivables	2,122,023	61,782	2,183,805
Due from Other Governmental Agencies	45,773	-	45,773
Inventories	14,500	-	14,500
Capital Assets			
Construction in progress	79,063	-	79,063
Buildings	1,334,561	-	1,334,561
Equipment and Furniture	5,262,388	3,140,861	8,403,249
Less: Accumulated Depreciation	<u>(4,364,453)</u>	<u>(2,368,896)</u>	<u>(6,733,349)</u>
Total Capital Assets	<u>2,311,559</u>	<u>771,965</u>	<u>3,083,524</u>
Total Assets	<u>11,156,592</u>	<u>3,018,507</u>	<u>14,175,099</u>
LIABILITIES			
Accounts payable and accrued expenses	43,941	5,193	49,134
Due to other governmental agencies	19,275	-	19,275
Unearned revenues grants	179,984	-	179,984
Long-term liabilities			
Due within one year			
Capital leases	51,266	-	51,266
Due in more than one year			
Capital leases	9,992	-	9,992
Compensated absences	57,320	-	57,320
Total liabilities	<u>361,778</u>	<u>5,193</u>	<u>366,971</u>
Deferred In-Flows of Resources			
Deferred Property Taxes	<u>2,071,102</u>	<u>-</u>	<u>2,071,102</u>
NET POSITION			
Net investment in capital assets	2,250,301	771,965	3,022,266
Unrestricted	6,473,411	2,241,349	8,714,760
Total net position	<u>\$ 8,723,712</u>	<u>\$ 3,013,314</u>	<u>\$ 11,737,026</u>

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

Crowley County, Colorado
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General Government	\$ 1,798,975	\$ 558,297	\$ 494,289	\$ 5,000	\$ (741,389)	\$ -	\$ (741,389)
Public Safety	1,533,457	27,006	13,417	-	(1,493,034)	-	(1,493,034)
Public Works	1,040,916	500	887,347	-	(153,069)	-	(153,069)
Human Services	1,442,758	-	1,234,261	-	(208,497)	-	(208,497)
Culture and Recreation	44,337	-	46,225	-	1,888	-	1,888
Interest on Long-term debt	2,743	-	-	-	(2,743)	-	(2,743)
Total governmental activities	<u>5,863,186</u>	<u>585,803</u>	<u>2,675,539</u>	<u>5,000</u>	<u>(2,596,844)</u>	<u>-</u>	<u>(2,596,844)</u>
Business-type activities:							
Water	221,129	213,290	-	-	-	(7,839)	(7,839)
Ambulance	260,926	250,725	4,600	-	-	(5,601)	(5,601)
Total business-type activities	<u>482,055</u>	<u>464,015</u>	<u>4,600</u>	<u>-</u>	<u>-</u>	<u>(13,440)</u>	<u>(13,440)</u>
Total primary government	<u>\$ 6,345,241</u>	<u>\$ 1,049,818</u>	<u>\$ 2,680,139</u>	<u>\$ 5,000</u>	<u>(2,596,844)</u>	<u>(13,440)</u>	<u>(2,610,284)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 1,989,308	\$ -	\$ 1,989,308
Use and miscellaneous taxes					4,902	-	4,902
SO and sales tax					834,875	-	834,875
Unrestricted investment earnings					177,500	5,485	182,985
Miscellaneous					90,197	17,837	108,034
Special item - gain on sale of asset					4,967	-	4,967
Transfers					285,147	(285,147)	-
Total general revenues, special items, and transfers					<u>3,386,896</u>	<u>(261,825)</u>	<u>3,125,071</u>
Change in net position					790,052	(275,265)	514,787
Net position - beginning					7,933,660	3,288,579	11,222,239
Net position - ending					<u>\$ 8,723,712</u>	<u>\$ 3,013,314</u>	<u>\$ 11,737,026</u>

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

Crowley County, Colorado
Balance Sheet
Governmental Funds
December 31, 2019

	General	Road & Bridge	Human Services	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,725,700	\$ 1,472,273	\$ 561,646	\$ 617,975	\$ 6,377,594
Investments	285,147	-	-	-	285,147
Taxes receivable, net	1,472,773	351,193	169,093	78,043	2,071,102
Receivable from other governments	-	-	45,773	-	45,773
Other receivables	-	48,292	-	2,628	50,920
Inventories	-	14,500	-	-	14,500
Total assets	<u>5,483,620</u>	<u>1,886,258</u>	<u>776,512</u>	<u>698,646</u>	<u>8,845,036</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	27,293	28,871	(13,496)	1,273	43,941
Unearned revenues grants	179,984	-	19,275	-	199,259
Total liabilities	<u>207,277</u>	<u>28,871</u>	<u>5,779</u>	<u>1,273</u>	<u>243,200</u>
Deferred in-flows of resources					
Deferred property taxes	<u>1,472,773</u>	<u>351,193</u>	<u>169,093</u>	<u>78,043</u>	<u>2,071,102</u>
Total deferred in-flows	<u>1,472,773</u>	<u>351,193</u>	<u>169,093</u>	<u>78,043</u>	<u>2,071,102</u>
Fund balance:					
Non-spendable:					
Inventories	-	14,500	-	-	14,500
Committed:	-	1,491,694	601,640	-	2,093,334
Unassigned:	3,803,570	-	-	-	3,803,570
Assigned:					
Special revenue funds	-	-	-	619,330	619,330
Total fund balance	<u>3,803,570</u>	<u>1,506,194</u>	<u>601,640</u>	<u>619,330</u>	<u>6,530,734</u>
Total liabilities and fund balance	<u>\$ 5,483,620</u>	<u>\$ 1,886,258</u>	<u>\$ 776,512</u>	<u>\$ 698,646</u>	<u>\$ 8,845,036</u>

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

Crowley County, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2019

Total fund balances, governmental funds	\$ 6,530,734
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	2,311,559
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Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	(118,578)
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Rounding	(3)
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Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 8,723,712</u></u>
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The accompanying notes to financial statements
are an integral part of these statements.

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

	General	Road & Bridge	Human Services	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 1,455,848	\$ 313,185	\$ 150,790	\$ 69,486	\$ 1,989,309
SO Tax	220,470	47,490	22,866	10,553	301,379
Sales and miscellaneous taxes	538,398	-	-	-	538,398
Fees and fines	15,000	-	-	-	15,000
Licenses and permits	206,552	500	-	-	207,052
Intergovernmental	467,769	887,347	1,224,649	57,642	2,637,407
Charges for services	355,158	-	-	22,682	377,840
Investment earnings	176,924	-	-	577	177,501
Miscellaneous	15,658	54,733	49	5,716	76,156
Rent Income	43,084	-	-	-	43,084
Total revenues	<u>3,494,861</u>	<u>1,303,255</u>	<u>1,398,354</u>	<u>166,656</u>	<u>6,363,126</u>
EXPENDITURES					
Current:					
General government	1,761,845	32,708	-	500	1,795,053
Public Safety	1,252,704	-	-	144,401	1,397,105
Public Works	-	933,827	-	-	933,827
Health and sanitation and Human Services	34,454	-	1,380,033	-	1,414,487
Culture and recreation	-	-	-	40,824	40,824
Principal	27,643	44,892	-	-	72,535
Interest and other charges	-	2,743	-	-	2,743
Capital Outlay	74,696	225,000	-	35,250	334,946
Total Expenditures	<u>3,151,342</u>	<u>1,239,170</u>	<u>1,380,033</u>	<u>220,975</u>	<u>5,991,520</u>
Excess (deficiency) of revenues over expenditures	<u>343,519</u>	<u>64,085</u>	<u>18,321</u>	<u>(54,319)</u>	<u>371,606</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	285,147	-	-	-	285,147
Total other financing sources and uses	<u>285,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,147</u>
SPECIAL ITEM					
Proceeds from sale of assets	32,500	-	-	-	32,500
Net change in fund balance	661,166	64,085	18,321	(54,319)	689,253
Fund balance - beginning	3,142,404	1,442,109	583,319	673,649	5,841,481
Fund balance - ending	<u>\$ 3,803,570</u>	<u>\$ 1,506,194</u>	<u>\$ 601,640</u>	<u>\$ 619,330</u>	<u>\$ 6,530,734</u>

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

Crowley County, Colorado
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds:	\$	689,253
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of \$334,946 is more than depreciation of \$220,521 in the current period.		114,425
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Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.		(27,533)
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Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.		71,227
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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:		
Accrued vacation and sick leave		(57,320)

Change in net positions of governmental activities	\$	790,052
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The accompanying notes to financial statements
are an integral part of these statements.

Crowley County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

	Enterprise Funds		
	Water	Ambulance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,135,081	\$ 844,762	\$ 1,979,843
Investments	204,917	-	204,917
Accounts Receivable, net	-	61,782	61,782
Total current assets	<u>1,339,998</u>	<u>906,544</u>	<u>2,246,542</u>
Non-current assets:			
Capital Assets:			
Utility System	2,274,232	-	2,274,232
Equipment and Furniture	138,193	728,436	866,629
Less Accumulated depreciation	<u>(1,745,299)</u>	<u>(623,597)</u>	<u>(2,368,896)</u>
Total non-current assets	<u>667,126</u>	<u>104,839</u>	<u>771,965</u>
Total assets	<u>2,007,124</u>	<u>1,011,383</u>	<u>3,018,507</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	<u>656</u>	<u>4,537</u>	<u>5,193</u>
Total current liabilities	<u>656</u>	<u>4,537</u>	<u>5,193</u>
Total liabilities	<u>656</u>	<u>4,537</u>	<u>5,193</u>
NET POSITION			
Net investment in capital assets	667,126	104,839	771,965
Unrestricted	<u>1,339,342</u>	<u>902,007</u>	<u>2,241,349</u>
Total net position	<u>\$ 2,006,468</u>	<u>\$ 1,006,846</u>	<u>\$ 3,013,314</u>

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

Crowley County, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019

	Enterprise Funds		
	Water	Ambulance	Total
OPERATING REVENUES			
Charges for services	\$ 213,290	\$ 250,725	\$ 464,015
Miscellaneous revenue	17,572	265	17,837
Grants	-	4,600	4,600
Total operating revenues	<u>230,862</u>	<u>255,590</u>	<u>486,452</u>
OPERATING EXPENSES			
Personal services	77,349	112,763	190,112
Contractual services	1,500	2,100	3,600
Utilities	57,030	6,798	63,828
Repairs and maintenance	15,061	23,902	38,963
Other supplies and expenses	12,857	37,559	50,416
Insurance claims and expenses	4,000	2,500	6,500
Bad debts	-	1,353	1,353
Miscellaneous expenses	6,740	20,121	26,861
Depreciation	46,592	53,830	100,422
Total Operating Expenses	<u>221,129</u>	<u>260,926</u>	<u>482,055</u>
Operating income (loss)	<u>9,733</u>	<u>(5,336)</u>	<u>4,397</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	5,485	-	5,485
Total non-operating revenue (expenses)	<u>5,485</u>	<u>-</u>	<u>5,485</u>
Income (loss) before contributions and transfers	15,218	(5,336)	9,882
OTHER FINANCING SOURCES (USES)			
Transfers out	(285,147)	-	(285,147)
Change in net position	(269,929)	(5,336)	(275,265)
Total net position - beginning	2,276,397	1,012,182	3,288,579
Total net position - ending	<u>\$ 2,006,468</u>	<u>\$ 1,006,846</u>	<u>\$ 3,013,314</u>

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

Crowley County, Colorado
Statement of Cash Flows
Proprietary Fund Types
for the year ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	Water	Ambulance	Total
Cash Received from Charges for Services	\$ 213,290	\$ 245,318	\$ 458,608
Cash Received from Miscellaneous Sources	17,572	265	17,837
Cash Received from Grant Revenues	-	4,600	4,600
Cash Payments to Suppliers for Goods & Services	(101,526)	(102,363)	(203,889)
Cash Payments for Salaries & Benefits	(77,349)	(112,763)	(190,112)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>51,987</u>	<u>35,057</u>	<u>87,044</u>
 CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:			
Purchase of Investments	<u>(5,485)</u>	<u>-</u>	<u>(5,485)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(5,485)</u>	<u>-</u>	<u>(5,485)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received on Investment	<u>5,485</u>	<u>-</u>	<u>5,485</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>5,485</u>	<u>-</u>	<u>5,485</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	51,987	35,057	87,044
 Cash & Cash Equivalents:			
Beginning of Year	<u>1,083,094</u>	<u>809,705</u>	<u>1,892,799</u>
End of Year	<u><u>\$ 1,135,081</u></u>	<u><u>\$ 844,762</u></u>	<u><u>\$ 1,979,843</u></u>

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

Crowley County, Colorado
Statement of Cash Flows
Proprietary Fund Types
for the year ended December 31, 2019
(continued)

**RECONCILIATION OF OPERATING
INCOME TO NET CASH**

PROVIDED BY OPERATING ACTIVITIES:

	<u>Water</u>	<u>Ambulance</u>	<u>Total</u>
Operating Income (Loss)	\$ 9.733	\$ (5,336)	\$ 4,397
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:			
Depreciation	46,592	53,830	100,422
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivables:	-	(5,407)	(5,407)
Increase (Decrease) in Accounts Payable	(4,338)	(8,030)	(12,368)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 51,987</u></u>	<u><u>\$ 35,057</u></u>	<u><u>\$ 87,044</u></u>

Analysis of cash:

Cash with County Treasurer	1,135,081	844,762	1,979,843
TOTAL	<u><u>\$ 1,135,081</u></u>	<u><u>\$ 844,762</u></u>	<u><u>\$ 1,979,843</u></u>

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

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

	TOTAL AGENCY FUNDS
ASSETS:	
Cash and cash equivalents	<u>\$ 160,589</u>
Total assets	<u>160,589</u>
 LIABILITIES:	
Due to other governmental units	<u>160,589</u>
Total liabilities	<u>\$ 160,589</u>

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

Crowley County, Colorado
Notes to the Financial Statements
December 31, 2019

Note 1 Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the County are discussed below:

Reporting Entity

The reporting entity consists of (a) the primary government; i.e. the County, and (b) organizations for which the County is financially accountable. The County is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and it either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the County. Organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the County is not financially accountable for any other entity.

Government-Wide and Fund Financial Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's sheriff's protection, road maintenance, culture and recreation, and administration are classified as governmental activities

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions. The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, net position, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. The main sources of revenues include property taxes, specific ownership taxes, sales taxes, and intergovernmental revenues. The expenditures include general government and public safety.
- The *Road and Bridge Fund* accounts for assets and earnings to be used for road and bridge maintenance. The main sources of revenues include property taxes and highway user's trust fund revenues. The expenditures are mainly for public works which includes road and bridge maintenance.
- The *Department of Human Services* accounts for assets and earnings to be used for welfare expenditures. The main sources of revenues include property taxes and intergovernmental revenues which include both state and federal programs. The expenditures are mainly for benefits paid to qualifying recipients.

The County reports the following non-major funds:

- The *Contingent Fund* accounts for assets and earnings that are governed by CRS.
- The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.
- The *E911 Fund* accounts for assets and earnings that are used for the public safety communication system.
- The *Revolving Loan Fund* accounts for loans made to and collections from qualifying individuals.
- The *EMS/Fire Fund* accounts for property taxes and other revenues relating to EMS and Fire Services.

The County reports the following business-type funds:

- The *Water Fund* accounts for sales and purchases of water to the County users. This fund also accounts for all the water shares owned by the County.
- The *Ambulance Fund* accounts for the ambulance services provided by the County.

The County agency funds are the County Treasurer and County Clerk whose activity is added together for the financial statements and is reported as a fiduciary fund. The fiduciary fund activity is not included in any other financial statement.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

Long-term Economic Focus and Accrual Basis

The governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Financial Statement Presentation

Amounts reported as program revenues include (1) charges to customers and applicants for goods, services, or privileges, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Investments

Investments are stated at fair market value, which is the same as cost and include certificates of deposit.

Inventories

Inventories are stated at the lower of cost or market using first-in, first-out (FIFO) to record the changes.

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 the collections on a monthly basis to the County.

The County recognizes a receivable, net of estimated uncollectible amounts, for property tax levied upon certification to the County Treasurer. A deferred in-flow is recorded in the same amount since the taxes are not available at year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

Capital Assets

Capital assets, which include land, land improvements, distribution systems, buildings, equipment, and vehicles, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year for all assets other than equipment. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. New infrastructure costs will be capitalized as of January 1, 2004 and future years.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40-50
Machinery and equipment	7-10
Vehicles	7-10
Infrastructure	75

Vacation Days & Sick Leave

Unused vacation hours are carried over into the next year with hours accrued monthly beginning with the first full month after date of hire. Unused vacation is paid upon termination. Sick leave is also accrued monthly with a maximum of 420 hours or 480 hours, depending on how many hours are worked weekly. Upon termination, 10% of the accrued sick leave will be paid to the employee.

Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the governmental activities column of the government-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP required the County's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Legal Provisions and Authorization for Deposits

The County is governed by state statutes as to the type of institutions and investments with which it may deposit funds and transact business.

Contraband

Per Colorado Contraband Forfeiture Act (C.R.S. 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. Crowley County received no material proceeds from contraband during the year.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Allowance for Doubtful Accounts

Annually the County reviews the various accounts receivable balances in the Ambulance Fund and makes a determination of what the allowance should be. The amount may vary from year to year.

Business-type Activities

Operating revenues for proprietary funds are those revenues that are a result of providing services to individuals and businesses that are serviced by the various proprietary funds.

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

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.

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 the business-type activities. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

Note 2 Stewardship, Compliance and Accountability

Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado, the County followed the required timetable noted below in preparing, approving, and enacting its budget for each year.

For each budget year, prior to August 25, the County Assessor sent to the County an assessed valuation of all taxable property within the County's boundaries.

The Administrative Assistant, or other qualified person appointed by the Commissioners, submitted to the Commissioners, on or before October 15, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the County's operating requirements.

Prior to December 15, a public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

After adoption of the budget resolution, the County may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2018 were collected in 2019 and taxes certified in 2019 will be collected in 2020. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

During the year, supplemental appropriations budgets were adopted due to unanticipated expenditures.

The ambulance fund overspent its budget which may be a violation of Colorado Revised Statutes.

TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR required advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

In November 1996, the voters of the County approved a ballot initiative permitting the County to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatever, without limitation, in 1995 and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

The County's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Note 3**Deposits and Investments****Deposits**

The Colorado Public Deposit Protection Act (“PDPA”) requires that all governments deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts on deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public depositories as a group. The market value of the funds held as collateral must be at least equal to 102% of the aggregate uninsured deposits.

The County had \$6,072,403 in local banks which was covered by the Federal Deposit Insurance Corporation (FDIC) and PDPA. The County also had \$500 cash on hand.

Custodial Credit Risk

The County is not exposed to custodial credit risk in that all cash and investments, except the amounts with COLOTRUST and held by Morgan Stanley, are covered by FDIC insurance and by the PDPA. The County does receive notification from the bank that the bank is in compliance with the Public Depository Protection Act as defined in Colorado Revised Statutes, as amended.

Investments

Colorado Statutes authorize the County to invest in any of the following:

Repurchase agreements, obligations of the United States or obligations unconditionally guaranteed by the United States, obligations of the State of Colorado and most general obligations of units of local government, federally insured mortgages and student loans.

Participation with other local governments in pooled investment funds (trusts), these trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. (One such trust formed under the statute is COLOTRUST).

COLOTRUST PRIME and PLUS+ pools are a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: COLOTRUST PRIME and PLUS+ Portfolios are rated AAAM by S&P. COLOTRUST PLUS+ is rated AAA by Moody’s and AAA/V1+ by Fitch.
- Custodial credit risk: COLOTRUST PRIME and PLUS+ participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

The County had \$2,756,459 invested in COLOTRUST at year-end. COLOTRUST is rated AAAM by Standard and Poor's.

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

Note 4 Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets being Depreciated				
Buildings	\$ 1,334,561	\$ -	\$ -	\$ 1,334,561
Equipment & Furniture	4,979,496	334,946	(52,054)	5,262,388
Total Capital Assets being Depreciated	6,314,057	334,946	(52,054)	6,596,949
Less Accumulated Depreciation	(4,168,453)	(220,521)	24,521	(4,364,453)
Total Capital Assets, net	2,145,604	114,425	(27,533)	2,232,496
Construction in Progress	79,063	-	-	79,063
Total Capital Assets	\$ 2,224,667	\$ 114,425	\$ (27,533)	\$ 2,311,559

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

Governmental Activities:	
Recreation	\$ 3,513
General Government	36,387
Public Safety	82,805
Public Works	97,816
Total Depreciation Expense – Governmental Activities	<u>\$ 220,521</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets not being Depreciated				
Water Shares	\$ 285,147	\$ -	\$ (285,147)	\$ -
Total Capital Assets not being Depreciated	285,147	-	(285,147)	-
Capital Assets being Depreciated				
Distribution Assets	2,274,232	-	-	2,274,232
Vehicles & Equipment	866,628	-	-	866,629
Total Capital Assets being Depreciated	3,140,860	-	-	3,140,861
Less Accumulated Depreciation	(2,268,474)	(100,422)	-	(2,368,896)
Total Capital Assets being Depr	872,386	(100,422)	-	771,965
Total Capital Assets	\$ 1,157,533	\$ (100,422)	\$ (285,147)	\$ 771,965

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

Business-Type Activities:	
Water Distribution	\$ 46,592
Ambulance Services	53,830
Total Depreciation Expense – Business-Type Activities	<u>\$ 100,422</u>

Note 5 Long-term Debt

A summary of changes in long-term debt is:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019	Due in One year
Governmental-Type Activities	\$ 132,486	\$ -	\$ (71,228)	\$ 61,258	\$ 51,266
Accrued Vacation and Sick Leave	\$ -	\$ 57,320	\$ -	\$ 57,320	\$ 57,320

General Long-Term Debt

During 2015 the County entered into a lease purchase agreement for two motor graders. Terms are as follows:

	Principal	Interest	Total
2020	\$ 46,545	\$ 1,391	\$ 47,936

The annual payments will be made by the Road and Bridge Fund. The interest paid in 2019 was \$2,742.

During 2017, the County entered into a lease purchase agreement for a new sheriff vehicle. The total purchase price was \$28,892. After an initial payment of \$5,284, there will be five annual payments of \$5,284 which include principle and interest. Interest is at a rate of 3.82%. Future payments are as follows: A summary of changes in long-term debt is:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,721	\$ 563	\$ 5,284
2021	4,902	382	5,284
2022	5,090	196	5,286
	<u>\$ 14,713</u>	<u>\$ 1,141</u>	<u>\$ 15,854</u>

Note 6

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' Compensation 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, 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.

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, do 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.

Note 7**Joint Ventures**

The County participates in various pools covering workers' compensation and property and casualty losses. These joint ventures do not meet the criteria for inclusion within the reporting entity because the pools:

- are financially independent and responsible for their own financial deficits and entitled to their own surpluses,
- have separate governing boards from that of the County, which is comprised of one voting member from each participating County,
- have governing boards and management who 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
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and control fiscal management.

Note 8**Contingent Liabilities**

During the latter part of 2004, the State of Colorado, Department of Human Services converted to a new accounting system to account for the public welfare costs, revenues and eligible clients. The accounting system failed and several clients received more welfare benefits than they were entitled. It was ruled in federal court that if a welfare client received excess funds as a result of the State of Colorado, Department of Human Services or the County Department of Social Services error or errors, the welfare client was not responsible for repaying the excess amount and the State and County could not start a collection effort. The State has not decided if they will pursue collection efforts against the County for any excess payments made because of the accounting system errors. The amount of liability, if any, that the County could owe to the State because of the errors is not known and the impact on the financial statements, if any, cannot be determined.

Note 9**Pension Plan**

The County provides pension benefits for all of its full-time employees who work at least 30 hours per week for 12 months out of the year through a defined contribution plan administered by Colorado Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of full-time employment. The County rate of contribution is 4% for the retirement and 1% for the deferred compensation plan. The employee must contribute 4% and may contribute more at their election. The County's contributions for each employee and interest allocated to the employee's account are fully vested immediately. Plan provisions and contribution requirements are established and may be amended by the Commissioners.

The County's total payroll during 2019 was \$2,292,932. The County's contributions were calculated using the covered payroll of \$1,822,472. Both the County and the covered employees made the required contributions, amounting to \$72,899 and \$72,899 respectively.

A deferred compensation plan under Section 457 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 on the first day of the month following date of hire. The plan is administered by CRA and plan provisions are established and may be amended by the Commissioners. The County also contributes to the deferred compensation plan. During 2019 the County contributed 1% or \$15,957.

Note 10 Fund Balances

The County has applied the requirements of GASB 54 – Fund Balance Reporting.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to the limitations imposed by the County's highest level of decision making authority, the County Commissioners, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Assigned fund balance – The portion of fund balance set aside for planned or intended purposes but 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 – 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 balances are available for use, it is the County's policy to use restricted funds first. Unrestricted fund balance will be used in the following order: committed, assigned, unassigned.

In the financial statements, the governmental fund reports the following classification of fund balance at December 31, 2019:

	<u>Fund Financial Statements</u>
Nonspendable	
Inventory	\$ 14,500
Committed	
Department of Human Services	601,640
Road & Bridge	<u>1,491,694</u>
Total Committed Emergency Operating	<u>2,093,334</u>
Assigned	
Non-Major Funds	<u>619,330</u>
Unassigned	<u>3,803,570</u>
Total Fund Balance	<u><u>\$ 6,530,734</u></u>

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Crowley County, Colorado
Budget and Actual
General
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 1,420,683	\$ 1,460,683	\$ 1,455,848
SO Taxes	187,500	187,500	220,470
Sales and miscellaneous taxes	463,700	452,000	538,398
Fees and fines	5,900	5,900	15,000
Licenses and permits	169,500	264,500	206,552
Intergovernmental	527,461	772,431	467,769
Charges for services	339,849	339,849	355,158
Investment earnings	100,255	115,255	176,924
Rental income	41,275	41,275	43,084
Miscellaneous	21,000	67,700	15,658
Total revenues	<u>3,277,123</u>	<u>3,707,093</u>	<u>3,494,861</u>
EXPENDITURES			
Current:			
General government	1,520,736	1,851,681	1,761,845
Public Safety	1,464,707	1,464,707	1,252,704
Health	38,967	38,967	34,454
Debt Service:			
Principal	41,523	41,523	27,643
Capital Outlay	29,667	324,667	74,696
Total Expenditures	<u>3,095,600</u>	<u>3,721,545</u>	<u>3,151,342</u>
Excess (deficiency) of revenues over expenditures	<u>181,523</u>	<u>(14,452)</u>	<u>343,519</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	285,147	285,147
Total other financing sources and uses	<u>-</u>	<u>285,147</u>	<u>285,147</u>
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	32,500
Net change in fund balance	181,523	270,695	661,166
Fund balance - beginning	3,110,744	3,110,744	3,142,404
Fund balance - ending	<u>\$ 3,292,267</u>	<u>\$ 3,381,439</u>	<u>\$ 3,803,570</u>

Crowley County, Colorado
Budget and Actual
Road & Bridge
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 308,328	\$ 308,328	\$ 313,185
SO Taxes	36,500	36,500	47,490
Licenses and permits	200	200	500
Intergovernmental	893,619	833,619	887,347
Miscellaneous	55,000	55,000	54,733
Total revenues	<u>1,293,647</u>	<u>1,233,647</u>	<u>1,303,255</u>
EXPENDITURES			
Current:			
General government	31,500	31,500	32,708
Highways and roads	940,151	1,005,151	933,827
Debt Service:			
Principal	44,892	44,892	44,892
Interest and other charges	2,743	2,743	2,743
Capital Outlay	<u>235,500</u>	<u>235,500</u>	<u>225,000</u>
Total Expenditures	<u>1,254,786</u>	<u>1,319,786</u>	<u>1,239,170</u>
Excess (deficiency) of revenues over expenditures	<u>38,861</u>	<u>(86,139)</u>	<u>64,085</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Total other financing sources and uses	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Net change in fund balance	213,861	88,861	64,085
Fund balance - beginning	1,438,723	1,438,723	1,442,109
Fund balance - ending	<u>\$ 1,652,584</u>	<u>\$ 1,527,584</u>	<u>\$ 1,506,194</u>

Crowley County, Colorado
Budget and Actual
Human Services
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 148,482	\$ 148,482	\$ 150,790
SO Taxes	-	-	22,866
Intergovernmental	1,226,630	1,316,195	1,224,649
Miscellaneous	500	500	49
Total revenues	1,375,612	1,465,177	1,398,354
EXPENDITURES			
Current:			
Health and welfare	1,436,031	1,622,771	1,380,033
Total Expenditures	1,436,031	1,622,771	1,380,033
Excess (deficiency) of revenues over expenditures	(60,419)	(157,594)	18,321
Net change in fund balance	(60,419)	(157,594)	18,321
Fund balance - beginning	564,018	564,018	583,319
Fund balance - ending	\$ 503,599	\$ 406,424	\$ 601,640

Crowley County, Colorado
Budget and Actual
Water
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	\$ 213,211	\$ 213,211	\$ 213,290
Investment earnings	1,500	1,500	5,485
Miscellaneous	150	150	17,572
Total revenues	<u>214,861</u>	<u>214,861</u>	<u>236,347</u>
EXPENDITURES			
Personal services	74,007	74,007	77,349
Contractual services	1,500	1,500	1,500
Utilities	65,000	65,000	57,030
Repairs and maintenance	26,250	26,250	15,061
Other supplies and expenses	6,500	11,000	12,857
Insurance claims and expenses	3,500	3,500	4,000
Miscellaneous	8,625	8,775	6,740
Total Operating Expenses	<u>185,382</u>	<u>190,032</u>	<u>174,537</u>
Operating income (loss)	<u>29,479</u>	<u>24,829</u>	<u>61,810</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(285,000)	(285,147)
Total other financing sources and uses	<u>(285,000)</u>	<u>(285,000)</u>	<u>(285,147)</u>
RECONCILING ITEM			
Depreciation	-	-	(46,592)
Net change in net position	(255,521)	(260,171)	(269,929)
Net position - beginning	2,306,276	2,306,276	2,276,397
Net position - ending	<u>\$ 2,050,755</u>	<u>\$ 2,046,105</u>	<u>\$ 2,006,468</u>

Crowley County, Colorado
Budget and Actual
Ambulance
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 19,500	\$ 19,500	\$ 4,600
Charges for services	238,500	278,500	250,725
Miscellaneous	-	-	265
Total revenues	<u>258,000</u>	<u>298,000</u>	<u>255,590</u>
EXPENDITURES			
Personal services	106,102	106,102	112,763
Contractual services	1,750	1,750	2,100
Utilities	4,700	4,700	6,798
Repairs and maintenance	37,000	37,000	23,902
Other supplies and expenses	34,150	34,150	38,912
Insurance claims and expenses	4,000	4,000	2,500
Miscellaneous	16,500	16,500	20,121
Depreciation	50,000	50,000	53,830
Total Operating Expenses	<u>254,202</u>	<u>254,202</u>	<u>260,926</u>
Operating income (loss)	3,798	43,798	(5,336)
Net change in net position	3,798	43,798	(5,336)
Net position - beginning	<u>1,071,921</u>	<u>1,071,921</u>	<u>1,012,182</u>
Net position - ending	<u>\$ 1,075,719</u>	<u>\$ 1,115,719</u>	<u>\$ 1,006,846</u>

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

	E-911	Conservation Trust	Contingent	Revolving Loan Fund	EMS/Fire	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 105,095	\$ 228,392	\$ 29,355	\$ 750	\$ 254,383	\$ 617,975
Taxes receivable, net	-	-	-	-	78,043	78,043
Other receivables	2,628	-	-	-	-	2,628
Total assets	<u>107,723</u>	<u>228,392</u>	<u>29,355</u>	<u>750</u>	<u>332,426</u>	<u>698,646</u>
 LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	56	-	-	-	1,217	1,273
Total liabilities	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,217</u>	<u>1,273</u>
Deferred in-flows of resources						
Deferred property taxes	-	-	-	-	78,043	78,043
Total deferred in-flows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,043</u>	<u>78,043</u>
Fund balance :						
Assigned	107,667	228,392	29,355	750	253,166	619,330
Fund balance:	<u>107,667</u>	<u>228,392</u>	<u>29,355</u>	<u>750</u>	<u>253,166</u>	<u>619,330</u>
Total liabilities and fund balance	<u>\$ 107,723</u>	<u>\$ 228,392</u>	<u>\$ 29,355</u>	<u>\$ 750</u>	<u>\$ 332,426</u>	<u>\$ 698,646</u>

Crowley County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Other Governmental Funds
For the Year Ended December 31, 2019

	E-911	Conservation Trust	Contingent	Revolving Loan Fund	EMS/Fire	Total-Other Governmental Funds
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 69,486	\$ 69,486
SO Taxes	-	-	-	-	10,553	10,553
Intergovernmental	-	46,225	-	-	11,417	57,642
Charges for services	22,682	-	-	-	-	22,682
Investment earnings	467	-	-	-	110	577
Miscellaneous	-	5,716	-	-	-	5,716
Total revenues	<u>23,149</u>	<u>51,941</u>	<u>-</u>	<u>-</u>	<u>91,566</u>	<u>166,656</u>
EXPENDITURES						
Current:						
General government	500	-	-	-	-	500
Public Safety	18,205	-	-	-	126,196	144,401
Culture and recreation	-	40,824	-	-	-	40,824
Capital Outlay	-	35,250	-	-	-	35,250
Total Expenditures	<u>18,705</u>	<u>76,074</u>	<u>-</u>	<u>-</u>	<u>126,196</u>	<u>220,975</u>
Excess (deficiency) of revenues over expenditures	<u>4,444</u>	<u>(24,133)</u>	<u>-</u>	<u>-</u>	<u>(34,630)</u>	<u>(54,319)</u>
Net change in fund balance	4,444	(24,133)	-	-	(34,630)	(54,319)
Fund balance - beginning	103,223	252,525	29,355	750	287,796	673,649
Fund balance - ending	<u>\$ 107,667</u>	<u>\$ 228,392</u>	<u>\$ 29,355</u>	<u>\$ 750</u>	<u>\$ 253,166</u>	<u>\$ 619,330</u>

Crowley County, Colorado
Budget and Actual
EMS/Fire
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 68,559	\$ 68,559	\$ 69,486
SO Taxes	8,800	8,800	10,553
Intergovernmental	28,100	38,100	11,417
Investment earnings	110	110	110
Total revenues	<u>105,569</u>	<u>115,569</u>	<u>91,566</u>
EXPENDITURES			
Current:			
Public Safety	<u>105,231</u>	<u>142,231</u>	<u>126,196</u>
Total Expenditures	<u>105,231</u>	<u>142,231</u>	<u>126,196</u>
Excess (deficiency) of revenues over expenditures	<u>338</u>	<u>(26,662)</u>	<u>(34,630)</u>
Net change in fund balance	338	(26,662)	(34,630)
Fund balance - beginning	<u>295,434</u>	<u>295,434</u>	<u>287,796</u>
Fund balance - ending	<u>\$ 295,772</u>	<u>\$ 268,772</u>	<u>\$ 253,166</u>

Crowley County, Colorado
Budget and Actual
Revolving Loan Fund
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance - beginning	750	750	750
Fund balance - ending	<u>\$ 750</u>	<u>\$ 750</u>	<u>\$ 750</u>

Crowley County, Colorado
Budget and Actual
E-911
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	\$ 21,370	\$ 21,370	\$ 22,682
Investment earnings	500	500	467
Total revenues	<u>21,870</u>	<u>21,870</u>	<u>23,149</u>
EXPENDITURES			
Current:			
General government	500	2,300	500
Public Safety	17,300	20,000	18,205
Capital Outlay	-	18,500	-
Total Expenditures	<u>17,800</u>	<u>40,800</u>	<u>18,705</u>
Excess (deficiency) of revenues over expenditures	<u>4,070</u>	<u>(18,930)</u>	<u>4,444</u>
Net change in fund balance	4,070	(18,930)	4,444
Fund balance - beginning	103,218	103,218	103,223
Fund balance - ending	<u><u>\$ 107,288</u></u>	<u><u>\$ 84,288</u></u>	<u><u>\$ 107,667</u></u>

Crowley County, Colorado
Budget and Actual
Conservation Trust
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 38,000	\$ 48,000	\$ 46,225
Miscellaneous	3,000	3,000	5,716
Total revenues	<u>41,000</u>	<u>51,000</u>	<u>51,941</u>
EXPENDITURES			
Current:			
Culture and recreation	2,722	60,672	40,824
Capital Outlay	<u>35,250</u>	<u>35,250</u>	<u>35,250</u>
Total Expenditures	<u>37,972</u>	<u>95,922</u>	<u>76,074</u>
Excess (deficiency) of revenues over expenditures	<u>3,028</u>	<u>(44,922)</u>	<u>(24,133)</u>
Net change in fund balance	3,028	(44,922)	(24,133)
Fund balance - beginning	247,713	247,713	252,525
Fund balance - ending	<u>\$ 250,741</u>	<u>\$ 202,791</u>	<u>\$ 228,392</u>

Crowley County, Colorado
Budget and Actual
Contingent
For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance - beginning	29,355	29,355	29,355
Fund balance - ending	<u>\$ 29,355</u>	<u>\$ 29,355</u>	<u>\$ 29,355</u>

Crowley County, Colorado
Schedule of Expenditures of Federal Awards
for the year ended December 31, 2019

GRANT TITLE		FEDERAL CFDA NUMBER	AMOUNT OF AWARD EXPENDED	
DEPARTMENT OF HEALTH & HUMAN SERVICES:	PASS THRU AGENCY			
Child Care - Title IV-B	Colo Dept of Human Services	93.645	\$ 13,143	
IV-E FC - Title IV-E	Colo Dept of Human Services	93.658	107,310	
IV-E Relative Guardianship	Colo Dept of Human Services	93.090	18,943	
Block Grant - Title XX	Colo Dept of Human Services	93.667	6,824	
IV-D ADMIN	Colo Dept of Human Services	93.563	72,881	
LEAP	Colo Dept of Human Services	93.568	2,010	
IV-E Adoption	Colo Dept of Human Services	93.659	6,620	
TANF	Colo Dept of Human Services	93.558	336,627	
CCDF Cluster	Colo Dept of Human Services	93.596	2,901	
Child Care Development Funds- Discretion	Colo Dept of Human Services	93.575	<u>15,565</u>	
Total				582,824
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Medicaid Title XX	Colo Dept of Health Care Policy & Finance	93.778	271	
Medicaid Cluster	Colo Dept of Health Care Policy & Finance	93.778	<u>87,279</u>	
Total				87,550
DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT:				
Immunization Core	Colo Dept of Public Health & Environment	66.468	<u>9,563</u>	
Total				9,563
Area Agency on Aging	Title III B	93.044	<u>3,384</u>	
Total				3,384
VETERANS AFFAIRS DEPARTMENT				
Department of Veterans Affairs	Veterans Administration	64.047	<u>14,700</u>	
Total				14,700
DEPARTMENT OF AGRICULTURE:				
PILT		15.226	11,469	
Food Assistance EBT	Colo Dept of Human Services	10.551	290	
Food Stamp Admin.	Colo Dept of Human Services	10.561	<u>47,008</u>	
Total				58,767
DEPARTMENT OF HOMELAND SECURITY:				
Department of Homeland Security	Colo Dept of Local Affairs	97.044	<u>8,117</u>	
Total				<u>8,117</u>
TOTAL FEDERAL FINANCIAL AWARDS				<u><u>\$ 764,905</u></u>

* Major Programs

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Crowley County, Colorado and is presented on the modified accrual basis of accounting.

Crowley County, Colorado
Schedule of Findings and Questioned Costs
December 31, 2019

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

CFDA Number(s)	93.588	Name of Federal Program or Cluster	TANF
----------------	--------	------------------------------------	------

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II: Financial Statement Findings

There were not any material weaknesses, fraud or illegal acts, or violations of provisions of contracts or grants agreements or abuse that could have a material effect on the financial statements.

Section III: Federal Awards Findings

There are not any findings that are required to be reported.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Crowley County	
		YEAR ENDING : December 2019	
This Information From The Records Of Crowley County:		Prepared By: Phone:	LaShelle Benbow 719-267-5249

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)	225,000
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	871,381
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)	348,896	c. Other	
4. Miscellaneous local receipts (from page 2)	55,233	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	95,153
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,191,534
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)	404,129	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	899,125	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	2,743
E. Total receipts (A.7 + B + C + D)	1,303,254	b. Redemption	44,892
		c. Total (a. + b.)	47,635
		3. Total (1.c + 2.c)	47,635
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,239,169

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)	91,135		43,580	47,555

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,442,108	1,303,254	1,239,169	1,506,193	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	

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	313,185	a. Interest on investments	
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	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	35,711	g. Other Misc. Receipts	55,233
6. Total (1. through 5.)	35,711	h. Other	
c. Total (a. + b.)	348,896	i. Total (a. through h.)	55,233
(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	898,820	1. FIIWA (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		d. Federal Transit Admin	
d. Other (Specify) - Taylor Grz	305	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	305	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	899,125	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	0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		225,000	225,000
(5). Total Construction (1) + (2) + (3) + (4)	0	225,000	225,000
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	225,000	225,000
			(Carry forward to page 1)

Notes and Comments:

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

Board of County Commissioners
Crowley County, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crowley County (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 3, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

rfarmer, llc

June 3, 2020

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of County Commissioners
Crowley County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Crowley County's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

rfarmer, llc

June 3, 2020