

Crowley County, Colorado

Financial Statements

December 31, 2015

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Independent Auditor's Report

The Governing Body
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, Colorado, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Crowley County, Colorado's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Crowley County, Colorado'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 Crowley County, Colorado, as of December 31, 2015, 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 budgetary comparison information on pages iii - x and 30 - 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crowley County, Colorado's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [need date] on our consideration of Crowley County, Colorado'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 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 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 Crowley County, Colorado's internal control over financial reporting and compliance.

rfarmer, llc

April 25, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Crowley County, Colorado

Crowley County continues to have a 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 28 percent of Crowley County's net assets. This is an increase of 5 percent over the previous audit year. 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.

Statement of Net Assets Crowley County, Colorado

| | Governmental Activities | | Business Type Activities | | Total Primary Government | |
|--------------------------|----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| Current and Other Assets | 6,172,958 | 6,873,801 | 1,705,129 | 1,908,807 | 7,878,087 | 8,782,608 |
| Capital Assets | <u>1,737,049</u> | <u>2,021,199</u> | <u>1,542,982</u> | <u>1,447,818</u> | <u>3,280,031</u> | <u>3,469,017</u> |
| Total Assets | 7,910,007 | 8,895,000 | 3,248,111 | 3,356,625 | 11,158,118 | 12,251,625 |
| Deferred Rev/Acct Pay | 1,811,047 | 1,477,377 | 1,922 | 0 | 1,812,969 | 1,477,377 |
| Short-term Liabilities | 35,942 | 73,506 | 0 | 0 | 35,942 | 73,506 |
| Long-term Liabilities | <u>136,035</u> | <u>280,329</u> | <u>0</u> | <u>0</u> | <u>136,035</u> | <u>280,329</u> |
| Total Liabilities | 1,983,024 | 1,831,212 | 1,922 | 0 | 1,984,946 | 1,831,212 |
| Net Assets | | | | | | |
| Invested in Cap Assets | | | | | | |
| net of debt | 1,598,672 | 1,667,364 | 1,542,981 | 1,447,819 | 3,141,653 | 3,115,183 |
| Unrestricted | <u>4,328,311</u> | <u>4,960,589</u> | <u>1,703,208</u> | <u>1,899,862</u> | <u>6,031,519</u> | <u>6,860,451</u> |
| Total Net Assets | 5,926,983 | 6,627,953 | 3,246,189 | 3,347,681 | 9,173,172 | 9,975,634 |

Short and Long Term Liabilities have increased significantly. This is mainly due to the governmental type funds purchasing eight new vehicles on a lease purchase for the Sheriff Department. Debt only represents less than 3 percent of the total asset obligation of the County. This represents an increase from 2014 but still does not significantly impact the cash flow of governmental activities funds. Business type funds have no debt. Unrestricted net assets represent 69 percent of the total net governmental assets and may be used for ongoing obligations of the County without restriction. This represents a slight increase change over the previous fiscal year. Governmental Activities experienced a modest increase of 12 percent and Business Type Activities increased from 3 percent. The total primary government assets increased by \$632,000 which amounted to a much larger percent increase than anticipated. The short and

long term liabilities increased in 2015 in Governmental Activities and decreased in Business Type activities since there is no long term debt as of December 31, 2015. Crowley County experienced a total increase in liquid cash and investable funds in 2015 for which was very good considering other economic factors facing the region.

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 |
| 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 |
| 2009 | 1,968,135 | 506,408 | 577,047 | 0 | 574,965 | 161,856 | 148,609 | 29,352 | 57,143 | 0 |
| 2008 | 2,114,320 | 490,750 | 443,970 | 0 | 499,262 | 120,438 | 136,286 | 29,351 | 77,374 | 0 |

The cash balances for all funds increased during 2015 including General Fund. The Road and Bridge Fund has several FEMA grants that reimbursed costs incurred in FY2014-2015. The Ambulance fund and Water Funds are enterprise funds. All of the other funds showed good cash funds balances in reserve in their various departments.

Total expenses decreased \$488,282 which amounted to an 18.0 percent decrease during the past fiscal year in total spending which is compared to reductions in the past fiscal year. This is broken down as a \$472,198 decrease in governmental activities and a \$16,195 increase for the business type activities. These increases were largely a result of higher capital outlay purchases and pass thru funds handled by the county. Department of Human Services serves as the fiscal agent for several regional programs. Most areas of governmental activities increased in 2015 with the exception of Culture and Recreation. Debt Service increased a minimal amount of 1,627. The Water Fund increased mainly due to maintenance and repair items but was very minor. The Ambulance fund increased around 42,000 due to provider grants being spent by the agency. Business Type activities do not have any long term debt obligations in 2015.

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------------|---------------------------------------|-------------|--------------|--------------|--------------|
| | <u>Governmental Activities</u> | | | | |
| General Government | \$1,751,548 | \$1,687,194 | \$ 1,821,788 | \$ 1,511,784 | \$ 1,712,643 |
| Public Safety | \$1,414,428 | \$1,391,452 | \$ 1,007,157 | \$ 834,388 | \$ 850,553 |
| Public Works | \$802,719 | \$941,378 | \$ 827,603 | \$ 855,695 | \$ 900,101 |
| Human Services | \$1,293,882 | \$1,133,554 | \$ 1,027,042 | \$ 983,976 | \$ 1,132,543 |
| Culture and Recreation | \$5,413 | \$5,888 | \$ 25,543 | \$ 42,690 | \$ 25,440 |
| Revolving Loan | \$0 | - | \$ - | \$ 40,240 | \$ 5,718 |
| Interest on Debt | \$0 | \$1,627 | \$ 3,302 | \$ 4,806 | \$ 6,268 |
| Total Governmental | \$5,267,990 | \$5,161,093 | \$ 4,712,435 | \$ 4,273,579 | \$ 4,633,266 |
| | <u>Business Type</u> | | | | |
| Water | \$215,648 | \$219,555 | \$ 185,221 | \$ 201,258 | \$ 219,613 |
| Ambulance/EMS | \$209,422 | \$252,152 | \$ 199,998 | \$ 174,212 | \$ 168,062 |
| Total Business | \$425,070 | \$472,107 | \$ 385,219 | \$ 375,470 | \$ 387,675 |
| Total Primary Govt | \$5,693,060 | \$5,633,200 | \$ 5,097,654 | \$ 4,649,049 | \$ 5,020,941 |

A quick analysis of this table shows the significant efforts that the board has undertaken to reduce overall county expenditures in both general government functions and business activities. Many of the increases in the Governmental Activities portion of the audit are from Crowley County serving as a fiscal pass-thru agent for other agencies, Tri County Housing, 16th Judicial District Attorney, Canyons and Plains and the Bent, Crowley, Otero Early Childhood Council. Also in Road and Bridge Fund several capital equipment purchases were made. Crowley County DHS also 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, and House Bill 1451 Integrated Managed Care.

Financial Analysis of Crowley County's Funds

The following schedule compares the revenues and expenses for the primary government for the current and previous two fiscal years. Total Governmental Activity expenditures increased in 2013 in all many areas. Many of the increases are directly related to pass thru expenses or upgrades in capital equipment. Business Type Activities increased in the Ambulance Fund and decreased slightly in the Water Fund due to the elimination of any debt service for the county water system. Program Revenues for Business Activity Funds increased some in 2013, due to the Ambulance Fund. Revenues in the Water Fund decreased in 2013 due to the implementation of the revised Water agreement between Crowley County and the four water buyers the county supplies. General Revenues increased in 2013 generally due to increases in Ad Valorem taxes for 2013 from 2012. As stated above the fees for services for the business activities decreased for the Water Fund and increased in the Ambulance Fund. The total changes in net assets for General Activity Type Funds was an increase of \$361,000 basically the result of larger collection of local county revenues. Business Type Funds had a net increase in net assets for the same time period.

| | 2012 | 2013 | 2014 | 2015 |
|----------------------------------|----------------|-----------------|-------------|-------------|
| Expenses | | | | |
| Governmental Activities: | | | | |
| General Government | \$1,511,784.00 | \$ 1,821,788.00 | \$1,687,194 | \$1,751,548 |
| Public Safety | \$834,388.00 | \$ 1,007,157.00 | \$1,391,452 | \$1,414,428 |
| Public Works | \$855,695.00 | \$ 827,603.00 | \$941,378 | \$802,719 |
| Human Services | \$983,976.00 | \$ 1,027,042.00 | \$1,133,554 | \$1,293,882 |
| Culture/Recreation | \$42,690.00 | \$ 25,543.00 | \$5,888 | \$5,413 |
| Revolving Loan | \$40,240.00 | \$ - | \$0 | \$0 |
| Interest on Long Term Debt | \$4,806.00 | \$ 3,302.00 | \$1,627 | \$0 |
| Total Govt Activities: | \$4,273,579.00 | \$ 4,712,435.00 | \$5,161,093 | \$5,267,990 |
| Business Type Activities: | | | | |
| Water Fund | \$201,258.00 | \$ 185,221.00 | \$219,555 | \$215,648 |
| Ambulance Fund | \$174,212.00 | \$ 199,998.00 | \$252,152 | \$209,422 |
| Total Business Type Activities: | \$375,470.00 | \$ 385,219.00 | \$472,107 | \$425,070 |
| Total Primary Government | \$4,649,049.00 | \$ 5,097,654.00 | \$5,666,200 | \$5,693,060 |
| Program Revenue Govt Acct | | | | |
| Governmental Activities | | | | |
| Charges for Services | \$318,645.00 | \$ 319,069.00 | \$317,550 | \$317,649 |
| Capital Grants | \$30,000.00 | \$ - | \$1,753 | \$12,012 |
| Operating Grants | \$2,022,266.00 | \$ 2,465,609.00 | \$2,619,788 | \$3,188,505 |
| Total Primary Government | \$2,370,911.00 | \$ 2,784,678.00 | \$2,939,091 | \$3,518,166 |
| General Revenues Govt Act | | | | |
| Property Taxes | \$1,513,817.00 | \$ 1,565,265.00 | \$1,622,980 | \$1,686,349 |
| Use/Misc Revenue | \$1,834.00 | \$ 94,495.00 | \$1,419 | \$4218 |
| SO and Sales Taxes | \$570,691.00 | \$ 581,534.00 | \$6120,021 | \$636,590 |
| Unrestricted investment earnings | \$23,464.00 | \$ 13,245.00 | \$18,493 | \$33,757 |
| Miscellaneous | \$62,399.00 | \$ 34,619.00 | \$52,376 | \$89,880 |
| Transfers | \$0.00 | \$ - | \$0 | \$0 |
| Total Gen Revenues | \$2,172,205.00 | \$ 2,289,158.00 | \$2,305,289 | \$2,450,794 |
| Change in Net Assets | \$269,537.00 | \$ 361,401.00 | \$83,287 | \$700,970 |
| Equity Transfer | \$0.00 | \$ - | \$0.00 | \$0 |
| Beginning Net Assets | \$5,212,761.00 | \$ 5,482,296.00 | \$5,843,697 | \$5,926,983 |
| Ending Net Assets | \$5,482,298.00 | \$ 5,843,697.00 | \$5,926,983 | \$6,627,953 |
| General Revenues Business | | | | |
| Water Fund | \$241,737.00 | \$ 215,690.00 | \$194,723 | \$192,063 |
| Ambulance Fund | \$225,624.00 | \$ 322,005.00 | \$359,845 | \$291,336 |
| Total | \$467,361.00 | \$ 537,695.00 | \$554,568 | \$483,399 |
| Unrestricted investment earnings | \$1,483.00 | \$ - | \$1,761 | \$1,394 |
| Miscellaneous | \$2,066.00 | \$ 1,888.00 | \$4,316 | \$1,443 |
| Transfers | \$0.00 | \$ - | \$0 | \$0 |
| Total | \$470,910.00 | \$ 539,583.00 | \$560,645 | \$486,236 |
| Change in Net Assets | \$95,440.00 | \$ 154,364.00 | \$88,538 | \$101,492 |
| Equity Transfer | \$0.00 | \$ - | | |
| Beginning Net Assets | \$2,907,846.00 | \$ 3,003,288.00 | \$3,157,651 | \$3,246,189 |
| Ending Net Assets | \$3,003,286.00 | \$ 3,157,652.00 | \$3,246,189 | \$3,347,681 |

Financial Analysis of Crowley County Balance Sheet Accounts

| Crowley County Balance Sheet | | | | | | |
|--------------------------------------|------------------|------------------|------------------|------------------|--------------------|------------------|
| | Governmental | | Business-Type | | Total | |
| | Activities | | Activities | | Primary Government | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Assets | | | | | | |
| Cash | 4,656,941 | 4,345,369 | 1,647,328 | 1,451,909 | 6,304,269 | 5,797,278 |
| Investments | 0 | 0 | 194,957 | 193,563 | 194,957 | 193,563 |
| Taxes Receivable | 1,738,088 | 1,690,673 | 75,520 | 59,657 | 1,813,608 | 1,750,330 |
| Receivables from other govts | 67,234 | 42,524 | 0 | | 67,234 | 42,524 |
| Other Receivables | 397,038 | 79,893 | 0 | | 397,038 | 79,893 |
| Inventories | 14,500 | 14,500 | | | 14,500 | 14,500 |
| Total Current Assets | <u>6,873,801</u> | <u>6,172,959</u> | <u>1,917,805</u> | <u>1,705,129</u> | <u>8,791,606</u> | <u>7,878,088</u> |
| Non-Current Assets: | | | | | | |
| Capital Assets - Utility System | | | 2,274,232 | 2,274,232 | 2,274,232 | 2,274,232 |
| Water Shares | | | 285,147 | 285,147 | 285,147 | 285,147 |
| Buildings | | | 0 | 0 | 0 | 0 |
| Equipment | | | 860,129 | 860,129 | 860,129 | 860,129 |
| Less Accumulated Depreciation | | | (1,971,689) | (1,876,525) | (1,971,689) | (1,876,525) |
| Total Non Current Assets | | | <u>1,447,819</u> | <u>1,542,983</u> | <u>1,447,819</u> | <u>1,542,983</u> |
| Total Assets | | | <u>3,365,624</u> | <u>3,248,112</u> | <u>10,239,425</u> | <u>9,421,071</u> |
| Liabilities/Fund Balances | | | | | | |
| Liabilities: | | | | | | |
| Account Payable | 74,277 | 50,158 | 17,944 | 1,922 | 92,221 | 52,080 |
| Deferred Revenues (Prop Taxes) | 1,831,212 | 1,752,088 | 0 | 0 | 1,831,212 | 1,752,088 |
| Deferred Revenues – Title IV-E | 7,722 | 8,800 | | | 7,722 | 8,800 |
| Bonds, notes payable | | | 0 | 0 | 0 | 0 |
| Total Current Liabilities | <u>1,831,212</u> | <u>1,752,088</u> | <u>17,944</u> | <u>1,922</u> | <u>1,849,156</u> | <u>1,754,010</u> |
| Non-Current Liabilities | | | | | | |
| Bonds, Notes Payable | | | 0 | 0 | 0 | 0 |
| Total Non-Current Liabilities | | | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Liabilities | <u>1,693,185</u> | <u>1,752,088</u> | <u>17,944</u> | <u>1,922</u> | <u>1,696,022</u> | <u>1,754,010</u> |
| Fund Balances: | | | | | | |
| Non Spendables: | | | | | | |
| Inventories | 14,500 | 14,500 | | | 14,500 | 14,500 |
| Restricted: | 0 | | | | 0 | |
| Unassigned: | 2,584,235 | 2,834,437 | 1,899,861 | 1,703,207 | 4,484,096 | 4,537,644 |
| Assigned: | | | | | | |
| Invested in Cap Assets | | | 1,447,819 | 1,542,981 | 1,447,819 | 1,542,981 |
| Special Revenue funds | 2,361,855 | 1,512,976 | | | 2,361,855 | 1,512,976 |
| Total Net Assets | | | | | 0 | 0 |

| | | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|------------|-----------|
| Total fund balances | 4,960,590 | 4,316,913 | 3,347,680 | 3,246,188 | 7,402,681 | 7,563,101 |
| Total Liabilities and fund balances | 6,873,801 | 6,172,959 | 3,347,680 | 3,246,188 | 10,221,281 | 9,419,147 |

Governmental Funds.

Governmental funds focus on money inflows and outflows and the balances available for spending. 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. At fiscal year end, total current asset balance of the County's governmental funds was \$6,873 million an, increase over \$701,000 million. Of the net assets 68 percent is in liquid asset form (cash) which was virtually no change since 2010. The bulk of these funds are held in the county general fund. The business type activities (funds) had an increase of \$195,419 in their current assets over 2014. Of the total 1.899 million in the Business Activities Funds in current assets 87 percent is held in liquid form (cash), which virtually unchanged over 2014. The percentages have deviated very little from past fiscal years.

General Fund is the primary operating fund of the County that accounts for all financial resources of the general government, except for those that are required to be accounted for in other funds with separate and distinct revenue bases and funding requirements. At the end of fiscal year 2007, the unreserved fund balance in the general fund was \$2.06 million. The ending balance for 2008 the unreserved fund balance was 2.12 million. The ending balance for unreserved funds was \$1.97 million for 2009 and in 2010 it was virtually unchanged. Due to classification changes in GASB, the portion of the fund balance unobligated is presented as unassigned in the financial statement presentation. At the end of 2013 the total fund balance of General Fund has increased by \$271,570 which amounted to a larger increase than in previous fiscal years. Fiscal year 2014 saw almost zero growth in General Fund and at the end of 2015 the General Fund had increased its ending fund balance by \$190,000.

- Revenues increased in 2015 primarily due to a lease purchase other financing option exercised by the county and intergovernmental funds.
- Expenditures decreased in 2015 over 2014 in the general government section and was primarily the result of the County serving as fiscal agent for other entities that required a pass thru agency. The public safety function increased in 2015 by around 96,000 due to equipment upgrades and the purchase of new vehicles for the Sheriff's Department. Most of the major department categories experienced little increased spending with the exception of public safety.
- For fiscal year 2015 General Fund had an excess of revenues over expenditures of 189,820 which changed from surplus in prior fiscal year.

Road and Bridge is the primary operating fund for public works and road management for the county. This fund is operated by a local mill levy and allocations from the Highway Users Trust Fund (HUTF). The assigned fund balance for this fund increased during the past fiscal year. The increase was \$314,349 for 2015. The contributing factor was an increases in highway users tax support and FEMA federal grant revenues during 2015. Expenditures for the fund were increased mainly due to purchase of two maintainers for District 2 and 3. The board employed some other cost cutting measures were in place to stabilize the fund balance. Crowley County has tried to

manage discretionary spending such as fuel costs, and the reduction in the cost of paving and maintaining the county road system. Also, the intergovernmental revenue associated with HUTF increases added to the upward increase in the assigned fund balance. The following steps were taken to help avert the continued slide in the cash balances in the Road and Bridge Department.

- Some expenditure in this fund increased in the past fiscal year. The costs for salaries remained fairly constant. The operational costs for culverts, tires and gas and oil remained constant with 2014. The Sand Arroyo Project contributed to the overall major increases in the expenditures side of the fund in previous years and the revenue was recognized in 2015.

Human Services Fund is the primary operating fund for the Department of Human Services. The chief function of this department is to provide financial assistance as well as adult and child welfare protection. This fund is one of the major funds in the county. The unrestricted fund balance increased approximately \$33,605 which is almost the same as in the past fiscal year. The factors contributing to this change in fund balance are as follows:

- The ending fund balance for the Department of Human Services experienced a net gain during fiscal year 2015. This represents the ninth year the fund balance has gradually grown at year end close. The chart below demonstrates the increase the department as seen in the past few fiscal years. Several factors have contributed to the increase in 2013: (1) the department is a recipient of county tax base relief funds, the department has been recipient of additional programs to help fund services including IVE Waiver Demonstration family enhancement funding, House Bill 1451 Integrated Managed Care and adult protection services. In addition to this amount, \$29,930 was restricted due to transfer of deferred revenue items to restricted fund balance presentation. The represents deferred revenue for parental fees and IV-E funds. The department has also restricted \$50,000 of the fund balance in the budget for a working balance. The ending cash balance with the county treasurer increased at the end of fiscal year 2015 from the immediate previous fiscal year.

| Fiscal Year | Ending Fund Balance | Increase | Percentage |
|-------------|---------------------|------------|------------|
| 2015 | \$503,538.00 | +33,605 | 7.0% |
| 2014 | \$469,952.00 | +34,762.37 | 9.0% |
| 2013 | \$405,259.00 | +30,587.51 | 8.0% |
| 2012 | \$374,672.00 | +59,487.17 | 19.00% |
| 2011 | \$315,186.00 | +27,268.00 | 8.65% |
| 2010 | \$287,918.00 | +85,085.00 | 41.95% |

Figure 1

Business Type Funds

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.

The Ambulance fund is the operating fund for the county's ambulance services. The Ambulance fund was separated from the EMS Fund in 2010 to allow for better flexibility and cash flow positions in applying for grant funds. This fund experienced an operating income of \$120,113 during fiscal year 2015 and has excellent unassigned fund balance in which to operate. The Ambulance fleet was totally replaced between 2010 to 2011. Approximately ninety percent of the assets of the fund are held in liquid form which is an increase from the previous fiscal years and makes the operation of the ambulance much more sound.

Water Fund is the chief operating fund for the Water Department for Crowley County. The county provides bulk water to four separate vendors. The fund balance for the Water Fund decreased \$18,621 largely due to some repair and maintenance items and depreciation. The following factors are significant in that increase:

- Water revenue was basically unchanged from the prior fiscal year. The Water Fund had no bonded debt.
- The County had purchased several water shares in the Colorado Canal and Lake Meredith Reservoir and Canal Company. These were retired in full 2012.
- The entity contribution is based upon their prorate share of water consumed based on a three year rolling average. For calendar year 2015 because of the substantial cash balances in this fund the revenue projection was retained at 115 percent of anticipated expenses from 125 percent.

Other Governmental Funds

- E911 Fund experienced an increase in ending fund balance. The funds are generated through a .70 cent monthly surcharge from land and cell phone providers as well as interest generated from invested funds held by the County Treasurer. It is anticipated that major capital improvements will be needed in the immediate future to ensure continued compliance with necessary demands of operating a 911 system
- Conservation Trust Fund was increased in 2015 due to no major capital projects. These funds are generated strictly from Lottery Revenue and Interest in the designated account held by the County Treasurer.
- EMS Fire Fund experienced an increase in their ending fund balance. The overall expenditures of the fund were increased and there was no increase in intergovernmental revenues. Many of the volunteer fire departments exceeded the original budgetary predictions in the acquisition of capital items.
- Other minor funds remained virtually unchanged.

Crowley County, Colorado
Statement of Net Position
December 31, 2015

| | Governmental Activities | Business-type Activities | Total |
|---------------------------------------|------------------------------------|-------------------------------------|---------------------|
| ASSETS | | | |
| Cash and Equivalents | \$ 4,656,942 | \$ 1,647,330 | \$ 6,304,272 |
| Investments | - | 194,957 | 194,957 |
| Receivables | 2,135,125 | 75,520 | 2,210,645 |
| Internal Balances | 9,000 | (9,000) | - |
| Due from Other Governmental Agencies | 58,234 | - | 58,234 |
| Inventories | 14,500 | - | 14,500 |
| Buildings | 1,334,561 | - | 1,334,561 |
| Equipment and Furniture | 4,238,594 | 3,134,360 | 7,372,864 |
| Other Capital Assets | - | 285,147 | 285,147 |
| Less: Accumulated Depreciation | (3,551,866) | (1,971,689) | (5,523,555) |
| Total Capital Assets | <u>2,021,199</u> | <u>1,447,818</u> | <u>3,469,017</u> |
| Total Assets | <u>8,895,000</u> | <u>3,356,625</u> | <u>12,251,625</u> |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 74,278 | 8,944 | 83,222 |
| Due to other governmental agencies | 7,722 | - | 7,722 |
| Long-term liabilities | | | |
| Due within one year | | | |
| Bonds, capital leases and contracts | 73,506 | - | 73,506 |
| Due in more than one year | | | |
| Bonds, capital leases and contracts | <u>280,329</u> | <u>-</u> | <u>280,329</u> |
| Total liabilities | 435,835 | 8,944 | 444,779 |
| Deferred In-Flows of Resources | | | |
| Deferred Property Taxes | <u>1,831,212</u> | <u>-</u> | <u>1,831,212</u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,667,364 | 1,447,819 | 3,115,183 |
| Unrestricted | <u>4,960,589</u> | <u>1,899,862</u> | <u>6,860,451</u> |
| Total net position | <u>\$ 6,627,953</u> | <u>\$ 3,347,681</u> | <u>\$ 9,975,634</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, 2015

| Functions/Programs | Program Revenue | | | | | Net (Expense) Revenue and Changes in Net Assets | | |
|--|--------------------|----------------------|------------------------------------|----------------------------------|--|---|--------------------------|--------------|
| | Primary Government | | | Business-type | | Primary Government | | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | Governmental Activities | Business-type Activities | Total |
| Primary government | | | | | | | | |
| Governmental activities | | | | | | | | |
| General Government | \$ 1,751,548 | \$ 293,224 | \$ 1,058,709 | \$ 4,512 | | \$ (395,103) | \$ - | \$ (395,103) |
| Public Safety | 1,414,428 | 24,425 | 57,078 | 7,500 | | (1,325,425) | - | (1,325,425) |
| Public Works | 802,719 | - | 894,738 | - | | 92,019 | - | 92,019 |
| Human Services | 1,293,882 | - | 1,144,650 | - | | (149,232) | - | (149,232) |
| Culture and Recreation | 5,413 | - | 33,330 | - | | 27,917 | - | 27,917 |
| Interest on Long-term debt | - | - | - | - | | - | - | - |
| Total governmental activities | 5,267,990 | 317,649 | 3,188,505 | 12,012 | | (1,749,824) | - | (1,749,824) |
| Business-type activities: | | | | | | | | |
| Water | 215,648 | 192,063 | 3,500 | - | | - | (20,085) | (20,085) |
| Ambulance | 209,422 | 291,336 | 4,300 | 32,526 | | 32,526 | 118,740 | 118,740 |
| Total business-type activities | 425,070 | 483,399 | 7,800 | 32,526 | | 32,526 | 98,655 | 98,655 |
| Total primary government | \$ 5,693,060 | \$ 801,048 | \$ 3,196,305 | \$ 44,538 | | (1,749,824) | 98,655 | (1,651,169) |
| General revenues: | | | | | | | | |
| Taxes | | | | | | | | |
| Property taxes, levied for general purposes | | | | | | \$ 1,686,349 | \$ - | \$ 1,686,349 |
| Use and miscellaneous taxes | | | | | | 4,218 | - | 4,218 |
| SO and sales tax | | | | | | 636,590 | - | 636,590 |
| Unrestricted investment earnings | | | | | | 33,757 | 1,394 | 35,151 |
| Miscellaneous | | | | | | 89,880 | 1,443 | 91,323 |
| Total general revenues, special items, and transfers | | | | | | 2,450,794 | 2,837 | 2,453,631 |
| Change in net assets | | | | | | 700,970 | 101,492 | 802,462 |
| Net assets - beginning | | | | | | 5,926,983 | 3,246,189 | 9,173,172 |
| Net assets - ending | | | | | | \$ 6,627,953 | \$ 3,347,681 | \$ 9,975,634 |

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

Crowley County, Colorado
Balance Sheet
Governmental Funds
December 31, 2015

| | <u>General</u> | <u>Road & Bridge</u> | <u>Human Services</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|---------------------|------------------------------|---------------------------|---|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,399,390 | \$ 933,085 | \$ 541,400 | \$ 783,066 | \$ 4,656,941 |
| Taxes receivable, net | 1,227,611 | 299,634 | 144,258 | 66,585 | 1,738,088 |
| Due from other funds | - | - | - | 9,000 | 9,000 |
| Receivable from other governments | - | - | 58,234 | - | 58,234 |
| Other receivables | 251,168 | 139,567 | - | 6,303 | 397,038 |
| Inventories | - | 14,500 | - | - | 14,500 |
| Total assets | <u>3,878,169</u> | <u>1,386,786</u> | <u>743,892</u> | <u>864,954</u> | <u>6,873,801</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 66,323 | 5,576 | (4,770) | 7,148 | 74,277 |
| Unearned revenues - Title IV -E | - | - | 7,722 | - | 7,722 |
| Total liabilities | <u>66,323</u> | <u>5,576</u> | <u>2,952</u> | <u>7,148</u> | <u>81,999</u> |
| Deferred in-flows of resources | | | | | |
| Deferred property taxes | 1,227,611 | 299,634 | 237,382 | 66,585 | 1,831,212 |
| Total deferred in-flows | <u>1,227,611</u> | <u>299,634</u> | <u>237,382</u> | <u>66,585</u> | <u>1,831,212</u> |
| Fund balances: | | | | | |
| Non-spendable: | | | | | |
| Inventories | - | 14,500 | - | - | 14,500 |
| Unassigned: | 2,584,235 | - | - | - | 2,584,235 |
| Assigned: | | | | | |
| Special revenue funds | - | 1,067,076 | 503,558 | 791,221 | 2,361,855 |
| Total fund balances | <u>2,584,235</u> | <u>1,081,576</u> | <u>503,558</u> | <u>791,221</u> | <u>4,960,590</u> |
| Total liabilities and fund balances | <u>\$ 3,878,169</u> | <u>\$ 1,386,786</u> | <u>\$ 743,892</u> | <u>\$ 864,954</u> | <u>\$ 6,873,801</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, 2015

| | |
|--|--------------|
| Total fund balance, governmental funds | \$ 4,960,590 |
|--|--------------|

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. | 2,021,199 |
|---|-----------|

| | |
|--|-----------|
| 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. | (353,835) |
|--|-----------|

| | |
|----------|-----|
| Rounding | (1) |
|----------|-----|

| | |
|--|----------------------------|
| Net Assets of Governmental Activities in the Statement of Net Position | <u><u>\$ 6,627,953</u></u> |
|--|----------------------------|

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, 2015

| | General | Road & Bridge | Human Services | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|------------------------------|---------------------------|---|---|
| REVENUES | | | | | |
| Property Taxes | \$ 1,225,997 | \$ 270,279 | \$ 130,103 | \$ 59,970 | \$ 1,686,349 |
| SO Tax | 162,548 | 35,910 | 17,290 | 7,980 | 223,728 |
| Sales and miscellaneous taxes | 452,815 | - | - | - | 452,815 |
| Fees and fines | 17,735 | - | - | - | 17,735 |
| Licenses and permits | 3,442 | - | - | - | 3,442 |
| Intergovernmental | 1,035,757 | 894,738 | 1,136,410 | 90,408 | 3,157,313 |
| Charges for services | 290,799 | - | - | 22,631 | 313,430 |
| Investment earnings | 33,432 | - | - | 325 | 33,757 |
| Miscellaneous | 35,046 | 475 | 312 | 1,667 | 37,500 |
| Rent Income | 42,892 | - | - | - | 42,892 |
| Total revenues | <u>3,300,463</u> | <u>1,201,402</u> | <u>1,284,115</u> | <u>182,981</u> | <u>5,968,961</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 1,727,275 | 29,884 | - | 500 | 1,757,659 |
| Public Safety | 1,291,759 | - | - | 116,163 | 1,407,922 |
| Public Works | - | 802,719 | - | - | 802,719 |
| Health and sanitation and Human Services | 43,470 | - | 1,250,510 | - | 1,293,980 |
| Culture and recreation | - | - | - | 5,413 | 5,413 |
| Principal | 36,239 | - | - | - | 36,239 |
| Interest and other charges | - | - | - | - | - |
| Capital Outlay | 11,900 | 272,250 | - | - | 284,150 |
| Total Expenditures | <u>3,110,643</u> | <u>1,104,853</u> | <u>1,250,510</u> | <u>122,076</u> | <u>5,588,082</u> |
| Excess (deficiency) of revenues over expenditures | <u>189,820</u> | <u>96,549</u> | <u>33,605</u> | <u>60,905</u> | <u>380,879</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from capital leases | - | 217,800 | - | - | 217,800 |
| Total other financing sources and uses | <u>-</u> | <u>217,800</u> | <u>-</u> | <u>-</u> | <u>217,800</u> |
| Net change in fund balances | 189,820 | 314,349 | 33,605 | 60,905 | 598,679 |
| Fund balances - beginning | 2,394,415 | 767,227 | 469,953 | 730,316 | 4,361,911 |
| Fund balances - ending | <u>\$ 2,584,235</u> | <u>\$ 1,081,576</u> | <u>\$ 503,558</u> | <u>\$ 791,221</u> | <u>\$ 4,960,590</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, 2015

| | | |
|---|----|---------|
| Net change in fund balances - total governmental funds: | \$ | 598,679 |
|---|----|---------|

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 \$284,150 is more than depreciation of \$0 in the current period. | | 284,150 |
|---|--|---------|

| | | |
|---|--|-----------|
| Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. | | (181,858) |
|---|--|-----------|

| | | |
|---|----|--|
| Rounding | | (1) |
| Change in net assets of governmental activities | \$ | <div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">700,970</div> |

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

Crowley County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2015

| | Enterprise Funds | | |
|----------------------------------|-------------------------|---------------------|---------------------|
| | Water | Ambulance | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 999,059 | \$ 648,269 | \$ 1,647,328 |
| Investments | 194,957 | - | 194,957 |
| Accounts Receivable, net | 2,037 | 73,483 | 75,520 |
| Total current assets | <u>1,196,053</u> | <u>721,752</u> | <u>1,917,805</u> |
| Non-current assets: | | | |
| Capital Assets: | | | |
| Utility System | 2,274,232 | - | 2,274,232 |
| Water Shares | 285,147 | - | 285,147 |
| Equipment and Furniture | 131,693 | 728,436 | 860,129 |
| Less Accumulated depreciation | (1,557,887) | (413,802) | (1,971,689) |
| Total non-current assets | <u>1,133,185</u> | <u>314,634</u> | <u>1,447,819</u> |
| Total assets | <u>2,329,238</u> | <u>1,036,386</u> | <u>3,365,624</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 1,467 | 7,477 | 8,944 |
| Due to other funds | - | 9,000 | 9,000 |
| Total current liabilities | <u>1,467</u> | <u>16,477</u> | <u>17,944</u> |
| Total liabilities | <u>1,467</u> | <u>16,477</u> | <u>17,944</u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,133,185 | 314,634 | 1,447,819 |
| Unrestricted | 1,194,586 | 705,275 | 1,899,861 |
| Total net position | <u>\$ 2,327,771</u> | <u>\$ 1,019,909</u> | <u>\$ 3,347,680</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, 2015

| | Enterprise Funds | | |
|--|------------------|--------------|--------------|
| | Water | Ambulance | Total |
| OPERATING REVENUES | | | |
| Charges for services | \$ 192,063 | \$ 291,336 | \$ 483,399 |
| Miscellaneous revenue | 71 | 1,372 | 1,443 |
| Grants | 3,500 | 36,826 | 40,326 |
| Total operating revenues | 195,634 | 329,534 | 525,168 |
| OPERATING EXPENSES | | | |
| Personal services | 64,342 | 90,378 | 154,720 |
| Contractual services | 5,000 | 3,697 | 8,697 |
| Utilities | 58,807 | 5,047 | 63,854 |
| Repairs and maintenance | 25,314 | 8,825 | 34,139 |
| Other supplies and expenses | 5,558 | 24,981 | 30,539 |
| Insurance claims and expenses | 3,500 | 2,750 | 6,250 |
| Bad debts | - | 15,202 | 15,202 |
| Miscellaneous expenses | 5,502 | 11,003 | 16,505 |
| Depreciation | 47,626 | 47,538 | 95,164 |
| Total Operating Expenses | 215,649 | 209,421 | 425,070 |
| Operating income (loss) | (20,015) | 120,113 | 100,098 |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest and investment revenue | 1,394 | - | 1,394 |
| Total non-operating revenue (expenses) | 1,394 | - | 1,394 |
| Income (loss) before contributions and transfers | (18,621) | 120,113 | 101,492 |
| Change in net position | (18,621) | 120,113 | 101,492 |
| Total net position - beginning | 2,346,392 | 899,796 | 3,246,188 |
| Total net position - ending | \$ 2,327,771 | \$ 1,019,909 | \$ 3,347,680 |

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, 2015

| CASH FLOWS FROM OPERATING ACTIVITIES: | Water | Ambulance | Total |
|---|-------------------|-------------------|---------------------|
| Cash Received from Charges for Services | \$ 190,026 | \$ 277,510 | \$ 467,536 |
| Cash Received from Miscellaneous Sources | 71 | 1,372 | 1,443 |
| Cash Received from Grant Revenues | 3,500 | 36,826 | 40,326 |
| Cash Payments to Suppliers for Goods & Services | (102,912) | (65,252) | (168,164) |
| Cash Payments for Salaries & Benefits | (64,342) | (90,378) | (154,720) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>26,343</u> | <u>160,078</u> | <u>186,421</u> |
| CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES: | | | |
| Purchase of Investments | (1,394) | - | (1,394) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(1,394)</u> | <u>-</u> | <u>(1,394)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest Received on Investment | <u>1,394</u> | <u>-</u> | <u>1,394</u> |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>1,394</u> | <u>-</u> | <u>1,394</u> |
| NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS | 26,343 | 160,078 | 186,421 |
| Cash & Cash Equivalents: | | | |
| Beginning of Year | <u>972,716</u> | <u>488,191</u> | <u>1,460,907</u> |
| End of Year | <u>\$ 999,059</u> | <u>\$ 648,269</u> | <u>\$ 1,647,328</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, 2015
(continued)

**RECONCILIATION OF OPERATING
INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:**

| | <u>Water</u> | <u>Ambulance</u> | <u>Total</u> |
|--|--------------------------|--------------------------|----------------------------|
| Operating Income (Loss) | \$ (20,015) | \$ 120,113 | \$ 100,098 |
| Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities: | | | |
| Depreciation | 47,626 | 47,538 | 95,164 |
| Change in Assets and Liabilities: | | | |
| (Increase) Decrease in Accounts Receivables: | (2,037) | (13,826) | (15,863) |
| Increase (Decrease) in Accounts Payable | 769 | 6,253 | 7,022 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u><u>\$ 26,343</u></u> | <u><u>\$ 160,078</u></u> | <u><u>\$ 186,421</u></u> |
| Analysis of cash: | | | |
| Cash with County Treasurer | 999,059 | 648,269 | 1,647,328 |
| TOTAL | <u><u>\$ 999,059</u></u> | <u><u>\$ 648,269</u></u> | <u><u>\$ 1,647,328</u></u> |

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

Crowley County, Colorado
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2015

| | TOTAL AGENCY FUNDS |
|---------------------------------|-----------------------|
| ASSETS: | |
| Cash and cash equivalents | \$ 66,118 |
| Total assets | <u>66,118</u> |
| LIABILITIES: | |
| Due to other governmental units | 66,118 |
| Total liabilities | <u>\$ 66,118</u> |

Crowley County, Colorado
Notes to the Financial Statements
December 31, 2015

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 assets 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, fund equity, 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 statements.

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. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities. There was not any interest capitalized during the year.

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

All County employees, who are considered full-time employees, are eligible to receive paid vacation. The unused vacation cannot be carried forward after year-end lapses. Therefore no accrual is established for vacation pay for County employees. Sick leave can be accumulated up to 60 days with the maximum amount carried forward year-to-year. Employees are not paid for unused sick leave. Due to the different ways in which sick pay can be converted and paid, no accrual is made.

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 Assets 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 2014 were collected in 2015 and taxes certified in 2015 will be collected in 2016. 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.

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 \$6,027,802 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 it 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 COLO TRUST).

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.
- Foreign currency risk: Not applicable to 2a7-like pools.

The County had \$642,925 invested in COLOTRUST at year-end.

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, 2015 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|------------|-----------|-------------------|
| Governmental Activities: | | | | |
| Capital Assets being Depreciated | | | | |
| Buildings | \$ 1,334,561 | \$ - | \$ - | \$ 1,334,561 |
| Equipment & Furniture | 3,954,354 | 284,150 | | 4,238,504 |
| Total Capital Assets being Depreciated | 5,288,915 | 284,150 | - | 5,573,065 |
| Less Accumulated Depreciation | (3,551,866) | (139,147) | - | (3,691,013) |
| Total Capital Assets, Net | \$ 1,737,049 | \$ 145,003 | \$ - | \$ 1,882,052 |
| | | | | |
| | 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 | 860,129 | - | - | 860,129 |
| Total Capital Assets being Depreciated | 3,134,361 | - | - | 3,134,361 |
| Accumulated Depreciation | (1,876,525) | (47,626) | - | (1,924,151) |
| Total Accumulated Depreciation | (1,876,525) | \$ (47,626) | \$ - | (1,924,151) |
| Total Capital Assets being Depreciated, Net | \$ 1,257,836 | \$ (47,626) | \$ - | \$ 1,210,210 |

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

Governmental activities:

| | |
|--------------------|-----------|
| General Government | \$ 33,814 |
| Public Safety | 29,170 |
| Public Works | 76,163 |

Total depreciation expense- governmental activities \$139,147

Business-type activities:

| | |
|--------------------|-----------|
| Water Distribution | \$ 47,626 |
| Ambulance Services | 46,538 |

Total depreciation expense- business-type activities \$ 94,164

Note 5 Long-term Debt

A summary of changes in long-term debt is:

| | Balance 1/1/2015 | Increases | Decreases | Balance 12/31/2015 | Due in One year |
|----------------------------------|---------------------|-----------|-------------|-----------------------|--------------------|
| Governmental- Type Activities | \$ 171,977 | \$ - | \$ (35,942) | \$ 136,035 | \$ 32,715 |

General Long-term Debt

The interest paid during 2015 on the lease purchase listed below was \$297 and was paid by the General Fund.

During 2014 the County entered into a lease purchase agreement for several vehicles. Terms are as follows:

| | Principal | Interest | Total |
|------|-------------------|-----------------|-------------------|
| 2016 | \$ 32,715 | \$ 3,524 | \$ 36,239 |
| 2017 | 33,563 | 2,676 | 36,239 |
| 2018 | 34,432 | 1,807 | 36,239 |
| 2019 | 35,325 | 914 | 36,239 |
| | <u>\$ 136,035</u> | <u>\$ 8,921</u> | <u>\$ 144,956</u> |

Interest is calculated at 2.591% per annum. The annual payments will be made by the General Fund.

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

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------|-------------------|------------------|-------------------|
| 2016 | \$ 40,791 | \$ 6,844 | \$ 47,635 |
| 2017 | 42,292 | 5,343 | 47,635 |
| 2018 | 43,580 | 4,055 | 47,635 |
| 2019 | 44,893 | 2,742 | 47,635 |
| 2020 | 46,244 | 1,391 | 47,635 |
| | <u>\$ 217,800</u> | <u>\$ 20,375</u> | <u>\$ 238,175</u> |

The annual payments will be made by the Road and Bridge Fund.

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, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the County would be financially responsible.

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 Operating Leases:

The County enters into various operating leases whereby the County leases equipment. The lease terms are month-to-month. The amounts are charged to expenditures as incurred.

Note 10 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 COERA. 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 2015 was \$1,950,758. The County's contributions were calculated using the covered payroll of \$1,499,795. Both the County and the covered employees made the required contributions, amounting to \$59,992 and \$59,992 respectively for a total of \$119,984.

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 after one year of service. The plan is administered by COERA and plan provisions are established and may be amended by the Commissioners. Employee's voluntary contributions for the year were \$78,163. The County also contributes to the deferred compensation plan. During 2015 the County contributed 1% or \$27,784.

Note 11 Net Assets:

As of year-end the Department of Human Services restricted \$29,930 of its net assets due to enabling legislation.

Note 12 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.

Note 13 EBT Authorization:

Refer to the following page for the Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures for the year ended December 31, 2015, for the Department of Human Services Fund.

Department of Human Services
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures
for the year ended December 31, 2015

| Program | County EBT Authorizations | County Share of Authorizations | Expenditures By County Warrant | County EBT Authorizations and Expenditures by County Warrant | Total Expenditures |
|--------------------------------------|---------------------------------|--------------------------------------|--------------------------------------|---|-----------------------|
| Regular County Administration | \$ - | \$ - | \$ 221,110 | \$ 221,110 | 221,110 |
| Non Allocated Administration | - | - | 4,731 | 4,731 | 4,731 |
| Child Welfare SCCC | - | - | 5,614 | 5,614 | 5,614 |
| LEAP Administration/Outreach | - | - | 11,053 | 11,053 | 11,053 |
| Cost Allocation Adjustment | - | - | (3,798) | (3,798) | (3,798) |
| Energy Outreach - Colorado | - | - | 12,430 | 12,430 | 12,430 |
| Child Welfare Parental Fees | - | - | 1,848 | 1,848 | 1,848 |
| TANF Administration | - | - | 111,697 | 111,697 | 111,697 |
| TANF NMS | - | - | 94,750 | 94,750 | 94,750 |
| TANF Family Preservation | - | - | 16,603 | 16,603 | 16,603 |
| Aid Needy Disabled EBT | 55,779 | 10,489 | - | 55,779 | 10,489 |
| SSI HCA | 22,514 | 1,125 | - | 22,514 | 1,125 |
| Old Age Pension Administration | - | - | 2,608 | 2,608 | 2,608 |
| Old Age Pension Client Level | 224,875 | 1,060 | - | 224,875 | 1,060 |
| Child Welfare Hotline Implementation | - | - | 1,825 | 1,825 | 1,825 |
| Child Welfare CTBR Disc Grant | 35,346 | 7,048 | - | 35,346 | 7,048 |
| Child Care MOE | - | - | 12,062 | 12,062 | 12,062 |
| Child Care Administration | 234,289 | 46,858 | - | 234,289 | 46,858 |
| Child Welfare OOH | - | - | 195,901 | 195,901 | 195,901 |
| Child Welfare Administration 80 | - | - | 29,990 | 29,990 | 29,990 |
| Child Welfare Administration 100 | 106,574 | 4,009 | - | 106,574 | 4,009 |
| Core Services | - | - | 75,605 | 75,605 | 75,605 |
| Child Support Enforcement | - | - | - | - | - |
| Colorado Works MOE | 181,056 | 40,261 | - | 181,056 | 40,261 |
| LEAP Client Benefits/CIP | 165,478 | 165,478 | - | 165,478 | 165,478 |
| Adult Protection Services | - | - | 14,928 | 14,928 | 14,928 |
| Mobility Technology Grant | - | - | 1,174 | 1,174 | 1,174 |
| Medicaid Transportation | - | - | 117,988 | 117,988 | 117,988 |
| HB1451 Int Managed Care | - | - | 31,246 | 31,246 | 31,246 |
| IV-E Waiver Family Engagement | - | - | 58,631 | 58,631 | 58,631 |
| Special Grant, SE Regional Council | - | - | 5,000 | 5,000 | 5,000 |
| Sub-Total | 1,025,911 | 276,328 | 1,037,095 | 2,063,006 | 1,313,423 |
| Food Assistance (SNAP) | 1,207,683 | - | - | 1,207,683 | - |
| Grand Total | \$ 2,233,594 | \$ 276,328 | \$ 1,037,095 | \$ 3,270,689 | \$ 1,313,423 |

Crowley County, Colorado
Budget and Actual
General
For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|---|---------------------|---------------------|------------------------------------|
| | Original | Final | |
| REVENUES | | | |
| Property Taxes | \$ 1,233,755 | \$ 1,233,755 | \$ 1,225,997 |
| SO Taxes | 145,000 | 145,000 | 162,548 |
| Sales and miscellaneous taxes | 404,050 | 366,500 | 452,815 |
| Fees and fines | 22,200 | 22,200 | 17,735 |
| Licenses and permits | 5,000 | 5,000 | 3,442 |
| Intergovernmental | 1,231,145 | 1,310,145 | 1,035,757 |
| Charges for services | 279,870 | 279,870 | 290,799 |
| Investment earnings | 23,000 | 23,000 | 33,432 |
| Rental income | 25,800 | 35,000 | 42,892 |
| Miscellaneous | 2,700 | 28,700 | 35,046 |
| Total revenues | <u>3,372,520</u> | <u>3,449,170</u> | <u>3,300,463</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 1,877,569 | 1,889,569 | 1,727,276 |
| Public Safety | 1,267,316 | 1,350,998 | 1,291,759 |
| Health | 69,858 | 69,858 | 43,470 |
| Debt Service: | | | |
| Principal | 36,240 | 36,240 | 36,239 |
| Capital Outlay | <u>221,091</u> | <u>232,591</u> | <u>11,900</u> |
| Total Expenditures | <u>3,472,074</u> | <u>3,579,256</u> | <u>3,110,644</u> |
| Excess (deficiency) of revenues over expenditures | <u>(99,554)</u> | <u>(130,086)</u> | <u>189,819</u> |
| Net change in fund balances | (99,554) | (130,086) | 189,819 |
| Fund balances - beginning | <u>2,410,794</u> | <u>2,410,794</u> | <u>2,394,415</u> |
| Fund balances - ending | <u>\$ 2,311,240</u> | <u>\$ 2,280,708</u> | <u>\$ 2,584,234</u> |

Crowley County, Colorado
Budget and Actual
Road & Bridge
For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|---|------------------|------------|------------------------------------|
| | Original | Final | |
| REVENUES | | | |
| Property Taxes | \$ 271,591 | \$ 271,591 | \$ 270,279 |
| SO Taxes | 36,000 | 36,000 | 35,910 |
| Licenses and permits | 100 | 100 | - |
| Intergovernmental | 831,136 | 852,136 | 894,738 |
| Miscellaneous | 2,500 | 2,500 | 475 |
| Total revenues | 1,141,327 | 1,162,327 | 1,201,402 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 22,000 | 22,000 | 29,884 |
| Highways and roads | 1,148,769 | 1,148,769 | 802,719 |
| Debt Service: | | | |
| Principal | - | - | - |
| Interest and other charges | - | - | - |
| Capital Outlay | 316,000 | 348,750 | 272,250 |
| Total Expenditures | 1,486,769 | 1,519,519 | 1,104,853 |
| Excess (deficiency) of revenues over expenditures | (345,442) | (357,192) | 96,549 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from capital leases | 244,000 | 244,000 | 217,800 |
| Total other financing sources and uses | 244,000 | 244,000 | 217,800 |
| Net change in fund balances | (101,442) | (113,192) | 314,349 |
| Fund balances - beginning | 785,681 | 785,681 | 767,227 |
| Fund balances - ending | \$ 684,239 | \$ 672,489 | \$ 1,081,576 |

Crowley County, Colorado
Budget and Actual
Human Services
For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|---|-------------------|-------------------|------------------------------------|
| | Original | Final | |
| REVENUES | | | |
| Property Taxes | \$ 130,954 | \$ 130,954 | \$ 130,103 |
| SO Taxes | - | - | 17,290 |
| Intergovernmental | 1,098,146 | 1,291,012 | 1,136,410 |
| Miscellaneous | 700 | 700 | 312 |
| Total revenues | <u>1,229,800</u> | <u>1,422,666</u> | <u>1,284,115</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Health and welfare | <u>1,275,413</u> | <u>1,478,013</u> | <u>1,250,510</u> |
| Total Expenditures | <u>1,275,413</u> | <u>1,478,013</u> | <u>1,250,510</u> |
| Excess (deficiency) of revenues over expenditures | <u>(45,613)</u> | <u>(55,347)</u> | <u>33,605</u> |
| Net change in fund balances | (45,613) | (55,347) | 33,605 |
| Fund balances - beginning | 434,760 | 434,760 | 469,953 |
| Fund balances - ending | <u>\$ 389,147</u> | <u>\$ 379,413</u> | <u>\$ 503,558</u> |

Crowley County, Colorado
Budget and Actual
Water
For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|--|---------------------|---------------------|------------------------------------|
| | Original | Final | |
| REVENUES | | | |
| Charges for services | \$ 192,063 | \$ 192,063 | \$ 192,063 |
| Investment earnings | 1,500 | 1,500 | 1,394 |
| Grants | - | 3,500 | 3,500 |
| Miscellaneous | 150 | 150 | 71 |
| Total revenues | <u>193,713</u> | <u>197,213</u> | <u>197,028</u> |
| EXPENDITURES | | | |
| Personal services | 66,510 | 66,510 | 64,342 |
| Contractual services | 5,000 | 5,000 | 5,000 |
| Utilities | 60,000 | 60,000 | 58,807 |
| Repairs and maintenance | 17,350 | 24,850 | 25,314 |
| Other supplies and expenses | 5,550 | 5,550 | 5,558 |
| Insurance claims and expenses | 3,500 | 3,500 | 3,500 |
| Miscellaneous | 9,101 | 9,101 | 5,502 |
| Total Operating Expenses | <u>167,011</u> | <u>174,511</u> | <u>168,023</u> |
| Operating income (loss) | 26,702 | 22,702 | 29,005 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating grants and contributions | <u>(3,500)</u> | <u>(3,500)</u> | <u>-</u> |
| Total other financing sources and uses | <u>(3,500)</u> | <u>(3,500)</u> | <u>-</u> |
| RECONCILING ITEM | | | |
| Depreciation | - | - | (47,626) |
| Net change in fund balances | 23,202 | 19,202 | (18,621) |
| Fund balances - beginning | 1,066,411 | 1,066,411 | 2,346,392 |
| Fund balances - ending | <u>\$ 1,089,613</u> | <u>\$ 1,085,613</u> | <u>\$ 2,327,771</u> |

Crowley County, Colorado
Budget and Actual
Ambulance
For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|-------------------------------|-------------------------|-------------------|--|
| | Original | Final | |
| REVENUES | | | |
| Intergovernmental | \$ 45,750 | \$ 45,750 | \$ 36,826 |
| Charges for services | 268,000 | 268,000 | 291,336 |
| Miscellaneous | 500 | 500 | 1,372 |
| Total revenues | <u>314,250</u> | <u>314,250</u> | <u>329,534</u> |
| EXPENDITURES | | | |
| Personal services | 107,271 | 107,271 | 90,378 |
| Contractual services | 3,675 | 3,675 | 3,697 |
| Utilities | 5,052 | 5,052 | 5,047 |
| Repairs and maintenance | 6,200 | 6,200 | 8,825 |
| Other supplies and expenses | 36,800 | 36,800 | 40,183 |
| Insurance claims and expenses | 2,400 | 2,400 | 2,750 |
| Provider Grant | 82,500 | 82,500 | - |
| Miscellaneous | 19,050 | 19,050 | 11,003 |
| Total Operating Expenses | <u>262,948</u> | <u>262,948</u> | <u>161,883</u> |
| Operating income (loss) | <u>51,302</u> | <u>51,302</u> | <u>167,651</u> |
| Net change in fund balances | 51,302 | 51,302 | 120,113 |
| Fund balances - beginning | 851,251 | 851,251 | 899,796 |
| Fund balances - ending | <u>\$ 902,553</u> | <u>\$ 902,553</u> | <u>\$ 1,019,909</u> |

Crowley County, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2015

| | E-911 | Conservation Trust | Contingent | Revolving Loan Fund | EMS/Fire | Total Governmental Funds |
|---------------------------|------------|-----------------------|------------|------------------------|------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 100,405 | \$ 202,767 | \$ 29,355 | \$ 750 | \$ 449,789 | \$ 783,066 |
| Taxes receivable, net | - | - | - | - | 66,585 | 66,585 |
| Other receivables | 1,975 | - | - | - | 4,328 | 6,303 |
| Total assets | 102,380 | 202,767 | 29,355 | 750 | 529,702 | 864,954 |

LIABILITIES AND FUND BALANCES

| | | | | | | |
|-------------------------------------|------------|------------|-----------|--------|------------|------------|
| Liabilities: | | | | | | |
| Accounts payable | 143 | - | - | - | 7,005 | 7,148 |
| Total liabilities | 143 | - | - | - | 7,005 | 7,148 |
| Deferred in-flows of resources | | | | | | |
| Deferred property taxes | - | - | - | - | 66,585 | 66,585 |
| Total deferred in-flows | - | - | - | - | 66,585 | 66,585 |
| Fund balances: | | | | | | |
| Assigned | 102,237 | 202,767 | 29,355 | 750 | 456,112 | 791,221 |
| Total fund balances | 102,237 | 202,767 | 29,355 | 750 | 456,112 | 791,221 |
| Total liabilities and fund balances | \$ 102,380 | \$ 202,767 | \$ 29,355 | \$ 750 | \$ 529,702 | \$ 864,954 |

Crowley County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2015

| | E-911 | Conservation Trust | Contingent | Revolving Loan Fund | EMS/Fire | Total-Other Governmental Funds |
|---|-------------------|-----------------------|------------------|---------------------|-------------------|--------------------------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ - | \$ - | \$ 4 | \$ - | \$ 59,966 | \$ 59,970 |
| SO Taxes | - | - | - | - | 7,980 | 7,980 |
| Intergovernmental | - | 33,530 | - | - | 57,078 | 90,408 |
| Charges for services | 22,631 | - | - | - | - | 22,631 |
| Investment earnings | 217 | - | - | - | 108 | 325 |
| Miscellaneous | - | 295 | - | - | 1,372 | 1,667 |
| Total revenues | <u>22,848</u> | <u>33,625</u> | <u>4</u> | <u>-</u> | <u>126,504</u> | <u>182,981</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 500 | - | - | - | - | 500 |
| Public Safety | 7,523 | - | - | - | 108,640 | 116,163 |
| Culture and recreation | - | 5,413 | - | - | - | 5,413 |
| Principal | - | - | - | - | - | - |
| Interest and other charges | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Total Expenditures | <u>8,023</u> | <u>5,413</u> | <u>-</u> | <u>-</u> | <u>108,640</u> | <u>122,076</u> |
| Excess (deficiency) of revenues over expenditures | <u>14,825</u> | <u>28,212</u> | <u>4</u> | <u>-</u> | <u>17,864</u> | <u>60,905</u> |
| Net change in fund balances | <u>14,825</u> | <u>28,212</u> | <u>4</u> | <u>-</u> | <u>17,864</u> | <u>60,905</u> |
| Fund balances - beginning | <u>87,412</u> | <u>174,555</u> | <u>29,351</u> | <u>750</u> | <u>438,248</u> | <u>730,316</u> |
| Fund balances - ending | <u>\$ 102,237</u> | <u>\$ 202,767</u> | <u>\$ 29,355</u> | <u>\$ 750</u> | <u>\$ 456,112</u> | <u>\$ 791,221</u> |

Crowley County, Colorado
Budget and Actual
EMS/Fire
For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|---|-------------------------|-------------------|--|
| | Original | Final | |
| REVENUES | | | |
| Property Taxes | \$ 60,323 | \$ 60,323 | \$ 59,966 |
| SO Taxes | 6,500 | 6,500 | 7,980 |
| Intergovernmental | 50,000 | 316,086 | 57,078 |
| Investment earnings | 100 | 100 | 108 |
| Total revenues | <u>116,923</u> | <u>383,009</u> | <u>126,504</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public Safety | <u>107,825</u> | <u>391,215</u> | <u>108,640</u> |
| Total Expenditures | <u>107,825</u> | <u>391,215</u> | <u>108,640</u> |
| Excess (deficiency) of revenues over expenditures | <u>9,098</u> | <u>(8,206)</u> | <u>17,864</u> |
| Net change in fund balances | 9,098 | (8,206) | 17,864 |
| Fund balances - beginning | 483,229 | 483,229 | 438,248 |
| Fund balances - ending | <u>\$ 492,327</u> | <u>\$ 475,023</u> | <u>\$ 456,112</u> |

Crowley County, Colorado
Budget and Actual
Revolving Loan Fund
For the year ended December 31, 2015

| | 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 balances | - | - | - |
| Fund balances - beginning | 750 | 750 | 750 |
| Fund balances - ending | <u>\$ 750</u> | <u>\$ 750</u> | <u>\$ 750</u> |

Crowley County, Colorado
 Budget and Actual
 E-911
 For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|---|------------------|------------------|------------------------------------|
| | Original | Final | |
| REVENUES | | | |
| Charges for services | \$ 20,360 | \$ 20,360 | \$ 22,631 |
| Investment earnings | 150 | 150 | 217 |
| Total revenues | <u>20,510</u> | <u>20,510</u> | <u>22,848</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 500 | 500 | 500 |
| Public Safety | 8,835 | 8,835 | 7,523 |
| Total Expenditures | <u>9,335</u> | <u>9,335</u> | <u>8,023</u> |
| Excess (deficiency) of revenues over expenditures | <u>11,175</u> | <u>11,175</u> | <u>14,825</u> |
| Net change in fund balances | 11,175 | 11,175 | 14,825 |
| Fund balances - beginning | 84,719 | 84,719 | 87,412 |
| Fund balances - ending | <u>\$ 95,894</u> | <u>\$ 95,894</u> | <u>\$ 102,237</u> |

Crowley County, Colorado
 Budget and Actual
 Conservation Trust
 For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|---|------------------|------------|------------------------------------|
| | Original | Final | |
| REVENUES | | | |
| Intergovernmental | \$ 40,000 | \$ 40,000 | \$ 33,330 |
| Miscellaneous | 250 | 250 | 295 |
| Total revenues | 40,250 | 40,250 | 33,625 |
| EXPENDITURES | | | |
| Current: | | | |
| Culture and recreation | 14,392 | 14,392 | 5,413 |
| Capital Outlay | 2,500 | 2,500 | - |
| Total Expenditures | 16,892 | 16,892 | 5,413 |
| Excess (deficiency) of revenues over expenditures | 23,358 | 23,358 | 28,212 |
| Net change in fund balances | 23,358 | 23,358 | 28,212 |
| Fund balances - beginning | 176,591 | 176,591 | 174,555 |
| Fund balances - ending | \$ 199,949 | \$ 199,949 | \$ 202,767 |

Crowley County, Colorado
 Budget and Actual
 Contingent
 For the year ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis |
|--|------------------|------------------|------------------------------------|
| | Original | Final | |
| REVENUES | | | |
| Property taxes | \$ - | \$ - | \$ 4 |
| Total revenues | - | - | 4 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | - | - | - |
| Total Expenditures | - | - | - |
| Excess (deficiency) of revenues over expenditures | - | - | 4 |
| Net change in fund balances | - | - | 4 |
| Fund balances - beginning | 29,350 | 29,350 | 29,351 |
| Fund balances - ending | <u>\$ 29,350</u> | <u>\$ 29,350</u> | <u>\$ 29,355</u> |

Crowley County, Colorado
Schedule of Expenditures of Federal Awards
for the year ended December 31, 2015

| 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 | \$ 4,226 | |
| IV-E FC - Title IV-E | Colo Dept of Human Services | 93.658 | 143,590 | |
| IV-E Waiver | Colo Dept of Human Services | 93.658 | 58,631 | |
| Block Grant - Title XX | Colo Dept of Human Services | 93.667 | 14,123 | |
| Medicaid Title XX | Colo Dept of Human Services | 93.778 | 73,919 | |
| Medicaid Transportation | Colo Dept of Human Services | 93.778 | 119,842 | |
| IV-D ADMIN | Colo Dept of Human Services | 93.563 | 53,162 | |
| LEAP | Colo Dept of Human Services | 93.568 | 160,675 | |
| IV-E Adoption | Colo Dept of Human Services | 93.659 | 19,811 | |
| TANF | Colo Dept of Human Services | 93.558 | 338,105 * | |
| Child Care Development Funds | Colo Dept of Human Services | 93.593 | 23,445 | |
| Child Care Development Funds- Discretion | Colo Dept of Human Services | 93.575 | 2,329 | |
| Child Care Development Funds- Infant/Toddler | Colo Dept of Human Services | 93.575 | 24,305 | |
| Total | | | | 1,036,163 |
| DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT: | | | | |
| Immunization Core | Colo Dept of Public Health & Environment | 66.468 | 9,428 | 9,428 |
| Area Agency on Aging | Title III B | 93.044 | 5,800 | 5,800 |
| DEPARTMENT OF JUSTICE: | | | | |
| Department of Public Safety | Division of Criminal Justice | 16.738 | 99,299 * | |
| Department of Public Safety | Division of Criminal Justice | 16.007 | 8,595 | |
| Total | | | | 107,894 |
| DEPARTMENT OF AGRICULTURE: | | | | |
| Food Stamp Admin | Colo Dept of Human Services | 10.561 | 55,945 | |
| Total | | | | 55,945 |
| Community Development Block Grant | Colo Dept of Local Affairs | 14.228 | 370,225 | |
| Total | | | | 370,225 |
| Department of Homeland Security-FEMA | Federal Emergency Management Admin | 97.044 | 3,075 | |
| Department of Homeland Security-FEMA | Federal Emergency Management Admin | 97.067 | 168,687 | |
| Department of Homeland Security | Colo Dept of Local Affairs | 97.042 | 30,000 | |
| Total | | | | 201,762 |
| TOTAL FEDERAL FINANCIAL AWARDS | | | | <u>\$ 1,787,217</u> |

* Major Programs

The County did pass through CDBG funds to a local housing authority as a sub-recipient totaling \$370,225

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
For the Year Ended December 31, 2015

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

| | |
|--|---------------|
| Are any material weaknesses identified? | No |
| Are any significant deficiencies identified? | None Reported |
| Is any noncompliance material to financial statements noted? | No |

Federal Awards

Internal control over major federal programs:

| | |
|--|---------------|
| Are any material weaknesses identified? | No |
| Are any significant deficiencies identified? | None reported |
| Type of auditor's report issued on compliance for major federal programs [<i>unmodified, qualified, adverse, or disclaimer</i>]: | |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

Identification of major federal programs:

| CFDA Number(s) | Name of federal program or cluster |
|----------------|------------------------------------|
| 93.558 | TANF |

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as a low-risk auditee? Yes

Section II: Financial Statements 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.

| | | | |
|---|--|--------------------------------|----------------------------|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: Crowley | |
| | | YEAR ENDING : December 2015 | |
| This Information From The Records Of County of: Crowley | | Prepared By: Phone: | Mike Apker 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) | 0 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 1,074,969 |
| 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) | 306,189 | c. Other | |
| 4. Miscellaneous local receipts (from page 2) | 475 | d. Total (a. through c.) | 0 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | 29,884 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | 1,104,853 |
| b. Bonds - Refunding Issues | | B. Debt service on local obligations: | |
| c. Notes | 217,800 | 1. Bonds: | |
| d. Total (a. + b. + c.) | 217,800 | a. Interest | |
| 7. Total (1 through 6) | 524,464 | b. Redemption | |
| B. Private Contributions | | c. Total (a. + b.) | 0 |
| C. Receipts from State government (from page 2) | 726,051 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 168,687 | a. Interest | 0 |
| E. Total receipts (A.7 + B + C + D) | 1,419,202 | b. Redemption | 0 |
| | | c. Total (a. + b.) | 0 |
| | | 3. Total (1.c + 2.c) | 0 |
| | | C. Payments to State for highways | |
| | | D. Payments to toll facilities | |
| | | E. Total disbursements (A.6 + B.3 + C + D) | 1,104,853 |

| IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par) | | | | |
|--|--------------|---------------|-------------|--------------|
| | Opening Debt | Amount Issued | Redemptions | Closing Debt |
| A. Bonds (Total) | | | | 0 |
| 1. Bonds (Refunding Portion) | | | | |
| B. Notes (Total) | 0 | 217,800 | 0 | 217,800 |

| V. LOCAL ROAD AND STREET FUND BALANCE | | | | | |
|---------------------------------------|----------------------|-------------------|------------------------|-------------------|-------------------|
| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
| | 767,227 | 1,419,202 | 1,104,853 | 1,081,576 | 0 |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2015

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 | 270,279 | a. Interest on investments | 0 |
| b. Other local imposts: | | b. Traffic Fines & Penalties | 0 |
| 1. Sales Taxes | 0 | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | 0 | f. Charges for Services | 0 |
| 5. Specific Ownership &/or Other | 35,910 | g. Other Misc. Receipts | 475 |
| 6. Total (1. through 5.) | 35,910 | h. Other | |
| c. Total (a. + b.) | 306,189 | i. Total (a. through h.) | 475 |
| (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 | 695,706 | 1. FHWA (from Item I.D.5.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | |
| a. State bond proceeds | | b. FEMA | 168,687 |
| b. Project Match | | c. HUD | |
| c. Motor Vehicle Registrations | 9,506 | d. Federal Transit Admin | |
| d. Other (Specify) - DOLA Grant | 20,839 | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | |
| f. Total (a. through e.) | 30,345 | g. Total (a. through f.) | 168,687 |
| 4. Total (1. + 2. + 3.f) | 726,051 | 3. Total (1. + 2.g) | |
| | | (Carry forward to page 1) | |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

**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**

Independent Auditor's Report

The Governing Body
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, Colorado as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Crowley County, Colorado's basic financial statements, and have issued our report thereon dated April 25, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crowley County, Colorado'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 Crowley County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Crowley County, Colorado'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Crowley County, Colorado'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

April 25, 2016

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

Independent Auditor's Report

The Governing Body
Crowley County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Crowley County, Colorado's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Crowley County, Colorado's major federal programs for the year ended December 31, 2015. Crowley County, Colorado'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Crowley County, Colorado'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 Crowley County, Colorado'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 Crowley County, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, Crowley County, Colorado 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, 2015.

Report on Internal Control over Compliance

Management of Crowley County, Colorado 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 Crowley County, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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 Crowley County, Colorado'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

April 25, 2016