

Crowley County, Colorado

Financial Statements

December 31, 2012

**Crowley County, Colorado**  
**Table of Contents**  
**December 31, 2012**

	PAGE
Table of Contents	i
Independent Auditor's Report	1
Management's Discussion and Analysis	iii
Government-Wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet - Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Assets - Proprietary Fund	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	10
Statement of Cash Flows - Proprietary Fund	11
Statement of Fiduciary Net Assets - Fiduciary Funds	13
Notes to the Financial Statements	14
Required Supplementary Information:	
Schedule of Revenues and Expenditures - Budget & Actual - General Fund	31
Schedule of Revenues and Expenditures - Budget & Actual - Road & Bridge Fund	32
Schedule of Revenues and Expenditures - Budget & Actual - Department of Human Services	33

**Crowley County, Colorado**  
**Table of Contents**  
**December 31, 2012**

Supplementary Information:

Schedule of Revenues and Expenditures - Budget & Actual - Water Fund	34
Schedule of Revenues and Expenditures - Budget & Actual - Ambulance Fund	35
Balance Sheet - Other Governmental Funds	36
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non Major Funds	37
Schedule of Revenues and Expenditures - Budget & Actual - EMS/Fire Fund	38
Schedule of Revenues and Expenditures - Budget & Actual - Revolving Loan Fund	39
Schedule of Revenues and Expenditures - Budget & Actual - E-911 Fund	40
Schedule of Revenues and Expenditures - Budget & Actual - Conservation Trust Fund	41
Schedule of Revenues and Expenditures - Budget & Actual - Contingent Fund	42
Schedule of Expenditure of Federal Awards	43
Schedule of Findings and Questioned Costs	44
Local Highway Finance Report	46
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48
Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	50

*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 December 31, 2012, and for the year then ended, 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.

***Opinion***

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crowley County, Colorado, as of December 31, 2012, 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 (GAAP).

## ***Other Matters***

In accordance with *Government Auditing Standards*, we have issued our report dated May 6, 2013 on our consideration of Crowley County, Colorado's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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 supplementary information, such as the combining and individual non-major fund financial statements and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming our opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

***rfarmer, llc***

May 6, 2013

## **MANAGEMENT AND DISCUSSION 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 23 percent of Crowley County's net assets. This is a decrease of 1 percent over the previous audit year. Traditionally the percentage is consistent with previous fiscal years. 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	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	5,533,392	5,153,000	1,440,031	1,335,184	6,973,423	6,488,184
Capital Assets	1,645,190	1,755,706	1,569,747	1,661,364	3,214,937	3,417,070
Total Assets	7,178,582	6,908,706	3,009,778	2,996,548	10,188,360	9,905,254
Deferred Rev/Acct Pay	1,614,695	1,571,026	6,492	5,979	1,621,187	1,577,005
Short-term Liabilities	45,337	43,333	0	6,000	45,337	49,333
Long-term Liabilities	36,252	81,586	0	76,722	36,252	158,308
Total Liabilities	1,696,284	1,696,215	6,492	88,701	1,702,776	1,784,646
Net Assets						
Invested in Cap Assets						
net of debt	1,563,601	1,630,787	1,569,748	1,578,643	3,133,349	3,209,430
Unrestricted	3,918,697	3,581,974	1,433,538	1,329,204	5,352,235	4,911,178
Total Net Assets	5,482,298	5,212,761	3,003,286	2,907,847	8,485,584	8,120,608

Short and Long Term Liabilities have decreased significantly. This is mainly due to the business type funds paying off their long term debt to bond holders for the Water Fund. Debt only represents 17 percent of the total asset obligation of the County. This represents a decrease from 2011 and improves the net cash flow of the county funds. Unrestricted net assets represent 71 percent of the total net governmental assets and may be used for ongoing obligations of the County without restriction. This represents a slight change over the previous fiscal year. Governmental Activities experienced a modest increase of 2 percent and Business Type Activities increased from 48 percent from 46 percent. The total primary government assets increased by \$270,000 which amounted to a much larger percent increase than anticipated. The short and long term liabilities

decreased in 2012 in Governmental Activities and in Business Type activities there is no long term debt as of December 31, 2012. Crowley County experienced a total increase in liquid cash and investable funds in 2012 of approximately nine percent 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
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 2012 except the Revolving Loan Fund which was transferred to Tri County Housing for administration. The EMS/Fire Fund was split in 2010 to make a separate fund for the Ambulance Fund. The Ambulance fund is an enterprise fund, while the EMS/Fire Fund returned to a general governmental fund. General fund experienced an 8 percent increase and Road and Bridge Fund also saw a growth in cash balances. The Department of Human Services remains very strong. The Ambulance Fund has continued to be profitable in 2012 indicating an upward trend.

Total expenses decreased \$215,436 which amounted to a 4.0 percent decrease during the past fiscal year in total spending which is the same reduction in the past fiscal year. This is broken down as a \$159,568 decrease in governmental activities and a \$55,838 decrease for the business type activities. These decreases were largely a result of lower capital outlay purchases. All areas of governmental activities decreased in 2011 with the exception of Human Services. This is largely due to the significant expenses that were incurred in the Food Assistance Programs and Child Welfare expenditures. Business Type activities also experienced decreases in the Ambulance fund in 2011 as a result of a reduction in capital outlay expenditures. The Water Fund increased mainly due to maintenance and repair items. The largest areas of expenditures in 2010 were in the General Government area.

# Statement of Expenditure Activities

	2012	2011	2010	2009	2008
<b><u>Governmental Activities</u></b>					
General Government	\$ 1,511,784.00	\$1,712,643.00	\$1,886,838.00	\$1,791,529.00	\$1,909,844.00
Public Safety	\$ 834,388.00	\$850,553.00	\$912,056.00	\$795,335.00	\$942,867.00
Public Works	\$ 855,695.00	\$900,101.00	\$903,499.00	\$867,607.00	\$897,179.00
Human Services	\$ 983,976.00	\$1,132,543.00	\$1,030,715.00	\$1,402,729.00	\$1,331,279.00
Culture and Recreation	\$ 42,690.00	\$25,440.00	\$28,318.00	\$32,444.00	\$68,898.00
Revolving Loan	\$ 40,240.00	\$5,718.00	\$23,752.00	\$0.00	\$0.00
Interest on Debt	\$ 4,806.00	\$6,268.00	\$7,686.00	\$0.00	\$1,151.00
Total Governmental	\$ 4,273,579.00	\$4,633,266.00	\$4,792,864.00	\$4,889,644.00	\$5,151,218.00
<b><u>Business Type</u></b>					
Water	\$ 201,258.00	\$219,613.00	\$205,727.00	\$236,107.00	\$252,979.00
EMS	\$ 174,212.00	\$168,062.00	\$237,786.00	\$344,588.00	\$372,825.00
Total Business	\$ 375,470.00	\$387,675.00	\$443,513.00	\$580,695.00	\$625,804.00
Total Primary Govt	\$ 4,649,049.00	\$5,020,941.00	\$5,236,377.00	\$5,470,339.00	\$5,777,022.00

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. This represents the lowest level of overall spending by Crowley County since 2007.

## 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 decreased in 2012 in all areas but Conservation Trust and the Revolving Loan Fund. Business Type Activities decreased in the Water Fund and the Ambulance Fund increased slightly. Program Revenues for Business Activity Funds increased some in 2012, due to the Ambulance Fund. Revenues in the Water Fund decreased in 2012 due to the implementation of the revised Water agreement between Crowley County and the four water buyers the county supplies. General Revenues increased in 2012 generally due to increases in Ad Valorem taxes for 2012 from 2011. 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 \$270,000 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.



Statement of Activities

	2011	2012
Expenses		
Governmental Activities:		
General Government	\$1,712,643.00	\$1,511,784.00
Public Safety	\$850,553.00	\$834,388.00
Public Works	\$900,101.00	\$855,695.00
Human Services	\$1,132,543.00	\$983,976.00
Culture/Recreation	\$25,440.00	\$42,690.00
Revolving Loan	\$5,718.00	\$40,240.00
Interest on Long Term Debt	\$6,268.00	\$4,806.00
Total Govt Activities:	\$4,633,266.00	\$4,273,579.00
Business Type Activities:		
Water Fund	\$219,613.00	\$201,258.00
Ambulance Fund	\$168,062.00	\$174,212.00
Total Business Type Activities:	\$387,675.00	\$375,470.00
Total Primary Government	\$5,020,941.00	\$4,649,049.00
Program Revenue Govt Acct		
Governmental Activities		
Charges for Services	\$277,072.00	\$318,645.00
Capital Grants	\$0.00	\$30,000.00
Operating Grants	\$2,192,637.00	\$2,022,266.00
Total Primary Government	\$2,469,709.00	\$2,370,911.00
General Revenues Govt Act		
Property Taxes	\$1,457,145.00	\$1,513,817.00
Use/Misc Revenue	\$1,483.00	\$1,834.00
SO and Sales Taxes	\$563,910.00	\$570,691.00
Unrestricted investment earnings	\$23,612.00	\$23,464.00
Miscellaneous	\$81,281.00	\$62,399.00
Transfers		\$0.00
Total Gen Revenues	\$2,127,431.00	\$2,172,205.00
Change in Net Assets	-\$36,126.00	\$269,537.00
Equity Transfer	\$0.00	\$0.00
Beginning Net Assets	\$5,248,887.00	\$5,212,761.00
Ending Net Assets	\$5,212,761.00	\$5,482,298.00
General Revenues Business		
Water Fund	\$321,564.00	\$241,737.00
Ambulance Fund	\$204,584.00	\$225,624.00
Total	\$526,148.00	\$467,361.00
Unrestricted investment earnings	\$2,070.00	\$1,483.00
Miscellaneous	\$189.00	\$2,066.00
Transfers		\$0.00
Total	\$528,407.00	\$470,910.00
Change in Net Assets	\$140,732.00	\$95,440.00
Equity Transfer		\$0.00
Beginning Net Assets	\$2,767,115.00	\$2,907,846.00
Ending Net Assets	\$2,907,847.00	\$3,003,286.00

## Financial Analysis of Crowley County Balance Sheet Accounts

	Crowley County Balance Sheet				Total	
	Governmental		Business-Type		Primary Government	
	Activities		Activities			
	2011	2012	2011	2012	2011	2012
<b>Assets</b>						
Cash	3,494,453	3,832,925	1,087,066	1,212,408	4,581,519	5,045,333
Investments	0	0	190,319	191,802	190,319	191,802
Taxes Receivable	1,541,024	1,568,174	57,793	0	1,598,817	1,568,174
Receivables from other govts	35,552	56,518			35,552	56,518
Other Receivables	67,478	61,277	0	35,824	67,478	97,101
Inventories	14,500	14,500			14,500	14,500
<b>Total Current Assets</b>	<b>5,153,007</b>	<b>5,533,394</b>	<b>1,335,178</b>	<b>1,440,034</b>	<b>6,488,185</b>	<b>6,973,428</b>
<b>Non-Current Assets:</b>						
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			673,615	675,595	673,615	675,595
Less Accumulated Depreciation			(1,571,629)	(1,665,226)	(1,571,629)	(1,665,226)
<b>Total Non Current Assets</b>			<b>1,661,365</b>	<b>1,569,748</b>	<b>1,661,365</b>	<b>1,569,748</b>
<b>Total Assets</b>			<b>2,996,543</b>	<b>3,009,782</b>	<b>8,149,550</b>	<b>8,543,176</b>
<b>Liabilities/Fund Balances</b>						
<b>Liabilities:</b>						
Account Payable	21,325	32,466	5,978	6,493	27,303	38,959
Deferred Revenues (Prop Taxes)	1,541,024	1,568,174	0	0	1,541,024	1,568,174
Deferred Revenues – Title IV-E	8,677	14,055			8,677	14,055
Bonds, notes payable			16,721	0	16,721	0
<b>Total Current Liabilities</b>	<b>1,571,026</b>	<b>1,614,695</b>	<b>22,699</b>	<b>6,493</b>	<b>1,593,725</b>	<b>1,621,188</b>
<b>Non-Current Liabilities</b>						
Bonds, Notes Payable			66,001	0	66,001	0
<b>Total Non-Current Liabilities</b>			<b>66,001</b>	<b>0</b>	<b>66,001</b>	<b>0</b>
<b>Total Liabilities</b>	<b>1,571,026</b>	<b>1,614,695</b>	<b>88,700</b>	<b>6,493</b>	<b>1,659,726</b>	<b>1,621,188</b>
<b>Fund Balances:</b>						
<b>Non Spendables:</b>						
Inventories	14,500	14,500			14,500	14,500
Restricted:	29,929				29,929	
Unassigned:	1,963,832	2,126,413	1,329,200	1,433,541	3,293,032	3,559,954

Assigned:					
Invested in Cap Assets			1,578,643	1,569,748	1,578,643 1,569,748
Special Revenue funds	1,573,720	1,777,786			1,573,720 1,777,786
Total Net Assets					0 0
Total fund balances	<u>3,581,981</u>	<u>3,918,699</u>	<u>2,907,843</u>	<u>3,003,289</u>	<u>6,489,824</u> <u>6,907,488</u>
					0
Total Liabilities and fund balances	<u>5,153,007</u>	<u>5,533,394</u>	<u>3,522,322</u>	<u>3,009,782</u>	<u>8,149,550</u> <u>8,543,176</u>

### **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 \$5,533 million, which was an increase from the previous fiscal year of 380,000. Of the net assets 69 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 105,000 in their current assets over 2011. Of the total 1.440 million in current assets 84 percent is held in liquid form (cash), which is an increase of three percent over 2011. 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.

- Revenues decreased in 2012 primarily due to a reduction in Intergovernmental revenues.
- Expenditures decreased significantly in 2012 over 2011 by \$272,000 or approximately eleven percent. Most of the major department categories experienced reduced spending.
- For fiscal year 2012 General Fund had an excess of revenues over expenditures of 162,582 which rose from a deficiency in the 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 \$137,000 for 2012. This was an increase of \$112,000 over the immediate fiscal year. The contributing factor was an increase in local property tax support and Highway Users Tax revenues during 2012. Expenditures for the fund were reduced greatly, mainly due to a reduction in capital outlay costs. Other cost cutting measures were in place to stabilize the fund balance. Crowley County has tried to manage discretionary spending such as fuel costs, capital equipment required and 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

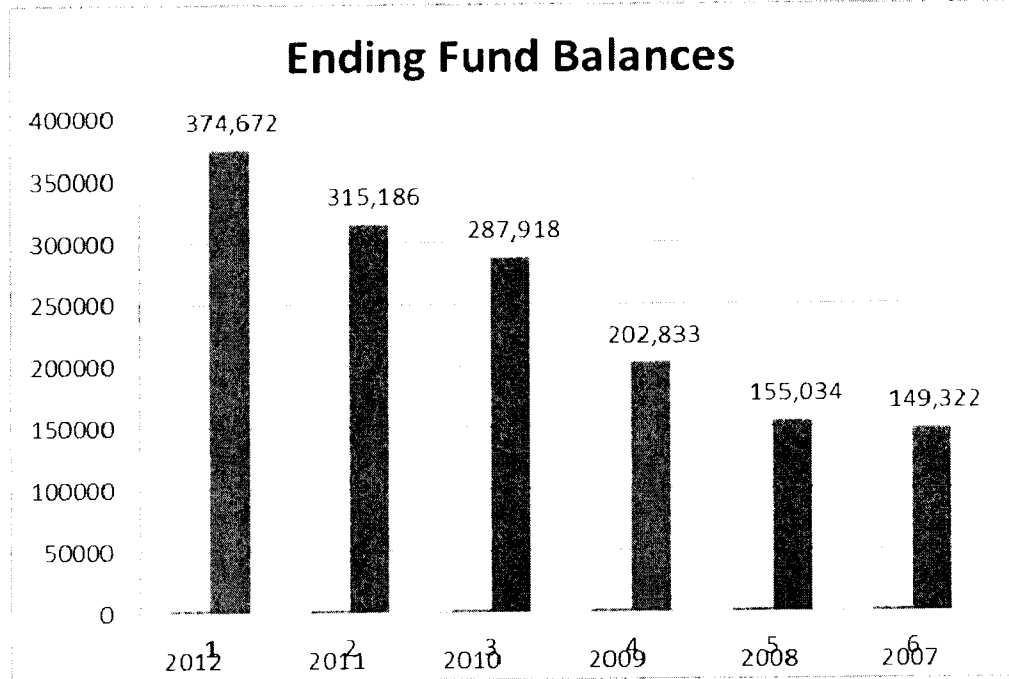
assigned fund balance. The following steps were taken to help avert the continued slide in the cash balances in the Road and Bridge Department.

- 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 increased substantially. This was somewhat offset by increased expenditures in road oil (for paving), repairs and maintenance and capital outlay.

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 \$59,487. 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 2012. This represents the sixth year the fund balance has 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 2012: (1) the department is a recipient of county tax base relief funds, TANF expenditures have decreased and the department sold \$100,000 of their SFY13 allocation to Gilpin County and the resulting decrease in the MOE that Crowley County has to maintain. 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 2012 from the immediate previous fiscal year. The increase was approximately \$44,000.

Fiscal Year	Ending Fund Balance	Increase	Percentage
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%
2009	\$202,833.00	+47,719.00	30.08%
2008	\$155,034.00	+ 5,712.00	3.83%
2007	\$149,322.00		



**Figure 1**

- The amount of local tax revenue has decreased from previous years. Local taxes, ad valorem taxes have decreased in 2012 from the previous two fiscal budget years. The department continues to see revenue slippage in the amount of revenue generated from the state allocation for Administration and Child Welfare. An increase of ten percent has been realized in county tax base relief funds. The department also receives the funding for the six county regions for the Core ADAD funding; however, this is merely passed thru accounting and has no reflection on the action cash standing of the department. The change in the way the TANF work participation funds are distributed has made some difference in the presentation, however, not the overall cash status of the department.
- Summary revenue highlights in 2012 are as follows:
  - Decrease in local revenues of twenty percent, or approximately \$13,000 which can be tied to decreased county tax funds. The changes can be illustrated from the following chart:
-

	2012	2011
Prop Taxes	\$ 126,258.62	\$ 131,081.93
S/O Taxes	\$ 9,309.54	\$ 9,471.83
Del Prop Taxes	\$ 305.51	\$ 168.88
Int /Penalties	\$ 367.92	\$ 300.46
Class Tax	\$ 6,412.62	\$ 5,709.67
Cost Allocation	\$ 21,599.95	\$ 21,257.29
TANF Work Participation	\$ -	\$ 19,449.00
TANF Retained Collections	\$ 12,182.97	\$ 11,653.72
County Tax Base Relief	\$ 73,669.92	\$ 64,476.76
	\$ 250,107.05	\$ 263,569.54

- 
- Changes in the amount of state and federal revenues received and increases in local revenues and matches (local revenues includes funds to the county for county tax base relief and cost allocation funds). The amount of revenue generated from TANF has decreased in 2012 due to the continued reduction of many of the county supportive services for TANF eligible clients.
- An increase in Cost Allocation dollars for fiscal year 2012 of \$342. This represents the third year in a row the amount generated has increased.
- Significant increase in County Tax Base Relief of \$11,860 (18 percent increase from 2011). Crowley County qualifies as a tier I county and one of five Colorado counties eligible for these funds.
- Decrease in Current Property Taxes of approximately \$5,000 from 2011 mainly due to the changes in approved mill levies that occurred
- Decrease in Specific Ownership Taxes of \$162 from 2011 which was similar to previous levels in 2010.
- Medicaid Transportation increased significantly in 2012 from previous budget years. This has no impact on cash flow for the department.
- Other program revenues remained fairly consistent with prior fiscal years with the exception of Core Services ADAD FICF, which is about half what is was in 2011 due to issues with the way the services are entered in another county. A state adjustment will have to be made at closeout for SFY 2013, although no county fiscal impact will be experienced.
- The issue of the change in state funding for county contingency/tax base relief funds improved the cash flow of the Department. What follows is a summary of the county dollars received through Contingency/County Tax Base Relief Funds in the past fiscal years. It dramatically illustrates how crucial this funding source is for the department. The State Department changed the formulas and criteria for eligibility in 2008 and renamed the program from Contingency to County Tax Base Relief. This changed again in SFY 2012
  - 1997 \$53,937
  - 1998 \$55,799
  - 1999 \$63,344
  - 2000 \$47,904
  - 2001 \$52,051
  - 2002 \$47,459
  - 2003 \$53,086
  - 2004 \$45,500
  - 2005 \$32,817

- 2006 \$30,371
- 2007 \$55,386
- 2008 \$48,034
- 2009 \$62,100
- 2010 \$86,519
- 2011 \$64,476
- 2012 \$73,670

- Expenditures (local) for the Department in CY 12 decreased by over \$126,000.

Program	2012	2011	2010
Administration	188,597	191,398	171,104
Non Allocated Admin	14,860	15,821	53,156
Child Care Admin	20,544	14,525	17,323
Child Welfare Admin 80	169,816	188,707	187,000
Child Welfare 100	16,544	16,436	16,680
OAP Admin	3,330	3,947	4,286
TANF Admin	107,953	120,954	135,158
TANF Family Preserv	34,587	29,740	21,747
TANF NMS	9,825	10,550	21,689
TANF Client based	231,797	182,870	322,689
Child Welfare Placements	193,710	249,000	214,000
Core Services	37,055	88,000	58,679
LEAP Client benefits	130,222	169,145	197,337
Food Stamps	1,148,398	1,148,033	1,132,027

These are more clearly presented in the required supplementary information section of the financial statements.

Program	2012 Caseload	2011 Caseload	2010 Caseload	2009 Caseload	2008 Caseload
Adult Financial	86	93	98	92	91
Adult Medical	178	169	165	154	160
Colorado Works	39	27	32	34	33
County Diversion	2	3	5	2	2
Family Medical Assistance	195	196	186	165	148
Food Stamps	326	352	324	319	263
Long Term Care	97	106	104	108	98

- The main factor in program costs that generate increases or decreases is tied to caseload numbers. The caseloads for program areas have remained very stable over the past few years. Colorado Works (TANF) cases have increased in 2012 primarily due to the economy downturn in the region. The unemployment rate has hovered around 10 percent in Crowley County for the past year. This past year we have averaged around 35-40 TANF payment cases for any given month. Most TANF clients are either in an education or job training/search component. LEAP caseload experienced a decrease in 2012 over immediate past program years. The number of applications dropped basically due to program changes. The percentage of poverty levels was altered downward in the 2011-2012 LEAP program year. The reimbursement is a combination of state and federal dollars with no local match. Adult assistance programs remain constant. The number of clients received Old Age Pension continue to remain about the same. Aid to Needy Disabled caseload remains virtually unchanged. The total benefits paid to clients, however, decreased in 2012. Most of the client payments are receiving State Only AND cases. There may be some major changes due to the funding sources of State Only AND with a reduction of benefits in 2013. The prospect of elimination of State Only AND remains very real.
- Food Assistance caseloads also saw a significant increase. The increases are tied to more clients applying for benefits. The overall economic decline in the region has caused a substantial increase in the program utilization. The accuracy of CBMS in computing payments has increased remarkably.
- Child Care Assistance has remained about the same in Crowley County. The actual dollar amounts paid out of this program area decreased, due primarily to the drop in caseload numbers and number of children served. Our largest single provider remains Kids Campus, which is the only licensed day care facility in the county. All the others are primarily legally exempt providers. We had averaged between 20 and 30 children per month received some form of benefit payment. We have seen that number drop by at least ten to fifteen children per month.

The department continues to try and function on a low cost basis and many of the staff is responsible for various duties in the department. One of the major issues we face is the continued lack of adequate state allocation of resources to the department. Our child welfare allocation has been totally insufficient for the past six years and the reduction in county administration dollars has also been very problematic to the operation of the department. Even though the department attempts to operate at a very efficient, cost saving manner, the lack of adequate funding from the State Department of Human Services makes it harder and harder to operate the department.

The department continues to try and function on a low cost basis and many of the staff is responsible for various duties in the department. One of the major issues we face is the continued lack of adequate state allocation of resources to the department. Our child welfare allocation has been totally insufficient for the past six years and the reduction in county administration dollars has also been very problematic to the operation of the department. Even though the department attempts to operate at a very efficient, cost saving manner, the lack of adequate funding from the State Department of Human Services makes it harder and harder to operate the department.



## **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 \$51,477 during fiscal year 2012 and has excellent unassigned fund balance in which to operate. The Ambulance fleet was totally replaced in 2010. Approximately fifty percent of the assets of the fund are held in liquid form which is an increase from forty in 2011.

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 increased \$43,965. The following factors are significant in that increase:

- Water revenue was down from the previous year; and, expenses were slightly increased.
- The long term bond debt was retired in 2012 so at the end of the 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. The projected expense is estimated at 1.25 percent of actual projections to determine their monthly contribution.

**Crowley County, Colorado**  
**Statement of Net Assets**  
**December 31, 2012**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Equivalents	\$ 3,832,922	\$ 1,212,405	\$ 5,045,327
Investments	-	191,802	191,802
Receivables	1,629,452	35,824	1,665,276
Due from Other Governmental Agencies	56,518	-	56,518
Inventories	14,500	-	14,500
Capital Assets			
Buildings	1,334,561	-	1,334,561
Equipment and Furniture	3,533,857	2,949,826	6,483,683
Other Capital Assets	-	285,147	285,147
Less: Accumulated Depreciation	<u>(3,223,228)</u>	<u>(1,665,226)</u>	<u>(4,888,454)</u>
Total Capital Assets	<u>1,645,190</u>	<u>1,569,747</u>	<u>3,214,937</u>
Total Assets	<u>7,178,582</u>	<u>3,009,778</u>	<u>10,188,360</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	32,466	6,492	38,958
Due to other governmental agencies	14,055	-	14,055
Deferred Revenues	1,568,174	-	1,568,174
Long-term liabilities			
Due within one year			
Bonds, capital leases and contracts	45,337	-	45,337
Due in more than one year			
Bonds, capital leases and contracts	<u>36,252</u>	<u>-</u>	<u>36,252</u>
Total liabilities	<u>1,696,284</u>	<u>6,492</u>	<u>1,702,776</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,563,601	1,569,748	3,133,349
Unrestricted	<u>3,918,697</u>	<u>1,433,538</u>	<u>5,352,235</u>
Total net assets	<u>\$ 5,482,298</u>	<u>\$ 3,003,286</u>	<u>\$ 8,485,584</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, 2012

Functions/Programs Primary government	Net (Expense) Revenue and Changes in Net Assets				
	Primary Government				Total
	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 1,511,784	\$ 292,668	\$ 402,269	\$ -	\$ (816,847)
Public Safety	834,388	22,098	56,708	30,000	(725,582)
Public Works	855,695	-	672,957	-	(182,738)
Human Services	983,976	-	850,594	-	(133,382)
Culture and Recreation	42,690	-	39,738	-	(2,952)
Revolving Loan	40,240	3,879	-	-	(36,361)
Interest on Long-term debt	4,806	-	-	-	(4,806)
Total governmental activities	4,273,579	318,645	2,022,266	30,000	(1,902,668)
Business-type activities:					
Water	201,258	241,737	-	-	40,479
AMBULANCE	174,212	225,624	-	-	51,412
Total business-type activities	375,470	467,361	-	-	91,891
Total primary government	4,649,049	786,006	2,022,266	30,000	(1,810,777)
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes		\$	1,513,817	\$	1,513,817
Use and miscellaneous taxes			1,834	-	1,834
SO and sales tax			570,691	-	570,691
Unrestricted investment earnings			23,464	1,483	24,947
Miscellaneous			62,399	2,066	64,465
Transfers			-	-	-
Total general revenues, special items, and transfers			2,172,205	3,549	2,175,754
Change in net assets			269,537	95,440	364,977
Net assets - beginning			5,212,761	2,907,846	8,120,607
Net assets - ending			\$ 5,482,298	\$ 3,003,286	\$ 8,485,584

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

**Crowley County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2012**

	<u>General</u>	<u>Road &amp; Bridge</u>	<u>Human Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,123,907	\$ 642,525	\$ 361,359	\$ 705,134	\$ 3,832,925
Taxes receivable, net	1,146,907	247,265	119,054	54,948	1,568,174
Receivable from other governments	-	-	56,518	-	56,518
Other receivables	30,558	28,672	-	2,047	61,277
Inventories	-	14,500	-	-	14,500
Total assets	<u>\$ 3,301,372</u>	<u>\$ 932,962</u>	<u>\$ 536,931</u>	<u>\$ 762,129</u>	<u>\$ 5,533,394</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	28,052	4,407	(781)	788	32,466
Deferred revenues - property taxes	1,146,907	247,265	119,054	54,948	1,568,174
Deferred revenues - Title IV -E	-	-	14,055	-	14,055
Total liabilities	<u>1,174,959</u>	<u>251,672</u>	<u>132,328</u>	<u>55,736</u>	<u>1,614,695</u>
Fund balances:					
Non-spendable:					
Inventories	-	14,500	-	-	14,500
Unassigned:	2,126,413	-	-	-	2,126,413
Assigned:					
Special revenue funds	-	666,790	404,603	706,393	1,777,786
Total fund balances	<u>2,126,413</u>	<u>681,290</u>	<u>404,603</u>	<u>706,393</u>	<u>3,918,699</u>
Total liabilities and fund balances	<u>\$ 3,301,372</u>	<u>\$ 932,962</u>	<u>\$ 536,931</u>	<u>\$ 762,129</u>	<u>\$ 5,533,394</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 Assets**  
**December 31, 2012**

Total fund balance, governmental funds	\$ 3,918,699
--	--------------

Amounts reported for governmental activities in the Statement of Net Assets 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 Assets.	1,645,186
---	-----------

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.	(81,587)
Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$ 5,482,298</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, 2012**

	<u>General</u>	<u>Road &amp; Bridge</u>	<u>Human Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Property Taxes	\$ 1,078,706	\$ 253,894	\$ 126,932	\$ 54,285	\$ 1,513,817
SO Tax	132,913	31,162	15,722	6,698	186,495
Sales and miscellaneous taxes	386,896	-	-	-	386,896
Fees and fines	17,447	-	-	-	17,447
Licenses and permits	3,467	-	-	-	3,467
Intergovernmental	386,890	672,957	833,878	127,157	2,020,882
Charges for services	288,181	-	-	25,977	314,158
Investment earnings	22,953	-	-	511	23,464
Miscellaneous	23,832	20,154	1,033	409	45,428
Rent Income	31,062	-	-	-	31,062
Total revenues	<u>2,372,347</u>	<u>978,167</u>	<u>977,565</u>	<u>215,037</u>	<u>4,543,116</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,449,859	29,585	-	16,738	1,496,182
Public Safety	674,863	-	-	111,872	786,735
Public Works	-	770,580	-	-	770,580
Health and sanitation and Human Services	65,899	-	918,078	-	983,977
Culture and recreation	-	-	-	42,690	42,690
Revolving Loan Fund	-	-	-	23,752	23,752
Debt Service:					
Principal	-	33,118	-	10,213	43,331
Interest and other charges	-	4,806	-	969	5,775
Capital Outlay	19,144	2,500	-	31,730	53,374
Total Expenditures	<u>2,209,765</u>	<u>840,589</u>	<u>918,078</u>	<u>237,964</u>	<u>4,206,396</u>
Excess (deficiency) of revenues over expenditures	<u>162,582</u>	<u>137,578</u>	<u>59,487</u>	<u>(22,927)</u>	<u>336,720</u>
Net change in fund balances	162,582	137,578	59,487	(22,927)	336,720
Fund balances - beginning	1,963,831	543,712	345,116	729,320	3,581,979
Fund balances - ending	<u>\$ 2,126,413</u>	<u>\$ 681,290</u>	<u>\$ 404,603</u>	<u>\$ 706,393</u>	<u>\$ 3,918,699</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, 2012**

Net change in fund balances - total governmental funds:	\$ 336,720
---	------------

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 \$53,374 is less than depreciation of \$163,890 in the current period.	(110,516)
--	-----------

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.	43,333
---	--------

Change in net assets of governmental activities	<u>\$ 269,537</u>
---	-------------------

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

**Crowley County, Colorado**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2012**

	<b>Enterprise Funds</b>		
	<u><b>Water</b></u>	<u><b>Ambulance</b></u>	<u><b>Total</b></u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 875,210	\$ 337,198	\$ 1,212,408
Investments	191,802	-	191,802
Accounts Receivable, net	-	35,824	35,824
Total current assets	<u>1,067,012</u>	<u>373,022</u>	<u>1,440,034</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	543,902	675,595
Less Accumulated depreciation	<u>(1,415,009)</u>	<u>(250,217)</u>	<u>(1,665,226)</u>
Total non-current assets	<u>1,276,063</u>	<u>293,685</u>	<u>1,569,748</u>
Total assets	<u>2,343,075</u>	<u>666,707</u>	<u>3,009,782</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	<u>4,153</u>	<u>2,340</u>	<u>6,493</u>
Total current liabilities	<u>4,153</u>	<u>2,340</u>	<u>6,493</u>
Total liabilities	<u>4,153</u>	<u>2,340</u>	<u>6,493</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,276,063	293,685	1,569,748
Unrestricted	<u>1,062,859</u>	<u>370,682</u>	<u>1,433,541</u>
Total net assets	<u>\$ 2,338,922</u>	<u>\$ 664,367</u>	<u>\$ 3,003,289</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 Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**

	<b>Enterprise Funds</b>		
	<b><u>Water</u></b>	<b><u>Ambulance</u></b>	<b><u>Total</u></b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 241,737	\$ 222,124	\$ 463,861
Miscellaneous revenue	2,003	64	2,067
Grants	-	3,500	3,500
Total operating revenues	<u>243,740</u>	<u>225,688</u>	<u>469,428</u>
<b>OPERATING EXPENSES</b>			
Personal services	59,948	73,358	133,306
Contractual services	3,250	1,872	5,122
Utilities	57,181	4,430	61,611
Repairs and maintenance	11,549	3,142	14,691
Other supplies and expenses	9,746	30,964	40,710
Insurance claims and expenses	3,068	746	3,814
Miscellaneous expenses	6,085	14,438	20,523
Depreciation	48,336	45,261	93,597
Total Operating Expenses	<u>199,163</u>	<u>174,211</u>	<u>373,374</u>
Operating income (loss)	<u>44,577</u>	<u>51,477</u>	<u>96,054</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	1,483	-	1,483
Interest expense	(2,095)	-	(2,095)
Total non-operating revenue (expenses)	<u>(612)</u>	<u>-</u>	<u>(612)</u>
Income (loss) before contributions and transfers	<u>43,965</u>	<u>51,477</u>	<u>95,442</u>
Change in net assets	<u>43,965</u>	<u>51,477</u>	<u>95,442</u>
Total net assets - beginning	<u>2,294,957</u>	<u>612,890</u>	<u>2,907,847</u>
Total net assets - ending	<u>\$ 2,338,922</u>	<u>\$ 664,367</u>	<u>\$ 3,003,289</u>

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

**Crowley County, Colorado**  
**Combining Statement of Cash Flows**  
**Proprietary Fund Types**  
**for the year ended December 31, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	Water	Ambulance	Total
Cash Received from Charges for Services	\$ 257,488	\$ 228,342	\$ 485,830
Cash Received from Miscellaneous Sources	2,003	64	2,067
Cash Received from Grant Revenues	-	3,500	3,500
Cash Payments to Suppliers for Goods & Services	(90,292)	(55,664)	(145,956)
Cash Payments for Salaries & Benefits	(59,948)	(73,358)	(133,306)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	109,251	102,884	212,135
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>			
Purchase of Investments	(1,483)	-	(1,483)
Purchase of Fixed Assets	-	(1,978)	(1,978)
Payment on Long-term Debt	(82,720)	-	(82,720)
Interest Paid on Long-term Debt	(2,095)	-	(2,095)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(86,298)	(1,978)	(88,276)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Received on Investment	1,483	-	1,483
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,483	-	1,483
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	24,436	100,906	125,342
<b>Cash &amp; Cash Equivalents:</b>			
Beginning of Year	850,774	236,292	1,087,066
End of Year	\$ 875,210	\$ 337,198	\$ 1,212,408

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

**Crowley County, Colorado**  
**Combining Statement of Cash Flows**  
**Proprietary Fund Types**  
**for the year ended December 31, 2012**  
**(continued)**

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

	<u>Water</u>	<u>Ambulance</u>	<u>Total</u>
Operating Income (Loss)	\$ 44,577	\$ 51,477	\$ 96,054
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:			
Depreciation	48,336	45,261	93,597
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivables:	15,751	6,218	21,969
Increase (Decrease) in Accounts Payable	<u>587</u>	<u>(72)</u>	<u>515</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>109,251</u></u>	<u><u>102,884</u></u>	<u><u>212,135</u></u>
Analysis of cash:			
Cash with County Treasurer	<u>875,210</u>	<u>337,198</u>	<u>1,212,408</u>
<b>TOTAL</b>	<u><u>\$ 875,210</u></u>	<u><u>\$ 337,198</u></u>	<u><u>\$ 1,212,408</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, 2012**

	<b>TOTAL AGENCY FUNDS</b>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 77,301
Total assets	<u>77,301</u>
<b>LIABILITIES:</b>	
Due to other governmental units	77,301
Total liabilities	<u>\$ 77,301</u>

**Crowley County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2012**

**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:

**A. 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 in the criteria above, the County is not financially accountable for any other entity other than E-911 nor is the County a component unit of any other government.

The E-911 Authority operates within the entire county. The E-911 Authority Board is appointed by the County Commissioners per Colorado Revised Statutes. During 2004, the County became responsible for the financial and other activity of the E-911 Authority. Therefore, these financial statements include E-911 activity as a fund of the County.

**B. 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.

### **C. 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 *Road and Bridge Fund* accounts for assets and earnings to be used for road maintenance.

The *Department of Human Services* accounts for assets and earnings to be used for welfare expenditures.

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.

**D. 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 uncollectibles, for property tax levied upon certification by the County Treasurer. A deferred revenue liability 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:

<b><u>Assets</u></b>	<b><u>Years</u></b>
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 - Reconciliation of Government-wide and Fund Financial Statements**

### **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund Balance Sheet includes a reconciliation between fund balance- total governmental funds and net assets of governmental activities as reported in the government-wide Statement of Net Assets. The elements of that reconciliation explain "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." This difference relates to leases payable and capital assets net of accumulated depreciation, which are not a current financing source.

### **Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changed in Fund Balances and the Government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between net change in fund balances of governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. The elements of that reconciliation explains; "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimates useful lives as depreciation expense." The details of this difference are capital outlay less depreciation expense; capital lease

transactions which are reported as revenues and the net change in other expenses which are not reported as expenditures.

### **Note 3 - 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 2011 were collected in 2012 and taxes certified in 2012 will be collected in 2013. Taxes are due on January 1<sup>st</sup> in the year of collection; however, they may be paid in either one installment (no later than April 30<sup>th</sup>) or two equal installments (not later than February 28<sup>th</sup> and June 15<sup>th</sup>) 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 16<sup>th</sup>.

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 ordinances were necessary 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 pledges 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 4 - Deposits and Investments**

### **Deposits**

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government 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 collateral must be at least equal to 102% of the aggregate uninsured deposits.

The County had \$1,705,228 in local banks of which \$500,000 was covered by FDIC. The County also had \$500 cash on hand at year-end and the excess amount was collateralized following PDPA requirement.

### **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 \$3,239,599 invested in ColoTrust at year-end.

The County also purchased corporate fixed income investments for a cost of \$100,000 and fair value of \$99,994. The investment is held by Morgan Stanley and matures June, 2013. The investment is not guaranteed under the Federal Deposit Insurance Corporation's temporary liquidity program.

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

## Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Buildings	\$1,334,561	\$ -	\$ -	\$ 1,334,561
Equipment & Furniture	<u>3,480,483</u>	<u>53,372</u>	<u>-</u>	<u>3,533,855</u>
Total capital assets being depreciated	<u>4,815,044</u>	<u>53,372</u>	<u>-</u>	<u>4,868,416</u>
Less Accumulated depreciation:	<u>(3,059,338)</u>	<u>(163,890)</u>	<u>-</u>	<u>(3,223,228)</u>
Total accumulated depreciation	<u>(3,059,338)</u>	<u>\$ (163,890)</u>	<u>\$ -</u>	<u>(3,223,228)</u>
Total capital assets, net	<u>\$1,755,706</u>			<u>\$1,645,188</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Water shares	\$ 285,147	\$ -	\$ -	\$ 285,147
Total capital assets, not being depreciated	<u>285,147</u>	<u>-</u>	<u>-</u>	<u>285,147</u>
Capital assets, being depreciated				
Distribution assets	2,274,232	-	-	2,274,232
Vehicles & Equipment	<u>673,614</u>	<u>1,980</u>	<u>-</u>	<u>675,594</u>
Total capital assets, being depreciated	<u>2,947,846</u>	<u>1,980</u>	<u>-</u>	<u>2,949,826</u>
Accumulated depreciation	<u>(1,571,629)</u>	<u>(93,597)</u>	<u>-</u>	<u>(1,665,226)</u>
Total accumulated depreciation	<u>(1,571,629)</u>	<u>\$ (93,597)</u>	<u>\$ -</u>	<u>(1,665,226)</u>
Total capital assets, being depreciated, net	<u>\$1,376,217</u>			<u>\$1,284,600</u>

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

<b>Governmental activities:</b>	
General Government	\$ 32,741
Public Safety	46,484
Public Works	<u>84,665</u>
<b>Total depreciation expense- governmental activities</b>	<u>\$163,890</u>
<b>Business-type activities:</b>	
Water Distribution	\$ 48,336
Ambulance Services	<u>45,261</u>
<b>Total depreciation expense- business-type activities</b>	<u>\$ 93,597</u>

## Note 6 - Long-term Debt

A summary of changes in long-term debt is:

	Balance 1/1/2012	Increases	Decreases	Balance 12/31/2012	Due in One year
Business-type Activities	\$ 82,721	-	\$ (82,721)	\$ -	\$ -
Governmental-type Activities	124,918	-	(43,333)	81,585	45,337
	<u>\$ 207,639</u>	<u>\$ -</u>	<u>\$ (126,054)</u>	<u>\$ 81,585</u>	<u>\$ 45,337</u>

Crowley County issued 1980 Water Revenue Bonds dated September 10, 1980 with an effective interest rate of 5%. Bond is subject to prepayment at the option of the County. The bond agreement requires a bond payment reserve of \$11,000 which was fully funded with restricted cash at year end. These bonds were paid in full during 2012.

During 2003, Crowley County purchased 20 shares of water stock of Lake Meredith and the Colorado Canal Company for \$100,000. The terms of the



agreement called for \$20,000 to be paid in 2004, with the remaining \$80,000 to be paid in nine equal annual payments of \$11,255, including principle and interest. Interest is 5% per annum. This note was paid in full during 2012.

The interest paid during 2012 on these two debts was \$2,095 and was paid by the Water Fund.

#### General Long-term Debt

During 2009, the County purchased E911 equipment and entered into a lease purchase agreement for \$40,000. Interest is at 4.62% with repayment terms as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 20,903	\$ 1,461	\$ 22,364

The interest paid during 2012 on this lease purchase was \$967 and was paid by the E911 Fund.

The County also entered into a lease purchase agreement for \$165,910 for a 140M motor grader. Interest is at 4.62% with repayment terms as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 24,434	\$ 3,276	\$ 27,710
2014	36,252	1,675	37,927
	<u>\$ 60,686</u>	<u>\$ 4,951</u>	<u>\$ 65,637</u>

The interest paid during 2012 on this lease purchase was \$4,806 and was paid by the Road & Bridge Fund.

### **Note 7 - 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 8 - 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 9 - 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.

Subsequent to year-end, the Director of the Department of Social Services and another Department of Social Services employee were fired for lack of program management. The State of Colorado, Department of Human Services, could impose a fine or other financial sanctions on the County. The amount of the sanction, if any, is not known.

**Note 10 - 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 11 - Pension Plan:**

The County has adopted a defined contribution retirement plan, which provides for contributions equal to 4% for 2012 earnings by each full-time employee with a matching amount contributed by the County. The funds are deposited monthly with a trustee. The employer's and employees' portion paid in during 2012 was \$55,891, based on qualifying salaries of approximately \$1,397,282, with total salaries being approximately \$1,706,354. The plan is with Colorado Officials and Employees Retirement Association.

Upon retirement the employee is entitled to all funds deposited in his account, including investment earnings. Upon termination of employment, the employee will normally recover his contributions to the plan, plus investment earnings, plus 20% of total County contributions up to 100% in his name for each year of employment.

The County has two 457 Pension Plans. The employer does not make any contributions to the plans. The employee contributions and earnings fund the plan.

The County also has a Section 125 Cafeteria Plan. Employees can make contributions to the plan in accordance with the plan criteria as defined in the plan document. The County is not responsible for any obligations relating to the Section 125 Cafeteria Plan and employee contributions.

**Note 12 - Net Assets:**

As of year-end the Department of Human Services restricted \$29.929 of its net assets due to enabling legislation.

**Note 13 - Fund Balances:**

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

**Non-Spendable**

Non-spendable balances represent amounts which have been paid for but not consumed and will include inventories and prepaid expenses.

**Assigned**

Assigned balances represent balances where the intent is expressed by (1) the governing body itself or (2) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned**

Unassigned balances can be used for any legal purpose and are limited to the General Fund.

**Note 14 - EBT Authorization:**

Refer to the following page for the Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures for the year ended December 31, 2012, for the Department of Human Services Fund.

Note 13 -

**Department of Human Services**  
**Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures**  
**for the year ended December 31, 2012**

<b>Program</b>	<b>County EBT Authorizations</b>	<b>County Share of Authorizations</b>	<b>Expenditures By County Warrant</b>	<b>County EBT Authorizations and Expenditures by County Warrant</b>	<b>Total Expenditures</b>
Regular County Administration	\$ -	\$ -	\$ 188,598	\$ 188,598	188,598
Non Allocated Administration	-	-	14,861	14,861	14,861
Child Welfare SCCC	-	-	1,360	1,360	1,360
LEAP Administration/Outreach	-	-	13,467	13,467	13,467
Cost Allocation Adjustment	-	-	(4,441)	(4,441)	(4,441)
Energy Outreach - Colorado	-	-	13,787	13,787	13,787
Child Welfare Parental Fees	-	-	1,661	1,661	1,661
TANF Administration	-	-	107,953	107,953	107,953
TANF NMS	-	-	9,825	9,825	9,825
TANF Family Preservation	-	-	32,234	32,234	32,234
Aid Needy Disabled	42,623	6,211	-	42,623	6,211
SSI HCA	39,034	1,952	-	39,034	1,952
Old Age Pension Administration	-	-	3,330	3,330	3,330
Old Age Pension Client Level	184,984	2,235	-	184,984	2,235
Child Care MOE	84,803	9,059	-	84,803	9,059
Child Care Administration	-	-	20,545	20,545	20,545
Child Welfare OOH	193,710	36,925	-	193,710	36,925
Child Welfare Administration 80	-	-	169,817	169,817	169,817
Child Welfare Administration 100	-	-	16,545	16,545	16,545
Core Services	-	-	65,516	65,516	65,516
Child Support Enforcement	-	-	71,800	71,800	71,800
Colorado Works MOE	231,797	34,587	-	231,797	34,587
General Assistance	-	-	40	40	40
LEAP Client Benefits	130,223	-	-	130,223	-
CSBG	-	-	13,253	13,253	13,253
Medicaid Transportation	-	-	86,958	86,958	86,958
<b>Sub-Total</b>	<b>907,174</b>	<b>90,969</b>	<b>827,109</b>	<b>1,734,283</b>	<b>918,078</b>
Food Assistance	1,148,399	-	-	1,148,399	-
<b>Grand Total</b>	<b>\$ 2,055,573</b>	<b>\$ 90,969</b>	<b>\$ 827,109</b>	<b>\$ 2,882,682</b>	<b>\$ 918,078</b>

**Crowley County, Colorado**  
**Budget and Actual**  
**General**  
**For the year ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u> <u>Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 1,101,021	\$ 1,101,021	\$ 1,078,706
SO Taxes	132,000	132,000	132,913
Sales and miscellaneous taxes	362,200	362,200	386,896
Fees and fines	30,400	30,400	17,447
Licenses and permits	3,750	3,750	3,467
Intergovernmental	785,964	843,464	386,890
Charges for services	295,850	295,850	288,181
Investment earnings	20,000	20,000	22,953
Rental income	34,550	34,550	31,062
Miscellaneous	12,450	21,450	23,832
Total revenues	<u>2,778,185</u>	<u>2,844,685</u>	<u>2,372,347</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,906,100	1,967,675	1,449,860
Public Safety	773,030	773,030	674,863
Health	82,148	82,148	65,899
Capital Outlay	49,030	49,030	19,144
Total Expenditures	<u>2,810,308</u>	<u>2,871,883</u>	<u>2,209,766</u>
Excess (deficiency) of revenues over expenditures	<u>(32,123)</u>	<u>(27,198)</u>	<u>162,581</u>
Net change in fund balances	(32,123)	(27,198)	162,581
Fund balances - beginning	1,947,673	1,947,673	1,963,832
Fund balances - ending	<u>\$ 1,915,550</u>	<u>\$ 1,920,475</u>	<u>\$ 2,126,413</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Road & Bridge**  
**For the year ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u> <u>Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 258,769	\$ 258,769	\$ 253,894
SO Taxes	32,000	32,000	31,162
Licenses and permits	300	300	-
Intergovernmental	659,500	678,750	672,957
Miscellaneous	5,000	10,500	20,154
Total revenues	<u>955,569</u>	<u>980,319</u>	<u>978,167</u>
<b>EXPENDITURES</b>			
Current:			
General government	20,000	20,000	29,586
Highways and roads	817,824	836,324	770,580
Debt Service:			
Principal	33,120	33,120	33,118
Interest and other charges	4,805	4,805	4,806
Capital Outlay	-	2,500	2,500
Total Expenditures	<u>875,749</u>	<u>896,749</u>	<u>840,590</u>
Excess (deficiency) of revenues over expenditures	<u>79,820</u>	<u>83,570</u>	<u>137,577</u>
Net change in fund balances	79,820	83,570	137,577
Fund balances - beginning	551,534	551,534	543,713
Fund balances - ending	<u>\$ 631,354</u>	<u>\$ 635,104</u>	<u>\$ 681,290</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Human Services**  
**For the year ended December 31, 2012**

	<b>Budgeted Amounts</b>		<b><u>Actual Amounts,</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Budgetary Basis</u></b>
<b>REVENUES</b>			
Property Taxes	\$ 129,609	\$ 129,609	\$ 126,932
SO Taxes	-	-	15,722
Intergovernmental	974,688	997,188	833,878
Miscellaneous	600	600	1,033
Total revenues	<u>1,104,897</u>	<u>1,127,397</u>	<u>977,565</u>
<b>EXPENDITURES</b>			
Current:			
Health and welfare	<u>1,145,056</u>	<u>1,195,256</u>	<u>918,078</u>
Total Expenditures	<u>1,145,056</u>	<u>1,195,256</u>	<u>918,078</u>
Excess (deficiency) of revenues over expenditures	<u>(40,159)</u>	<u>(67,859)</u>	<u>59,487</u>
Net change in fund balances	(40,159)	(67,859)	59,487
Fund balances - beginning	<u>320,504</u>	<u>320,504</u>	<u>345,116</u>
Fund balances - ending	<u>\$ 280,345</u>	<u>\$ 252,645</u>	<u>\$ 404,603</u>



**Crowley County, Colorado**  
**Budget and Actual**  
**Water**  
**For the year ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u> <u>Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for services	\$ 241,250	\$ 241,250	\$ 241,737
Investment earnings	1,800	1,800	1,483
Miscellaneous	150	150	2,003
Total revenues	<u>243,200</u>	<u>243,200</u>	<u>245,223</u>
<b>EXPENDITURES</b>			
Personal services	66,696	66,696	59,948
Contractual services	2,500	2,500	3,250
Utilities	57,000	57,000	57,181
Repairs and maintenance	26,600	26,600	11,549
Other supplies and expenses	10,184	10,184	9,746
Water debt service	16,720	70,720	82,721
Insurance claims and expenses	1,000	1,000	3,068
Interest	4,440	4,440	2,095
Miscellaneous	8,250	8,250	6,083
Depreciation	40,000	40,000	-
Total Operating Expenses	<u>233,390</u>	<u>287,390</u>	<u>235,641</u>
Operating income (loss)	<u>9,810</u>	<u>(44,190)</u>	<u>9,582</u>
<b>RECONCILING ITEM</b>			
Water debt service	-	-	82,721
Depreciation	-	-	(48,336)
Net change in fund balances	<u>9,810</u>	<u>(44,190)</u>	<u>43,967</u>
Fund balances - beginning	<u>956,000</u>	<u>956,000</u>	<u>2,294,955</u>
Fund balances - ending	<u>\$ 965,810</u>	<u>\$ 911,810</u>	<u>\$ 2,338,922</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Ambulance**  
**For the year ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u> <u>Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Intergovernmental	\$ 8,000	\$ 8,000	\$ 3,500
Charges for services	192,000	192,000	222,124
Miscellaneous	500	500	64
Total revenues	<u>200,500</u>	<u>200,500</u>	<u>225,688</u>
<b>EXPENDITURES</b>			
Personal services	90,835	90,835	73,358
Contractual services	2,700	2,700	1,872
Utilities	4,584	4,584	4,430
Repairs and maintenance	1,600	1,600	3,142
Other supplies and expenses	49,050	49,050	30,964
Insurance claims and expenses	1,000	1,000	746
Miscellaneous	22,100	22,100	14,438
Total Operating Expenses	<u>171,869</u>	<u>171,869</u>	<u>128,950</u>
Operating income (loss)	<u>28,631</u>	<u>28,631</u>	<u>96,738</u>
<b>RECONCILING ITEM</b>			
Depreciation	<u>-</u>	<u>-</u>	<u>45,261</u>
Net change in fund balances	<u>28,631</u>	<u>28,631</u>	<u>141,999</u>
Fund balances - beginning	<u>635,628</u>	<u>635,628</u>	<u>612,888</u>
Fund balances - ending	<u>\$ 664,259</u>	<u>\$ 664,259</u>	<u>\$ 754,887</u>

Crowley County, Colorado  
Balance Sheet  
Other Governmental Funds  
December 31, 2012

	<u>E-911</u>	<u>Conservation Trust</u>	<u>Contingent</u>	<u>Revolving Loan Fund</u>	<u>EMS/Fire</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 72,653	\$ 166,319	\$ 29,352	\$ 750	\$ 436,060	\$ 705,134
Taxes receivable, net	-	-	-	-	54,948	54,948
Other receivables	2,047	-	-	-	-	2,047
Total assets	<u>74,700</u>	<u>166,319</u>	<u>29,352</u>	<u>750</u>	<u>491,008</u>	<u>762,129</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable	220	-	-	-	568	788
Deferred revenue - property taxes	-	-	-	-	54,948	54,948
Total liabilities	<u>220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,516</u>	<u>55,736</u>

Fund balances:

Unassigned	74,480	166,319	29,352	750	435,492	706,393
Total fund balances	<u>74,480</u>	<u>166,319</u>	<u>29,352</u>	<u>750</u>	<u>435,492</u>	<u>706,393</u>
Total liabilities and fund balances	<u>\$ 74,700</u>	<u>\$ 166,319</u>	<u>\$ 29,352</u>	<u>\$ 750</u>	<u>\$ 491,008</u>	<u>\$ 762,129</u>

Crowley County, Colorado  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2012

	<u>E-911</u>	<u>Conservation Trust</u>	<u>Contingent</u>	<u>Revolving Loan Fund</u>	<u>EMS/Fire</u>	<u>Total-Other Governmental Funds</u>
<b>REVENUES</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 54,285	\$ 54,285
SO Taxes	-	-	-	-	6,698	6,698
Intergovernmental	30,000	39,782	-	-	57,375	127,157
Charges for services	22,098	-	-	3,879	-	25,977
Investment earnings	396	-	-	-	115	511
Miscellaneous	-	409	-	-	-	409
Total revenues	<u>52,494</u>	<u>40,191</u>	<u>-</u>	<u>3,879</u>	<u>118,473</u>	<u>215,037</u>
<b>EXPENDITURES</b>						
Current:						
General government	250	-	-	16,488	-	16,738
Public Safety	7,968	-	-	-	103,904	111,872
Culture and recreation	-	42,690	-	-	-	42,690
Revolving Loan Fund	-	-	-	23,752	-	23,752
Principal	10,213	-	-	-	-	10,213
Interest and other charges	969	-	-	-	-	969
Capital Outlay	31,730	-	-	-	-	31,730
Total Expenditures	<u>51,130</u>	<u>42,690</u>	<u>-</u>	<u>40,240</u>	<u>103,904</u>	<u>237,964</u>
Excess (deficiency) of revenues over expenditures	<u>1,364</u>	<u>(2,499)</u>	<u>-</u>	<u>(36,361)</u>	<u>14,569</u>	<u>(22,927)</u>
Net change in fund balances	<u>1,364</u>	<u>(2,499)</u>	<u>-</u>	<u>(36,361)</u>	<u>14,569</u>	<u>(22,927)</u>
Fund balances - beginning	<u>73,116</u>	<u>168,818</u>	<u>29,352</u>	<u>37,111</u>	<u>420,923</u>	<u>729,320</u>
Fund balances - ending	<u>\$ 74,480</u>	<u>\$ 166,319</u>	<u>\$ 29,352</u>	<u>\$ 750</u>	<u>\$ 435,492</u>	<u>\$ 706,393</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**EMS/Fire**  
**For the year ended December 31, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	
<b>REVENUES</b>			
Property Taxes	\$ 55,415	\$ 55,415	\$ 54,285
SO Taxes	6,000	6,000	6,698
Intergovernmental	49,000	4,355	57,375
Investment earnings	40	40	115
Miscellaneous	68,355	15,000	-
Total revenues	<u>178,810</u>	<u>80,810</u>	<u>118,473</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>175,561</u>	<u>205,561</u>	<u>103,904</u>
Total Expenditures	<u>175,561</u>	<u>205,561</u>	<u>103,904</u>
Excess (deficiency) of revenues over expenditures	<u>3,249</u>	<u>(124,751)</u>	<u>14,569</u>
Net change in fund balances	3,249	(124,751)	14,569
Fund balances - beginning	434,218	434,218	420,923
Fund balances - ending	<u>\$ 437,467</u>	<u>\$ 309,467</u>	<u>\$ 435,492</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Revolving Loan Fund**  
**For the year ended December 31, 2012**

	<b>Budgeted Amounts</b>		<b><u>Actual Amounts,</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Budgetary Basis</u></b>
<b>REVENUES</b>			
Intergovernmental	\$ 23,450	\$ 23,450	\$ -
Charges for services	16,371	16,071	3,879
Total revenues	<u>39,821</u>	<u>39,521</u>	<u>3,879</u>
<b>EXPENDITURES</b>			
Current:			
General government	23,260	56,260	40,240
Total Expenditures	<u>23,260</u>	<u>56,260</u>	<u>40,240</u>
Excess (deficiency) of revenues over expenditures	<u>16,561</u>	<u>(16,739)</u>	<u>(36,361)</u>
Net change in fund balances	16,561	(16,739)	(36,361)
Fund balances - beginning	<u>30,341</u>	<u>30,341</u>	<u>37,111</u>
Fund balances - ending	<u>\$ 46,902</u>	<u>\$ 13,602</u>	<u>\$ 750</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**E-911**  
**For the year ended December 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u> <u>Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 30,000	\$ 30,000
Charges for services	25,860	25,860	22,098
Investment earnings	150	150	396
Total revenues	<u>26,010</u>	<u>56,010</u>	<u>52,494</u>
<b>EXPENDITURES</b>			
Current:			
General government	200	200	250
Public Safety	10,230	10,230	7,968
Principal	10,220	10,220	10,213
Interest and other charges	968	968	969
Capital Outlay	<u>1,000</u>	<u>32,000</u>	<u>31,730</u>
Total Expenditures	<u>22,618</u>	<u>53,618</u>	<u>51,130</u>
Excess (deficiency) of revenues over expenditures	<u>3,392</u>	<u>2,392</u>	<u>1,364</u>
Net change in fund balances	3,392	2,392	1,364
Fund balances - beginning	<u>73,082</u>	<u>73,082</u>	<u>73,116</u>
Fund balances - ending	<u>\$ 76,474</u>	<u>\$ 75,474</u>	<u>\$ 74,480</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Conservation Trust**  
**For the year ended December 31, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	
<b>REVENUES</b>			
Intergovernmental	\$ 44,000	\$ 44,000	\$ 39,782
Miscellaneous	250	250	409
Total revenues	<u>44,250</u>	<u>44,250</u>	<u>40,191</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	<u>44,490</u>	<u>64,490</u>	<u>42,690</u>
Total Expenditures	<u>44,490</u>	<u>64,490</u>	<u>42,690</u>
Excess (deficiency) of revenues over expenditures	<u>(240)</u>	<u>(20,240)</u>	<u>(2,499)</u>
Net change in fund balances	(240)	(20,240)	(2,499)
Fund balances - beginning	167,249	167,249	168,818
Fund balances - ending	<u>\$ 167,009</u>	<u>\$ 147,009</u>	<u>\$ 166,319</u>



Crowley County, Colorado  
 Budget and Actual  
 Contingent  
 For the year ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
SO taxes	-	-	-
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balances - beginning	29,350	29,350	29,352
Fund balances - ending	<u>\$ 29,350</u>	<u>\$ 29,350</u>	<u>\$ 29,352</u>

**Crowley County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**for the year ended December 31, 2012**

mary, the numbe  
add the info in b

GRANT TITLE		FEDERAL CFDA NUMBER	AMOUNT OF AWARD EXPENDED	
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>	<b>PASS THRU AGENCY</b>			
TANF ARRA	Colo Dept of Human Services	93.714	6,236	
Child Care - Title IV-B	Colo Dept of Human Services	93.645	3,566	
IV-E FC - Title IV-E	Colo Dept of Human Services	93.658	72,455	
Block Grant - Title XX	Colo Dept of Human Services	93.667	35,893	
Medicaid Title XIX	Colo Dept of Human Services	93.778	26,331	
IV-D ADMIN	Colo Dept of Human Services	93.563	45,010	
LEAP	Colo Dept of Human Services	93.568	143,690 *	
IV-E Adoption	Colo Dept of Human Services	93.659	22,624	
TANF	Colo Dept of Human Services	93.558	340,312 *	
Child Care Development Funds- Discretion	Colo Dept of Human Services	93.575	9,745	
Child Care Development Funds	Colo Dept of Human Services	93.596	<u>64,491</u>	
Total				770,353
<b>DEPARTMENT OF AGRICULTURE:</b>				
Animal and Plant Health Inspection		10.028	1,267	
Rural Development		10.766	19,250	
Food Stamp Admin.	Colo Dept of Human Services	10.561	<u>61,677</u>	
Total				82,194
Plan for Expansion Home Visits		93.505	4,951	
Community Services Block Grant	Colo Dept of Local Affairs	93.569	13,021	
Community Development Block Grant	Colo Dept of Local Affairs	14.228	<u>178,917</u>	
Total				196,889
Department of Homeland Security	Colo Dept of Local Affairs	97.042		40,371
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>				<u><u>\$ 1,089,807</u></u>

\* Major Programs

The County did pass through CDBG funds to a local housing authority as a sub-recipient totaling \$178,719.

**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 accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

**Crowley County, Colorado**  
**Schedule of Findings and Questioned Costs**  
**For The Year Ended December 31, 2012**

**Section I: Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Are any material weaknesses identified?	xx_ No
Are any significant deficiencies identified not considered to be material weaknesses?	xx_ None Reported
Is any noncompliance material to financial statements noted?	xx_ No

***Federal Awards***

Type of auditor's report issued on compliance for major programs: The auditor's report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.

Internal control over major program compliance:

Are any material weaknesses identified?	xx_ No
Are any significant deficiencies identified not considered to be material weaknesses?	xx_ None Reported
Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, <i>Audits of State, Local Governments, and Non-Profit Organizations</i> , Section .510(a)?	xx_ No

Identification of major programs:

CFDA Number(s) and Name of Federal Program or Cluster

93.558	TANF
93.563	LEAP

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Is the auditee qualified as a low-risk auditee?	xx_ Yes

## **Section II: Financial Statement Findings**

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

## **Section III: Federal Awards Findings**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Crowley
		YEAR ENDING : Dec-12
This Information From The Records Of County of Crowley		Prepared By: Mike Apker Phone: (719) 267-3248

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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,500
a. Motor Fuel (from Item I.A.5.)		2. Maintenance	770,580
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)	285,056	c. Other	
4. Miscellaneous local receipts (from page 2)	39,403	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	29,585
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	802,665
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	324,459	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	653,707	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	7,686
<b>E. Total receipts (A.7 + B + C + D)</b>	978,166	b. Redemption	30,238
		c. Total (a. + b.)	37,924
		3. Total (1.c + 2.c)	37,924
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	840,589

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	104,016		33,119	70,897

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	543,713	978,166	840,589	681,290	(0)

**Notes and Comments:**

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado YEAR ENDING (mm/yy):      Dec-12
-------------------------------------	--

## II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	253,894	a. Interest on investments	
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		f. Charges for Services	
5. Specific Ownership &/or Other	31,162	g. Other Misc. Receipts	39,404
6. Total (1. through 5.)	31,162	h. Other	
c. Total (a. + b.)	285,056	i. Total (a. through h.)	39,404
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	644,224	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	0
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	9,483	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	9,483	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	653,707	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	0		0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		2,500	2,500
(5). Total Construction (1) + (2) + (3) + (4)	0	2,500	2,500
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,500	2,500
(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 the basic financial statements of Crowley County, Colorado as of and for the year ended December 31, 2012, and have issued our report thereon dated May 6, 2013. 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.

***Internal Control over Financial Reporting***

Management of Crowley County, Colorado is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Crowley County, Colorado's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crowley County, Colorado's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Crowley County, Colorado's internal control over financial reporting.

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 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Crowley County, Colorado's financial statements are free of 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*.

***Restriction on Use***

This report is intended solely for the information and use of management, the governing board, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

***rfarmer, llc***

May 6, 2013



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

*Independent Auditor's Report*

The Governing Board  
Crowley County, Colorado

**Compliance**

We have audited the compliance of Crowley County, Colorado with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. 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***

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the entity's management.

***Auditor's Responsibility***

Our responsibility is to express an opinion on Crowley County, Colorado's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance 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. A compliance 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 compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on Crowley County, Colorado's compliance with those requirements.

***Opinion***

In our opinion, Crowley County, Colorado complied, in all material respects, with the 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, 2012.

## **Internal Control over Compliance**

The management of Crowley County, Colorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our compliance audit, we considered Crowley County, Colorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### ***Restricted Use***

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

***rfarmer, llc***

May 6, 2013