

Crowley County, Colorado

Financial Statements

December 31, 2017



**RECEIVED**

Office of the State Auditor

May 2, 2018

**Crowley County, Colorado**  
**Table of Contents**  
**December 31, 2017**

	Page
Table of Contents	i
Independent Auditor's Report	1
Management's Discussion and Analysis	iii
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet - Governmental Funds	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Statement of Net Position - Proprietary Fund	9
Statement of Revenues, Expenses, and Changes in Fund Net 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	30
Schedule of Revenues and Expenditures - Budget & Actual - Road & Bridge Fund	31
Schedule of Revenues and Expenditures - Budget & Actual - Department of Human Services	32

**Crowley County, Colorado  
Table of Contents  
December 31, 2017**

	Page
<b>Supplementary Information:</b>	
Schedule of Revenues and Expenditures - Budget & Actual - Water Fund	33
Schedule of Revenues and Expenditures - Budget & Actual - Ambulance Fund	34
Balance Sheet - Other Governmental Funds	35
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non Major Funds	36
Schedule of Revenues and Expenditures - Budget & Actual - EMS/Fire Fund	37
Schedule of Revenues and Expenditures - Budget & Actual - Revolving Loan Fund	38
Schedule of Revenues and Expenditures - Budget & Actual - E-911 Fund	39
Schedule of Revenues and Expenditures - Budget & Actual - Conservation Trust Fund	40
Schedule of Revenues and Expenditures - Budget & Actual - Contingent Fund	41
Schedule of Expenditure of Federal Awards	42
Schedule of Findings and Questioned Costs	43
Local Highway Finance Report	45
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>	50
Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in Accordance With Uniform Guidance	52

*Independent Auditor's Report*

Board of County  
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, of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Crowley County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crowley County, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crowley County's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the other information, such as the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2018 on our consideration of Crowley County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crowley County's internal control over financial reporting and compliance.

***rfarmer, llc***

April 26, 2018

## **MANAGEMENT AND DISCUSSION ANALYSIS**

Crowley County, Colorado

Crowley County has maintained a very strong asset base. The majority of the assets continue to be held in liquid form in the government activities portion of the total county asset base. Investment in capital assets less outstanding related debt used in acquiring these assets represents 26 percent of Crowley County's net assets. This is an decrease of 4 percent over the previous audit year. Capital assets reported net of debt are used to provide services to the residents of Crowley County and therefore are not available for future spending.

Short and Long Term Liabilities have remained unchanged. There were no major capital outlay items purchased in 2017 and the county has a very low debt to asset ratio and does not significantly impact the cash flow of governmental activities funds. Business type funds have no debt. Unrestricted net assets represent 73 percent of the total net governmental assets and may be used for ongoing obligations of the County without restriction. This represents a slight increase change over the previous fiscal year. Governmental Activities experienced a modest increase of 8 percent and Business Type Activities increased approximately two percent. The total primary government assets increased by \$510,000 which amounted to a larger percent increase than in the previous year. The short and long term liabilities decreased in 2017 in both Governmental Activities and Business Type activities since there is no long term debt as of December 31, 2017. Crowley County experienced a total increase in liquid cash and investable funds in 2017 for which was very good considering other economic factors facing the region.

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

Analysis of Cash Balances										
Year	Gen Fund	R/B	EMS/Fire	Amb	Water	DHS	CTF	Cont	E911	RLF
2017	2,844,540	1,405,958	296,930	774,690	1,039,452	528,974	244,563	29,354	116,009	750
2016	2,706,906	1,117,065	299,663	674,540	997,691	480,714	233,458	29,354	187,284	750
2015	2,398,890	933,086	449,788	648,269	999,060	541,326	202,766	29,352	100,407	750
2014	2,395,795	722,029	439,743	479,192	972,716	496,837	174,555	29,352	85,732	750
2013	2,397,182	659,202	464,682	388,432	950,206	375,137	145,929	29,352	70,969	750
2012	2,123,405	642,523	436,059	337,197	875,210	361,284	166,320	29,352	72,653	750
2011	1,945,234	503,525	421,857	236,294	850,777	316,603	168,818	29,352	71,373	37,111
2010	1,985,505	480,132	442,709	157,690	706,574	245,397	156,954	29,352	62,544	21,862
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 most funds increased during 2017 including General Fund. E911 decreased due to the major capital purchase of a unit for the E911 system. All the other funds were in very good cash flow position at the end of the fiscal year 2017. Ambulance fund and Water Funds are enterprise funds and showed increases in cash flow and fund balance presentation at the close of the

2017 fiscal year.. All of the other funds showed good cash funds balances in reserve in their various departments.

Total expenses decreased 564,000 which amounted to an 9 percent decrease during the past fiscal year in total spending which is compared to reductions in the previous fiscal year. All general governmental activities decreased in the 2017 reporting period except E911 General government funds have seen a substantial decrease. Public safety, public works and human services have seen also seen decreases in expenses during 2017. Culture and recreation also has seen a slight increase and we have interest on debt service in 2017 that also reported in the 2016 audit. Business type activities also decreased slightly in 2017 over immediate past fiscal years.

	2017	2016	2015	2014	2013
	<b><u>Governmental Activities</u></b>				
General Government	\$1,401,236	\$1,607,681	\$1,751,548	\$1,687,194	\$ 1,821,788
Public Safety	\$1,567,163	\$1,697,156	\$1,414,428	\$1,391,452	\$ 1,007,157
Public Works	\$ 799,184	\$ 946,035	\$802,719	\$941,378	\$ 827,603
Human Services	\$1,258,562	\$1,307,767	\$1,293,882	\$1,133,554	\$ 1,027,042
Culture and Recreation	\$ 29,362	\$ 12,667	\$5,413	\$5,888	\$ 25,543
Revolving Loan	\$ 0	\$0	\$0	-	\$ -
Interest on Debt	\$ 5,343	\$ 6,843	\$0	\$1,627	\$ 3,302
Total Governmental	\$5,060,850	\$5,578,149	\$5,267,990	\$5,161,093	\$ 4,712,435
	<b><u>Business Type</u></b>				
Water	\$ 204,863	\$247,403	\$215,648	\$219,555	\$ 185,221
Ambulance/EMS	\$ 237,775	\$241,717	\$209,422	\$252,152	\$ 199,998
Total Business	\$ 442,638	\$489,210	\$425,070	\$472,107	\$ 385,219
Total Primary Govt	\$5,503,488	\$6,067,269	\$5,693,060	\$5,633,200	\$ 5,097,654

A quick analysis of this table shows the significant efforts that the board has undertaken to reduce overall county expenditures in both general government functions and business activities. Many of the increases in the Governmental Activities portion of the audit are from Crowley County serving as a fiscal pass-thru agent for other agencies, Tri County Housing, 16<sup>th</sup> Judicial District Attorney, the Regional Wayfinding Project. Also in Road and Bridge Fund several capital equipment purchases were made. Crowley County DHS also serves as the fiscal pass thru agent for the six county region for Signal with the drug treatment program and also the IVE Waiver Demonstration Project.

### **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 2017 in most areas particularly those major funds.. Many of the increases are directly related to pass thru expenses or upgrades in capital equipment. Business Type Activities decreased in both the Ambulance Fund and the Water Fund. Neither of these funds have any debt services to pay. Program Revenues for Business Activity Funds increased some in 2017, due to the Water Fund. Revenues in the Water Fund increased in 2016

due to the implementation of the revised Water agreement between Crowley County and the four water buyers the county supplies. Ambulance revenues were flat in 2017 compared to 2016. General Revenues increased in 2017 generally due to increases in Ad Valorem taxes for 2017 from 2016. The total changes in net assets for General Activity Type Funds was an increase of \$500,000 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.

### **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 \$7,594 million an increase over \$500,000 million. Of the net assets 73 percent is in liquid asset form (cash) which was an increase over CY 2016. The bulk of these funds are held in the county general fund. Road and Bridge has a healthy fund balance and has made significant improvements in capital outlay acquisitions. Department of Human Services continues to have a good fund balance reserve. EMS Fire fund saw a significant decrease this year due to the purchase of the firefighting equipment,. The business type activities (funds) had an increase of \$41,000 in their current assets over 2016. Of the total 2,108 million in the Business Activities Funds in current assets 85 percent is held in liquid form (cash), which virtually unchanged over 2016. 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.. Fiscal year 2017 saw growth in all major funds in general government. General Fund at the end of 2017 had increased its ending fund balance by 153,000.

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 \$282,226 for 2017. The contributing factor was an increase in highway user's tax support and FEMA federal grant revenues during 2017 as well as increase in general property tax support. Expenditures for the fund were decreased mainly due to fewer capital outlay purchases and fewer chip and seal projects. The board employed some other cost cutting measures were in place to stabilize the fund balance. Crowley County has tried to manage discretionary spending such as fuel costs, and the reduction in the cost of paving and maintaining the county road system. Also, the intergovernmental revenue associated with HUTF increases added to the upward increase in the assigned fund balance. The following steps were taken to help avert the continued slide in the cash balances in the Road and Bridge Department.

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 \$35,245 which is almost the same as in the past fiscal year. The state had more funds to distribute to balance of state counties at state closeout, however, the Department is experiencing increased administration costs and child welfare costs which they are unsure of being bailed out at state closeout process in June 2018 for State Fiscal Year 2018.

### **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 \$31,322 during fiscal year 2017 and has excellent unassigned fund balance in which to operate. The Ambulance fleet was totally replaced between 2010 to 2011. Approximately ninety percent of the assets of the fund are held in liquid form which is an increase from the previous fiscal years and makes the operation of the ambulance much more sound. It is anticipated that new ambulances will be needed in the near future to replace an aging fleet.

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 4,145 largely due to very minor repair and maintenance items and depreciation. The following factors are significant in that increase:

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

## **Other Governmental Funds**

- E911 Fund experienced an no change in ending fund balance. The funds are generated through a .70 cent monthly surcharge from land and cell phone providers as well as interest generated from invested funds held by the County Treasurer. Much of the costs in this area in 2017 were capital equipment and a recording system. No personnel costs are incurred in this fund.
- Conservation Trust Fund was increased slightly in 2017. These funds are generated strictly from Lottery Revenue and Interest in the designated account held by the County Treasurer. An adjustment of a receivable to General Fund is noted in 2017 audit of 200.00
- EMS Fire Fund experienced an decrease in their ending fund balance. The overall expenditures of the fund were increased and there was no increase in intergovernmental revenues, Many of the volunteer fire departments exceeded the original budgetary predictions in the acquisition of capital items.
- Other minor funds remained virtually unchanged.

**Crowley County, Colorado**  
**Statement of Net Position**  
**December 31, 2017**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Equivalents	\$ 5,467,653	\$ 1,814,141	\$ 7,281,794
Investments	-	197,820	197,820
Receivables	2,075,137	96,045	2,171,182
Due from Other Governmental Agencies	36,856	-	36,856
Inventories	14,500	-	14,500
Capital Assets			
Construction in progress	57,443	-	57,443
Other Capital Assets-Intangibles	-	285,147	285,147
Buildings	1,334,561	-	1,334,561
Equipment and Furniture	4,664,111	3,140,860	7,804,971
Less: Accumulated Depreciation	<u>(3,912,448)</u>	<u>(2,169,096)</u>	<u>(6,081,544)</u>
Total Capital Assets	<u>2,143,667</u>	<u>1,256,911</u>	<u>3,400,578</u>
Total Assets	<u>9,737,813</u>	<u>3,364,917</u>	<u>13,102,730</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	43,926	12,979	56,905
Due to other governmental agencies	13,488	-	13,488
Long-term liabilities			
Due within one year			
Bonds, capital leases and contracts	82,674	-	82,674
Due in more than one year			
Bonds, capital leases and contracts	<u>132,486</u>	<u>-</u>	<u>132,486</u>
Total liabilities	<u>272,574</u>	<u>12,979</u>	<u>285,553</u>
Deferred In-Flows of Resources			
Deferred Property Taxes	<u>1,957,334</u>	<u>-</u>	<u>1,957,334</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,800,205	1,351,878	3,152,083
Unrestricted	<u>5,707,700</u>	<u>2,000,060</u>	<u>7,707,760</u>
Total net position	<u>\$ 7,507,905</u>	<u>\$ 3,351,938</u>	<u>\$ 10,859,843</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, 2017**

	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>						
<b>Primary government</b>						
Governmental activities						
General Government	\$ 1,401,236	\$ 600,885	\$ 2,206	\$ (455,211)	\$ -	\$ (455,211)
Public Safety	1,567,163	19,343	-	(1,509,103)	-	(1,509,103)
Public Works	799,184	749,890	27,122	(21,972)	-	(21,972)
Human Services	1,258,562	1,110,802	-	(147,760)	-	(147,760)
Culture and Recreation	29,362	37,677	-	8,315	-	8,315
Interest on Long-term debt	5,343	-	-	(5,343)	-	(5,343)
Total governmental activities	5,060,850	2,518,597	29,328	(2,131,074)	-	(2,131,074)
Business-type activities:						
Water	204,863	-	-	-	2,741	2,741
Ambulance	237,775	12,772	-	-	30,223	30,223
Total business-type activities	442,638	12,772	-	-	32,964	32,964
Total primary government	\$ 5,503,488	\$ 2,531,369	\$ 29,328	(2,131,074)	32,964	(2,098,110)
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes				\$ 1,801,167	\$ -	\$ 1,801,167
Use and miscellaneous taxes				4,709	-	4,709
SO and sales tax				659,927	-	659,927
Unrestricted investment earnings				82,724	1,404	84,128
Miscellaneous				189,798	1,098	190,896
Total general revenues, special items, and transfers				2,738,325	2,502	2,740,827
Change in net position				607,251	35,466	642,717
Net position - beginning				6,900,654	3,316,472	10,217,126
Net position - ending				\$ 7,507,905	\$ 3,351,938	\$ 10,859,843

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

**Crowley County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	<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	\$ 2,845,041	\$ 1,405,956	\$ 529,049	\$ 687,607	\$ 5,467,653
Taxes receivable, net	1,413,565	319,169	153,674	70,926	1,957,334
Due from other funds	200	-	-	-	200
Receivable from other governments	-	-	36,856	-	36,856
Other receivables	59,997	55,891	-	1,915	117,803
Inventories	-	14,500	-	-	14,500
Total assets	<u>4,318,803</u>	<u>1,795,516</u>	<u>719,579</u>	<u>760,448</u>	<u>7,594,346</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	36,166	10,696	(6,417)	3,482	43,927
Unearned revenues - Title IV -E	-	-	13,488	-	13,488
Due to other funds	-	-	-	200	200
Total liabilities	<u>36,166</u>	<u>10,696</u>	<u>7,071</u>	<u>3,682</u>	<u>57,615</u>
Deferred in-flows of resources					
Deferred property taxes	1,413,565	319,169	153,674	70,926	1,957,334
Total deferred in-flows	<u>1,413,565</u>	<u>319,169</u>	<u>153,674</u>	<u>70,926</u>	<u>1,957,334</u>
Fund balance:					
Non-spendable:					
Inventories	-	14,500	-	-	14,500
Committed:					
Unassigned:	2,869,072	1,451,151	558,834	-	2,009,985
Assigned:					
Special revenue funds	-	-	-	685,840	685,840
Total fund balance	<u>2,869,072</u>	<u>1,465,651</u>	<u>558,834</u>	<u>685,840</u>	<u>5,579,397</u>
Total liabilities and fund balance	<u>\$ 4,318,803</u>	<u>\$ 1,795,516</u>	<u>\$ 719,579</u>	<u>\$ 760,448</u>	<u>\$ 7,594,346</u>

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

**Crowley County, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2017**

Total fund balances, governmental funds	\$	5,579,397
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		2,143,667
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(215,160)
Rounding		1
		1
Net Position of Governmental Activities in the Statement of Net Position	\$	7,507,905

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, 2017**

	<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	\$ 1,276,148	\$ 308,213	\$ 148,418	\$ 68,388	\$ 1,801,167
SO Tax	155,683	39,367	18,954	8,748	222,752
Sales and miscellaneous taxes	448,158	-	-	-	448,158
Fees and fines	6,586	-	-	-	6,586
Licenses and permits	34,484	200	-	-	34,684
Intergovernmental	589,938	777,012	1,090,979	61,345	2,519,274
Charges for services	319,478	-	-	93,896	413,374
Investment earnings	82,283	-	-	441	82,724
Miscellaneous	74,034	23,295	289	2,590	100,208
Rent Income	39,172	-	-	-	39,172
Total revenues	<u>3,025,964</u>	<u>1,148,087</u>	<u>1,258,640</u>	<u>235,408</u>	<u>5,668,099</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,391,310	17,962	-	500	1,409,772
Public Safety	1,344,139	-	-	124,223	1,468,362
Public Works	-	706,725	-	-	706,725
Health and sanitation and Human Services	35,167	-	1,223,395	-	1,258,562
Culture and recreation	-	-	-	29,362	29,362
Principal	41,523	42,293	-	-	83,816
Interest and other charges	-	5,343	-	-	5,343
Capital Outlay	89,169	93,538	-	73,395	256,102
Total Expenditures	<u>2,901,308</u>	<u>865,861</u>	<u>1,223,395</u>	<u>227,480</u>	<u>5,218,044</u>
Excess (deficiency) of revenues over expenditures	<u>124,656</u>	<u>282,226</u>	<u>35,245</u>	<u>7,928</u>	<u>450,055</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from capital leases	28,892	-	-	-	28,892
Total other financing sources and uses	<u>28,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,892</u>
Net change in fund balance	153,548	282,226	35,245	7,928	478,947
Fund balance - beginning	2,715,524	1,183,425	523,589	677,912	5,100,450
Fund balance - ending	<u>\$ 2,869,072</u>	<u>\$ 1,465,651</u>	<u>\$ 558,834</u>	<u>\$ 685,840</u>	<u>\$ 5,579,397</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, 2017**

Net change in fund balances - total governmental funds: \$ 478,947

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 \$256,102 is more than depreciation of \$179,730 in the current period. 76,372

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. 51,401

Rounding -  
Change in net positions of governmental activities \$ 606,720

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

**Crowley County, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2017**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Ambulance</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,039,451	\$ 774,688	\$ 1,814,139
Investments	197,820	-	197,820
Accounts Receivable, net	2,202	93,843	96,045
Total current assets	1,239,473	868,531	2,108,004
Non-current assets:			
Capital Assets:			
Water Shares	285,147	-	285,147
Utility System	2,274,232	-	2,274,232
Equipment and Furniture	138,193	728,436	866,629
Less Accumulated depreciation	(1,653,159)	(515,937)	(2,169,096)
Total non-current assets	1,044,413	212,499	1,256,912
Total assets	2,283,886	1,081,030	3,364,916
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	5,120	7,858	12,978
Total current liabilities	5,120	7,858	12,978
Total liabilities	5,120	7,858	12,978
<b>NET POSITION</b>			
Net investment in capital assets	1,085,549	266,329	1,351,878
Unrestricted	1,193,217	806,843	2,000,060
Total net position	\$ 2,278,766	\$ 1,073,172	\$ 3,351,938

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

**Crowley County, Colorado**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Ambulance</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 207,604	\$ 255,226	\$ 462,830
Miscellaneous revenue	-	1,098	1,098
Grants	-	12,772	12,772
Total operating revenues	<u>207,604</u>	<u>269,096</u>	<u>476,700</u>
<b>OPERATING EXPENSES</b>			
Personal services	67,001	104,253	171,254
Contractual services	1,500	2,950	4,450
Utilities	56,024	6,500	62,524
Repairs and maintenance	14,200	4,118	18,318
Other supplies and expenses	9,954	31,356	41,310
Insurance claims and expenses	2,750	3,350	6,100
Bad debts	-	18,077	18,077
Miscellaneous expenses	5,798	13,340	19,138
Depreciation	47,636	53,830	101,466
Total Operating Expenses	<u>204,863</u>	<u>237,774</u>	<u>442,637</u>
Operating income (loss)	<u>2,741</u>	<u>31,322</u>	<u>34,063</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	1,404	-	1,404
Total non-operating revenue (expenses)	<u>1,404</u>	<u>-</u>	<u>1,404</u>
Income (loss) before contributions and transfers	4,145	31,322	35,467
<b>OTHER FINANCING SOURCES (USES)</b>			
Change in net position	4,145	31,322	35,467
Total net position - beginning	<u>2,274,621</u>	<u>1,041,850</u>	<u>3,316,471</u>
Total net position - ending	<u>\$ 2,278,766</u>	<u>\$ 1,073,172</u>	<u>\$ 3,351,938</u>

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

**Crowley County, Colorado**  
**Statement of Cash Flows**  
**Proprietary Fund Types**  
**for the year ended December 31, 2017**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<u>Water</u>	<u>Ambulance</u>	<u>Total</u>
Cash Received from Charges for Services	\$ 205,402	\$ 264,661	\$ 470,063
Cash Received from Miscellaneous Sources	-	1,098	1,098
Cash Received from Grant Revenues	-	12,772	12,772
Cash Payments to Suppliers for Goods & Services	(90,141)	(74,130)	(164,271)
Cash Payments for Salaries & Benefits	<u>(67,001)</u>	<u>(104,253)</u>	<u>(171,254)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>48,260</u>	<u>100,148</u>	<u>148,408</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>			
Purchase of Investments	(1,404)	-	(1,404)
Purchase of Fixed Assets	<u>(6,499)</u>	<u>-</u>	<u>(6,499)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(7,903)</u>	<u>-</u>	<u>(7,903)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Received on Investment	<u>1,404</u>	<u>-</u>	<u>1,404</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,404</u>	<u>-</u>	<u>1,404</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	41,761	100,148	141,909
<b>Cash &amp; Cash Equivalents:</b>			
Beginning of Year	<u>997,692</u>	<u>674,543</u>	<u>1,672,235</u>
End of Year	<u>\$ 1,039,453</u>	<u>\$ 774,691</u>	<u>\$ 1,814,144</u>

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

**Crowley County, Colorado**  
**Statement of Cash Flows**  
**Proprietary Fund Types**  
**for the year ended December 31, 2017**  
**(continued)**

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

	<u>Water</u>	<u>Ambulance</u>	<u>Total</u>
Operating Income (Loss)	\$ 2,741	\$ 31,322	\$ 34,063
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:			
Depreciation	47,636	53,830	101,466
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivables:	(2,202)	9,435	7,233
Increase (Decrease) in Accounts Payable	85	5,561	5,646
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 48,260</u>	<u>\$ 100,148</u>	<u>\$ 148,408</u>
Analysis of cash:			
Cash with County Treasurer	<u>1,039,451</u>	<u>774,688</u>	<u>1,814,139</u>
<b>TOTAL</b>	<u>\$ 1,039,451</u>	<u>\$ 774,688</u>	<u>\$ 1,814,139</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, 2017**

	<b>TOTAL AGENCY FUNDS</b>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 73,309
Total assets	73,309
 <b>LIABILITIES:</b>	
Due to other governmental units	73,309
Total liabilities	\$ 73,309

**Crowley County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2017**

**Note 1      Summary of Significant Accounting Policies**

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

**Reporting Entity**

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

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

**Government-Wide and Fund Financial Statements**

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

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

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

#### **Fund Financial Statements**

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

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

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. The main sources of revenues include property taxes, specific ownership taxes, sales taxes, and intergovernmental revenues. The expenditures include general government and public safety.

The *Road and Bridge Fund* accounts for assets and earnings to be used for road and bridge maintenance. The main sources of revenues include property taxes and highway user's trust fund revenues. The expenditures are mainly for public works which includes road and bridge maintenance.

The *Department of Human Services* accounts for assets and earnings to be used for welfare expenditures. The main sources of revenues include property taxes and intergovernmental revenues which include both state and federal programs. The expenditures are mainly for benefits paid to qualifying recipients.

The County reports the following non-major funds:

The *Contingent Fund* accounts for assets and earnings that are governed by CRS.

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

The *E911 Fund* accounts for assets and earnings that are used for the public safety communication system.

The *Revolving Loan Fund* accounts for loans made to and collections from qualifying individuals.

The *EMS/Fire Fund* accounts for property taxes and other revenues relating to EMS and Fire Services.

The County reports the following business-type funds:

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

The *Ambulance Fund* accounts for the ambulance services provided by the County.

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

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

#### **Long-term Economic Focus and Accrual Basis**

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

#### **Current Financial Focus and Modified Accrual Basis**

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

### **Financial Statement Presentation**

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

### **Investments**

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

## **Inventories**

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

## **Property Taxes**

Annual property taxes are levied and assessed on January 1 and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the County.

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

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

## **Capital Assets**

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

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

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

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

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

### **Vacation Days & Sick Leave**

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

### **Long-Term Obligations**

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

### **Use of Estimates**

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

### **Legal Provisions and Authorization for Deposits**

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

### **Contraband**

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

### **Cash and Cash Equivalents**

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

### **Allowance for Doubtful Accounts**

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

### **Business-type Activities**

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

### **Interfund Transactions**

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

## **Note 2 Stewardship, Compliance and Accountability**

### **Budgetary Information**

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

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

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

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

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

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

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2016 were collected in 2017 and taxes certified in 2017 will be collected in 2018. 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 budgets were adopted due to unanticipated expenditures.

### **TABOR Amendment**

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

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

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

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

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

#### **Deposits**

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

The County had \$5,692,756 in local banks which was covered by the Federal Deposit Insurance Corporation (FDIC) and PDPA. The County also had \$500 cash on hand.

#### **Custodial Credit Risk**

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

#### **Investments**

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

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

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

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

- Credit risk: COLOTRUST PRIME and PLUS+ Portfolios are rated AAAM by S&P. COLOTRUST PLUS+ is rated AAA by Moody's and AAA/V1+ by Fitch.

- Custodial credit risk: COLOTRUST PRIME and PLUS+ participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.

The County had \$1,592,732 invested in COLOTRUST at year-end. COLOTRUST is rated AAAM by Standard and Poor's.

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

**Note 4 Capital Assets**

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets being Depreciated				
Buildings	\$ 1,334,561	\$ -	\$ -	\$ 1,334,561
Equipment & Furniture	4,436,839	227,272		4,664,111
Total Capital Assets being Depreciated	5,771,400	227,272	-	5,998,672
Less Accumulated Depreciation	(3,732,718)	(179,730)	-	(3,912,448)
Total Capital Assets, net	2,038,682	47,542	-	2,086,224
Construction in Progress	28,613	28,830	-	57,443
Total Capital Assets	<u>\$ 2,067,295</u>	<u>\$ 76,372</u>	<u>\$ -</u>	<u>\$ 2,143,667</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	285,147	-	-	285,147
Capital Assets being Depreciated				
Distribution Assets	2,274,232	-	-	2,274,232
Vehicles & Equipment	860,129	6,599	-	866,728
Total Capital Assets being Depreciated	3,134,361	6,599	-	3,140,960
Less Accumulated Depreciation	(2,067,630)	(101,466)	-	(2,169,096)
Total Capital Assets being Depr	1,066,731	\$ (94,867)	\$ -	971,864
Total Capital Assets	\$ 1,351,878	\$ (94,867)	\$ -	\$ 1,257,011

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

<b>Governmental activities:</b>	
General Government	\$ 31,818
Public Safety	55,453
Public Works	92,459
<b>Total depreciation expense- governmental activities</b>	<b>\$ 179,730</b>
<b>Business-type activities:</b>	
Water Distribution	\$ 47,636
Ambulance Services	53,830
<b>Total depreciation expense- business-type activities</b>	<b>\$ 101,466</b>

**Note 5 Long-term Debt**

A summary of changes in long-term debt is:

	Balance 1/1/2017	Increases	Decreases	Balance 12/31/2017	Due in One year
Governmental- Type Activities	\$ 267,092	\$ 28,892	\$ (80,824)	\$ 215,160	\$ 82,674

General Long-term Debt

The interest paid during 2017 on the lease purchase listed below was \$2,676 and was paid by the General Fund.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 34,432	\$ 1,807	\$ 36,239
2019	22,088	914	23,002
	<u>\$ 56,520</u>	<u>\$ 2,721</u>	<u>\$ 59,241</u>

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 43,580	\$ 4,055	\$ 47,635
2019	44,893	2,742	47,635
2020	46,244	1,391	47,635
	<u>\$ 134,717</u>	<u>\$ 8,188</u>	<u>\$ 142,905</u>

The annual payments will be made by the Road and Bridge Fund. The interest paid in 2017 was \$5,343.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 4,662	\$ 622	\$ 5,284
2019	4,548	736	5,284
2020	4,721	563	5,284
2021	4,902	382	5,284
2022	5,090	196	5,286
	<u>\$ 23,923</u>	<u>\$ 2,499</u>	<u>\$ 26,422</u>

**Note 6 Risk Management**

County Workers' Compensation Pool

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

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage.

The intergovernmental agreement of formation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The County, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, do to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the County would be financially responsible.

**Note 7 Joint Ventures**

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

- are financially independent and responsible for their own financial deficits and entitled to their own surpluses,
- have separate governing boards from that of the County, which is comprised of one voting member from each participating County,

- have governing boards and management who have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and control fiscal management.

**Note 8           Contingent Liabilities**

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

**Note 9           Operating Leases:**

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

**Note 10          Pension Plan:**

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

The County's total payroll during 2017 was \$2,051,977. The County's contributions were calculated using the covered payroll of \$1,556,337. Both the County and the covered employees made the required contributions, amounting to \$62,253 and \$62,253 respectively for a total of \$124,506.

A deferred compensation plan under Section 457 of the Internal Revenue Code is also available to all eligible employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate after one year of service. The plan is administered by COERA and plan provisions are established and may be amended by the Commissioners. Employee's voluntary contributions for the year were \$73,452. The County also contributes to the deferred compensation plan. During 2017 the County contributed 1% or \$15,524.

**Note 11 Net Assets:**

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

**Note 12 Fund Balances:**

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

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

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

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

**Assigned fund balance** – The portion of fund balance set aside for planned or intended purposes but is neither restricted nor committed. The intended use may be expressed by the County Commissioners or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

**Unassigned fund balance** – The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

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

**Note 13      EBT Authorization:**

Refer to the following page for the Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures for the year ended December 31, 2017, for the Department of Human Services Fund.

**Department of Human Services**  
**Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures**  
**for the year ended December 31, 2017**

<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	\$ -	\$ -	\$ 212,961	\$ 212,961	212,961
Non Allocated Administration	-	-	1,129	1,129	1,129
Child Welfare SCCC	-	-	3,505	3,505	3,505
LEAP Administration/Outreach	-	-	1,829	1,829	1,829
Cost Allocation Adjustment	-	-	(4,866)	(4,866)	(4,866)
Energy Outreach - Colorado	-	-	9,805	9,805	9,805
Child Welfare Parental Fees	-	-	-	-	-
TANF Administration	-	-	92,541	92,541	92,541
TANF Administration NMS	-	-	9,648	9,648	9,648
TANF NMS	-	-	4,648	4,648	4,648
TANF Family Preservation	-	-	18,611	18,611	18,611
Aid Needy Disabled EBT	27,845	4,746	-	27,845	4,746
SSI HCA	28,662	1,433	-	28,662	1,433
Old Age Pension Administration	-	-	3,032	3,032	3,032
Old Age Pension Client Level	221,682	350	-	221,682	350
Child Welfare Hotline Implementation	-	-	-	-	-
Child Welfare CTBR Disc Grant	-	-	44,173	44,173	44,173
Child Care MOE	23,109	10,052	-	23,109	10,052
Child Care Administration	-	-	23,779	23,779	23,779
Child Welfare OOH	235,832	47,166	-	235,832	47,166
Child Welfare Administration 80	-	-	199,438	199,438	199,438
Child Welfare Administration 100	-	-	35,374	35,374	35,374
Core Services	139,078	8,198	-	139,078	8,198
Child Support Enforcement	-	-	82,075	82,075	82,075
Colorado Works MOE	233,656	38,515	-	233,656	38,515
LEAP Client Benefits/CIP	156,916	139,782	-	156,916	139,782
Adult Protection Services	-	-	12,142	12,142	12,142
Medicaid Transportation	-	-	142,810	142,810	142,810
HB1451 Int Managed Care	-	-	-	-	-
IV-E Waiver Family Engagement	-	-	70,596	70,596	70,596
SFY Audit Adjustments	18,825	-	-	18,825	-
<b>Sub-Total</b>	<b>1,085,605</b>	<b>250,242</b>	<b>963,230</b>	<b>2,048,835</b>	<b>1,213,472</b>
Food Assistance (SNAP)	1,194,111	-	-	1,194,111	-
<b>Grand Total</b>	<b>\$ 2,279,716</b>	<b>\$ 250,242</b>	<b>\$ 963,230</b>	<b>\$ 3,242,946</b>	<b>\$ 1,213,472</b>

**Crowley County, Colorado**  
**Budget and Actual**  
**General**  
**For the year ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 1,274,508	\$ 1,274,508	\$ 1,276,148
SO Taxes	170,000	170,000	155,683
Sales and miscellaneous taxes	408,200	412,000	448,158
Fees and fines	11,850	17,250	6,586
Licenses and permits	4,000	44,000	34,484
Intergovernmental	774,550	774,550	589,938
Charges for services	282,450	297,450	319,478
Investment earnings	57,000	75,000	82,283
Rental income	39,500	39,500	39,172
Miscellaneous	68,532	98,832	74,034
Total revenues	<u>3,090,590</u>	<u>3,203,090</u>	<u>3,025,964</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,668,231	1,691,231	1,391,310
Public Safety	1,281,839	1,379,124	1,344,139
Health	42,427	42,427	35,167
Debt Service:			
Principal	41,524	41,524	41,523
Capital Outlay	21,354	65,654	89,169
Total Expenditures	<u>3,055,375</u>	<u>3,219,960</u>	<u>2,901,308</u>
Excess (deficiency) of revenues over expenditures	<u>35,215</u>	<u>(16,870)</u>	<u>124,656</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from capital leases	-	-	28,892
Total other financing sources and uses	-	-	28,892
Net change in fund balance	35,215	(16,870)	153,548
Fund balance - beginning	2,723,804	2,723,804	2,715,524
Fund balance - ending	<u>\$ 2,759,019</u>	<u>\$ 2,706,934</u>	<u>\$ 2,869,072</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Road & Bridge**  
**For the year ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 307,534	\$ 307,534	\$ 308,213
SO Taxes	35,000	35,000	39,367
Licenses and permits	-	-	200
Intergovernmental	1,064,750	1,109,750	777,012
Miscellaneous	24,000	24,000	23,295
Total revenues	<u>1,431,284</u>	<u>1,476,284</u>	<u>1,148,087</u>
<b>EXPENDITURES</b>			
Current:			
General government	25,000	25,000	17,962
Highways and roads	917,517	917,517	706,725
Debt Service:			
Principal	42,293	42,293	42,293
Interest and other charges	5,342	5,342	5,343
Capital Outlay	488,500	488,500	93,538
Total Expenditures	<u>1,478,652</u>	<u>1,478,652</u>	<u>865,861</u>
Excess (deficiency) of revenues over expenditures	<u>(47,368)</u>	<u>(2,368)</u>	<u>282,226</u>
Net change in fund balance	(47,368)	(2,368)	282,226
Fund balance - beginning	1,078,766	1,078,766	1,183,425
Fund balance - ending	<u>\$ 1,031,398</u>	<u>\$ 1,076,398</u>	<u>\$ 1,465,651</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Human Services**  
**For the year ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 148,163	\$ 148,163	\$ 148,418
SO Taxes	-	-	18,954
Intergovernmental	1,142,947	1,125,697	1,090,979
Miscellaneous	500	500	289
Total revenues	<u>1,291,610</u>	<u>1,274,360</u>	<u>1,258,640</u>
<b>EXPENDITURES</b>			
Current:			
Health and welfare	<u>1,349,748</u>	<u>1,471,548</u>	<u>1,223,395</u>
Total Expenditures	<u>1,349,748</u>	<u>1,471,548</u>	<u>1,223,395</u>
Excess (deficiency) of revenues over expenditures	<u>(58,138)</u>	<u>(197,188)</u>	<u>35,245</u>
Net change in fund balance	(58,138)	(197,188)	35,245
Fund balance - beginning	514,493	514,493	523,589
Fund balance - ending	<u>\$ 456,355</u>	<u>\$ 317,305</u>	<u>\$ 558,834</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Water**  
**For the year ended December 31, 2017**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Charges for services	\$ 207,604	\$ 207,604	\$ 207,604
Investment earnings	1,500	1,500	1,404
Miscellaneous	150	150	-
Total revenues	<u>209,254</u>	<u>209,254</u>	<u>209,008</u>
<b>EXPENDITURES</b>			
Personal services	69,825	69,825	67,001
Contractual services	1,500	1,500	1,500
Utilities	65,000	65,000	56,024
Repairs and maintenance	26,200	26,200	14,200
Other supplies and expenses	6,575	6,575	9,954
Insurance claims and expenses	3,500	3,500	2,750
Miscellaneous	7,925	14,945	5,798
Depreciation	-	-	-
Total Operating Expenses	<u>180,525</u>	<u>187,545</u>	<u>157,227</u>
Operating income (loss)	28,729	21,709	51,781
<b>RECONCILING ITEM</b>			
Depreciation	-	-	(47,636)
Net change in net position	28,729	21,709	4,145
Net position - beginning	2,273,915	2,273,915	2,274,621
Net position - ending	<u>\$ 2,302,644</u>	<u>\$ 2,295,624</u>	<u>\$ 2,278,766</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Ambulance**  
**For the year ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Intergovernmental	\$ 44,500	\$ 44,500	\$ 12,772
Charges for services	246,350	246,350	255,226
Miscellaneous	-	-	1,098
Total revenues	<u>290,850</u>	<u>290,850</u>	<u>269,096</u>
<b>EXPENDITURES</b>			
Personal services	109,774	109,774	104,253
Contractual services	1,350	1,350	2,950
Utilities	5,000	5,000	6,500
Repairs and maintenance	6,200	6,200	4,118
Other supplies and expenses	46,400	46,400	49,433
Insurance claims and expenses	3,500	3,500	3,350
Capital outlay	83,000	83,000	-
Miscellaneous	18,950	18,950	13,340
Depreciation	47,000	47,000	53,830
Total Operating Expenses	<u>321,174</u>	<u>321,174</u>	<u>237,774</u>
Operating income (loss)	(30,324)	(30,324)	31,322
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(42,940)	(42,940)	-
Total other financing sources and uses	<u>(42,940)</u>	<u>(42,940)</u>	<u>-</u>
Net change in net position	(73,264)	(73,264)	31,322
Net position - beginning	1,019,242	1,019,242	1,041,850
Net position - ending	<u>\$ 945,978</u>	<u>\$ 945,978</u>	<u>\$ 1,073,172</u>

**Crowley County, Colorado**  
**Balance Sheet**  
**Other Governmental Funds**  
**December 31, 2017**

	E-911	Conservation Trust	Contingent	Revolving Loan Fund	EMS/Fire	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 116,009	\$ 244,563	\$ 29,355	\$ 750	\$ 296,930	\$ 687,607
Taxes receivable, net	-	-	-	-	70,926	70,926
Other receivables	1,915	-	-	-	-	1,915
Total assets	<u>117,924</u>	<u>244,563</u>	<u>29,355</u>	<u>750</u>	<u>367,856</u>	<u>760,448</u>

**LIABILITIES AND FUND BALANCE**

Liabilities:						
Accounts payable	71	-	-	-	3,411	3,482
Total liabilities	<u>71</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>3,411</u>	<u>3,682</u>
Deferred in-flows of resources						
Deferred property taxes	-	-	-	-	70,926	70,926
Total deferred in-flows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,926</u>	<u>70,926</u>
Fund balance :						
Assigned	117,853	244,363	29,355	750	293,519	685,840
Fund balance:	<u>117,853</u>	<u>244,363</u>	<u>29,355</u>	<u>750</u>	<u>293,519</u>	<u>685,840</u>
Total liabilities and fund balance	<u>\$ 117,924</u>	<u>\$ 244,563</u>	<u>\$ 29,355</u>	<u>\$ 750</u>	<u>\$ 367,856</u>	<u>\$ 760,448</u>

**Crowley County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Other Governmental Funds**

**For the Year Ended December 31, 2017**

	E-911	Conservation Trust	Contingent	Revolving Loan Fund	EMS/Fire	Total-Other Governmental Funds
<b>REVENUES</b>						
Property Taxes	-	-	-	-	68,388	\$ 68,388
SO Taxes	-	-	-	-	8,748	8,748
Intergovernmental	-	37,677	-	-	23,668	61,345
Charges for services	93,896	-	-	-	-	93,896
Investment earnings	342	-	-	-	99	441
Miscellaneous	-	2,590	-	-	-	2,590
Total revenues	<u>94,238</u>	<u>40,267</u>	<u>-</u>	<u>-</u>	<u>100,903</u>	<u>235,408</u>
<b>EXPENDITURES</b>						
Current:						
General government	500	-	-	-	-	500
Public Safety	18,834	-	-	-	105,389	124,223
Culture and recreation	-	29,362	-	-	-	29,362
Capital Outlay	73,395	-	-	-	-	73,395
Total Expenditures	<u>92,729</u>	<u>29,362</u>	<u>-</u>	<u>-</u>	<u>105,389</u>	<u>227,480</u>
Excess (deficiency) of revenues over expenditures	1,509	10,905	-	-	(4,486)	7,928
Net change in fund balance	<u>1,509</u>	<u>10,905</u>	<u>-</u>	<u>-</u>	<u>(4,486)</u>	<u>7,928</u>
Fund balance - beginning	116,344	233,458	29,355	750	298,005	677,912
Fund balance - ending	<u>\$ 117,853</u>	<u>\$ 244,363</u>	<u>\$ 29,355</u>	<u>\$ 750</u>	<u>\$ 293,519</u>	<u>\$ 685,840</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**EMS/Fire**  
**For the year ended December 31, 2017**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property Taxes	\$ 68,302	\$ 68,302	\$ 68,388
SO Taxes	8,000	8,000	8,748
Intergovernmental	21,450	21,450	23,668
Investment earnings	110	110	99
Miscellaneous	37,540	42,940	-
Total revenues	<u>135,402</u>	<u>140,802</u>	<u>100,903</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>103,236</u>	<u>112,586</u>	<u>105,389</u>
Total Expenditures	<u>103,236</u>	<u>112,586</u>	<u>105,389</u>
Excess (deficiency) of revenues over expenditures	<u>32,166</u>	<u>28,216</u>	<u>(4,486)</u>
Net change in fund balance	32,166	28,216	(4,486)
Fund balance - beginning	<u>300,716</u>	<u>300,716</u>	<u>298,005</u>
Fund balance - ending	<u>\$ 332,882</u>	<u>\$ 328,932</u>	<u>\$ 293,519</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Revolving Loan Fund**  
**For the year ended December 31, 2017**

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

**Crowley County, Colorado**  
**Budget and Actual**  
**E-911**  
**For the year ended December 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for services	\$ 23,390	\$ 69,390	\$ 93,896
Investment earnings	250	250	342
Total revenues	<u>23,640</u>	<u>69,640</u>	<u>94,238</u>
<b>EXPENDITURES</b>			
Current:			
General government	500	500	500
Public Safety	19,340	19,340	18,834
Capital Outlay	44,500	75,000	73,395
Total Expenditures	<u>64,340</u>	<u>94,840</u>	<u>92,729</u>
Excess (deficiency) of revenues over expenditures	<u>(40,700)</u>	<u>(25,200)</u>	<u>1,509</u>
Net change in fund balance	(40,700)	(25,200)	1,509
Fund balance - beginning	152,011	152,011	116,344
Fund balance - ending	<u>\$ 111,311</u>	<u>\$ 126,811</u>	<u>\$ 117,853</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Conservation Trust**  
**For the year ended December 31, 2017**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Intergovernmental	\$ 38,000	\$ 38,000	\$ 37,677
Miscellaneous	750	750	2,590
Total revenues	<u>38,750</u>	<u>38,750</u>	<u>40,267</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	17,870	37,870	29,362
Capital Outlay	<u>2,500</u>	<u>2,500</u>	-
Total Expenditures	<u>20,370</u>	<u>40,370</u>	<u>29,362</u>
Excess (deficiency) of revenues over expenditures	<u>18,380</u>	<u>(1,620)</u>	<u>10,905</u>
Net change in fund balance	18,380	(1,620)	10,905
Fund balance - beginning	<u>227,480</u>	<u>227,480</u>	<u>233,458</u>
Fund balance - ending	<u>\$ 245,860</u>	<u>\$ 225,860</u>	<u>\$ 244,363</u>

**Crowley County, Colorado**  
**Budget and Actual**  
**Contingent**  
**For the year ended December 31, 2017**

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

**Crowley County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**for the year ended December 31, 2017**

GRANT TITLE		FEDERAL CFDA NUMBER	AMOUNT OF AWARD EXPENDED	
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>				
	<u>PASS THRU AGENCY</u>			
Child Care - Title IV-B	Colo Dept of Human Services	93.645	\$ 9,579	
IV-E FC - Title IV-E	Colo Dept of Human Services	93.658	116,235	
IV-E Waiver	Colo Dept of Human Services	93.658	117,893	
Block Grant - Title XX	Colo Dept of Human Services	93.667	27,053	
Medicaid Title XX	Colo Dept of Human Services	93.778	84,671	
Medicaid Transportation	Colo Dept of Human Services	93.778	142,810	
IV-D ADMIN	Colo Dept of Human Services	93.563	59,747	
LEAP	Colo Dept of Human Services	93.568	1,829	
IV-E Adoption	Colo Dept of Human Services	93.659	17,005	
TANF	Colo Dept of Human Services	93.558	309,119 *	
CCDF	Colo Dept of Human Services	93.596	3,484	
Child Care Development Funds- Discretion	Colo Dept of Human Services	93.575	<u>27,530</u>	
<b>Total</b>				916,955
<b>DEPARTMENT OF PUBLIC HEALTH &amp; ENVIRONMENT:</b>				
Immunization Core	Colo Dept of Public Health & Environment	66.468	<u>17,533</u>	17,533
<b>Total</b>				17,533
Area Agency on Aging	Title III B	93.044	<u>6,276</u>	6,276
<b>Total</b>				6,276
<b>DEPARTMENT OF JUSTICE:</b>				
Department of Public Safety	Division of Criminal Justice	16.738	<u>20,000</u>	20,000
<b>Total</b>				20,000
<b>DEPARTMENT OF AGRICULTURE:</b>				
Federal Mineral Lease		15.634	266	
PILT		15.226	10,485	
Food Stamp Admin.	Colo Dept of Human Services	10.561	<u>53,868</u>	
<b>Total</b>				64,619
<b>DEPARTMENT OF TRANSPORTATION:</b>				
Colorado Department of Transportation	Colorado Department of Transportation	20.205	27,122	
Colorado Department of Transportation	Colorado Department of Transportation	20.602	<u>5,392</u>	
<b>Total</b>				32,514
Community Development Block Grant	Colo Dept of Local Affairs	14.228	<u>70,118</u>	70,118
<b>Total</b>				70,118
<b>DEPARTMENT OF HOMELAND SECURITY:</b>				
Department of Homeland Security-FEMA	Federal Emergency Management Admin- Assistance to Firefighters	98.067	21,835	
Department of Homeland Security-FEMA	Federal Emergency Management Admin	97.067	1,093	
Department of Homeland Security	Colo Dept of Local Affairs	97.042	<u>18,250</u>	
<b>Total</b>				<u>41,178</u>
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<u>\$ 1,169,193</u>	

\* Major Programs

The County did pass through CDBG funds to a local housing authority as a sub-recipient totaling \$70,118.  
The County does not use the federal indirect cost rate of 10%.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1: BASIS OF PRESENTATION**

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

Indirect cost rate of 10% is not used.

**Crowley County, Colorado**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2017**

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

***Financial Statements***

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

Internal control over financial reporting:

Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major federal programs:

Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major federal programs: Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	
CFDA Number(s)	Name of federal program or cluster
93.588	TANF
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	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.

## ANNUAL HIGHWAY FINANCE REPORT - CY17

Email address: mike@crowleycounty.net

City/County: Crowley County

### II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

#### A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	339,744.00
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	23,295.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

	SubTotal:	\$ <u>363,039.00</u>
--	-----------	----------------------

B. Private Contributions	\$	0.00
--------------------------	----	------

### II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

#### A.3. Other local imposts

a. Property Taxes and Assessments	\$	308,213.00
-----------------------------------	----	------------

<b>b. Other Local Imposts</b>	
1. Sales Taxes:	\$ 0.00
2. Infrastructure and Impact Fees:	\$ 0.00
3. Liens:	\$ 0.00
4. Licenses:	\$ 200.00
5. Specific Ownership and/or Other:	\$ 31,331.00
<b>Total: (a + b) carried to 'Other local impost's' above)</b>	<b>\$ 339,744.00</b>

**A.4. Miscellaneous local receipts**  
**Please no commas or dollar signs for the input**

a. Interest on Investments:	\$ 0.00
b. Traffic fines & Penalties:	\$ 0.00
c. Parking Garage Fees:	\$ 0.00
d. Parking Meter Fees:	\$ 0.00
e. Sale of Surplus Property:	\$ 0.00
f. Charges for Services:	\$ 0.00
g. Other Misc. Receipts:	\$ 23,295.00
h. Other:	\$ 0.00
<b>Total: (a through h) carried to 'Misc local receipts' above)</b>	<b>\$ 23,295.00</b>

**C. Receipts from State Government**  
**Please no commas or dollar signs for the input**

1. Highway User Taxes:	\$ 718,624.00
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ 17,121.00
d. Other (Specify):	
Comments: <input type="text" value="CDOT Bridge Replacement"/>	\$ 27,122.00
e. Other (Specify):	
Comments: <input type="text" value="Taylor Grazing"/>	\$ 346.00
<b>Total: (1+3c,d,e)</b>	<b>\$ 763,213.00</b>

**D. Receipts from Federal Government**  
**Please no commas or dollar signs for the input**

<b>2. Other Federal Agencies</b>	
a. Forest Service:	\$ 0.00
b. FEMA:	\$ 21,835.00

c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	<u>21,835.00</u>

### III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

#### A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	93,538.00
2. Maintenance:	\$	706,725.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	0.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	17,962.00
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	<u>818,225.00</u>

Please no commas or dollar signs for the input

#### B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	5,343.00
b. Redemption	\$	42,293.00
SubTotal: (1+2)	\$	<u>47,636.00</u>

<b>C. Payments to State for Highways:</b>	\$	0.00
<b>D. Payments to Toll Facilities:</b>	\$	0.00

Total Disbursements: *(A+B+C+D)* \$ 865,861.00

**III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)**

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
<b>A.1. Capital Outlay</b>			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.
3. System Preservation:	\$ 0.00	\$ 93,538.00	\$ 93,538.
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.
5. Total Construction:			<u>\$ 93,538.</u>
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			<u>\$ 93,538.</u>

**IV. LOCAL HIGHWAY DEBT STATUS**

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DE
<b>A. Bonds (Total)</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.0
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.0

**B. Notes (Total):**        \$| 177,008.00|        \$        0.00        \$        42,293.00        \$        134,715.00

**V - LOCAL ROAD AND STREET FUND BALANCE**

<b>A. Beginning Balance</b>	<b>B. Total Receipts</b>	<b>C. Total Disbursements</b>	<b>D. Ending Balance</b>	<b>E. Reconciliati</b>
\$ 1,183,426.00	\$ 1,148,087.00	\$ 865,861.00	\$ 1,465,652.00	\$ 0.0

**Notes & Comments:**  
undefined

Please enter your name: Mike Apker

Please provide a telephone number where you may be reached: 7192675249

Save

Print Mode

**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*

Board of County Commissioners  
Crowley County, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crowley County as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Crowley County's basic financial statements, and have issued our report thereon dated April 26, 2018.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Crowley County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on

compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*rfarmer, Uc*

April 26, 2018

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

*Independent Auditor's Report*

Board of County Commissioners  
Crowley County, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Crowley County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Crowley County's major federal programs for the year ended December 31, 2017. Crowley County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, Crowley County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

## Report on Internal Control over Compliance

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

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

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

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

*rfarmer, llc*

April 26, 2018