

Crowley County, Colorado

Financial Statements

December 31, 2021

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***r*farmer, llc**
a certified public accounting and consulting firm

Independent Auditor's Report

Board of County Commissioners
Crowley County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crowley County (the "County"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information including the combining nonmajor fund financial statements, budget to actual information, local highway finance report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information 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 18, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

rfarmer, llc

April 18, 2022

**CROWLEY COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING DECEMBER 31, 2021**

The Management's Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, providing an overview of the County's financial activity, and identifying changes in the County's financial condition, material deviations from the financial budget and individual fund issues or concerns. Please read this section in conjunction with the County's financial statements, which follow this section.

Financial Highlights (revenues & expenditures, net position)

- The County received \$845,405 in Federal grants related to the Covid-19 pandemic. Of this amount, the ambulance fund received \$234,170, the water fund received \$455,707, and general fund received the remaining amount.
- In 2021, the general fund mill levy was decreased from 30.581 mills to 25.581 mills, and the road and bridge fund mill levy was increased from 6.750 mills to 11.750 mills.
- Revenues from the commercial marijuana cultivation industry increased by \$475,871 (66%) compared to 2020 revenues.
- State sales tax revenue increased 28% compared to 2020 revenues. This is due to the increase in online shopping because of the pandemic, and the requirement for online vendors to collect state sales tax at the point of sale.
- Highway Users Tax revenue increased by \$110,974 (17%). SB21-260, Sustainability of the Transportation System, authorized a one-time transfer of funds from the American Rescue Plan Act of 2021 to counties. Crowley County received \$67,833.
- Crowley County approved an increase in the E911 surcharge fee from \$0.70 to \$1.72 per access line, which took effect in 2021. This resulted in a 124% increase in fee income.
- Employee health insurance benefit plan changed in 2021. The overall cost to the County is \$76,192 (14%) less than the previous year.
- The Consumer Price Index for the Denver-Aurora-Lakewood area is up 9.1% over the past year. From March 2021 to March 2022 gasoline prices increased by 36% and had a significant impact on our overall fuel expenditures.
- The road and bridge fund experienced a 74% increase in capital purchases. Two motor graders were purchased, and a bridge was re-decked which resulted in a total expenditures of \$456,346.
- For Department of Human Services, County EBT benefits increased significantly since 2020. This was due to an increase in food assistance benefits, and child welfare costs.
- Our overall net position increased \$2,423,095 (18%) over 2020.

Overview of the Financial Statement

The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This discussion and analysis are intended to serve as an introduction to the basic financial statements. This report also contains required supplementary and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statement – The government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to private-sector financial statements. The government-wide financial statements of the County are divided into two categories:

- **Governmental Activities** – Most of the County's basic services are included here, such as general government, public safety, judicial, economic development, building inspection and land use planning, road and bridge maintenance, emergency response, human services, and park and recreation.
- **Business-Type Activities** – The County charges fees to customers to help it cover the costs of certain services. Ambulance and water services are included here.

The **Statement of Net Position** presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Crowley County is improving or deteriorating.

The **Statement of Activities** presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as accounts payable or uncollected taxes.

Fund Financial Statement

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with legal requirements for financial transactions and reporting. The County has two kinds of funds: governmental funds and proprietary funds.

- **Governmental funds** – Governmental funds are used to account for the same functions as those reported under the governmental activities on the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in Crowley County's statements include four major funds: General Fund, Road & Bridge Fund, Human Services Fund, and Other Governmental Funds. Other Governmental Funds include the following County Funds: Contingent Fund, Conservation Trust Fund, E911 Fund, Revolving Loan Fund, and EMS/Fire Fund.

- **Proprietary funds** – The County maintains two types of proprietary funds. Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for County ambulance and water services.

Notes to the Financial Statement – The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes a schedule of revenues and expenditures budget and actual for the various funds, schedule of expenditure of Federal awards, schedule of findings and questioned costs, the Local Highway Finance Report, and reports on internal control and compliance.

Government-Wide Financial Analysis

Net Position. The following table presents a summary of the County's net position for the year ended December 31, 2021, with comparison totals as of December 31, 2020. The County's *combined* net position increased \$2,423,095 (18%) primarily due to an increase in cash and cash equivalents.

Crowley County, Colorado
Statement of Net Position
December 31, 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Cash and Equivalents	\$ 9,364,636	\$ 7,599,322	\$ 1,408,993	\$ 1,340,378	\$ 10,773,629	\$ 8,939,700
Other Current Assets	\$ 2,671,739	\$ 2,648,551	\$ 97,830	\$ -	\$ 2,769,569	\$ 2,648,551
Capital Assets	\$ 5,861,932	\$ 6,627,309	\$ 3,793,493	\$ 3,378,986	\$ 9,655,425	\$ 10,006,295
Less: Accumulated						
Depreciation	\$ (2,239,851)	\$ (3,162,661)	\$ (2,347,918)	\$ (2,458,487)	\$ (4,587,769)	\$ (5,621,148)
Total Assets	\$ 15,658,456	\$ 13,712,521	\$ 2,952,398	\$ 2,260,877	\$ 18,610,854	\$ 15,973,398
LIABILITIES						
Accounts Payable	\$ 233,438	\$ 49,108	\$ 15,962	\$ 17,264	\$ 249,400	\$ 66,372
Due to Other						
Governmental Agencies	\$ 14,922	\$ 19,275	\$ -	\$ -	\$ 14,922	\$ 19,275
Unearned Revenues -						
Grants	\$ 73,395	\$ 115,208	\$ -	\$ -	\$ 73,395	\$ 115,208
Long-Term Liabilities	\$ 209,152	\$ 253,591	\$ -	\$ -	\$ 209,152	\$ 253,591
Compensated Absences	\$ 51,860	\$ 57,320	\$ -	\$ -	\$ 51,860	\$ 57,320
Total Liabilities	\$ 582,767	\$ 494,502	\$ 15,962	\$ 17,264	\$ 598,729	\$ 511,766
Deferred In-Flows of						
Resources - Property						
Taxes	\$ 2,199,835	\$ 2,072,437	\$ -	\$ -	\$ 2,199,835	\$ 2,072,437
NET POSITION						
Net Investment in Capital						
Assets	\$ 3,418,389	\$ 3,290,120	\$ 1,461,931	\$ 920,500	\$ 4,880,320	\$ 4,210,620
Unrestricted	\$ 9,457,465	\$ 7,855,462	\$ 1,474,505	\$ 1,323,113	\$ 10,931,970	\$ 9,178,575
Total Net Position	\$ 12,875,854	\$ 11,145,582	\$ 2,936,436	\$ 2,243,613	\$ 15,812,290	\$ 13,389,195

- Net position of the County's governmental activities increased 16% to \$12,875,854 on December 31, 2021. The largest increase occurred in the cash and cash equivalent assets. There were several factors that impacted our cash assets. The marijuana cultivation industry brought in \$1,192,749 in revenue, which was a 66% increase from revenues received in 2020. The Highway Users Tax revenue increased by \$110,974 (17%). SB21-260, Sustainability of the Transportation System, authorized a one-time transfer of funds from the American Rescue Plan Act of 2021 to counties. Crowley County received \$67,833. Crowley County approved an increase in the E911 surcharge fee from \$0.70 to \$1.72 per access line, which took effect in 2021. This resulted in a 124% increase in fee income.
- Net position of the County's business-type activities increased 31% to \$2,936,436. The largest increase occurred in capital assets. This is related to the replacement of well pumps and motors, and the large Ordway Bypass Water Project which totals to \$572,494. Construction of this project is ongoing and is expected to be completed in early 2024.

Statement of Activities - Change in Net Position

Crowley County, Colorado						
Statement of Activities						
December 31, 2021						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
General Revenues:						
Property Taxes, Levied for General Purposes	\$ 2,086,654	\$ 2,053,003			\$ 2,086,654	\$ 2,053,003
Use & Misc. Taxes	\$ 19,331	\$ 8,410			\$ 19,331	\$ 8,410
SO and Sales Tax	\$ 1,183,209	\$ 965,007			\$ 1,183,209	\$ 965,007
Unrestricted Investment Earnings	\$ 71,641	\$ 133,550			\$ 71,641	\$ 133,550
Miscellaneous	\$ 157,362	\$ 129,738	\$ 8,462	\$ -	\$ 165,824	\$ 129,738
Adjustment to General Fixed Assets	\$ (77,910)	\$ 856,727			\$ (77,910)	\$ 856,727
Gain on Sale of Assets	\$ -	\$ -			\$ -	\$ -
Program Revenues:						
Charges for Services	\$ 1,840,801	\$ 1,297,297	\$ 503,742	\$ 513,841	\$ 2,344,543	\$ 1,811,138
Operating Grants and Contributions	\$ 2,326,699	\$ 2,320,990	\$ 725,173	\$ 24,026	\$ 3,051,872	\$ 2,345,016
Capital Grants and Contributions	\$ 19,992	\$ 7,360			\$ 19,992	\$ 7,360
Total Revenues	\$ 7,627,779	\$ 7,772,082	\$ 1,237,377	\$ 537,867	\$ 8,865,156	\$ 8,309,949
PROGRAM EXPENSES						
Governmental Activities:						
General Government	\$ 1,843,592	\$ 2,067,653			\$ 1,843,592	\$ 2,067,653
Public Safety	\$ 1,493,120	\$ 1,515,998			\$ 1,493,120	\$ 1,515,998
Public Works	\$ 1,330,266	\$ 1,116,705			\$ 1,330,266	\$ 1,116,705
Human Services	\$ 1,192,359	\$ 1,329,319			\$ 1,192,359	\$ 1,329,319
Culture and Recreation	\$ 38,167	\$ 25,454			\$ 38,167	\$ 25,454
Interest on Long-Term Debt	\$ -	\$ -			\$ -	\$ -
Business-Type Activities:						
Water			\$ 215,579	\$ 292,858	\$ 215,579	\$ 292,858
Ambulance			\$ 328,974	\$ 309,792	\$ 328,974	\$ 309,792
Total Expenses	\$ 5,897,504	\$ 6,055,129	\$ 544,553	\$ 602,650	\$ 6,442,057	\$ 6,657,779
Excess (deficiency) of Revenues Before						
Transfers Over (Under) Expenses	\$ 1,730,275	\$ 1,716,953	\$ 692,824	\$ (64,783)	\$ 2,423,099	\$ 1,652,170
Transfers	\$ -	\$ 704,917	\$ -	\$ (704,917)	\$ -	\$ -
Increase in Net Position	\$ 1,730,275	\$ 2,421,870	\$ 692,824	\$ (769,700)	\$ 2,423,099	\$ 1,652,170
Net Position - Beginning	\$ 11,145,579	\$ 8,723,712	\$ 2,243,612	\$ 3,013,313	\$ 13,389,191	\$ 11,737,025
Net Position - Ending:	\$ 12,875,854	\$ 11,145,582	\$ 2,936,436	\$ 2,243,613	\$ 15,812,290	\$ 13,389,195

- **Governmental Activities**

Crowley County’s governmental activities net position increased \$1,730,272 (16%) during the year. The County experienced a 28% increase in state sales tax revenue which is due to the increase in online shopping because of the pandemic, and the requirement for online vendors to collect state sales tax at the point of sale. Charges for services increased by \$543,504 from 2020. This is due to the increased revenues from the marijuana cultivation industry, and the increase in the E911 surcharge fee from \$0.70 to \$1.72 per access line which resulted in a 124% increase for this income source.

Of our total governmental revenues, 27% is from property taxes and 31% is from operating grants and contributions. This illustrates the County’s continued dependence on property taxes and grant funds to finance its general functions.

Governmental activities expenditures decreased slightly by \$157,625 (3%). There is no single factor of note to explain the decrease.

Below are tables showing the sources of governmental activities revenue and expenditures.

Revenues by Source : Governmental Activities			Expenses by Function: Governmental Activities		
Type of Revenue	Amount	% of Total Revenue	Type of Expenditure	Amount	% of Total Expenditures
Operating Grants and Contributions	\$ 2,326,699	31%	General Government	\$ 1,843,592	31%
Property Taxes, Levied for General Purposes	\$ 2,086,654	27%	Public Safety	\$ 1,493,120	25%
Charges for Services	\$ 1,840,801	24%	Human Services	\$ 1,192,359	20%
SO and Sales Tax	\$ 1,183,209	16%	Public Works	\$ 1,330,266	23%
Adjustment to General Fixed Assets	\$ (77,910)	-1%	Culture and Recreation	\$ 38,167	1%
Unrestricted Investment Earnings	\$ 71,641	1%	Interest on Long-Term Debt	\$ -	0%
Miscellaneous	\$ 157,362	2%	Total Expenses:	\$ 5,897,504	100%
Use & Misc. Taxes	\$ 19,331	0%			
Capital Grants and Contributions	\$ 19,992	0%			
Gain on Sale of Assets	\$ -	0%			
Total Revenues:	\$ 7,627,779	100%			

- **Business-Type Activities**

Business-type activities net position increased \$692,823 (31%) during the year. Revenue from business type activities increased by \$699,510 (130%). The County received \$845,405 in Federal grants related to the Covid-19 pandemic. Of this amount, the ambulance fund received \$234,170, the water fund received \$455,707, and general fund received the remaining amount.

Business-type expenditures decreased slightly by \$58,097 (10%).

Below are tables showing the sources of business-type activities revenues and expenditures.

Revenues by Source : Business-Type Activities			Expenses by Function: Business-Type Activities		
Type of Revenue	Amount	% of Total Revenue	Type of Expenditure	Amount	% of Total Expenditures
Charges for Services	\$ 503,742	41%	Water	\$ 215,579	40%
Operating Grants and Contributions	\$ 725,173	59%	Ambulance	\$ 328,974	60%
Unrestricted Investment Earnings	\$ -	0%	Total Expenses:	\$ 544,553	100%
Miscellaneous	\$ 8,462	1%			
Total Revenues:	\$ 1,237,377	100%			

Financial Analysis of the County's Funds

Crowley County has a strong financial position. A three-year period of ratios is reviewed for trend analysis. Our 2021 cash to liabilities ratio is 28.39. Although it decreased since 2020, we still have plenty of cash available to pay off our current liabilities. Our unrestricted fund balance ratio is 2.12 and has been increasing over a three-year period. Crowley County is in an adequate position to withstand a financial emergency. Currently, general fund is the only fund with debt. In calculating the debt burden ratio for only this fund, the ratio has decreased since 2020 and is currently 76.45. We have appropriate revenue sources for making our debt service payments. Tax revenue incurred a steady increase, while the population decreased slightly. Crowley County has sufficient revenues to continue to provide the same level of services to our constituents. Crowley County experienced a decrease in expenditures per capita. This has insignificant impact on the County considering our available cash position. Our operating margin ratio is 0.30 and has doubled since last year. We continue to have greater revenues than we do expenditures.

The ambulance and water funds are our enterprise funds. Our current enterprise funds net position (EFNP) ratio is 1.31, which is much better compared to 2020. When looking at each fund individually, the water fund ratio has increased to 1.27. This is due to the receipt of additional grant funds in the amount of \$455,707. Ambulance fund experienced a ratio increase to 1.44. This is due to the receipt of Federal grant funds in the amount of \$235,966. The ratio in 2020 was much lower because each fund had funds transferred out to general fund.

Capital Asset and Debt Administration

Crowley County, Colorado						
Capital Assets						
December 31, 2021						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital Assets Being Depreciated						
Buildings	\$ 1,392,464	\$ 1,334,561			\$ 1,392,464	\$ 1,334,561
Equipment & Furniture	\$ 4,469,468	\$ 5,292,748			\$ 4,469,468	\$ 5,292,748
Distribution Assets			\$ 2,274,232	\$ 2,274,232	\$ 2,274,232	\$ 2,274,232
Vehicles & Equipment			\$ 946,767	\$ 1,104,754	\$ 946,767	\$ 1,104,754
Total Capital Assets Being Depreciated	\$ 5,861,932	\$ 6,627,309	\$ 3,220,999	\$ 3,378,986	\$ 9,082,931	\$10,006,295
Less Accumulated Depreciation	\$ (2,239,851)	\$ (3,162,661)	\$ (2,347,918)	\$ (2,458,487)	\$ (4,587,769)	\$ (5,621,148)
Total Net Capital Assets	\$ 3,622,081	\$ 3,464,648	\$ 873,081	\$ 920,499	\$ 4,495,162	\$ 4,385,147
Construction in Progress		\$ -	\$ 572,494		\$ 572,494	\$ -
Total Capital Assets	\$ 3,622,081	\$ 3,464,648	\$ 1,445,575	\$ 920,499	\$ 5,067,656	\$ 4,385,147

Capital Assets

Capital assets include buildings, equipment, vehicles, infrastructure, and construction in progress. For governmental activities, the total capital assets increased by 5% in the amount \$157,433, whereas equipment and furniture decreased by \$823,280 (16%). Several capital purchases were made which include \$57,903 in building repairs to the justice center courtroom, a \$105,750 new deck for a county bridge, a 2021 motor grader in the amount of \$147,159, and a \$12,838 cylinder rebuild to a dozer. Additionally, some assets were either sold or traded in on the purchase of new equipment. This includes the sale of a sheriff department truck for \$14,256, and the trade in of two older motor graders for a total trade-in value of \$123,000.

Business-type activities total capital assets increased \$525,076 (57%). Purchases include \$228,649 for a 2020 ambulance and 2021 power cot, and a water pump and motor for the wells which cost \$26,304. The construction in progress is related to the Ordway Bypass water project. A number of grants have provided most of the funding for the project, but it is ongoing into 2024.

Long-Term Debt

Crowley County governmental activities has two, outstanding lease purchase agreements, both of which are related to the purchase of Sheriff department vehicles. One was obtained in 2017 and has one payment remaining. The other was obtained in 2020 and has four payments remaining. The Board of County Commissioners have decided to payoff both loans in 2022. Accrued vacation and sick leave amounts to \$57,320, which is unchanged from 2020. Then ending debt balance in 2020 was \$310,912 and is \$261,012 in 2021. This is a 16% decrease.

Budgetary Highlights

Over the course of the year, the Board of County Commissioners amended the County budget to reflect a variety of actions taken since certifying the original budget. Events that triggered the amendments include the receipt of unanticipated revenues and cash purchases made from unrestricted funds. Information in the following table was obtained from the required supplementary information schedules of revenues and expenditures.

Crowley County, Colorado						
Budget and Actual						
December 31, 2021						
	2021 Revenues		2021 Expenditures		2021 Special Item or Reconciling Item	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
Capital Assets Being Depreciated						
General	\$ 3,737,874	\$ 4,586,920	\$ 3,978,384	\$ 3,214,914	\$ -	\$ 14,256
Road and Bridge	\$ 1,387,150	\$ 1,623,932	\$ 1,482,328	\$ 1,631,275	\$ -	\$ 300
Human Services	\$ 1,249,620	\$ 1,225,353	\$ 1,385,756	\$ 1,165,210	\$ -	\$ -
Water	\$ 276,780	\$ 683,445	\$ 1,393,321	\$ 814,381	\$ -	\$ 598,801
Ambulance	\$ 402,000	\$ 553,897	\$ 499,280	\$ 328,975	\$ -	\$ 36
EMS/Fire	\$ 125,507	\$ 111,763	\$ 139,395	\$ 121,373	\$ -	\$ 5,450
Revolving Loan Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E-911 Fund	\$ 49,490	\$ 107,013	\$ 38,160	\$ 31,813	\$ -	\$ -
Conservation Trust	\$ 43,000	\$ 50,706	\$ 56,805	\$ 38,167	\$ -	\$ -
Contingent Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals:	\$ 7,271,421	\$ 8,943,029	\$ 8,973,429	\$ 7,346,108	\$ -	\$ 618,843
Amount Over/(Under) Budget:	\$ 1,671,608		\$ (1,627,321)		\$ 618,843	

Noteworthy events related to amendments include:

- Use of unrestricted surplus funds for increased utility costs (\$20,060).
- Use of unrestricted surplus funds for increased offender legal costs (\$35,000).
- Receipt of local grant funds (\$25,000).
- Receipt of Federal grant funds (845,405).
- Receipt of FEMA grant closeout funds (\$80,258).
- Receipt of State grant funds (\$115,198).
- Settlement with Colorado Department of Transportation (\$50,000).

Crowley County did experience a budget violation in the road and bridge fund. This is related to an adjusting journal entry that was required per the audit. A motor grader which cost \$190,600 was received in 2021 but the invoice for payment was not received until January 2022. An adjusting entry was made to expense the cost of the motor grader in 2021, and account for it as a pending accounts payable. This is the accounting error that caused us to exceed the budget.

Economic Factors and Next Year's Budget

The financial condition of Crowley County government remains strong. Healthy reserves, continued growth in the cannabis industry, and increasing property valuations have allowed the County to maintain services without growth in the tax rate. We will remain in a strong financial position, but it is expected to decrease as the economic outlook is off to a rough start.

Crowley County has multiple employment positions available, yet we are struggling to receive applicants. Our Sheriff's Department is at a critical level of coverage. Salaries have been increased to try to attract applicants, but this does not seem to be a motivating factor. A survey conducted by the Colorado Association of Chiefs of Police and the County Sheriffs of Colorado state that the top reasons for officer departures include anti-police sentiment, concerns about the future of policing, and concerns about Senate Bill 20-217.

Inflation is on the rise and there are concerns of a recession in 2022 or 2023. The Consumer Price Index (Denver-Aurora-Lakewood area) rose 9.1% over the past twelve months. Energy prices have jumped 28.1%, largely the

result of an increase in the price of gasoline. Crowley County anticipates expenditures greater than originally budgeted because of the inflation, and the use of unrestricted surplus funds may be utilized.

Lingering pandemic-related disruptions include supply and demand challenges. This impacts some of the capital outlay projects that the County has planned. There are prolonged delays in the manufacture and delivery of equipment that the County has purchased. Construction projects may be delayed due to the shortage of materials available for completion of the project, and the shrinking workforce.

Cannabis industry revenues are decreasing. The March 31, 2022, revenues are \$138,398 compared to \$266,039 as of March 31, 2021. This is a 48% decrease. A range of factors have affected this decline. More states are legalizing marijuana, a new Colorado law that went into effect in January 2022 limits the amount of medicinal cannabis product that can be purchased by an individual per day, and inflation is causing consumers to spend more on necessities. Locally, our growers are having greater difficulty selling their product, and the price of product has decreased from \$1,600 per pound of bud to \$500 per pound.

Request for Information

This financial report is designed to provide a general overview of Crowley County's finances for all those with an interest in the government's financing. Questions concerning any of the information should be addressed to the Finance Department, 603 Main Street, Suite 2, Ordway, CO 81063, telephone (719) 267-5249 or email at lashelle.benbow@crowleycounty.net.

Crowley County, Colorado
Statement of Net Position
December 31, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Equivalents	\$ 9,364,636	\$ 1,408,993	\$ 10,773,629
Investments	285,147	-	285,147
Receivables	2,317,485	97,830	2,415,315
Due from Other Governments	54,607	-	54,607
Inventories	14,500	-	14,500
Other Capital Assets-Intangibles	-	572,494	572,494
Buildings	1,392,464	-	1,392,464
Equipment and Furniture	4,469,468	3,220,999	7,690,467
Less: Accumulated Depreciation	<u>(2,239,851)</u>	<u>(2,347,918)</u>	<u>(4,587,769)</u>
Total Capital Assets	<u>3,622,081</u>	<u>1,445,575</u>	<u>5,067,656</u>
Total Assets	<u>15,658,456</u>	<u>2,952,398</u>	<u>18,610,854</u>
LIABILITIES			
Accounts payable and accrued expenses	233,438	15,962	249,400
Due to other governmental agencies	14,922	-	14,922
Unearned revenues grants	73,395	-	73,395
Long-term liabilities			
Due within one year			
Capital leases	51,860	-	51,860
Due in more than one year			
Capital leases	151,832	-	151,832
Compensated absences	57,320	-	57,320
Total liabilities	<u>582,767</u>	<u>15,962</u>	<u>598,729</u>
Deferred In-Flows of Resources			
Deferred Property Taxes	<u>2,199,835</u>	<u>-</u>	<u>2,199,835</u>
NET POSITION			
Net investment in capital assets	3,418,389	1,461,931	4,880,320
Unrestricted	9,457,465	1,474,505	10,931,970
Total net position	<u>\$ 12,875,854</u>	<u>\$ 2,936,436</u>	<u>\$ 15,812,290</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, 2021

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Primary government						
Governmental activities						
General Government	\$ 1,843,592	\$ 879,588	\$ 148,958	\$ -	\$ (815,046)	\$ (815,046)
Public Safety	1,493,120	960,363	225,455	-	(307,302)	(307,302)
Public Works	1,330,266	500	853,334	19,992	(456,440)	(456,440)
Human Services	1,192,359	-	1,048,366	-	(143,993)	(143,993)
Culture and Recreation	38,167	350	50,586	-	12,769	12,769
Total governmental activities	<u>5,897,504</u>	<u>1,840,801</u>	<u>2,326,699</u>	<u>19,992</u>	<u>(1,710,012)</u>	<u>(1,710,012)</u>
Business-type activities:						
Water	215,579	219,276	455,707	-	-	459,404
Ambulance	328,974	284,466	269,466	-	-	224,958
Total business-type activities	<u>544,553</u>	<u>503,742</u>	<u>725,173</u>	<u>-</u>	<u>-</u>	<u>684,362</u>
Total primary government	<u>\$ 6,442,057</u>	<u>\$ 2,344,543</u>	<u>\$ 3,051,872</u>	<u>\$ 19,992</u>	<u>(1,710,012)</u>	<u>(1,025,650)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				\$ 2,086,654	\$ -	\$ 2,086,654
Use and miscellaneous taxes				19,331	-	19,331
SO and sales tax				1,183,209	-	1,183,209
Unrestricted investment earnings				71,641	-	71,641
Miscellaneous				157,362	8,462	165,824
<i>Special item</i> - adjustment to general fixed assets				(77,910)	-	(77,910)
Total general revenues, special items, and transfers				<u>3,440,287</u>	<u>8,462</u>	<u>3,448,749</u>
Change in net position				<u>1,730,275</u>	<u>692,824</u>	<u>2,423,099</u>
Net position - beginning				<u>11,145,579</u>	<u>2,243,612</u>	<u>13,389,191</u>
Net position - ending				<u>\$ 12,875,854</u>	<u>\$ 2,936,436</u>	<u>\$ 15,812,290</u>

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

Crowley County, Colorado
Balance Sheet
Governmental Funds
December 31, 2021

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 6,625,823	\$ 1,415,491	\$ 652,755	\$ 670,567	\$ 9,364,636
Investments	285,147	-	-	-	285,147
Taxes receivable, net	1,241,845	682,205	188,695	87,090	2,199,835
Receivable from other governments	-	-	54,607	-	54,607
Other receivables	24,284	53,362	-	40,004	117,650
Inventories	-	14,500	-	-	14,500
Total assets	<u>8,177,099</u>	<u>2,165,558</u>	<u>896,057</u>	<u>797,661</u>	<u>12,036,375</u>
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	32,069	208,914	4,346	3,031	248,360
Unearned revenues grants	73,395	-	-	-	73,395
Total liabilities	<u>105,464</u>	<u>208,914</u>	<u>4,346</u>	<u>3,031</u>	<u>321,755</u>
Deferred in-flows of resources					
Deferred property taxes	1,241,845	682,205	188,695	87,090	2,199,835
Total deferred in-flows	<u>1,241,845</u>	<u>682,205</u>	<u>188,695</u>	<u>87,090</u>	<u>2,199,835</u>
Fund balance:					
Non-spendable:					
Inventories	-	14,500	-	-	14,500
Committed:					
Unassigned:	6,829,790	1,259,939	703,016	-	1,962,955
Assigned:					
Special revenue funds	-	-	-	707,540	707,540
Total fund balance	<u>6,829,790</u>	<u>1,274,439</u>	<u>703,016</u>	<u>707,540</u>	<u>9,514,785</u>
Total liabilities and fund balance	<u>\$ 8,177,099</u>	<u>\$ 2,165,558</u>	<u>\$ 896,057</u>	<u>\$ 797,661</u>	<u>\$ 12,036,375</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, 2021

Total fund balances, governmental funds	\$ 9,514,785
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.	3,622,081
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	<u>(261,012)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 12,875,854</u>

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

Crowley County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property Taxes	\$ 1,222,123	\$ 615,639	\$ 170,327	\$ 78,565	\$ 2,086,654
SO Tax	149,575	74,469	20,903	9,647	254,594
Sales and miscellaneous taxes	1,544,957	-	-	-	1,544,957
Fees and fines	42,717	-	-	-	42,717
Licenses and permits	9,421	500	-	-	9,921
Intergovernmental	531,757	883,151	1,033,944	74,137	2,522,989
Charges for services	924,126	-	-	106,879	1,031,005
Investment earnings	71,387	-	-	134	71,521
Miscellaneous	53,004	50,173	179	120	103,476
Rent Income	37,853	-	-	-	37,853
Total revenues	<u>4,586,920</u>	<u>1,623,932</u>	<u>1,225,353</u>	<u>269,482</u>	<u>7,705,687</u>
EXPENDITURES					
Current:					
General government	2,432,935	18,467	-	500	2,451,902
Public Safety	552,486	-	-	152,686	705,172
Public Works	-	1,156,462	-	-	1,156,462
Health and sanitation and Human Services	10,877	-	1,165,210	-	1,176,087
Culture and recreation	100,715	-	-	38,167	138,882
Debt Service:					
Principal	49,899	-	-	-	49,899
Interest and other charges	10,099	-	-	-	10,099
Capital Outlay	57,903	456,346	-	-	514,249
Total Expenditures	<u>3,214,914</u>	<u>1,631,275</u>	<u>1,165,210</u>	<u>191,353</u>	<u>6,202,752</u>
Excess (deficiency) of revenues over expenditures	<u>1,372,006</u>	<u>(7,343)</u>	<u>60,143</u>	<u>78,129</u>	<u>1,502,935</u>
SPECIAL ITEM					
Proceeds from sale of assets	14,256	300	-	5,450	20,006
Net change in fund balance	1,386,262	(7,043)	60,143	83,579	1,522,941
Fund balance - beginning	5,443,528	1,281,482	642,873	623,961	7,991,844
Fund balance - ending	<u>\$ 6,829,790</u>	<u>\$ 1,274,439</u>	<u>\$ 703,016</u>	<u>\$ 707,540</u>	<u>\$ 9,514,785</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, 2021

Net change in fund balances - total governmental funds: \$ 1,522,941

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 \$514,252 is more than depreciation of \$258,900 in the current period. 255,352

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the net cost of the asset sold. (97,916)

Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. 49,899

Rounding (1)

Change in net positions of governmental activities \$ 1,730,275

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

Crowley County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2021

	Enterprise Funds		
	Water	Ambulance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,032,047	\$ 376,946	\$ 1,408,993
Accounts Receivable, net	4,519	93,311	97,830
Total current assets	<u>1,036,566</u>	<u>470,257</u>	<u>1,506,823</u>
Non-current assets:			
Capital Assets:			
Utility System	2,274,232	-	2,274,232
Construction in Progress	572,494	-	572,494
Equipment and Furniture	40,444	906,323	946,767
Less Accumulated depreciation	<u>(1,717,639)</u>	<u>(630,279)</u>	<u>(2,347,918)</u>
Total non-current assets	<u>1,169,531</u>	<u>276,044</u>	<u>1,445,575</u>
Total assets	<u>2,206,097</u>	<u>746,301</u>	<u>2,952,398</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	<u>11,435</u>	<u>4,527</u>	<u>15,962</u>
Total current liabilities	<u>11,435</u>	<u>4,527</u>	<u>15,962</u>
Total liabilities	<u>11,435</u>	<u>4,527</u>	<u>15,962</u>
NET POSITION			
Net investment in capital assets	1,169,531	292,400	1,461,931
Unrestricted	<u>1,025,131</u>	<u>449,374</u>	<u>1,474,505</u>
Total net position	<u>\$ 2,194,662</u>	<u>\$ 741,774</u>	<u>\$ 2,936,436</u>

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

Crowley County, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Enterprise Funds		
	Water	Ambulance	Total
OPERATING REVENUES			
Charges for services	\$ 219,276	\$ 284,430	\$ 503,706
Miscellaneous revenue	8,462	33,501	41,963
Grants	455,707	235,966	691,673
Total operating revenues	<u>683,445</u>	<u>553,897</u>	<u>1,237,342</u>
OPERATING EXPENSES			
Personal services	-	150,145	150,145
Contractual services	61,500	-	61,500
Utilities	59,689	2,924	62,613
Repairs and maintenance	24,904	6,345	31,249
Other supplies and expenses	10,835	64,702	75,537
Insurance claims and expenses	1,613	2,370	3,983
Bad debts	-	13,740	13,740
Miscellaneous expenses	3,312	50,103	53,415
Depreciation	53,727	38,646	92,373
Total Operating Expenses	<u>215,580</u>	<u>328,975</u>	<u>544,555</u>
Operating income (loss)	<u>467,865</u>	<u>224,922</u>	<u>692,787</u>
Income (loss) before contributions and transfers	467,865	224,922	692,787
OTHER FINANCING SOURCES (USES)			
Special item - gain (loss) on sale of asset	-	36	36
Change in net position	467,865	224,958	692,823
Total net position - beginning	<u>1,726,797</u>	<u>516,816</u>	<u>2,243,613</u>
Total net position - ending	<u>\$ 2,194,662</u>	<u>\$ 741,774</u>	<u>\$ 2,936,436</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, 2021

	<u>Water</u>	<u>Ambulance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Charges for Services	\$ 214,757	\$ 270,729	\$ 485,486
Cash Received from Miscellaneous Sources	8,462	33,501	41,963
Cash Received from Grant Revenues	455,707	235,966	691,673
Cash Payments to Suppliers for Goods & Services	(161,497)	(141,843)	(303,340)
Cash Payments for Salaries & Benefits	-	(150,145)	(150,145)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>517,429</u>	<u>248,208</u>	<u>765,637</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:			
Purchase of Fixed Assets	<u>(620,463)</u>	<u>(18,615)</u>	<u>(639,078)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(620,463)</u>	<u>(18,615)</u>	<u>(639,078)</u>
 NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	 (103,034)	 229,593	 126,559
Cash & Cash Equivalents:			
Beginning of Year	<u>1,135,081</u>	<u>147,353</u>	<u>1,282,434</u>
 End of Year	 <u>\$ 1,032,047</u>	 <u>\$ 376,946</u>	 <u>\$ 1,408,993</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, 2021
(continued)

	Water	Ambulance	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 467,865	\$ 224,922	\$ 692,787
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:			
Depreciation	53,727	38,646	92,373
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivables	(4,519)	(13,701)	(18,220)
Increase (Decrease) in Accounts Payable	356	(1,659)	(1,303)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 517,429	\$ 248,208	\$ 765,637
 Analysis of cash:			
Cash with County Treasurer	1,032,047	376,946	1,408,993
TOTAL	\$ 1,032,047	\$ 376,946	\$ 1,408,993

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

Crowley County, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	TOTAL AGENCY FUNDS
ASSETS:	
Cash and cash equivalents	\$ 249,864
Total assets	<u>249,864</u>
LIABILITIES:	
Due to other governmental units	249,864
Total liabilities	<u>\$ 249,864</u>

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

Crowley County, Colorado
Notes to the Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

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

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

The County reports the following non-major funds:

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

The County reports the following business-type funds:

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Long-term Economic Focus and Accrual Basis

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

Current Financial Focus and Modified Accrual Basis

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

Financial Statement Presentation

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

Investments

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

Inventories

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

Property Taxes

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

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

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

Capital Assets

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

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

Capital outlay for projects is capitalized as projects are constructed.

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

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

Vacation Days & Sick Leave

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

Long-Term Obligations

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

Use of Estimates

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

Legal Provisions and Authorization for Deposits

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

Contraband

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

Cash and Cash Equivalents

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

Allowance for Doubtful Accounts

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

Business-type Activities

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

Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures or expenses in the funds involved. Transactions which constitute

reimbursement of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

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

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

Note 2

Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

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

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

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

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

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

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

The Road and Bridge Fund overspent its budget, which may be a violation of Colorado Revised Statutes.

TABOR Amendment

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

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

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

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

Note 3

Deposits and Investments

Deposits

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

The County had \$7,904,366 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, 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.
- Portfolio Type: U.S. Treasury Securities, U.S. Government Agencies, Purchase Agreements.
- Rating: AAAM by S&P Global Ratings.
- Liquidity: Same day liquidity available.

- NAV Type: Stable NAV, traditional stable \$1.00 NAV.
- 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 \$3,119,127 invested in COLOTRUST at year-end.

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

Note 4 Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets being Depreciated				
Buildings	\$ 1,334,561	\$ 57,903	\$ -	\$ 1,392,464
Equipment & Furniture	<u>5,292,748</u>	<u>456,346</u>	<u>(1,279,626)</u>	<u>4,469,468</u>
Total Capital Assets being Depreciated	6,627,309	514,249	(1,279,626)	5,861,932
Less Accumulated Depreciation	<u>(3,162,661)</u>	<u>(258,900)</u>	<u>1,181,710</u>	<u>(2,239,851)</u>
Total Capital Assets	<u>\$ 3,464,648</u>	<u>\$ 255,349</u>	<u>\$ (97,916)</u>	<u>\$ 3,622,081</u>

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

Governmental Activities:	
Recreation	\$ 5,275
General Government	21,594
Public Safety	73,675
Public Works	<u>158,356</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 258,900</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets being Depreciated				
Distribution Assets	\$ 2,274,232	\$ -	\$ -	\$ 2,274,232
Vehicles & Equipment	1,104,754	45,787	(203,774)	946,767
Total	3,378,986	45,787	(203,774)	3,220,999
Less Accumulated Depreciation	(2,458,487)	(93,205)	203,774	(2,347,918)
Total Capital Assets being Depreciated	920,499	(47,418)	-	873,081
Construction in Progress	-	572,494	-	572,494
Total Capital Assets	<u>\$ 920,499</u>	<u>\$ 525,076</u>	<u>\$ -</u>	<u>\$ 1,445,575</u>

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

Business-Type Activities:	
Water Distribution	\$ 53,727
Ambulance Services	38,646
Total Depreciation Expense – Business-Type Activities	<u>\$ 92,373</u>

Note 5 Long-term Debt

A summary of changes in long-term debt is:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021	Due in One year
Governmental-Type Activities	\$ 253,591	\$ -	\$ (49,899)	\$ 203,692	\$ 51,860
Accrued Vacation & Sick Leave	57,320	-	-	57,320	-
	<u>\$ 310,911</u>	<u>\$ -</u>	<u>\$ (49,899)</u>	<u>\$ 261,012</u>	<u>\$ 51,860</u>

General Long-Term Debt

During 2015 the County entered into a lease purchase agreement for two motor graders. The note was paid in full during 2020 with interest of \$1,041.

During 2017, the County entered into a lease purchase agreement for a new sheriff's 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 principal and interest. Interest is at a rate of 3.82%. Future payments are as follows:

	Principal	Interest	Total
2022	<u>\$ 5,090</u>	<u>\$ 196</u>	<u>\$ 5,286</u>

During 2020, the County entered into an agreement to buy new sheriff's vehicles. The total purchase price was \$243,600. The terms call for five annual payments of \$54,714 each with the first payment due January 2021. The note bears interest at a 4% rate with the annual payment including principal and interest as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 46,770	\$ 7,944	\$ 54,714
2023	48,641	6,073	54,714
2024	50,587	4,127	54,714
2025	52,605	2,109	54,714
	<u>\$ 198,603</u>	<u>\$ 20,253</u>	<u>\$ 218,856</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, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the County would be financially responsible.

Note 7**Joint Ventures**

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

- are financially independent and responsible for their own financial deficits and entitled to their own surpluses,
- have separate governing boards from that of the County, which is comprised of one voting member from each participating County,
- have governing boards and management who have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities, and determining the outcome or disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and control fiscal management.

Note 8**Contingent Liabilities**

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

Note 9**Pension Plan**

The County provides pension benefits for all of its full-time employees who work at least 30 hours per week for 12 months out of the year through a defined contribution plan administered by Colorado Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of full-time employment. The County rate of contribution is 5% for the retirement 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 2021 was \$2,394,727. The County's contributions were calculated using the covered payroll of \$1,796,204. Both the County and the covered employees made the required contributions, amounting to \$90,043 and \$71,848 respectively.

A deferred compensation plan under Section 457 of the Internal Revenue Code is also available to all eligible employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate on the first day of the monthly following date of hire. The plan is administered by CRA and plan provisions are established and may be amended by the Commissioners.

Note 10

Fund Balances

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

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

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

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

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

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

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

In the financial statements, the governmental fund reports the following classification of fund balance at December 31, 2021:

	<u>Fund Financial Statements</u>
Nonspendable	
Inventory	<u>\$ 14,500</u>
Committed	
Department of Human Services	703,016
Road & Bridge	<u>1,259,939</u>
Total Committed Emergency Operating	<u>1,962,955</u>
Assigned	
Non-Major Funds	<u>707,540</u>
Unassigned	<u>6,829,790</u>
Total Fund Balance	<u>\$ 9,514,785</u>

Crowley County, Colorado
Budget and Actual
General
For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 1,215,920	\$ 1,215,920	\$ 1,222,123
SO Taxes	202,000	202,000	149,575
Sales and miscellaneous taxes	964,000	954,500	1,544,957
Fees and fines	27,200	27,200	42,717
Licenses and permits	10,500	10,500	9,421
Intergovernmental	465,943	465,943	531,757
Charges for services	620,011	620,011	924,126
Investment earnings	133,000	133,000	71,387
Rental income	42,800	42,800	37,853
Miscellaneous	66,000	66,000	53,004
Total revenues	<u>3,747,374</u>	<u>3,737,874</u>	<u>4,586,920</u>
EXPENDITURES			
Current:			
General government	2,697,653	2,963,783	2,432,935
Public Safety	400,160	681,696	552,486
Health	19,775	19,775	10,877
Culture and recreation	248,130	248,130	100,715
Debt Service:			
Principal	49,900	49,900	49,899
Interest and other charges	10,100	10,100	10,099
Capital Outlay	5,000	5,000	57,903
Total Expenditures	<u>3,430,718</u>	<u>3,978,384</u>	<u>3,214,914</u>
Excess (deficiency) of revenues over expenditures	<u>316,656</u>	<u>(240,510)</u>	<u>1,372,006</u>
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	14,256
Net change in fund balance	<u>316,656</u>	<u>(240,510)</u>	<u>1,386,262</u>
Fund balance - beginning	4,098,566	4,098,566	5,443,528
Fund balance - ending	<u>\$ 4,415,222</u>	<u>\$ 3,858,056</u>	<u>\$ 6,829,790</u>

Crowley County, Colorado
Budget and Actual
Road & Bridge
For the year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 622,085	\$ 622,085	\$ 615,639
SO Taxes	25,000	25,000	74,469
Licenses and permits	500	500	500
Intergovernmental	738,565	738,565	883,151
Miscellaneous	1,000	1,000	50,173
Total revenues	<u>1,387,150</u>	<u>1,387,150</u>	<u>1,623,932</u>
EXPENDITURES			
Current:			
General government	22,000	22,000	18,467
Highways and roads	1,101,590	1,151,590	1,156,462
Debt Service:			
Interest and other charges	1,338	1,338	-
Capital Outlay	250,000	307,400	456,346
Total Expenditures	<u>1,374,928</u>	<u>1,482,328</u>	<u>1,631,275</u>
Excess (deficiency) of revenues over expenditures	<u>12,222</u>	<u>(95,178)</u>	<u>(7,343)</u>
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	300
Net change in fund balance	12,222	(95,178)	(7,043)
Fund balance - beginning	1,166,018	1,166,018	1,281,482
Fund balance - ending	<u>\$ 1,178,240</u>	<u>\$ 1,070,840</u>	<u>\$ 1,274,439</u>

Crowley County, Colorado
Budget and Actual
Human Services
For the year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 172,235	\$ 172,235	\$ 170,327
SO Taxes	-	-	20,903
Intergovernmental	1,077,110	1,077,110	1,033,944
Miscellaneous	275	275	179
Total revenues	<u>1,249,620</u>	<u>1,249,620</u>	<u>1,225,353</u>
EXPENDITURES			
Current:			
Health and welfare	1,385,756	1,385,756	1,165,210
Total Expenditures	<u>1,385,756</u>	<u>1,385,756</u>	<u>1,165,210</u>
Excess (deficiency) of revenues over expenditures	<u>(136,136)</u>	<u>(136,136)</u>	<u>60,143</u>
Net change in fund balance	(136,136)	(136,136)	60,143
Fund balance - beginning	465,503	465,503	642,873
Fund balance - ending	<u>\$ 329,367</u>	<u>\$ 329,367</u>	<u>\$ 703,016</u>

Crowley County, Colorado
Budget and Actual
Water
For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	\$ 219,280	\$ 219,280	\$ 219,276
Grants	-	-	455,707
Miscellaneous	57,500	57,500	8,462
Total revenues	<u>276,780</u>	<u>276,780</u>	<u>683,445</u>
EXPENDITURES			
Contractual services	61,500	61,500	61,500
Utilities	60,000	60,000	59,689
Repairs and maintenance	25,000	25,000	24,904
Other supplies and expenses	16,600	16,600	10,835
Insurance claims and expenses	5,000	5,000	1,613
Miscellaneous	-	-	3,312
Depreciation	50,800	50,800	53,727
Capital outlay	130,075	1,174,421	598,801
Total Operating Expenses	<u>348,975</u>	<u>1,393,321</u>	<u>814,381</u>
Operating income (loss)	(72,195)	(1,116,541)	(130,936)
RECONCILING ITEM			
Capital outlay	-	-	598,801
Net change in net position	(72,195)	(1,116,541)	467,865
Net position - beginning	2,035,066	2,035,066	1,726,797
Net position - ending	<u>\$ 1,962,871</u>	<u>\$ 918,525</u>	<u>\$ 2,194,662</u>

Crowley County, Colorado
Budget and Actual
Ambulance
For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 126,500	\$ 126,500	\$ 235,966
Charges for services	275,500	275,500	284,430
Miscellaneous	-	-	33,501
Total revenues	<u>402,000</u>	<u>402,000</u>	<u>553,897</u>
EXPENDITURES			
Personal services	130,300	130,300	150,145
Utilities	2,600	2,600	2,924
Repairs and maintenance	6,800	6,800	6,345
Other supplies and expenses	35,750	35,750	78,442
Insurance claims and expenses	3,950	3,950	2,370
Capital outlay	247,000	272,000	-
Miscellaneous	26,880	26,880	50,103
Depreciation	21,000	21,000	38,646
Total Operating Expenses	<u>474,280</u>	<u>499,280</u>	<u>328,975</u>
Operating income (loss)	<u>(72,280)</u>	<u>(97,280)</u>	<u>224,922</u>
SPECIAL ITEM			
Special item - gain (loss) on sale of asset	-	-	36
Net change in net position	<u>(72,280)</u>	<u>(97,280)</u>	<u>224,958</u>
Net position - beginning	968,403	1,066,395	516,816
Net position - ending	<u>\$ 896,123</u>	<u>\$ 969,115</u>	<u>\$ 741,774</u>

**Crowley County, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2021**

	<u>E-911</u>	<u>Conservation Trust</u>	<u>Contingent</u>	<u>Revolving Loan Fund</u>	<u>EMS/Fire</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 164,352	\$ 264,655	\$ 29,355	\$ 750	\$ 211,455	\$ 670,567
Taxes receivable, net	-	-	-	-	87,090	87,090
Other receivables	39,439	-	-	-	565	40,004
Total assets	<u>203,791</u>	<u>264,655</u>	<u>29,355</u>	<u>750</u>	<u>299,110</u>	<u>797,661</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	1,565	-	-	-	1,466	3,031
Total liabilities	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,466</u>	<u>3,031</u>
Deferred in-flows of resources						
Deferred property taxes	-	-	-	-	87,090	87,090
Total deferred in-flows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,090</u>	<u>87,090</u>
Fund balance :						
Assigned	202,226	264,655	29,355	750	210,554	707,540
Fund balance:	<u>202,226</u>	<u>264,655</u>	<u>29,355</u>	<u>750</u>	<u>210,554</u>	<u>707,540</u>
Total liabilities and fund balance	<u>\$ 203,791</u>	<u>\$ 264,655</u>	<u>\$ 29,355</u>	<u>\$ 750</u>	<u>\$ 299,110</u>	<u>\$ 797,661</u>

Crowley County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Other Governmental Funds
For the Year Ended December 31, 2021

	<u>E-911</u>	<u>Conservation Trust</u>	<u>Contingent</u>	<u>Revolving Loan Fund</u>	<u>EMS/Fire</u>	<u>Total-Other Governmental Funds</u>
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 78,565	\$ 78,565
SO Taxes	-	-	-	-	9,647	9,647
Intergovernmental	-	50,586	-	-	23,551	74,137
Charges for services	106,879	-	-	-	-	106,879
Investment earnings	134	-	-	-	-	134
Miscellaneous	-	120	-	-	-	120
Total revenues	<u>107,013</u>	<u>50,706</u>	<u>-</u>	<u>-</u>	<u>111,763</u>	<u>269,482</u>
EXPENDITURES						
Current:						
General government	500	-	-	-	-	500
Public Safety	31,313	-	-	-	121,373	152,686
Culture and recreation	-	38,167	-	-	-	38,167
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>31,813</u>	<u>38,167</u>	<u>-</u>	<u>-</u>	<u>121,373</u>	<u>191,353</u>
Excess (deficiency) of revenues over expenditures	<u>75,200</u>	<u>12,539</u>	<u>-</u>	<u>-</u>	<u>(9,610)</u>	<u>78,129</u>
SPECIAL ITEM						
Proceeds from sale of land	-	-	-	-	5,450	5,450
Net change in fund balance	75,200	12,539	-	-	(4,160)	83,579
Fund balance - beginning	127,026	252,116	29,355	750	214,714	623,961
Fund balance - ending	<u>\$ 202,226</u>	<u>\$ 264,655</u>	<u>\$ 29,355</u>	<u>\$ 750</u>	<u>\$ 210,554</u>	<u>\$ 707,540</u>

Crowley County, Colorado
Budget and Actual
EMS/Fire
For the year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 78,547	\$ 78,647	\$ 78,565
SO Taxes	11,850	10,500	9,647
Intergovernmental	35,000	36,250	23,551
Investment earnings	110	110	-
Total revenues	<u>125,507</u>	<u>125,507</u>	<u>111,763</u>
EXPENDITURES			
Current:			
Public Safety	120,125	134,395	121,373
Capital Outlay	5,000	5,000	-
Total Expenditures	<u>125,125</u>	<u>139,395</u>	<u>121,373</u>
Excess (deficiency) of revenues over expenditures	<u>382</u>	<u>(13,888)</u>	<u>(9,610)</u>
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	5,450
Net change in fund balance	382	(13,888)	(4,160)
Fund balance - beginning	248,576	248,576	214,714
Fund balance - ending	<u>\$ 248,958</u>	<u>\$ 234,688</u>	<u>\$ 210,554</u>

Crowley County, Colorado
Budget and Actual
Revolving Loan Fund
For the year ended December 31, 2021

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

Crowley County, Colorado
Budget and Actual
E-911
For the year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 49,140	\$ 49,140	\$ 106,879
Investment earnings	350	350	134
Total revenues	<u>49,490</u>	<u>49,490</u>	<u>107,013</u>
EXPENDITURES			
Current:			
General government	500	500	500
Public Safety	19,600	37,660	31,313
Total Expenditures	<u>20,100</u>	<u>38,160</u>	<u>31,813</u>
Excess (deficiency) of revenues over expenditures	<u>29,390</u>	<u>11,330</u>	<u>75,200</u>
Net change in fund balance	29,390	11,330	75,200
Fund balance - beginning	<u>108,337</u>	<u>109,337</u>	<u>127,026</u>
Fund balance - ending	<u>\$ 137,727</u>	<u>\$ 120,667</u>	<u>\$ 202,226</u>

Crowley County, Colorado
Budget and Actual
Conservation Trust
For the year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 40,000	\$ 40,000	\$ 50,586
Miscellaneous	3,000	3,000	120
Total revenues	<u>43,000</u>	<u>43,000</u>	<u>50,706</u>
EXPENDITURES			
Current:			
Culture and recreation	<u>56,805</u>	<u>56,805</u>	<u>38,167</u>
Total Expenditures	<u>56,805</u>	<u>56,805</u>	<u>38,167</u>
Excess (deficiency) of revenues over expenditures	<u>(13,805)</u>	<u>(13,805)</u>	<u>12,539</u>
Net change in fund balance	(13,805)	(13,805)	12,539
Fund balance - beginning	<u>224,420</u>	<u>224,420</u>	<u>252,116</u>
Fund balance - ending	<u>\$ 210,615</u>	<u>\$ 210,615</u>	<u>\$ 264,655</u>

Crowley County, Colorado
Budget and Actual
Contingent
For the year ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
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	29,355	29,355	29,355
Fund balance - ending	<u>\$ 29,355</u>	<u>\$ 29,355</u>	<u>\$ 29,355</u>

Crowley County, Colorado
Schedule of Expenditures of Federal Awards
for the year ended December 31, 2021

GRANT TITLE		FEDERAL	AMOUNT	
DEPARTMENT OF HEALTH & HUMAN SERVICES:	PASS THRU AGENCY	ALN	OF AWARD	
		NUMBER	EXPENDED	
Child Care - Title IV-B	Colo Dept of Human Services	93.645	\$ 13,189	
IV-E FC - Title IV-E	Colo Dept of Human Services	93.658	139,301	
IV-E Relative Guardianship	Colo Dept of Human Services	93.090	35,828	
Block Grant - Title XX	Colo Dept of Human Services	93.667	10,935	
IV-D ADMIN	Colo Dept of Human Services	93.563	37,790	
LEAP	Colo Dept of Human Services	93.568	23,217	
IV-E Adoption	Colo Dept of Human Services	93.659	21,107	
TANF	Colo Dept of Human Services	93.558	258,357	
Core Services 80/20	Colo Dept of Human Services	93.556	638	
CRF Admin EJA	Colo Dept of Human Services	93.747	4,685	
CCDF Cluster	Colo Dept of Human Services	93.596	15,842	
CRF	Colo Dept of Human Services	21.019	925	
Child Care Development Funds- Discretion	Colo Dept of Human Services	93.575	<u>11,705</u>	573,519
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Medicaid Title XX	Colo Dept of Health Care Policy & Fin.	93.778	1,517	
Medicaid Cluster	Colo Dept of Health Care Policy & Fin.	93.778	<u>81,994</u>	83,511
DEPARTMENT OF TREASURY:				
CVRF Grant Proceeds		21.027	132,932	
CVRF Grant Proceeds		21.027	455,707	
COVID Relief Funds	Colo Dept of Human Services	21.019	48,991	
COVID Relief Funds	Colo Dept of Local Affairs	21.019	<u>207,775</u>	845,405
DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT:				
Immunization Core	Colo Dept of Pub Health & Envir.	66.468	<u>14,242</u>	14,242
VETERANS AFFAIRS DEPARTMENT:				
Department of Veterans Affairs	Veterans Administration	64.047	<u>13,328</u>	13,328
DEPARTMENT OF AGRICULTURE:				
PILT		15.226	11,629	
Food Assistance EBT	Colo Dept of Human Services	10.551	587	
Food Stamp Admin.	Colo Dept of Human Services	10.561	<u>66,754</u>	78,970
DEPARTMENT OF TRANSPORTATION:				
Colorado Department of Transportation	Colorado Dept of Transportation	20.205	<u>19,992</u>	19,992
DEPARTMENT OF PUBLIC SAFETY:				
FEMA PW-219 Grant		97.036	49,363	
FEMA PW-244 Grant		97.036	<u>19,593</u>	68,956
DEPARTMENT OF HOMELAND SECURITY:				
Department of Homeland Security	Dept of Homeland Security	97.042	<u>5,250</u>	<u>5,250</u>
TOTAL FEDERAL FINANCIAL AWARDS			<u><u>\$ 1,703,173</u></u>	

Crowley County, Colorado
Schedule of Expenditures of Federal Awards
for the year ended December 31, 2021
Continued...

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 it presented on the modified accrual basis of accounting.

The County does not use the federal indirect cost rate of 10%.

Crowley County, Colorado
Schedule of Findings and Questioned Costs
December 31, 2021

Section I: Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Type of auditor's report issued on compliance for major federal programs [<i>unmodified, qualified, adverse, or disclaimer</i>]:		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No
Identification of major federal programs:		
Assistance Listing Number (ALN)	21.027	Name of Federal Program or Cluster Coronavirus Relief Funds
Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>	
Auditee qualified as a low-risk auditee?	_X_ Yes	_X_ No

Section II: Financial Statement Findings

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

Section III: Federal Awards Findings

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: CROWLEY COUNTY
		YEAR ENDING : December 2021
This Information From The Records Of the County of Crowley:	Prepared By: Phone:	LaShelle Benbow 719-267-5249

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	456,346
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,156,462
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	690,108	c. Other	
4. Miscellaneous local receipts (from page 2)	71,259	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	18,467
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,631,275
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	761,367	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	782,606	2. Notes:	
D. Receipts from Federal Government (from page 2)	80,258	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,624,231	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,631,275

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,281,482	1,624,231	1,631,275	1,274,438	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	615,639	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	74,469	g. Other Misc. Receipts	71,259
6. Total (1. through 5.)	74,469	h. Other	
c. Total (a. + b.)	690,108	i. Total (a. through h.)	71,259
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	772,781	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	80,258
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	9,825	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	9,825	g. Total (a. through f.)	80,258
4. Total (1. + 2. + 3.f)	782,606	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		456,346	456,346
(5). Total Construction (1) + (2) + (3) + (4)	0	456,346	456,346
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	456,346	456,346
			(Carry forward to page 1)

Notes and Comments:

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

Independent Auditor's Report

Board of County Commissioners
Crowley County, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crowley County (the "County") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated xxxx xx, xxxx.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

rfarmer, llc

April 18, 2022

rfarmer, llc
a certified public accounting and consulting firm

**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

Opinion on Each Major Federal Program

We have audited Crowley County's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.⁵

rfarmer, llc

April 18, 2022