

Crowley County, Colorado

Financial Statements

December 31, 2022

Crowley County, Colorado
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Independent Auditor's Report

Board of County Commissioner
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, 2022, 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, 2022, 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

The County's 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 iii-x and 29-31 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 combining nonmajor fund financial statements, the budget and actual schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the budget and actual schedules, the highway users trust fund report, and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 27, 2023, 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 27, 2023

**CROWLEY COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING DECEMBER 31, 2022**

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)

- In 2022, Crowley County experienced a 4% decrease in revenue and a 6% increase in expenditures.
- Primary factors affecting the decrease in governmental activity revenues include:
 - ✓ Less grant funds were received in 2022 compared to 2021.
 - ✓ Marijuana revenues decreased 31% from \$1,192,749 in 2021 to \$826,138 in 2022.
- Business-type activity revenue decreased 8%. Factors contributing to this decrease include:
 - ✓ In 2021, grant proceeds were a substantial portion of Ambulance Fund revenue. 74% less grant funds were received in 2022.
 - ✓ Ambulance charges for services was down 19% from 2021.
- Highlights affecting the increase in governmental activity expenditures include:
 - ✓ The Sheriff Department purchased \$115,394 worth of body cameras and tasers as required by the State.
 - ✓ Crowley County paid off the Sheriff department truck lease early, which resulted in a principal payment of \$203,692.
 - ✓ There was a significant increase in the cost of road oil and chips. The Road and Bridge department experienced a \$94,451 (35%) increase in such expenditures.
 - ✓ Fuel and utilities increased across all departments for 2022. The Road and Bridge department is the largest user of fuel, and their fuel expense increased \$67,988 (63%) for 2022.
 - ✓ A new concession stand/restroom facility is being constructed at the fairgrounds, which increased the Conservation Trust expenditures by \$34,448.85.
- Factors contributing to the increase in expenditures for business-type activities include:
 - ✓ The Ambulance Fund bad debt allowance expense increased 658%, from \$13,740 in 2021 to \$104,151 in 2022.
 - ✓ The Ambulance Fund depreciation expense increased 36% due to the new ambulance and power cot that was purchased.
 - ✓ The Water Fund depreciation expense increased 28% due to the completion of Phase 1 of the Ordway Bypass Water Project.
 - ✓ Utilities increased 20% for the Water Fund.
- The Consumer Price Index for the Denver-Aurora-Lakewood area is up 6.4% over the past year. From January 2022 to January 2023 food prices increased by 9.3% and energy prices increased 8.8%. Inflation has impacted the increase in expenditures on most of our funds.
- Our overall net position increased \$1,666,838 (11%) over 2021.

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 the 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, 2022, with comparison totals as of December 31, 2021. The County's *combined* net position increased \$1,666,838 (11%), with a decrease in total liabilities being the primary factor affecting this increase.

Crowley County, Colorado						
Statement of Net Position						
December 31, 2022						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Cash and Equivalents	\$ 10,046,764	\$ 9,364,636	\$ 1,499,102	\$ 1,408,993	\$ 11,545,866	\$ 10,773,629
Other Current Assets	\$ 3,001,201	\$ 2,671,739	\$ 86,127	\$ 97,830	\$ 3,087,328	\$ 2,769,569
Capital Assets	\$ 6,242,042	\$ 5,861,932	\$ 4,398,192	\$ 3,793,493	\$ 10,640,234	\$ 9,655,425
Less: Accumulated Depreciation	\$ (2,525,326)	\$ (2,239,851)	\$ (2,469,204)	\$ (2,347,918)	\$ (4,994,530)	\$ (4,587,769)
Total Assets	\$ 16,764,681	\$ 15,658,456	\$ 3,514,217	\$ 2,952,398	\$ 20,278,898	\$ 18,610,854
LIABILITIES						
Accounts Payable	\$ 100,549	\$ 233,438	\$ 19,526	\$ 15,962	\$ 120,075	\$ 249,400
Due to Other Governmental Agencies	\$ 11,565	\$ 14,922	\$ -	\$ -	\$ 11,565	\$ 14,922
Unearned Revenues - Grants	\$ 105,537	\$ 73,395	\$ -	\$ -	\$ 105,537	\$ 73,395
Long-Term Liabilities	\$ 94,093	\$ 209,152	\$ -	\$ -	\$ 94,093	\$ 209,152
Compensated Absences	\$ 77,451	\$ 51,860	\$ -	\$ -	\$ 77,451	\$ 51,860
Total Liabilities	\$ 389,195	\$ 582,767	\$ 19,526	\$ 15,962	\$ 408,721	\$ 598,729
Deferred In-Flows of Resources - Property Taxes	\$ 2,391,049	\$ 2,199,835	\$ -	\$ -	\$ 2,391,049	\$ 2,199,835
NET POSITION						
Net Investment in Capital Assets	\$ 3,622,623	\$ 3,418,389	\$ 1,928,989	\$ 1,461,931	\$ 5,551,612	\$ 4,880,320
Unrestricted	\$ 10,361,814	\$ 9,457,465	\$ 1,565,702	\$ 1,474,505	\$ 11,927,516	\$ 10,931,970
Total Net Position	\$ 13,984,437	\$ 12,875,854	\$ 3,494,691	\$ 2,936,436	\$ 17,479,128	\$ 15,812,290

- Net position of the County's governmental activities increased 9% to \$13,984,437 on December 31, 2022. Capital assets increased by \$380,110. Capital outlay purchases included: an interactive meeting system for the Department of Human Services, body worn camera system for employees in the Sheriff Department, receipt of two brush trucks for District 1 Fire Department, construction of a new boat ramp at Lake Meredith, and several equipment purchases for the Road and Bridge Department. Total liabilities decreased by \$193,572 (33%) in 2022. This is the result of paying off the Sheriff Department truck lease which significantly decreased our long-term liabilities, and our accounts payable were \$132,889 less than in 2021. This was a timing issue; in 2021, larger invoices were received and paid for in December compared to this year. Additionally, deferred in-flows of property tax increased \$191,214.
- Net position of the County's business-type activities increased 19% to \$3,494,691. This was primarily due to a large increase in capital assets totaling \$604,699. The Ambulance Department had purchased a 2022 Ford F450 ambulance and power pro ambulance cot. The water fund had the completion of Phase 1 of the Ordway Water Bypass Project. The Water Fund has construction in progress for Phase 2 of the Ordway Water Bypass Project. This is expected to be completed in 2023.

Statement of Activities - Change in Net Position

Crowley County, Colorado						
Statement of Activities						
December 31, 2022						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
General Revenues:						
Property Taxes, Levied for General Purposes	\$ 2,171,130	\$ 2,086,654			\$ 2,171,130	\$ 2,086,654
Use & Misc. Taxes	\$ 912	\$ 19,331			\$ 912	\$ 19,331
SO and Sales Tax	\$ 1,103,116	\$ 1,183,209			\$ 1,103,116	\$ 1,183,209
Unrestricted Investment Earnings	\$ 131,586	\$ 71,641			\$ 131,586	\$ 71,641
Miscellaneous	\$ 134,509	\$ 157,362	\$ 9,017	\$ 8,462	\$ 143,526	\$ 165,824
Adjustment to General Fixed Assets	\$ 20,000	\$ (77,910)			\$ 20,000	\$ (77,910)
Gain on Sale of Assets	\$ -	\$ -			\$ -	\$ -
Program Revenues:						
Charges for Services	\$ 1,536,580	\$ 1,840,801	\$ 390,292	\$ 503,742	\$ 1,926,872	\$ 2,344,543
Operating Grants and Contributions	\$ 2,237,233	\$ 2,326,699	\$ 744,937	\$ 725,173	\$ 2,982,170	\$ 3,051,872
Capital Grants and Contributions	\$ -	\$ 19,992			\$ -	\$ 19,992
Total Revenues	\$ 7,335,066	\$ 7,627,779	\$ 1,144,246	\$ 1,237,377	\$ 8,479,312	\$ 8,865,156
PROGRAM EXPENSES						
Governmental Activities:						
General Government	\$ 1,668,291	\$ 1,843,592			\$ 1,668,291	\$ 1,843,592
Public Safety	\$ 1,552,102	\$ 1,493,120			\$ 1,552,102	\$ 1,493,120
Public Works	\$ 1,545,268	\$ 1,330,266			\$ 1,545,268	\$ 1,330,266
Human Services	\$ 1,431,440	\$ 1,192,359			\$ 1,431,440	\$ 1,192,359
Culture and Recreation	\$ 29,381	\$ 38,167			\$ 29,381	\$ 38,167
Interest on Long-Term Debt	\$ -	\$ -			\$ -	\$ -
Business-Type Activities:						
Water			\$ 261,423	\$ 215,579	\$ 261,423	\$ 215,579
Ambulance			\$ 324,568	\$ 328,974	\$ 324,568	\$ 328,974
Total Expenses	\$ 6,226,482	\$ 5,897,504	\$ 585,991	\$ 544,553	\$ 6,812,473	\$ 6,442,057
Excess (deficiency) of Revenues Before Transfers Over (Under) Expenses	\$ 1,108,584	\$ 1,730,275	\$ 558,255	\$ 692,824	\$ 1,666,839	\$ 2,423,099
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in Net Position	\$ 1,108,584	\$ 1,730,275	\$ 558,255	\$ 692,824	\$ 1,666,839	\$ 2,423,099
Net Position - Beginning	\$ 12,875,853	\$ 11,145,579	\$ 2,936,436	\$ 2,243,612	\$ 15,812,289	\$ 13,389,191
Net Position - Ending:	\$ 13,984,437	\$ 12,875,854	\$ 3,494,691	\$ 2,936,436	\$ 17,479,128	\$ 15,812,290

- **Governmental Activities**

Crowley County's governmental activities net position increased \$1,108,583 (9%) during the year. Our general revenues increased slightly, but our program revenues decreased by 10%. This is due to less grant funds being made available in 2022, and our marijuana revenue decreased from \$1,192,749 in 2021 to \$826,372 in 2022 (31%).

Of our total governmental revenues, 30% 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 increased by \$328,978 (6%). This is likely due to inflation across all governmental funds, and increased child welfare costs in the Department of Human Services (DHS). DHS has several families with an abnormally large number of children that are in out-of-home placement. Legal service expenditures for these particular cases increased by 296% in 2022.

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	\$ 2,237,233	31%	General Government	\$ 1,668,291	27%
Property Taxes, Levied for General Purposes	\$ 2,171,130	30%	Public Safety	\$ 1,552,102	25%
Charges for Services	\$ 1,536,580	21%	Human Services	\$ 1,431,440	23%
SO and Sales Tax	\$ 1,103,116	15%	Public Works	\$ 1,545,268	25%
Adjustment to General Fixed Assets	\$ 20,000	0%	Culture and Recreation	\$ 29,381	0%
Unrestricted Investment Earnings	\$ 131,586	2%	Interest on Long-Term Debt	\$ -	0%
Miscellaneous	\$ 134,509	2%	Total Expenses:	\$ 6,226,482	100%
Use & Misc. Taxes	\$ 912	0%			
Capital Grants and Contributions	\$ -	0%			
Gain on Sale of Assets	\$ -	0%			
Total Revenues:	\$ 7,335,066	100%			

- **Business-Type Activities**

Business-type activities net position increased \$558,255 (19%) during the year. Revenue from business type activities decreased by \$93,131 (8%). This is directly related to a decrease in Ambulance Fund charges for services. The Water Fund had an increase in charges for services.

Business-type expenditures increased slightly by \$41,438 (8%), which is the result of the Water Fund. The Ambulance Fund experienced a decrease in expenditure in the amount of \$4,406.

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	\$ 390,292	34%	Water	\$ 261,423	45%
Operating Grants and Contributions	\$ 744,937	65%	Ambulance	\$ 324,568	55%
Unrestricted Investment Earnings	\$ -	0%	Total Expenses:	\$ 585,991	100%
Miscellaneous	\$ 9,017	1%			
Total Revenues:	\$ 1,144,246	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 2022 cash to liabilities ratio is 45.39. It increased over the two previous years; we have plenty of cash available to pay off our current liabilities and bills in the short term. Our unrestricted fund balance ratio is 2.32 and has been increasing over a three-year period. Crowley County is in an adequate position to withstand a financial emergency. In 2022, the general fund is the only fund with debt. In calculating the debt burden ratio for only this fund, the ratio has decreased significantly since 2020 and is currently 18.90. Although this trend would normally cause concern, our cash balances are sufficient for making our debt service payments. In 2022, the Board of County Commissioners decided to pay off debt three years ahead of schedule. Tax revenue and population decreased from 2021. The Tax Revenue per Capita ratio had a slight increase in 2022. Crowley County has sufficient revenues to continue to provide the same level of services to our constituents. Crowley County experienced an increase in expenditure per capita. This has an insignificant impact on the County considering our available cash position. Our operating margin ratio is 0.18 which is a 40% decrease from 2021. 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 1.19, which is lower than 2021. When looking at each fund individually, the water fund ratio has remained steady at 1.27. The Ambulance fund experienced a ratio decrease from 1.44 in 2021 to 0.94 in 2022. This is due to the receipt of less revenues, and the increase in expenditures. The operating sustainability of our ambulance service is still a concern.

Capital Asset and Debt Administration

Crowley County, Colorado						
Capital Assets						
December 31, 2022						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital Assets Being Depreciated						
Buildings	\$ 1,392,464	\$ 1,392,464			\$ 1,392,464	\$ 1,392,464
Equipment & Furniture	\$ 4,849,578	\$ 4,469,468			\$ 4,849,578	\$ 4,469,468
Distribution Assets			\$ 2,997,281	\$ 2,274,232	\$ 2,997,281	\$ 2,274,232
Vehicles & Equipment			\$ 1,230,149	\$ 946,767	\$ 1,230,149	\$ 946,767
Total Capital Assets Being Depreciated	\$ 6,242,042	\$ 5,861,932	\$ 4,227,430	\$ 3,220,999	\$ 10,469,472	\$ 9,082,931
Less Accumulated Depreciation	\$ (2,525,326)	\$ (2,239,851)	\$ (2,469,203)	\$ (2,347,918)	\$ (4,994,529)	\$ (4,587,769)
Total Net Capital Assets	\$ 3,716,716	\$ 3,622,081	\$ 1,758,227	\$ 873,081	\$ 5,474,943	\$ 4,495,162
Construction in Progress			\$ 170,762	\$ 572,494	\$ 170,762	\$ 572,494
Total Capital Assets	\$ 3,716,716	\$ 3,622,081	\$ 1,928,989	\$ 1,445,575	\$ 5,645,705	\$ 5,067,656

Capital Assets

Capital assets include buildings, equipment, vehicles, infrastructure, and construction in progress. For governmental activities, the total capital assets increased 3% in the amount \$94,635. Equipment and furniture experienced an increase of \$380,110 (9%). Several capital purchases were made which include \$12,473 for an interactive meeting system for the Department of Human Services, \$115,394 for a body worn camera system for the Sheriff Department, \$43,000 in brush trucks that were transferred to Crowley County from the Town of Olney Springs, \$34,449 for a new boat ramp at Lake Meredith, and \$170,821 in new equipment for the Road and Bridge Department. Additionally, some assets were either sold or traded in on the purchase of new equipment.

Business-type activities total capital assets increased \$483,414 (33%). Distribution assets increased \$723,049 which is the completion of Phase 1 of the Ordway Water Bypass Project. Vehicles and equipment increased \$283,382. Purchases include a new ambulance and power cot for the Ambulance Department, and a 50 HP 460V 3 PH 6" FE motor and valve for the Water Department.

Long-Term Debt

In 2022, Crowley County paid off the two lease purchase agreements that were related to the purchase of Sheriff Department vehicles. This decreased our long-term debt by \$225,093. We entered into a lease purchase agreement in the amount of \$115,393 which was for the purchase of body worn cameras for the Sheriff's Department. Accrued vacation and sick leave amounts increased to \$77,451 (35%) from the previous year. The ending debt balance as of December 31, 2023, is \$171,443.

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 worst inflation seen in 40 years, cash purchases made from unrestricted funds, and the receipt of grant proceeds after project completion. 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, 2022						
	2022 Revenues		2022 Expenditures		2022 Other Financing Sources, Special Item or Reconciling Item	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
General	\$ 4,457,287	\$ 4,003,674	\$ 3,743,914	\$ 3,299,375	\$ -	\$ 114,093
Road and Bridge	\$ 1,472,981	\$ 1,485,580	\$ 1,696,825	\$ 1,529,020	\$ -	\$ -
Human Services	\$ 1,118,820	\$ 1,479,814	\$ 1,568,251	\$ 17,413,776	\$ -	\$ -
Water	\$ 853,915	\$ 862,931	\$ 1,327,129	\$ 594,744	\$ 588,639	\$ 333,332
Ambulance	\$ 220,000	\$ 250,175	\$ 730,705	\$ 428,720	\$ 203,078	\$ 135,292
EMS/Fire	\$ 135,090	\$ 173,938	\$ 192,287	\$ 167,862	\$ -	\$ -
Revolving Loan Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E-911 Fund	\$ 50,045	\$ 115,909	\$ 39,900	\$ 38,195	\$ -	\$ -
Conservation Trust	\$ 40,150	\$ 56,153	\$ 142,157	\$ 56,450	\$ -	\$ -
Contingent Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals:	\$ 8,348,288	\$ 8,428,174	\$ 9,441,168	\$ 23,528,142	\$ 791,717	\$ 582,717
Amount Over/(Under) Budget:	\$ 79,886		\$ 14,086,974		\$ (209,000)	

Noteworthy events related to budget amendments include:

- Use of unrestricted surplus funds for the purchase of a mini excavator (\$80,000).
- Use of unrestricted surplus funds to account for the value of brush trucks in which ownership was transferred from the Town of Olney Springs to Crowley County (\$43,000).
- Use of unrestricted surplus funds to cover unanticipated expenditure amounts related to inflation (\$10,300).
- Use of unrestricted surplus funds to cover unanticipated expenditure amounts related to inflation (\$116,700).
- Use of unrestricted surplus funds to cover expenditures related to a ground maintenance partnership with Crowley County School District, and to cover the cost of certain projects that will be reimbursed by grant funds after completion (\$34,512).
- Use of unrestricted surplus funds to pay for contracted services related to House Bills 22-1326 and 22-1278 (\$2,400.00).
- Use of unrestricted surplus funds to pay for child welfare services provided by Crowley County Department of Human Services (\$272,866).

No budget violations occurred in 2022.

Economic Factors and Next Year's Budget

The financial condition of Crowley County government remains strong. Healthy reserves, increasing property valuations, and revenue from the cannabis industry have allowed the County to maintain services without growth in the tax rate. There are some concerns for 2023.

Doug England, Crowley County Assessor, has expressed concern about Senate Bill SB22-238, which temporarily reduces residential and commercial property tax assessment rates, and its effect on decreasing our future revenues.

Cannabis industry revenues decreased in 2022. A range of factors have negatively affected the market. The marijuana industry is heavily taxed. Growers have an excess supply of products which has put downward pressure on the price. More states have legalized marijuana which resulted in declining sales in Colorado. Record high inflation has also driven down sales. In 2022, Colorado established a new law that limits the amount of medical

marijuana that a person can purchase per day. We expect to see the cannabis market stabilize in 2023 and slightly increased revenues.

Ambulance revenues have been on a declining trend for several years, as well as a decreasing trend in our net position. Since 2020, efforts to reverse this trend have included hiring a full-time assistant ambulance director, monitoring increased costs of supplies and a corresponding increase in our charge for services, more timely delivery of trip sheets to the billing department, and more timely submission and follow-up on insurance claims. There is an ongoing issue with the timely submission and follow-up of insurance claims. Crowley County Commissioners continue to monitor the situation and have made it a priority to improve the billing and follow-up process in 2023.

In the March 2023 Economic & Revenue Forecast, prepared by the Legislative Council Staff, the Nation's inflationary pressures are less intense, and forecast to average 4.8% in 2023. As of January 2023, the Consumer Price Index (Denver-Aurora-Lakewood area) rose 6.4% over the past twelve months. Food prices have increased 9.3% and energy prices have increased 8.8%. The U.S. Federal Reserve is aggressively raising rates to try to control the inflation, and there is expected to be a housing market correction. There are fears that a recession will occur sometime in 2023.

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, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and equivalents	\$ 10,046,764	\$ 1,499,102	\$ 11,545,866
Investments	285,147	-	285,147
Receivables	2,558,561	86,127	2,644,688
Due from Other Governments	76,985	-	76,985
Inventories	14,500	-	14,500
Prepaid expenses	66,008	-	66,008
Capital Assets			
Other Capital Assets-Intangibles	-	170,762	170,762
Buildings	1,392,464	-	1,392,464
Equipment and Furniture	4,849,578	4,227,430	9,077,008
Less: Accumulated Depreciation	(2,525,326)	(2,469,204)	(4,994,530)
Total Capital Assets	<u>3,716,716</u>	<u>1,928,988</u>	<u>5,645,704</u>
Total Assets	<u>16,764,681</u>	<u>3,514,217</u>	<u>20,278,898</u>
LIABILITIES			
Accounts payable and accrued expenses	100,549	19,526	120,075
Due to other governmental agencies	11,565	-	11,565
Unearned revenues grants	105,537	-	105,537
Long-term liabilities			
Due within one year			
Capital leases	23,498	-	23,498
Due in more than one year			
Capital leases	70,595	-	70,595
Compensated absences	77,451	-	77,451
Total liabilities	<u>389,195</u>	<u>19,526</u>	<u>408,721</u>
Deferred In-Flows of Resources			
Deferred Property Taxes	<u>2,391,049</u>	-	<u>2,391,049</u>
NET POSITION			
Net investment in capital assets	3,622,623	1,928,989	5,551,612
Unrestricted	10,361,814	1,565,702	11,927,516
Total net position	<u>\$ 13,984,437</u>	<u>\$ 3,494,691</u>	<u>\$ 17,479,128</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, 2022

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government			
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General Government	\$ 1,668,291	\$ 772,714	\$ 104,890	\$ -	\$ (790,687)	\$ -	\$ (790,687)	
Public Safety	1,552,102	733,016	81,140	-	(737,946)	-	(737,946)	
Public Works	1,545,268	-	731,806	-	(813,462)	-	(813,462)	
Human Services	1,431,440	-	1,267,484	-	(163,956)	-	(163,956)	
Culture and Recreation	29,381	30,850	51,913	-	53,382	-	53,382	
Total governmental activities	6,226,482	1,536,580	2,237,233	-	(2,452,669)	-	(2,452,669)	
Business-type activities:								
Water	261,423	265,275	588,639	-	-	592,491	592,491	
Ambulance	324,568	125,017	156,298	-	-	(43,253)	(43,253)	
Total business-type activities	585,991	390,292	744,937	-	-	549,238	549,238	
Total primary government	\$ 6,812,473	\$ 1,926,872	\$ 2,982,170	\$ -	(2,452,669)	549,238	(1,903,431)	
General revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 2,171,130	\$ -	\$ 2,171,130	
Use and miscellaneous taxes					912	-	912	
SO and sales tax					1,103,116	-	1,103,116	
Unrestricted investment earnings					131,586	-	131,586	
Miscellaneous					134,509	9,017	143,526	
Special item - adjustment to general fixed assets					20,000	-	20,000	
Total general revenues, special items, and transfers					3,561,253	9,017	3,570,270	
Change in net position					1,108,584	558,255	1,666,839	
Net position - beginning					12,875,853	2,936,436	15,812,289	
Net position - ending					\$ 13,984,437	\$ 3,494,691	\$ 17,479,128	

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

Crowley County, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General	Road & Bridge	Human Services	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,486,536	\$ 1,187,479	\$ 691,632	\$ 681,122	\$ 10,046,769
Investments	285,147	-	-	-	285,147
Taxes receivable, net	1,517,722	587,237	195,746	90,344	2,391,049
Receivable from other governments	-	-	76,985	-	76,985
Other receivables	60,502	59,377	-	47,632	167,511
Inventories	-	14,500	-	-	14,500
Prepaid expenses	-	-	-	66,007	66,007
Total assets	<u>9,349,907</u>	<u>1,848,593</u>	<u>964,363</u>	<u>885,105</u>	<u>13,047,968</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	78,465	30,358	(437)	3,728	112,114
Unearned revenues grants	105,537	-	-	-	105,537
Total liabilities	<u>184,002</u>	<u>30,358</u>	<u>(437)</u>	<u>3,728</u>	<u>217,651</u>
Deferred in-flows of resources					
Deferred property taxes	1,517,722	587,237	195,746	90,344	2,391,049
Total deferred in-flows	<u>1,517,722</u>	<u>587,237</u>	<u>195,746</u>	<u>90,344</u>	<u>2,391,049</u>
Fund balance:					
Non-spendable:					
Inventories	-	14,500	-	-	14,500
Prepaid expenses	-	-	-	66,007	66,007
Committed:					
Unassigned:	7,648,183	1,216,498	769,054	-	1,985,552
Assigned:					
Special revenue funds	-	-	-	725,026	725,026
Total fund balance	<u>7,648,183</u>	<u>1,230,998</u>	<u>769,054</u>	<u>791,033</u>	<u>10,439,268</u>
Total liabilities and fund balance	<u>\$ 9,349,907</u>	<u>\$ 1,848,593</u>	<u>\$ 964,363</u>	<u>\$ 885,105</u>	<u>\$ 13,047,968</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, 2022

Total fund balances, governmental funds	\$ 10,439,268
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.	3,716,716
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.	(171,544)
Rounding	<u>(3)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 13,984,437</u></u>

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

Crowley County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property Taxes	\$ 1,232,398	\$ 668,485	\$ 184,922	\$ 85,325	\$ 2,171,130
SO Tax	138,398	75,601	20,911	9,651	244,561
Sales and miscellaneous taxes	1,221,028	-	-	-	1,221,028
Fees and fines	9,992	-	-	-	9,992
Licenses and permits	3,904	-	-	-	3,904
Intergovernmental	359,781	741,480	1,272,892	128,884	2,503,037
Charges for services	785,922	-	-	115,060	900,982
Investment earnings	126,496	-	-	849	127,345
Miscellaneous	67,326	14	1,089	6,231	74,660
Rent Income	58,429	-	-	-	58,429
Total revenues	<u>4,003,674</u>	<u>1,485,580</u>	<u>1,479,814</u>	<u>346,000</u>	<u>7,315,068</u>
EXPENDITURES					
Current:					
General government	2,437,812	19,896	-	500	2,458,208
Public Safety	491,619	-	-	162,557	654,176
Public Works	-	1,338,303	-	-	1,338,303
Health and sanitation and Human Services	12,752	-	1,401,303	-	1,414,055
Culture and recreation	-	-	-	22,001	22,001
Debt Service:					
Principal	203,692	-	-	-	203,692
Interest and other charges	8,106	-	-	-	8,106
Capital Outlay	145,394	170,821	12,473	77,449	406,137
Total Expenditures	<u>3,299,375</u>	<u>1,529,020</u>	<u>1,413,776</u>	<u>262,507</u>	<u>6,504,678</u>
Excess (deficiency) of revenues over expenditures	<u>704,299</u>	<u>(43,440)</u>	<u>66,038</u>	<u>83,493</u>	<u>810,390</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt, net	94,093	-	-	-	94,093
Total other financing sources and uses	<u>94,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,093</u>
SPECIAL ITEM					
Proceeds from sale of assets	20,000	-	-	-	20,000
Net change in fund balance	818,392	(43,440)	66,038	83,493	924,483
Fund balance - beginning	6,829,791	1,274,438	703,016	707,540	9,514,785
Fund balance - ending	<u>\$ 7,648,183</u>	<u>\$ 1,230,998</u>	<u>\$ 769,054</u>	<u>\$ 791,033</u>	<u>\$ 10,439,268</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, 2022

Net change in fund balances - total governmental funds: \$ 924,483

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 \$406,137 is more than depreciation of \$311,502 in the current period.

94,635

Adjustment to general fixed assets

(20,000)

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.

109,599

Miscellaneous adjustment

(133)

Change in net positions of governmental activities

\$ 1,108,584

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

Crowley County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Ambulance</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,374,643	\$ 124,461	\$ 1,499,104
Accounts Receivable, net	-	86,127	86,127
Total current assets	<u>1,374,643</u>	<u>210,588</u>	<u>1,585,231</u>
Non-current assets:			
Capital Assets:			
Utility System	2,997,281	-	2,997,281
Construction in Progress	170,762	-	170,762
Equipment and Furniture	52,450	1,177,699	1,230,149
Less Accumulated depreciation	<u>(1,786,328)</u>	<u>(682,875)</u>	<u>(2,469,203)</u>
Total non-current assets	<u>1,434,165</u>	<u>494,824</u>	<u>1,928,989</u>
Total assets	<u>2,808,808</u>	<u>705,412</u>	<u>3,514,220</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	<u>12,636</u>	<u>6,890</u>	<u>19,526</u>
Total current liabilities	<u>12,636</u>	<u>6,890</u>	<u>19,526</u>
Total liabilities	<u>12,636</u>	<u>6,890</u>	<u>19,526</u>
NET POSITION			
Net investment in capital assets	1,434,165	494,824	1,928,989
Unrestricted	<u>1,362,007</u>	<u>203,698</u>	<u>1,565,705</u>
Total net position	<u>\$ 2,796,172</u>	<u>\$ 698,522</u>	<u>\$ 3,494,694</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, 2022

	Enterprise Funds		
	Water	Ambulance	Total
OPERATING REVENUES			
Charges for services	\$ 265,275	\$ 229,169	\$ 494,444
Miscellaneous revenue	9,017	21,006	30,023
Total operating revenues	<u>274,292</u>	<u>250,175</u>	<u>524,467</u>
OPERATING EXPENSES			
Personal services	-	161,927	161,927
Contractual services	69,000	-	69,000
Utilities	71,806	4,463	76,269
Repairs and maintenance	14,681	5,311	19,992
Other supplies and expenses	14,757	62,767	77,524
Insurance claims and expenses	1,630	4,702	6,332
Bad debts	-	104,151	104,151
Miscellaneous expenses	20,859	32,803	53,662
Depreciation	68,689	52,596	121,285
Total Operating Expenses	<u>261,422</u>	<u>428,720</u>	<u>690,142</u>
Operating income (loss)	<u>12,870</u>	<u>(178,545)</u>	<u>(165,675)</u>
NON-OPERATING REVENUES (EXPENSES)			
Capital Grant	588,639	135,292	723,931
Total non-operating revenue (expenses)	<u>588,639</u>	<u>135,292</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>601,509</u>	<u>(43,253)</u>	<u>(165,675)</u>
Change in net position	601,509	(43,253)	(165,675)
Total net position - beginning	2,194,663	741,775	3,660,369
Total net position - ending	<u>\$ 2,796,172</u>	<u>\$ 698,522</u>	<u>\$ 3,494,694</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, 2022

	<u>Water</u>	<u>Ambulance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Charges for Services	\$ 269,794	\$ 236,353	\$ 506,147
Cash Received from Miscellaneous Sources	9,017	21,006	30,023
Cash Payments to Suppliers for Goods & Services	(191,532)	(211,834)	(403,366)
Cash Payments for Salaries & Benefits	-	(161,927)	(161,927)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>87,279</u>	<u>(116,402)</u>	<u>(29,123)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:			
Purchase of Fixed Assets	(333,322)	(271,375)	(604,697)
Proceeds from Capital Grant	588,639	135,292	723,931
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>255,317</u>	<u>(136,083)</u>	<u>119,234</u>
 NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	 342,596	 (252,485)	 90,111
 Cash & Cash Equivalents:			
Beginning of Year	<u>1,032,047</u>	<u>376,946</u>	<u>1,408,993</u>
End of Year	<u>\$ 1,374,643</u>	<u>\$ 124,461</u>	<u>\$ 1,499,104</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, 2022
(continued)

	Water	Ambulance	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 12,870	\$ (178,545)	\$ (165,675)
Adjustments to Reconcile Operating Income			
To Net Cash Provided by Operating Activities:			
Depreciation	68,689	52,596	121,285
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivables	4,519	7,184	11,703
Increase (Decrease) in Accounts Payable	1,201	2,363	3,564
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 87,279	\$ (116,402)	\$ (29,123)
 Analysis of cash:			
Cash with County Treasurer	1,374,643	124,461	1,499,104
TOTAL	\$ 1,374,643	\$ 124,461	\$ 1,499,104

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

Crowley County, Colorado
Custodial Funds
Statement of Fiduciary Net Position
December 31, 2022

	<u>TOTAL AGENCY FUNDS</u>
ASSETS:	
Cash and cash equivalents	\$ 12,192,785
Total assets	<u>12,192,785</u>
LIABILITIES:	
Due to other governmental units	12,192,785
Total liabilities	<u>\$ 12,192,785</u>

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

Crowley County, Colorado
Custodial Funds
Statement of Changes in Fiduciary Funds
December 31, 2022

Additions:

Collections for other governments	\$ 10,355,243	
County Clerk collections	961,940	
Sheriff's collections	12,936	
Public Trustee foreclosure collections	<u>8,622</u>	
Total Additions		11,338,741

Deductions:

Disbursements to other governments	9,251,545	
County clerk disbursements	903,032	
Sheriff's collections	12,936	
Public Trustee foreclosure disbursements	<u>2,190</u>	
Total Deductions		10,169,703

Change in Net Position		1,169,038
Net Position, beginning of year		<u>11,023,747</u>
Net Position, end of year		<u><u>\$ 12,192,785</u></u>

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

Crowley County, Colorado
Notes to the Financial Statements
December 31, 2022

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.
- 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 custodial fund.

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 and water shares.

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

Vacation leave is accrued monthly for regular full-time employees, with a maximum of 140 hours or 160 hours, depending on how many hours are worked weekly. Accrual begins the first full month after date of hire. Unused vacation hours are carried over into the next year. Sick leave is accrued monthly beginning on date of hire. Depending on employee classification status and hours worked per week, maximum accruals are set at 48 hours, 420 hours, or 480 hours. Upon termination, any unused vacation hours accrued will be paid out to the employee. 10% of the accrued sick leave will be paid to regular full-time employees. Accrued sick leave will not be paid to regular part-time or temporary employees upon termination of employment.

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 2021 were collected in 2022 and taxes certified in 2022 will be collected in 2023. 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.

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 \$11,545,868 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 \$4,396,811 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, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets being Depreciated				
Buildings	\$ 1,392,464	\$ -	\$ -	\$ 1,392,464
Equipment & Furniture	4,469,468	406,137	(26,027)	4,849,578
Total Capital Assets being Depreciated	5,861,932	406,137	(26,027)	6,242,042
Less Accumulated Depreciation	(2,239,851)	(311,502)	26,027	(2,525,326)
Total Capital Assets	<u>\$ 3,622,081</u>	<u>\$ 94,635</u>	<u>\$ -</u>	<u>\$ 3,716,716</u>

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

Governmental Activities:	
DHS	\$ 1,188
Recreation	7,380
General Government	23,650
Public Safety	86,776
Public Works	192,508
Total Depreciation Expense – Governmental Activities	<u>\$ 311,502</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets being Depreciated				
Distribution Assets	\$ 2,274,232	\$ 723,049	\$ -	\$ 2,997,281
Vehicles & Equipment	946,767	283,382	-	1,230,149
Total	3,220,999	1,006,431	-	4,227,430
Less Accumulated Depreciation	(2,347,918)	(121,285)	-	(2,469,203)
Total Capital Assets being Depreciated	873,081	885,146	-	1,758,227
Construction in Progress	572,494	-	(401,732)	170,762
Total Capital Assets	<u>\$ 1,445,575</u>	<u>\$ 885,146</u>	<u>\$ (401,732)</u>	<u>\$ 1,928,989</u>

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

Business-Type Activities:	
Water Distribution	\$ 68,689
Ambulance Services	52,596
Total Depreciation Expense – Business-Type Activities	<u>\$ 121,285</u>

Note 5 Long-term Debt

A summary of changes in long-term debt is:

	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022	Due in One year
Governmental-Type Activities	\$ 203,692	\$ 115,393	\$ (225,093)	\$ 93,992	\$ 23,498
Accrued Vacation & Sick Leave	57,320	20,131	-	77,451	-
	<u>\$ 261,012</u>	<u>\$ 135,524</u>	<u>\$ (225,093)</u>	<u>\$ 171,443</u>	<u>\$ 23,498</u>

General Long-Term Debt

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%. This lease was paid in full during 2022.

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. This lease was paid in full during 2022.

During January 2022, the County entered into a lease purchase agreement for the purchase of body cams. The total cost will be \$115,393. The agreement calls for a down payment of \$21,401 and four annual payments of \$23,498. There was not a stated interest rate in the contract and any interest paid by the County would be immaterial.

	Principal	Interest	Total
2023	\$ 23,498	\$ -	\$ 23,498
2024	23,498	-	23,498
2025	23,498	-	23,498
2026	23,599	-	23,599
Total	<u>\$ 94,093</u>	<u>\$ -</u>	<u>\$ 94,093</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 to. 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 2022 was \$2,408,452. The County's contributions were calculated using the covered payroll of \$1,832,871. Both the County and the covered employees made the required contributions, amounting to \$91,644 and \$73,315, respectively.

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

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 fund financial statements, the governmental funds report the following classification of fund balances at year-end.

	<u>Fund Financial Statements</u>
Nonspendable	
Inventory	\$ 14,500
Prepaid Expenses	<u>60,007</u>
Total Nonspendable	<u>80,507</u>
Committed	
Department of Human Services	769,054
Road & Bridge	<u>1,216,498</u>
Total Committed Emergency Operating	<u>1,985,552</u>
Assigned	
Non-Major Funds	<u>725,026</u>
Unassigned	<u>7,698,183</u>
Total Fund Balance	<u><u>\$ 10,489,268</u></u>

Crowley County, Colorado
Budget and Actual
General
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 1,243,345	\$ 1,243,345	\$ 1,232,398
SO Taxes	160,000	160,000	138,398
Sales and miscellaneous taxes	1,542,500	1,542,500	1,221,028
Fees and fines	40,500	40,500	9,992
Licenses and permits	12,000	12,000	3,904
Intergovernmental	404,787	404,787	359,781
Charges for services	929,905	929,905	785,922
Investment earnings	55,000	55,000	126,496
Rental income	38,500	38,500	58,429
Miscellaneous	30,750	30,750	67,326
Total revenues	<u>4,457,287</u>	<u>4,457,287</u>	<u>4,003,674</u>
EXPENDITURES			
Current:			
General government	2,698,229	2,698,229	2,437,812
Public Safety	660,233	660,233	491,619
Health	19,773	19,773	12,752
Culture and recreation	104,030	104,030	-
Debt Service:			
Principal	203,452	203,452	203,692
Interest and other charges	8,347	8,347	8,106
Capital Outlay	49,850	49,850	145,394
Total Expenditures	<u>3,743,914</u>	<u>3,743,914</u>	<u>3,299,375</u>
Excess (deficiency) of revenues over expenditures	<u>713,373</u>	<u>713,373</u>	<u>704,299</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from long term debt	-	-	94,093
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>94,093</u>
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	20,000
Net change in fund balance	713,373	713,373	818,392
Fund balance - beginning	6,603,696	6,603,696	6,829,791
Fund balance - ending	<u>\$ 7,317,069</u>	<u>\$ 7,317,069</u>	<u>\$ 7,648,183</u>

Crowley County, Colorado
Budget and Actual
Road & Bridge
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 682,505	\$ 682,505	\$ 668,485
SO Taxes	75,000	75,000	75,601
Licenses and permits	500	500	-
Intergovernmental	714,476	714,476	741,480
Miscellaneous	500	500	14
Total revenues	<u>1,472,981</u>	<u>1,472,981</u>	<u>1,485,580</u>
EXPENDITURES			
Current:			
General government	30,000	30,000	19,896
Highways and roads	1,249,525	1,366,225	1,338,303
Debt Service:			
Capital Outlay	220,600	300,600	170,821
Total Expenditures	<u>1,500,125</u>	<u>1,696,825</u>	<u>1,529,020</u>
Excess (deficiency) of revenues over expenditures	<u>(27,144)</u>	<u>(223,844)</u>	<u>(43,440)</u>
Net change in fund balance	(27,144)	(223,844)	(43,440)
Fund balance - beginning	1,200,345	1,200,345	1,274,438
Fund balance - ending	<u>\$ 1,173,201</u>	<u>\$ 976,501</u>	<u>\$ 1,230,998</u>

Crowley County, Colorado
Budget and Actual
Human Services
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 188,820	\$ 188,820	\$ 184,922
SO Taxes	22,000	-	20,911
Intergovernmental	929,900	929,900	1,272,892
Miscellaneous	100	100	1,089
Total revenues	<u>1,140,820</u>	<u>1,118,820</u>	<u>1,479,814</u>
EXPENDITURES			
Current:			
Health and welfare	1,295,385	1,568,251	1,401,303
Capital Outlay	-	-	12,473
Total Expenditures	<u>1,295,385</u>	<u>1,568,251</u>	<u>1,413,776</u>
Excess (deficiency) of revenues over expenditures	<u>(154,565)</u>	<u>(449,431)</u>	<u>66,038</u>
Net change in fund balance	(154,565)	(449,431)	66,038
Fund balance - beginning	546,482	546,482	703,016
Fund balance - ending	<u>\$ 391,917</u>	<u>\$ 97,051</u>	<u>\$ 769,054</u>

Crowley County, Colorado
Budget and Actual
Water
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 265,276	\$ 265,276	\$ 265,275
Grants	588,639	588,639	588,639
Miscellaneous	-	-	9,017
Total revenues	<u>853,915</u>	<u>853,915</u>	<u>862,931</u>
EXPENDITURES			
Contractual services	69,000	69,000	69,000
Utilities	63,000	63,000	71,806
Repairs and maintenance	25,000	25,000	14,681
Other supplies and expenses	16,600	16,600	14,757
Insurance claims and expenses	2,000	2,000	1,630
Miscellaneous	924,029	924,029	20,859
Depreciation	77,500	77,500	68,689
Capital outlay	150,000	150,000	333,322
Total Operating Expenses	<u>1,327,129</u>	<u>1,327,129</u>	<u>594,744</u>
Operating income (loss)	(473,214)	(473,214)	268,187
OTHER FINANCING SOURCES (USES)			
Operating grants and contributions	588,639	588,639	-
Total other financing sources and uses	<u>588,639</u>	<u>588,639</u>	<u>-</u>
RECONCILING ITEM			
Capital outlay	-	-	333,332
Net change in net position	115,425	115,425	601,519
Net position - beginning	1,372,839	1,372,839	2,194,663
Net position - ending	<u>\$ 1,488,264</u>	<u>\$ 1,488,264</u>	<u>\$ 2,796,182</u>

Crowley County, Colorado
Budget and Actual
Ambulance
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	\$ 220,000	\$ 220,000	\$ 229,169
Miscellaneous	-	-	21,006
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>250,175</u>
EXPENDITURES			
Personal services	196,630	196,630	161,927
Utilities	3,000	3,000	4,463
Repairs and maintenance	323,060	323,060	5,311
Other supplies and expenses	110,500	110,500	166,918
Insurance claims and expenses	2,800	2,800	4,702
Miscellaneous	29,715	29,715	32,803
Depreciation	65,000	65,000	52,596
Total Operating Expenses	<u>730,705</u>	<u>730,705</u>	<u>428,720</u>
Operating income (loss)	<u>(510,705)</u>	<u>(510,705)</u>	<u>(178,545)</u>
OTHER FINANCING SOURCES (USES)			
Capital grants	<u>203,078</u>	<u>203,078</u>	<u>135,292</u>
Total other financing sources and uses	<u>203,078</u>	<u>203,078</u>	<u>135,292</u>
Net change in net position	(307,627)	(307,627)	(43,253)
Net position - beginning	<u>626,758</u>	<u>626,758</u>	<u>741,775</u>
Net position - ending	<u>\$ 319,131</u>	<u>\$ 319,131</u>	<u>\$ 698,522</u>

Crowley County, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2022

	E-911	Conservation		Contingent	Revolving Loan Fund	EMS/Fire	Total Governmental Funds
		Trust					
ASSETS							
Cash and cash equivalents	\$ 241,653	\$ 197,586	\$ 29,355	\$ 750	\$ 211,778	\$ 681,122	
Taxes receivable, net	-	-	-	-	90,344	90,344	
Other receivables	39,870	765	-	-	6,997	47,632	
Prepaid expenses	-	66,007	-	-	-	66,007	
Total assets	<u>281,523</u>	<u>264,358</u>	<u>29,355</u>	<u>750</u>	<u>309,119</u>	<u>885,105</u>	

LIABILITIES AND FUND BALANCE

Liabilities:						
Accounts payable	1,583	-	-	-	2,145	3,728
Total liabilities	<u>1,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,145</u>	<u>3,728</u>
Deferred in-flows of resources						
Deferred property taxes	-	-	-	-	90,344	90,344
Total deferred in-flows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,344</u>	<u>90,344</u>
Fund balance:						
Non-spending						
Prepaid expenses	-	66,007	-	-	-	66,007
Assigned	279,940	198,351	29,355	750	216,630	725,026
Fund balance:	<u>279,940</u>	<u>264,358</u>	<u>29,355</u>	<u>750</u>	<u>216,630</u>	<u>791,033</u>
Total liabilities and fund balance	<u>\$ 281,523</u>	<u>\$ 264,358</u>	<u>\$ 29,355</u>	<u>\$ 750</u>	<u>\$ 309,119</u>	<u>\$ 885,105</u>

Crowley County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Other Governmental Funds
For the Year Ended December 31, 2022

	E-911	Conservation Trust	Contingent	Revolving Loan Fund	EMS/Fire	Total-Other Governmental Funds
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 85,325	\$ 85,325
SO Taxes	-	-	-	-	9,651	9,651
Intergovernmental	-	51,913	-	-	76,971	128,884
Charges for services	115,060	-	-	-	-	115,060
Investment earnings	849	-	-	-	-	849
Miscellaneous	-	4,240	-	-	1,991	6,231
Total revenues	115,909	56,153	-	-	173,938	346,000
EXPENDITURES						
Current:						
General government	500	-	-	-	-	500
Public Safety	37,695	-	-	-	124,862	162,557
Culture and recreation	-	22,001	-	-	-	22,001
Capital Outlay	-	34,449	-	-	43,000	77,449
Total Expenditures	38,195	56,450	-	-	167,862	262,507
Excess (deficiency) of revenues over expenditures	77,714	(297)	-	-	6,076	83,493
Net change in fund balance	77,714	(297)	-	-	6,076	83,493
Fund balance - beginning	202,226	264,655	29,355	750	210,554	707,540
Fund balance - ending	\$ 279,940	\$ 264,358	\$ 29,355	\$ 750	\$ 216,630	\$ 791,033

Crowley County, Colorado
Budget and Actual
EMS/Fire
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 86,990	\$ 87,090	\$ 85,325
SO Taxes	11,350	10,000	9,651
Intergovernmental	36,750	38,000	76,971
Miscellaneous	-	-	1,991
Total revenues	<u>135,090</u>	<u>135,090</u>	<u>173,938</u>
EXPENDITURES			
Current:			
Public Safety	138,987	149,287	124,862
Capital Outlay	-	43,000	43,000
Total Expenditures	<u>138,987</u>	<u>192,287</u>	<u>167,862</u>
Excess (deficiency) of revenues over expenditures	<u>(3,897)</u>	<u>(57,197)</u>	<u>6,076</u>
Net change in fund balance	(3,897)	(57,197)	6,076
Fund balance - beginning	214,913	214,913	210,554
Fund balance - ending	<u>\$ 211,016</u>	<u>\$ 157,716</u>	<u>\$ 216,630</u>

Crowley County, Colorado
 Budget and Actual
 Revolving Loan Fund
 For the year ended December 31, 2022

	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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 49,940	\$ 49,940	\$ 115,060
Investment earnings	105	105	849
Total revenues	<u>50,045</u>	<u>50,045</u>	<u>115,909</u>
EXPENDITURES			
Current:			
General government	500	500	500
Public Safety	37,000	39,400	37,695
Total Expenditures	<u>37,500</u>	<u>39,900</u>	<u>38,195</u>
Excess (deficiency) of revenues over expenditures	<u>12,545</u>	<u>10,145</u>	<u>77,714</u>
Net change in fund balance	12,545	10,145	77,714
Fund balance - beginning	102,757	-	202,226
Fund balance - ending	<u>\$ 115,302</u>	<u>\$ 10,145</u>	<u>\$ 279,940</u>

Crowley County, Colorado
Budget and Actual
Conservation Trust
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 40,000	\$ 40,000	\$ 51,913
Miscellaneous	150	150	4,240
Total revenues	<u>40,150</u>	<u>40,150</u>	<u>56,153</u>
EXPENDITURES			
Current:			
Culture and recreation	107,645	142,157	22,001
Capital Outlay	-	-	34,449
Total Expenditures	<u>107,645</u>	<u>142,157</u>	<u>56,450</u>
Excess (deficiency) of revenues over expenditures	<u>(67,495)</u>	<u>(102,007)</u>	<u>(297)</u>
Net change in fund balance	(67,495)	(102,007)	(297)
Fund balance - beginning	250,991	250,991	264,655
Fund balance - ending	<u>\$ 183,496</u>	<u>\$ 148,984</u>	<u>\$ 264,358</u>

Crowley County, Colorado
 Budget and Actual
 Contingent
 For the year ended December 31, 2022

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

Crowley County, Colorado
Schedule of Expenditures of Federal Awards
for the year ended December 31, 2022

GRANT TITLE	PASS THRU AGENCY	FEDERAL ALN NUMBER	AMOUNT OF AWARD EXPENDED	
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Child Care - Title IV-B	Colo Dept of Human Services	93.645	\$ 18,328	
IV-E FC - Title IV-E	Colo Dept of Human Services	93.658	229,616	
IV-E Relative Guardianship	Colo Dept of Human Services	93.090	47,125	
Block Grant - Title XX	Colo Dept of Human Services	93.667	21,432	
IV-D ADMIN	Colo Dept of Human Services	93.563	61,007	
LEAP	Colo Dept of Human Services	93.568	156,564	
IV-E Adoption	Colo Dept of Human Services	93.659	61,539	
TANF	Colo Dept of Human Services	93.558	258,556	
CCDF Discretionary	Colo Dept of Human Services	93.556	14,765	
Core Services 80/20	Colo Dept of Human Services	93.556	1,787	
CRF Admin EJA	Colo Dept of Human Services	93.747	4,838	
SLFRF	Colo Dept of Human Services	21.027	4,612	
Child Care Development Funds- Discretion	Colo Dept of Human Services	93.575	<u>15,918</u>	896,087
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Medicaid Title XX	Colo Dept of Health Care Policy & Fin.	93.778	3,247	
Medicaid Cluster Transportation	Colo Dept of Health Care Policy & Fin.	93.778	<u>83,865</u>	87,112
DEPARTMENT OF TREASURY:				
SLFRF Grant Proceeds		21.027	<u>321,317</u>	321,317
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Area Agency on Aging	Title III B	93.044	<u>3,290</u>	3,290
VETERANS AFFAIRS DEPARTMENT:				
Department of Veterans Affairs	Veterans Administration	64.047	<u>7,200</u>	7,200
DEPARTMENT OF AGRICULTURE:				
PILT		15.226	11,530	
Food Stamp Admin.	Colo Dept of Human Services	10.561	<u>67,076</u>	78,606
DEPARTMENT OF HOMELAND SECURITY:				
Department of Homeland Security	Dept of Homeland Security	97.042	<u>33,947</u>	<u>33,947</u>
TOTAL FEDERAL FINANCIAL AWARDS			<u>\$ 1,427,559</u>	

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

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

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

The County did not have any sub-recipients during 2022.

Crowley County, Colorado
 Schedule of Findings and Questioned Costs
 December 31, 2022

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:	Unmodified	
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(s)	21.027	Name of Federal Program or Cluster Coronavirus State & Local Fiscal Recovery
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	___ No

Section II: Financial Statement Findings

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

Section III: Federal Awards Findings

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

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

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/22

This Information From The Records Of:
CROWLEY COUNTY

Prepared By:
LASHELLE BENBOW

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. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 170,821
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,338,303
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)	\$ 744,086	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 296	d. Total (a. through c.)	\$ -
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 19,896
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 1,529,020
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 744,382	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 741,197	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 1,485,579	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,529,020

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 1,274,438	\$ 1,485,579	\$ 1,529,020	\$ 1,230,997	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
 COLORADO
 YEAR ENDING (mm/yy):
 12/22

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	\$ 668,485	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	\$ 75,601	g. Other Misc. Receipts	\$ 296
6. Total (1. through 5.)	\$ 75,601	h. Other	
c. Total (a. + b.)	\$ 744,086	i. Total (a. through h.)	\$ 296
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 731,523	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	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 9,674	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 9,674	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 741,197	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation		\$ 170,821	\$ 170,821
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 170,821	\$ 170,821
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 170,821	\$ 170,821
<i>(Carry forward to page 1)</i>			

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 27, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 27, 2023

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, 2022. 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, 2022.

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.

rfarmer, llc

April 27, 2023