MORGAN COUNTY, COLORADO

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2021

MORGAN COUNTY

Where Prairie Meets The Sky

MORGAN COUNTY, COLORADO

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2021

Board of County Commissioners
Mark Arndt, Chairman
Jon Becker
Gordon Westhoff

Director of Finance
Michelle Covelli

Director of Information Systems
Karol Kopetzky

Information Systems Specialist
Vicki Jump

Payroll Manager
Lori Crispin

Accounting Specialists
Marylyn Riddle
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Payroll Technician
MJ Rhoades

Prepared by:
Finance and Information Systems Departments

MORGAN COUNTY

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INTRODUCTORY SECTION

MORGAN COUNTY

Where Prairie Meets The Sky

MORGAN COUNTY, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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MORGAN COUNTY ADMINISTRATION

August 30, 2022

To the Citizens of Morgan County, Colorado:

State law requires that every government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for Morgan County Government for the fiscal year ended December 31, 2021.

The County's Annual Financial Report was prepared by the Department of Accounting and Finance for Morgan County Government. The responsibility for both the accuracies of the data, and the completeness and the fairness of the presentation, including all disclosures, rests with the County. Morgan County has established a comprehensive internal control framework that is designed to both protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, Morgan County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The accounting firm of Watson Coon Ryan, LLC was selected to perform the 2021 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards ("Uniform Guidance"). Information related to this single audit, including the schedule of federal financial assistance and auditor's reports on the internal control and compliance with applicable laws and regulations, is included in the single audit section. Watson Coon Ryan, LLC have issued an unmodified ("clean") opinion on Morgan County Government's financial statements for the year ended December 31,

2021. The independent auditors' report on the basic financial statements is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction overview and an analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

This report includes activities for which the Board of County Commissioners is accountable to the citizens of Morgan County, financially, or by state statute. All applicable funds, departments, and offices are included in these financial statements as part of the primary government of Morgan County.

Morgan County Government offers a full range of services. These services include police protection; human services; ambulance services; solid waste management services; maintenance and construction of roadways, bridges, and infrastructure to support these activities; recreational and cultural facilities and events; 911 emergency telephone and other public safety telephone services; and land use planning services.

PROFILE OF MORGAN COUNTY

Morgan County is located on the High Plains of Northeastern Colorado, well-situated on Interstate Highway 76 and U.S. Highway 34. The County is only 79 miles from Metro Denver and major U.S. trade corridors. The Denver International Airport is within an hour's drive. The population of Morgan County is 29,666. Morgan County encompasses five incorporated cities and towns as well as a large unincorporated area. The largest city is Fort Morgan with a population of 11,646. Morgan County offers several community and recreational facilities. Jackson Lake is a popular recreational area in Morgan County that attracts weekend visitors as well as year-round residents wanting to retire to a rural area. The area offers fishing and boating while the climate allows year-round residence. Some of the finest hunting in North America is found in the area, including pheasant, turkey, grouse, quail, geese, duck, deer, and antelope. Morgan County has moderate summers, crisp falls, cool winters, and warm springs. There are 330 days of sunshine annually, 14.9 inches annual precipitation, and 29.7 inches average snowfall. Annual average temperature is 64 degrees F.

PROFILE OF MORGAN COUNTY GOVERNMENT

The County is governed by a three-member Board of County Commissioners. Commissioners are elected from districts of relatively equal population by the voters at large. They serve staggered four-year terms and function as the County's policymaking body. The County is also served by seven other elected officials: assessor, clerk and recorder, coroner, district attorney, sheriff, treasurer, and surveyor.

The County Commissioners annually adopt budgets by department for all funds except the agency funds. The annual budget is approved and appropriated by fund. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. Each department within a fund may not legally exceed the approved budget for that department without prior approval of the County Commissioners. Supplemental appropriations can be approved by the Board of County Commissioners if needed during the year to provide for those items that were unknown or unforeseen at the time the budget was originally adopted.

Morgan County Government employs 283 FTE's (full time equivalents). Full-time employees receive a comprehensive compensation package typical of county governments. Benefits include paid leave, medical insurance plans and a defined contribution retirement plan.

LOCAL ECONOMY

In 2020, the County assessed value certified by the County Assessor increased by 6.6%. This increase was due to a reappraisal year. This increase is significant as Morgan County does not have a County sales tax, so assessed value is critical to the County's operations. Agriculture is the primary industry in Morgan County with retailers, other locally focused businesses, and government operations supporting area farming and ranching communities. The major crops grown in the County include corn, sugar beets, hay, silage, wheat, potatoes, onions, alfalfa, and turf. The dairy industry also continues to have a strong presence. Cargill Meat Solutions Corporation is the largest employer in the county, employing 2,100 employees. The next largest employer is Walmart with 325 employees followed by Leprino Foods with 272 employees. The unemployment rate in Morgan County in 2021 was 3.1%. Morgan County's unemployment rate of 3.1% is slightly lower than the State rate of 3.4%. Morgan County's location near the Front Range allows easy access for the opportunities of the big cities while maintaining the benefits of a rural lifestyle – with a large residential growth in Wiggins, the most western community in Morgan County. The County prides itself on maintaining tradition while looking to the future.

COUNTY LONG-TERM FINANCIAL PLANNING

Facilities planning and maintenance continue to be a major area of emphasis for the County. The County is in the process of reviewing the capital improvement plan. The County Commissioners have decided to use the County's American Recovery Funds for an expansion project to be constructed at the County Jail facility. The County experienced problems segregating inmates during the COVID pandemic. The County did create the Jail Capital Improvement Fund in 2008 to accumulate monies for the future expansion of the facility. In addition, the County will apply for a grant to help fund the Jail project. The County may also have to look to the other municipalities to help fund the jail. The current complex was built in 1985.

MAJOR INITIATIVES

In 2021, due to increased waste brought to the County landfill, he County constructed a new cell at the County Solid Waste Management facility. The County continues to monitor the facility to maintain State approval. The County's engineers updated the total capacity for the landfill in 2021. The increase in capacity had a large impact on the calculation to determine the liability County must maintain for closure and post closure costs.

In 2021, the Ambulance Service purchased four new heart monitors using partial funding from a grant the County received. The cost of this project was $138,000.

The County sold the property in Wiggins Colorado that had been used for the Ambulance Service. The County continues to plan for the increasing costs borne by the Ambulance Service. Healthcare in eastern Colorado continues to be a challenge. Staffing is a large problem out on the eastern plains.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Morgan County for its annual comprehensive financial report for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Morgan County Government has received a Certificate of Achievement for the last twenty-eight consecutive years (fiscal years ended 1993-2020). We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance and Accounting department and Information Systems department. Each member of the departments has our sincere

appreciation for the contributions made in the preparation of this report. These people work together as a highly effective team to promote the excellence we strive for. Appreciation is also expressed to the Board of County Commissioners who establishes the policies which provide for sound financial management and to all the other elected officials, department heads, and County employees for their cooperation in matters pertaining to the financial affairs of the County.

Respectfully submitted,

Michelle R. Covelli

Michelle R. Covelli
Director of Finance and Accounting

MORGAN COUNTY

Where Prairie Meets The Sky

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Morgan County Government Colorado

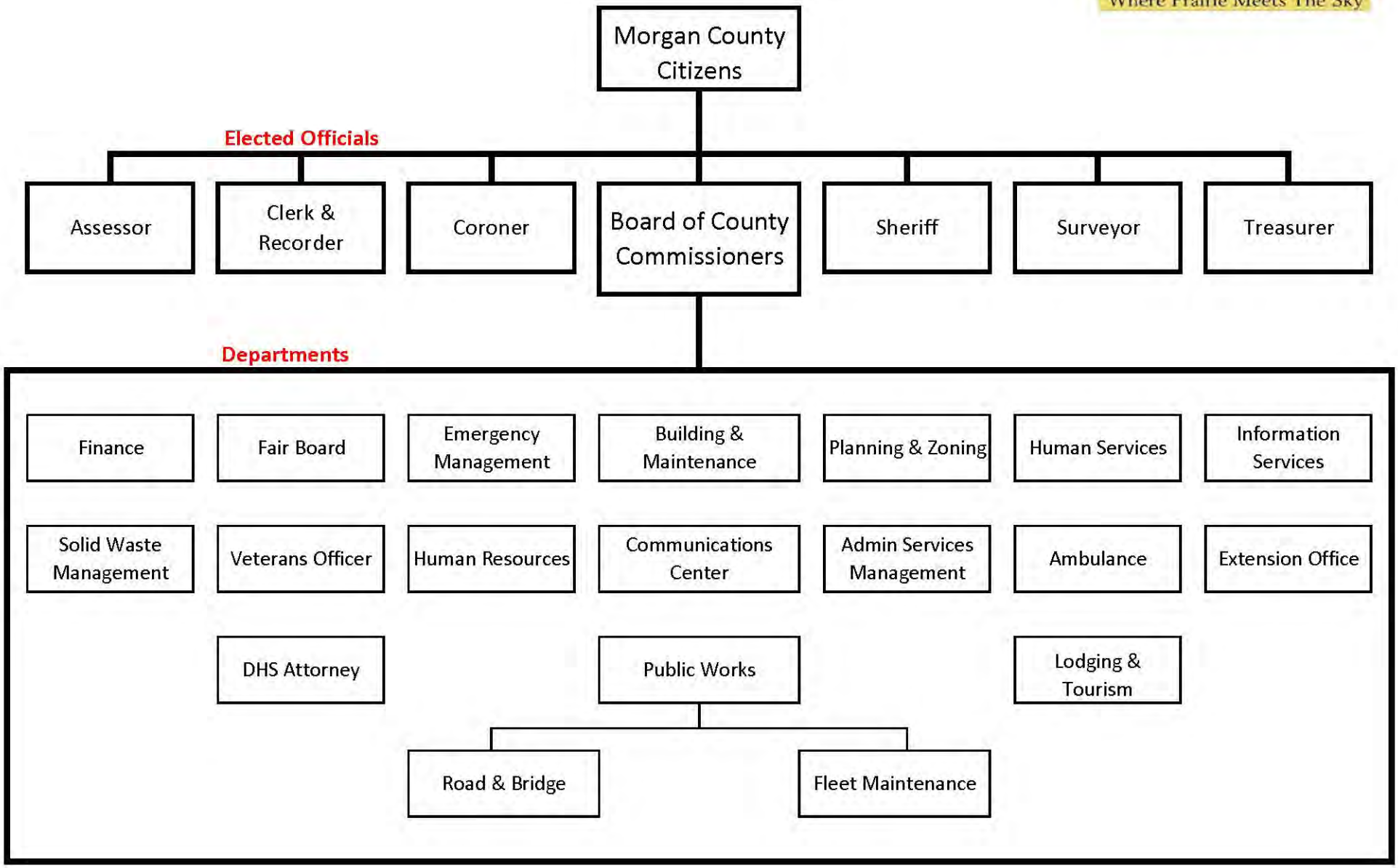
For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

Morgan County Organizational Chart



MORGAN COUNTY, COLORADO

List of Principal Officials
As of December 31, 2021

TITLE	NAME
ELECTED	
Chairman, Board of County Commissioners	Mark A. Arndt
Commissioner	Jon Becker
Commissioner	Gordon Weshoff
Assessor	Tim M. Amen
Clerk & Recorder	Susan L. Bailey
Coroner	Don Heer
Sheriff	David D. Martin
Surveyor	Nichole F. Hay
Treasurer	Robert A. Sagel
APPOINTED	
Accounting & Finance Director	Michelle Covelli
Administrative Services Manager	Karla Powell
Ambulance Manager	Travis Freeman
Attorney	Jeff Parker
Director of Communications	Danette Martin
Director of Human Resources	Tracy Amen
Director of Human Services	Jacque Frenier
Emergency Operations Coordinator	Roger Doll
Information Systems Manager	Karol L. Kopetzky
Manager of Bridge Construction	James Rehn
Manager of Building Operations	Dave Cornwell
Manager of Environment	Cass Yearous
Manager of Road Construction	John Goodman
Planning & Zoning Administrator	Pam Cherry
Public Works Director	Bruce Bass
Shop Manager	James Monroe
Veterans Officer	Monty Kinder

MORGAN COUNTY

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FINANCIAL SECTION

MORGAN COUNTY

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WATSON COON RYAN
CERTIFIED PUBLIC ACCOUNTANTS

6025 SOUTH QUEBEC STREET, SUITE 260
CENTENNIAL, COLORADO 80111
303-792-3020 (O) | 303-232-7237 (F)
WWW.WCRCPA.COM

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Morgan 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 the Morgan County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Morgan 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Morgan County, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morgan 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.

RANDY WATSON | JEREMY RYAN | TROY COON | KELLY WATSON | JOHNNIE DOWNING

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 and Government Auditing Standards 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 and Government Auditing Standards, 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 Morgan 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 Morgan 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 be presented to supplement the basic financial statements presented on pages 68-72. 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 Morgan County's basic financial statements. The Local Highway Finance report, Schedule of Federal Financial Assistance reconciliation, combining and individual nonmajor fund financial statements and budgetary comparison 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Local Highway Finance report, Schedule of Federal Financial Assistance reconciliation, combining and individual nonmajor fund financial statements and budgetary comparison schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 26, 2022 on our consideration of Morgan 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 Morgan County's 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 Morgan County's internal control over financial reporting and compliance.

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
August 26, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Morgan, we offer readers of Morgan County Government's financial statements this narrative overview and analysis of the financial activities of Morgan County for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and basic financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred inflows of Morgan County exceeded liabilities and deferred inflows of resources by $161.3 million (net position) at the end of 2021. Of this amount, $48 million may be used to meet the government's ongoing obligations to citizens and creditors. The remaining $113 million is invested in capital assets or restricted by law.

- The County's General Fund balance was $35.7 million as of December 31, 2021 Of this amount, $1,000,000 is restricted for emergencies, $70,015 is restricted for Clerk E-filing, $2,447 is committed for the Tri Centennial, $870,627 is committed for the Human Services building, $11 million is assigned for capital building projects, and $166,492 is assigned for other agencies. The remaining $19.8 million is unassigned fund balance. The 2020 fund balance was $32.7 million.

- The total 2021 General Fund balance is $35.7 million, which is $3 million more than the 2020 General Fund operating expenditures plus transfers out. Morgan County does not have a county sales tax and relies heavily on property tax collections as a main revenue source. Current property taxes represent 73% of the General Fund revenue in 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. Morgan County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements including combining statements for non-major funds, and a statistical section.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Morgan County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus

revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods, for example uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguished functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Morgan County include general government, public safety, highways and bridges, recreation, and human services. The business-type activities of the County include operation of a solid waste landfill and a County ambulance service.

Fund Financial Statements. 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. Morgan County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Morgan County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Morgan County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, and the social services fund, all of which are considered to be major funds. Morgan County adopts an annual appropriated budget for all major funds. A budgetary comparison statement has been provided for all major governmental funds on pages 68 – 71 of this report. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements on pages 76 – 79 in this report. Governmental funds budgets for the non-major funds are provided on pages 80 – 84. The basic governmental fund financial statements can be found on pages 30 – 34 of this report.

Proprietary Funds. Morgan County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented in the business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the solid waste landfill and the ambulance service operation. The County also maintains an internal service fund as an accounting device used to accumulate and allocate costs internally among the County's various functions. Morgan County uses the internal service fund to account for its fleet of vehicles,

county attorney, human resources, accounting and purchasing services and its management information systems. Because these services predominately benefit governmental rather than business-type functions, they are included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste Management Fund and the Ambulance Service Fund, both of which are considered to be business type activities funds as well as the Internal Service Fund which is considered a governmental activities fund.

Enterprise Fund statements are on pages 35 – 37. The Internal Service Fund schedule of net position is on page 91. Budget to actual comparisons for the Enterprise Funds are on pages 87 – 88. Budget to actual comparison for the Internal Services Fund is on page 92.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support Morgan County's own operations. One of four types of fiduciary funds is Custodial Funds. Morgan County maintains four Custodial Funds. The accounting used for fiduciary funds is much like that used for proprietary funds. A Combining Statement of Fiduciary Net Position is on page 94 and a Combining Statement of Changes in Fiduciary Net Position - Custodial Funds is on page 95.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 40 – 63 of this report.

COUNTY-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2021, assets exceeded liabilities and deferred inflows of resources by $161.3 million. The largest portion of Morgan County's net position (59%) is invested in capital assets. The investment in capital assets is $95.5 million. These assets include land, buildings, machinery, and equipment, as well as infrastructure. These capital assets are used to provide services to citizens and are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources as the assets themselves cannot be liquidated to repay the debt.

An additional $17.4 million of net position represents resources that are subject to external restrictions on how they may be used. The largest portion of the restricted net position, $10 million, is restricted for the Roadways.

The County had an unrestricted net position of $48.4 million, which may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2021, Morgan County had positive balances in all three categories of net position both for governmental activities and business type activities. The three categories of net position are: investment in capital assets, assets subject to certain restrictions, and unrestricted assets.

Morgan County Government
Net Position

	Governmental activities		Business-type activities		Total Government	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	$ 84,003,212	$ 75,064,852	$ 7,757,081	$ 7,957,304	$ 91,760,293	$ 83,022,156
Capital assets	93,185,674	101,452,886	2,288,318	1,676,338	95,473,992	103,129,224
Total assets	177,188,886	176,517,738	10,045,399	9,633,642	187,234,285	186,151,380
Liabilities						
Current liabilities	4,487,280	1,390,889	123,825	176,127	4,611,105	1,567,016
Long-term liabilities	916,366	936,252	809,193	1,062,895	1,725,559	1,999,147
Total liabilities	5,403,646	2,327,141	933,018	1,239,022	6,336,664	3,566,163
Deferred Property Tax Revenue	19,581,446	18,612,493	-	-	19,581,446	18,612,493
Total liabilities and deferred inflows of resources	24,985,092	20,939,634	933,018	1,239,022	25,918,110	22,178,656
Net position						
Investment in capital assets	93,185,674	101,452,886	2,288,318	1,676,338	95,473,992	103,129,224
Restricted	17,460,049	12,059,538	-	-	17,460,049	12,059,538
Unrestricted	41,558,071	42,065,680	6,824,063	6,718,282	48,382,134	48,783,962
Total net position	$ 152,203,794	$ 155,578,104	$ 9,112,381	$ 8,394,620	$ 161,316,175	$ 163,972,724

The total net position decreased in 2021 by $2.9 million. The decrease is due to the depreciation in the capital assets.

The total restricted net position increased by $5.4 million. The largest increase in restricted funds was the receipt of American Recovery Funds from the federal government.

Investment in capital assets decreased $7.7 million in 2021. The majority of the decline was from depreciation calculated on capital assets.

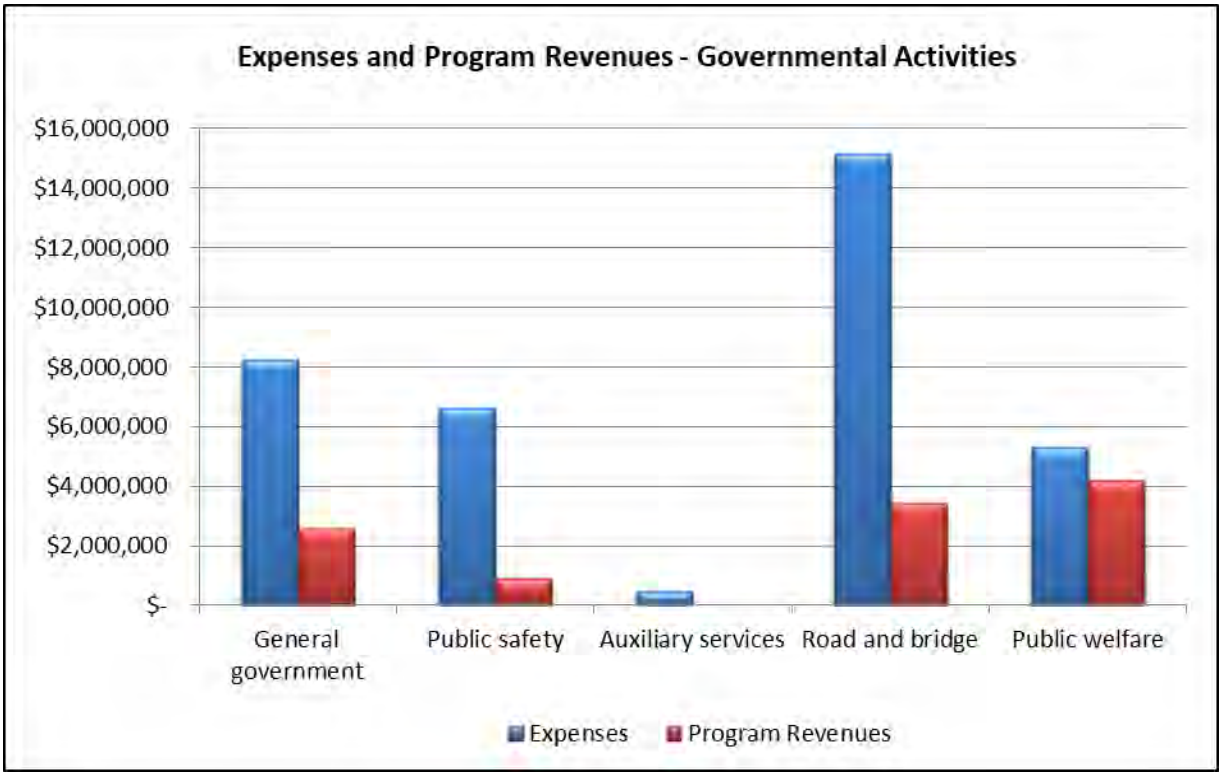
Governmental activities. Governmental activities decreased Morgan County's net position by $3.3 million. The decrease in net position in the governmental funds is due to the depreciation expense in the Road and Bridge Fund.

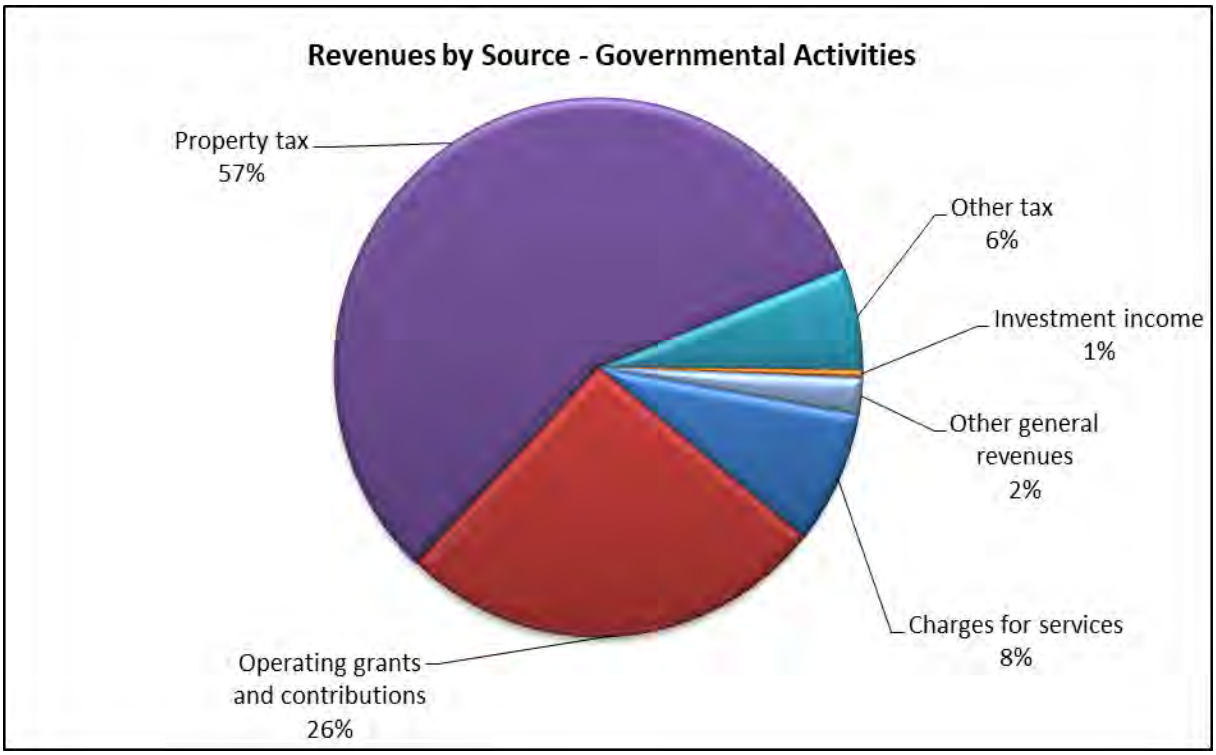
Business type activities. Business type activities increased Morgan County's net position by $717,761. The investment in capital increased $611,980. This was due to the expansion of the Solid Waste Management Fund. A new cell was constructed in 2021..

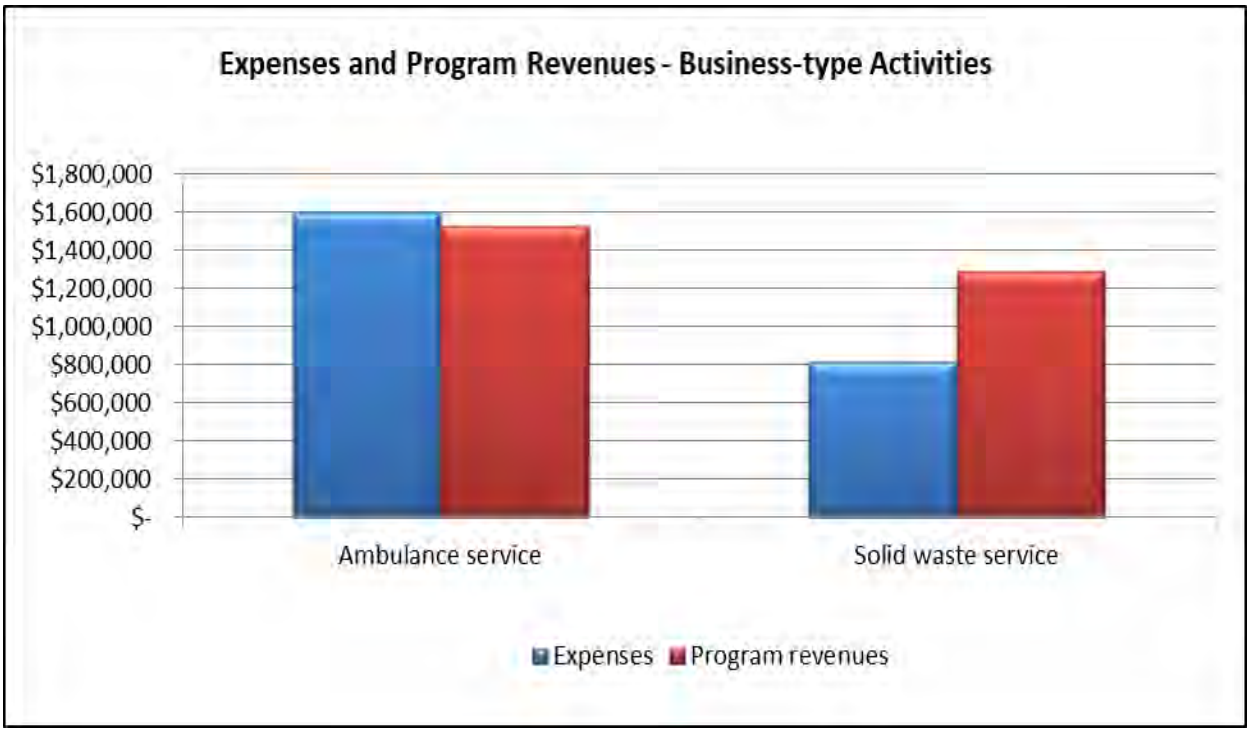
The following shows the elements of the County's decrease in net position:

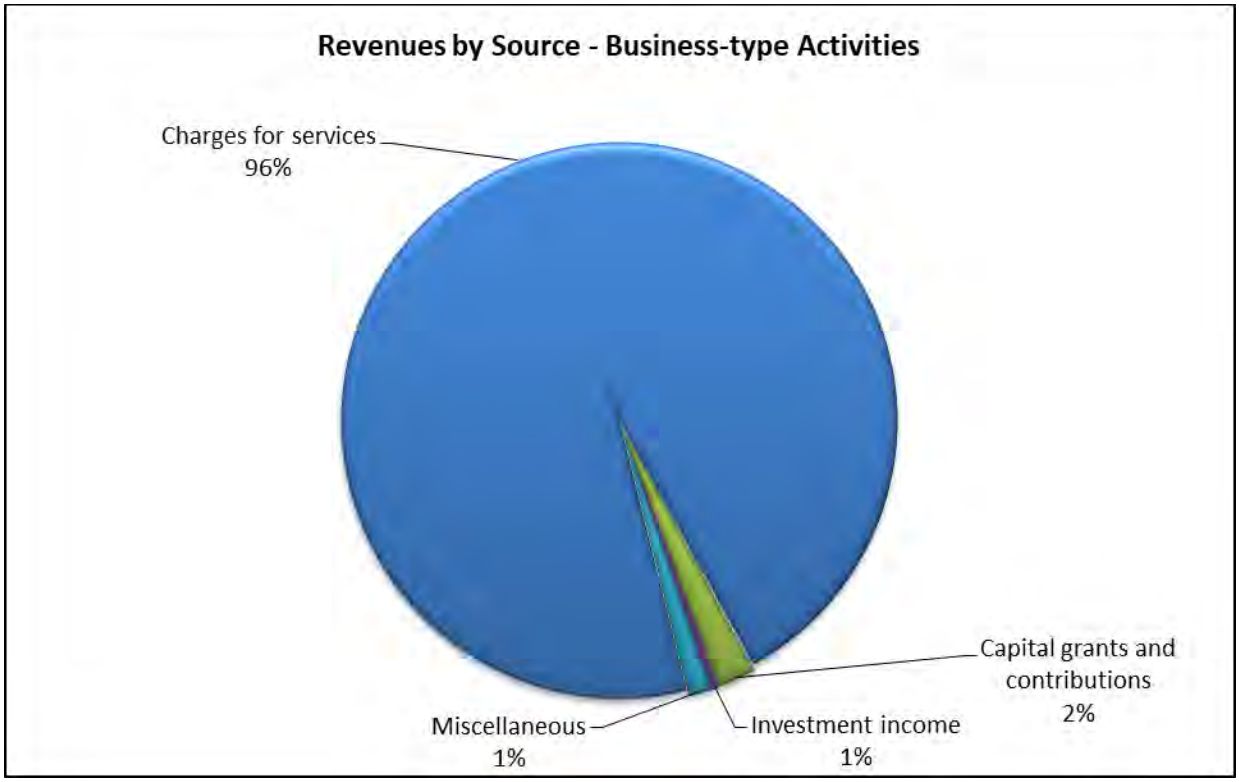
Morgan County Government
Changes in Net Position

	Governmental activities		Business-type activities		Total Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	$ 2,607,040	$ 2,886,488	$ 2,743,966	$ 2,384,289	$ 5,351,006	$ 5,270,777
Operating grants and contributions	8,523,470	8,672,242	3,462	59,555	8,526,932	8,731,797
Capital grants and contributions	-	-	61,835	-	61,835	-
General revenues						
Property tax	18,481,069	17,276,977	-	-	18,481,069	17,276,977
Other tax	1,986,451	1,840,635	-	-	1,986,451	1,840,635
Interest	158,831	571,075	13,693	42,957	172,524	614,032
Other general revenues	696,261	531,287	38,981	26,353	735,242	557,640
Total revenues	32,453,122	31,778,704	2,861,937	2,513,154	35,315,059	34,291,858
Expenses						
General government	8,258,422	8,071,055	-	-	8,258,422	8,071,055
Public safety	6,631,128	6,418,615	-	-	6,631,128	6,418,615
Auxiliary services	470,294	452,772	-	-	470,294	452,772
Roads and bridges	15,179,406	15,881,428	-	-	15,179,406	15,881,428
Public welfare	5,288,182	5,137,371	-	-	5,288,182	5,137,371
Capital Outlay	-	897,060	-	-		
Ambulance services	-	-	1,603,042	1,457,169	1,603,042	1,457,169
Solid waste services	-	-	541,134	870,814	541,134	870,814
Total expenses	35,827,432	36,858,301	2,144,176	2,327,983	37,971,608	39,186,284
Increase (decrease) in net position	(3,374,310)	(5,079,597)	717,761	185,171	(2,656,549)	(4,894,426)
Net position - January 1	155,578,104	160,657,701	8,394,620	8,209,449	163,972,724	168,867,150
Net position - December 31	$ 152,203,794	$ 155,578,104	$ 9,112,381	$ 8,394,620	$ 161,316,175	$ 163,972,724


Expenses and Program Revenues - Governmental Activities
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
General government
Public safety
Auxiliary services
Road and bridge
Public welfare
Expenses
Program Revenues


Revenues by Source - Governmental Activities
Property tax 57%
Other tax 6%
Investment income 1%
Other general revenues 2%
Charges for services 8%
Operating grants and contributions 26%


Expenses and Program Revenues - Business-type Activities
$1,800,000
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
Ambulance service
Solid waste service
Expenses
Program revenues


Revenues by Source - Business-type Activities
Charges for services
96%
Capital grants and
contributions
2%
Investment income
1%
Miscellaneous
1%

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Morgan County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds Overview. The focus of County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County's governmental funds financial position increased during the year 2021. The total fund balances in the governmental funds increased by $6.2 million. As of the end of 2021 the combined ending fund balance of County governmental funds was $56.3 million. Approximately 35% of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is restricted or committed for a specific purpose by the current County Commissioners. The County has restricted funds for the following purposes: 1) a state-constituted mandated emergency reserve $1,000,000, 2) a state mandated clerk technology fund $70,015, 3) a state statute for Social Services $1,477,196, 4) a state statute for roadways $10,094,774, 5) a state statute for the 911 emergency telephone services $1,047,304, 6) a state statute to promote tourism in the County $629,904, 7) a state statute to promote parks and recreation $338,600, 8) a state statute regulating law enforcement confiscation and seizure $6,750, and 9) a mandate for American Recovery Plan funds of $2,823,059.

Propriety Funds Overview. The County's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

The County has two enterprise-type proprietary funds, the Solid Waste Management Fund and Ambulance Service Fund.

- **Solid Waste Management Fund.** Unrestricted net position of this fund at the end of 2021 amounted to $5,351,749. This is an increase of $191,573 from unrestricted net position at the end of 2020. The increase was due to the recalculataion of capacity at the landfill. This affected the closure/postclosure liability and expense.

- **Ambulance Service Fund.** Unrestricted net position of this fund at the end of 2021 amounted to $1,472,314. This is a decrease of $85,792 from unrestricted net position at the end of 2020. The decrease was due to increasing expenses. Expenses increased 10% in 2021.

The County has one Internal Service Fund type Proprietary Fund. The Internal Service Fund is a governmental activity fund in the Proprietary Fund financial statements. The County's Internal Service Fund, the Central Services Fund, has unrestricted net position of $3.5 million. This is a decrease of $1.3 million. Revenues declined and expenses increased in 2021.

The County has three major governmental funds. These are the General Fund, Road and Bridge Fund, and Social Services Fund.

- **General Fund.** This is the primary operating fund of the Morgan County Government. It accounts for many of the County's core services such as law enforcement, the County Assessor, County Clerk and Recorder and planning and zoning. The general fund's fund balance as of December 31, 2021, was $35.7 million. This is an increase of $3 million. Of this amount, $15.9 million is restricted or assigned for a specific purpose. As a measure of the general fund's liquidity, it may be useful to compare the fund balance and total fund balance to total fund expenditures. Unassigned fund balance is 143% of total 2021 expenditures and transfers in the general fund. The increase in fund balance is due mainly to an increase in property tax collected.

- **Road and Bridge Fund.** The Road and Bridge Fund is mandated by state statutes. This fund accounts for costs related to County road and bridge construction and maintenance of same. The Road and Bridge Fund has $15.7 million in fund balance at the end of 2021. Of this amount, $10.1 million is restricted for future capital highway projects, $96,378 is nonspendable for bridge inventory, and $5.5 million is committed for future capital road and bridge projects. Total Road and Bridge fund balance increased by $2.5 million in 2021. The increase in fund balance was due to a decrease in expenditures. Several Road and Bridge projects were delayed due to unavailability of supplies. Expenditures decreased by $539,014.

- **Social Services Fund.** This fund is also State mandated. It accounts for the local share of many Federal and State public welfare programs. The Social Services fund balance at the end of 2021 was $1.5 million. This is an increase of $249,309 from the 2020 fund balance. The increase was due to increased property taxes. The $1.5 million fund balance is restricted for public welfare programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund. The actual expenditures in the County's General Fund did not reach the budgeted amount. This was due to capital projects that were rescheduled for future years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Morgan County's investment in capital assets for its governmental and business type activities as of December 31, 2021 totals $95.5 million (net of accumulated depreciation). This investment includes all land, buildings, machinery and equipment, as well as infrastructure constructed from 1980 through 2021.

Morgan County Government
Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total Government	
	2021	2020	2021	2020	2021	2020
Land and Water Rights	$ 2,118,484	$ 2,118,484	$ 125,787	$ 125,787	$ 2,244,271	$ 2,244,271
Building and Improvements	5,783,375	6,262,942	969,530	1,011,254	6,752,905	7,274,196
Machinery and Equipment	8,423,683	7,272,718	568,288	539,297	8,991,971	7,812,015
Infrastructure	76,760,443	85,798,743	624,713	-	77,385,156	85,798,743
Construction in Progress	99,691	-	-	-	99,691	-
Total capital assets	$ 93,185,676	$ 101,452,887	$ 2,288,318	$ 1,676,338	$ 95,473,994	$ 103,129,225

Additional information on the Morgan County capital asset activity can be found in note 5 of this report.

Debt. The County has no debt as of December 31, 2021.

Other Matters. The following factors are expected to have a significant effect on the County's financial position or results of operations and were taken into account in developing the 2022 budget:

- The County assessed value in 2021 increased by 5.4%. This amounts to an increase of $1.2 million in property tax revenue. The increase in assessed value was due mainly to and increase is new construction and the State assessed values. Morgan County's assessed value is critical to revenues as there is no County sales tax levied. The County's agricultural industry has been the backbone of the area's economy for many years. The County continues to promote economic development in Morgan County.

- The County has historically, and continues to be, fiscally responsible. The fund balance for the County was carefully invested.

- Planning has begun on building expansion and updating of the existing County Jail/Judicial Complex.

- The County Social Services department continues to address increasing case loads and increasing costs to local government.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Morgan County's finances for all those with an interest in the government's finances. Financial information for the Morgan County Building Authority is included in the County's primary government financial statements and separate financial statements are not prepared. Questions concerning any of the information provided in this or for additional information should be addressed to the Finance Director, P.O. Box 189, Fort Morgan, CO 80701.

MORGAN COUNTY

Where Prairie Meets The Sky

BASIC FINANCIAL STATEMENTS

MORGAN COUNTY

Where Prairie Meets The Sky

Morgan County, Colorado

Statement of Net Position

December 31, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash (Note 3)	$ 1,635	$ 700	$ 2,335
Cash held by county departments (Note 3)	238,685	-	238,685
Cash and investments held by County Treasurer (Note 3)	62,803,514	7,458,670	70,262,184
Receivables (net of allowance for uncollectibles) (Note 4):			
General property tax - net	19,581,446	-	19,581,446
Accounts	189,952	344,078	534,030
Intergovernmental	890,362	-	890,362
Internal balances (Note 8)	46,367	(46,367)	-
Inventory	251,251	-	251,251
Capital assets not being depreciated (Note 5)	2,218,175	125,787	2,343,962
Capital assets (net of accumulated depreciation) (Note 5)	90,967,499	2,162,531	93,130,030
Total assets	177,188,886	10,045,399	187,234,285
LIABILITIES			
Warrants payable	949,019	24,600	973,619
Vouchers payable	376,473	40,327	416,800
Accounts payable	156,609	13,823	170,432
Accrued wages	-	34,170	34,170
Intergovernmental payables	32,484	-	32,484
Unearned other revenue	2,972,695	10,905	2,983,600
Noncurrent liabilities:			
Due within one year (Note 7)	606,324	51,111	657,435
Due more than one year (Note 7)	310,042	758,082	1,068,124
Total liabilities	5,403,646	933,018	6,336,664
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	19,581,446	-	19,581,446
NET POSITION:			
Investment in capital assets	93,185,674	2,288,318	95,473,992
Restricted for:			
Clerk E-filing fees	70,015	-	70,015
Emergencies (Note 10)	1,000,000	-	1,000,000
American Recovery Plan	2,823,059	-	2,823,059
Tri Centennial	2,447	-	2,447
Roadways	10,094,774	-	10,094,774
Social services	1,447,196	-	1,447,196
911 emergency	1,047,304	-	1,047,304
Tourism	629,904	-	629,904
Parks and recreation	338,600	-	338,600
Law enforcement	6,750	-	6,750
Unrestricted	41,558,071	6,824,063	48,382,134
Total net position	$ 152,203,794	$ 9,112,381	$ 161,316,175

The notes to the financial statements are an integral part of this statement.

Morgan County, Colorado

Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 8,258,422	$ 1,782,426	$ 784,022	$ -
Judicial and public safety	6,631,128	800,488	108,787	-
Auxiliary services	470,294	-	-	-
Roads and bridges	15,179,406	24,126	3,422,745	-
Public welfare	5,288,182	-	4,207,916	-
Total governmental activities	35,827,432	2,607,040	8,523,470	-
Business-type activities:				
Ambulance services	1,603,042	1,459,072	3,462	61,835
Solid waste services	541,134	1,284,894	-	-
Total business-type activities	2,144,176	2,743,966	3,462	61,835
Total primary government	$ 37,971,608	$ 5,351,006	$ 8,526,932	$ 61,835

General revenues:
Taxes:
Property
Specific ownership
Lodging
Other
Investment income
Miscellaneous
Gain/(Loss) sale of assets
Total general revenues
Changes in net position
Net position, January 1
Net position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (5,691,974)	$ -	$ (5,691,974)
(5,721,853)	-	(5,721,853)
(470,294)	-	(470,294)
(11,732,535)	-	(11,732,535)
(1,080,266)	-	(1,080,266)
(24,696,922)	-	(24,696,922)
-	(78,673)	(78,673)
-	743,760	743,760
-	665,087	665,087
$ (24,696,922)	$ 665,087	$ (24,031,835)
18,481,069	-	18,481,069
1,669,662	-	1,669,662
305,824	-	305,824
10,965	-	10,965
158,831	13,693	172,524
458,257	29,750	488,007
238,004	9,231	247,235
21,322,612	52,674	21,375,286
(3,374,310)	717,761	(2,656,549)
155,578,104	8,394,620	163,972,724
$ 152,203,794	$ 9,112,381	$ 161,316,175

Morgan County, Colorado

Balance Sheet

Governmental Funds

December 31, 2021

	General	Road and Bridge	Social Services	Other Governmental Funds	Total
ASSETS:					
Cash	$ 800	$ -	$ 400	$ 85	$ 1,285
Cash held by county departments	166,492	-	65,078	7,115	238,685
Cash and investments held by County Treasurer	38,755,667	15,597,743	1,358,344	3,161,377	58,873,131
Receivables (net of allowances for uncollectibles):					
General property tax - net	13,160,635	5,069,061	1,351,750	-	19,581,446
Accounts	16,261	100	32,484	132,352	181,197
Intergovernmental	160,210	248,800	439,898	41,454	890,362
Inventories	-	96,378	144	-	96,522
Total assets	$ 52,260,065	$ 21,012,082	$ 3,248,098	$ 3,342,383	$ 79,862,628
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Warrants payable	$ 174,372	$ 40,735	$ 79,376	$ 443	$ 294,926
Vouchers payable	152,518	29,468	65,906	13,658	261,550
Accounts payable	31,234	188	62,572	450	94,444
Intergovernmental payables	-	-	32,484	-	32,484
Interfund payables	178,303	150,269	29,178	289	358,039
Unearned other revenue	2,823,059	-	149,636	-	2,972,695
Total liabilities	3,359,486	220,660	419,152	14,840	4,014,138
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	13,160,635	5,069,061	1,351,750	-	19,581,446
FUND BALANCES:					
Fund balance:					
Nonspendable:					
Inventory	-	96,378	-	-	96,378
Restricted for:					
Clerk E-filing fees	70,015	-	-	-	70,015
Emergencies	1,000,000	-	-	-	1,000,000
American Recovery Plan	2,823,059	-	-	-	2,823,059
Roadways	-	10,094,774	-	-	10,094,774
Social services	-	-	1,477,196	-	1,477,196
911 emergency	-	-	-	1,047,304	1,047,304
Tourism	-	-	-	629,904	629,904
Parks and recreation	-	-	-	338,600	338,600
Law enforcement	-	-	-	6,750	6,750
Committed to:					
Tri Centennial	2,447	-	-	-	2,447
Capital improvements	870,627	-	-	-	870,627
Bridge structures	-	3,420,352	-	-	3,420,352
Road projects	-	2,110,857	-	-	2,110,857
Jail expansion	-	-	-	1,304,985	1,304,985
Assigned to:					
Other capital projects	11,000,000	-	-	-	11,000,000
Other agencies	166,492	-	-	-	166,492
Unassigned:	19,807,304	-	-	-	19,807,304
Total fund balances	35,739,944	15,722,361	1,477,196	3,327,543	56,267,044
Total liabilities and fund balances	$ 52,260,065	$ 21,012,082	$ 3,248,098	$ 3,342,383	$ 79,862,628

The notes to the financial statements are an integral part of this statement.

MORGAN COUNTY

Where Prairie Meets The Sky

Morgan County, Colorado
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2021

Total governmental fund balances (page 30)	$ 56,267,044
Amounts reported for governmental activities in the statement of net position (page 27) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	86,750,703
Long-term liabilities, including capital leases payable, compensated absences, and interest payable, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(761,290)
The internal services fund is used by management to charge the costs of services for the County attorney, fleet maintenance, and other services to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	9,947,337
Net position of governmental activities (page 27)	$ 152,203,794

The notes to the financial statements are an integral part of this statement.

Morgan County, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year ended December 31, 2021

	General	Road and Bridge	Social Services	Other Governmental Funds	Total
REVENUES					
Taxes	$ 13,806,456	$ 5,184,587	$ 1,270,285	$ 206,192	$ 20,467,520
Intergovernmental	772,083	3,422,745	4,207,916	120,726	8,523,470
Licenses and permits	100,676	13,313	-	-	113,989
Fines and forfeitures	2,160	-	-	-	2,160
Fee accounts	1,585,391	-	-	9,692	1,595,083
Charges for materials/service	-	5,776	-	594,609	600,385
Investment income	141,537	16,390	-	904	158,831
Miscellanous	360,474	10,986	53,534	-	424,994
Total revenues	16,768,777	8,653,797	5,531,735	932,123	31,886,432
EXPENDITURES					
Current:					
General government	5,917,966	-	-	182,108	6,100,074
Judicial and public safety	6,097,222	-	-	411,779	6,509,001
Auxiliary services	470,294	-	-	-	470,294
Road and bridge	-	5,874,547	-	-	5,874,547
Public welfare	-	-	5,282,426	-	5,282,426
Intergovernmental cooperation outlay	1,131,727	-	-	-	1,131,727
Capital outlay	221,818	304,720	-	-	526,538
Total expenditures	13,839,027	6,179,267	5,282,426	593,887	25,894,607
Excess (deficiency) of revenues over (under) expenditures	2,929,750	2,474,530	249,309	338,236	5,991,825
Other financing sources (uses):					
Transfers in	-	-	-	120,000	120,000
Transfers out	(120,000)	-	-	-	(120,000)
Proceeds from sale of capital assets	199,872	-	-	-	199,872
Total other financing sources (uses)	79,872	-	-	120,000	199,872
Net change in fund balances	3,009,622	2,474,530	249,309	458,236	6,191,697
Fund Balances, January 1	32,730,322	13,247,831	1,227,887	2,869,307	50,075,347
Fund Balances, December 31	$ 35,739,944	$ 15,722,361	$ 1,477,196	$ 3,327,543	$ 56,267,044

The notes to the financial statements are an integral part of this statement.

Morgan County, Colorado
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended December 31, 2021

Net change in fund balances – total governmental funds (page 33)		$ 6,191,697
Amounts reported for governmental activities in the statement of activities (page 29) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital asset additions	$ 446,349	
Depreciation expense	(9,961,506)	
Excess of depreciation over capital outlay		(9,515,157)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		22,602
Internal service funds are used by management to charge the costs of certain activities such as fleet services, attorney services, accounting services, and information system services to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.		(73,452)
Change in net position of governmental funds (page 29)		$ (3,374,310)

The notes to the financial statements are an integral part of this statement.

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

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Ambulance Service	Solid Waste Management	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash	$ -	$ 700	$ 700	$ 350
Cash and investments held by County Treasurer	1,379,502	6,079,168	7,458,670	3,930,383
Receivables (net of allowance uncollectibles):				
Accounts	253,399	85,859	339,258	8,755
Other	4,381	439	4,820	-
Interfund Receivables	-	298	298	404,669
Inventory	-	-	-	154,729
Total current assets	1,637,282	6,166,464	7,803,746	4,498,886
Long term assets:				
Capital assets (net of accumulated depreciation):				
Land and water rights	62,190	63,597	125,787	-
Buildings	501,581	467,949	969,530	2,136
General equipment	305,624	262,664	568,288	6,417,753
Infrastructure	-	624,713	624,713	15,082
Total long term assets	869,395	1,418,923	2,288,318	6,434,971
Total assets	2,506,677	7,585,387	10,092,064	10,933,857
LIABILITIES				
Current liabilities:				
Warrants payable	15,520	9,080	24,600	654,093
Vouchers payable	16,932	23,395	40,327	114,923
Accounts payable	-	13,823	13,823	62,165
Accrued wages	34,170	-	34,170	-
Compensated absences	33,861	17,250	51,111	76,195
Interfund payables	35,854	10,811	46,665	263
Unearned revenue	10,905	-	10,905	-
Total current liabilities	147,242	74,359	221,601	907,639
Long term liabilities:				
Compensated absences	17,726	9,614	27,340	78,881
Accrued landfill closure and post-closure care	-	730,742	730,742	-
Total long term liabilities	17,726	740,356	758,082	78,881
Total liabilities	164,968	814,715	979,683	986,520
NET POSITION				
Investment in capital assets	869,395	1,418,923	2,288,318	6,434,971
Unrestricted	1,472,314	5,351,749	6,824,063	3,512,366
Total net position	$ 2,341,709	$ 6,770,672	$ 9,112,381	$ 9,947,337

The notes to the financial statements are an integral part of this statement.

Morgan County, Colorado

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year ended December 31, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Ambulance Service	Solid Waste Management	Total	Internal Service Fund
Operating revenues				
Charges for services	$ 1,459,072	$ 1,284,894	$ 2,743,966	$ 4,310,993
Miscellaneous revenues	22,277	7,473	29,750	16,059
Total operating revenues	1,481,349	1,292,367	2,773,716	4,327,052
Operating expenses				
Compensation and benefits	1,098,363	362,410	1,460,773	1,452,823
Operating supplies	63,772	60,471	124,243	1,436,438
Purchased services	144,770	120,035	264,805	576,611
Fixed charges	195,123	159,536	354,659	76,142
Depreciation	90,363	63,348	153,711	998,276
Other expenses	10,651	(224,666)	(214,015)	3,291
Total operating expenses	1,603,042	541,134	2,144,176	4,543,581
Operating income (loss)	(121,693)	751,233	629,540	(216,529)
Nonoperating revenues				
State grant	63,197	-	63,197	-
Other grants and donations	2,100	-	2,100	-
Interest	1,400	12,293	13,693	-
Gain (loss) on disposal of assets	9,231	-	9,231	118,320
Insurance recovery	-	-	-	24,757
Total nonoperating revenues	75,928	12,293	88,221	143,077
Change in net position	(45,765)	763,526	717,761	(73,452)
Total net position, January 1	2,387,474	6,007,146	8,394,620	10,020,789
Total net position, December 31	$ 2,341,709	$ 6,770,672	$ 9,112,381	$ 9,947,337

The notes to the financial statements are an integral part of this statement.

Morgan County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Ambulance Service Fund	Solid Waste Management	2021	Internal Services Fund
Cash flows from operating activities				
Receipts from customers and users	$ 1,402,318	$ 1,296,632	$ 2,698,950	$ 169,432
Receipts from interfund services	-	-	-	4,199,174
Payments to suppliers	(194,083)	(243,072)	(437,155)	(1,589,754)
Payments for interfund services	(200,635)	(157,802)	(358,437)	(38,274)
Payments to employees	(1,119,211)	(360,988)	(1,480,199)	(1,451,307)
Net cash provided by operating activities	(111,611)	534,770	423,159	1,289,271
Cash flows from noncapital financing activities				
Grants received	63,197	-	63,197	-
Donations received	2,100	-	2,100	-
Net cash provided by noncapital financing activities	65,297	-	65,297	-
Cash flows from capital and related financing activities				
Acquisition of capital assets	(121,160)	(635,301)	(756,461)	(2,203,567)
Proceeds from sale of capital assets	-	-	-	75,668
Insurance Recovery	-	-	-	24,757
Net cash used by capital and related financing activities	(121,160)	(635,301)	(756,461)	(2,103,142)
Cash flows from investing activities				
Interest received	1,399	12,293	13,692	-
Net cash provided by investing activities	1,399	12,293	13,692	-
Net Increase (decrease) in cash and cash equivalents	(166,075)	(88,237)	(254,312)	(813,870)
Cash and cash equivalents - January 1	1,545,577	6,168,105	7,713,682	4,744,603
Cash and cash equivalents - December 31 (Including $700 and $350 for the Solid Waste Management Fund and Central Services Fund, respectively, reported in cash on hand)	$ 1,379,502	$ 6,079,868	$ 7,459,370	$ 3,930,733
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ (121,693)	$ 751,233	629,540	$ (216,529)
Adjustment to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	90,363	63,348	153,711	998,276
(Increase) decrease in accounts receivable	(79,032)	4,510	(74,522)	(1,953)
(Increase) decrease in intergovernmental receivables	-	(244)	(244)	5,792
(Increase) decrease in inventory	-	-	-	37,715
Increase (decrease) in accounts payable	(2,444)	(48,844)	(51,288)	462,992
Increase (decrease) in intergovernmental payable	20,279	396	20,675	263
Increase (decrease) in accrued wages	(2,774)	-	(2,774)	-
Increase (decrease) in accrued compensated absences	(18,070)	2,472	(15,598)	2,716
Increase (decrease) in unearned revenue	1,760	-	1,760	-
Increase (decrease) in accrued landfill closure and postclosure	-	(238,101)	(238,101)	-
Total adjustments	10,082	(216,463)	(206,381)	1,505,801
Net cash provided by operating activities	$ (111,611)	$ 534,770	$ 423,159	$ 1,289,272

The notes to the financial statements are an integral part of this statement.

Morgan County, Colorado

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

	Total Custodial Funds
ASSETS	
Cash	$ 2,354,306
Total assets	2,354,306
LIABILITIES	
Due to others	2,287,572
Total liabilities	2,287,572
NET POSITION	
Restricted for individuals	$ 66,734

The notes to the financial statements are an integral part of this statement.

Morgan County, Colorado
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended December 31, 2021

	Total Custodial Funds
ADDITIONS	
Cash deposits	$ 54,840,509
Total additions	54,840,509
DEDUCTIONS	
Due to others	54,838,544
Total deductions	54,838,544
Change in net position	1,965
Total net position, January 1	64,769
Total net position, December 31	$ 66,734

The notes to the financial statements are an integral part of this statement.

MORGAN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Morgan County, Colorado have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

These financial statements include the following blended component unit:

<u>Morgan County Building Authority</u>
The Morgan County Building Authority functions for one single purpose. It was created in 1984 to act as a conduit to finance major capital building projects and to convey these facilities through a lease-purchase agreement with the County. It has an uncompensated four member board. Board members are appointed by the Board of County Commissioners. The Morgan County Building Authority does not issue separate financial statements. There is no activity for the Morgan County Building Authority in 2021.

B. Basis of Presentation

Morgan County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the County as an entity and the change in aggregate net position resulting from activities of the fiscal period.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Exceptions include interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities reflects both the direct expenses and net cost of each function of the County's governmental activities and business-like activity. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the County.

The County does not currently employ an indirect cost allocation system. An internal service fund is utilized to account for its fleet of vehicles, county attorney and human resources, accounting, and its management information systems. Fees for these services are charged to other operating funds. The interfund services provided and used by the County are not eliminated in the consolidation process.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Fund Financial Statements

The financial transactions of the County are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred inflows and outflows of resources, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

The *General Fund* is the general operating fund of the County which accounts for all financial resources that are not accounted for in other funds. Operations of the County such as public safety, planning and zoning, property valuation, tax collection and distribution, vehicle licensing, County administration, and other activities financed from taxes and general revenues are reflected in this fund.

The *Road and Bridge Fund, a special revenue fund,* records costs related to County road and bridge construction and maintenance except for engineering and public works administration which is recorded in the General Fund. By State law, Colorado counties are required to maintain a Road and Bridge Fund and a portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.

The *Social Services Fund, a special revenue fund,* administers human services programs under state and federal regulations. Funding sources include, Federal and State grants as well as County property tax dollars. Programs include, but are not limited to, Medicaid, food stamps, foster care programs, senior service programs, job training services, and Temporary Assistance to Needy Families (TANF). Colorado counties are required by state law to maintain a Social Services Fund.

The County reports the following major enterprise funds:

The *Ambulance Service Fund* accounts for the activities of the County owned and operated ambulance service.

The *Solid Waste Management Fund* accounts for the solid waste management activities of the County including the operation of the County's only municipal solid waste landfill.

The County reports the following fund types:

The *Internal Service Fund* accounts for the financing of goods and/or services provided by Attorney Services and Human Resources, Accounting, Information Systems, Central Inventory Control, and Fleet Management to other County departments and funds, County involved jointly governed organizations and other governmental units on a cost reimbursed basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The *Custodial Funds* account for assets held by the County as an agent for individuals, private organizations, and other governments. These funds are custodial in nature. The County custodial funds include the following:

Treasurer Fund accounts for the receipt and disbursement of County revenues

Clerk and Recorder Fund accounts for resources received and disbursed by the County Clerk and Recorder on behalf of other government agencies

Sheriff Funds accounts for the receipt and disbursement of all inmate escrow and commissary transactions and civil trust activity

Public Trustee Fund is an intermediary and recorder for foreclosures and releases of deeds of trust.

E. Measurement Focus

The government-wide and proprietary fund statements are reported using the economic resources measurement focus. The government-wide, proprietary, and custodial fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. The County, through the Morgan County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County.

Taxes levied in December 2021, are recorded in governmental funds as taxes receivable and a deferred inflow of resources. Since property taxes are levied in December for the next calendar year's operations, the total levy is reported as taxes receivable and a deferred inflow of resources in the government-wide financial statements.

An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net fund balance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net position.

Custodial funds are unlike all other types of funds, reporting only assets and liabilities. Custodial funds, therefore, do not have a measurement focus, but use the accrual basis of accounting to recognize receivables and payables.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 120 days after year end except for property taxes which are within 60 days. The government considers property taxes as receivable if they are certified in the year prior to that in which collection is expected and a corresponding deferred inflow of resources. Revenue is recognized upon collection of the property taxes. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recognized when due.

Those revenues susceptible to accrual are grants from other governments, interfund transfers, licenses, interest revenue, and charges for services. Cigarette and property tax collected and held by the state at the end of the year on behalf of the County are recognized as revenue. Revenues collected by and held by one governmental agency for another within the reporting entity are considered susceptible to accrual. Fines, forfeitures, permits, and licenses are not susceptible to accrual because generally they are not measurable until they are received in cash.

The accrual basis of accounting is utilized by proprietary fund types and custodial funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

F. Budgets

Annually appropriated budgets are adopted for all funds except the Custodial Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All governmental funds are budgeted on the modified accrual basis of accounting with the proprietary funds budgeted on the accrual basis. All appropriations lapse at year end. The County presents certain items on a basis different than the adopted budget. These differences are disclosed in Note 12.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

G. Cash and Investments

For the purpose of the Statement of Cash Flows, cash and cash equivalents, includes amounts in demand deposits as well as short-term investments with an initial maturity date within three months of the date acquired by the County.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are reported at fair value.

H. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables/payables". Short-term interfund loans are classified as "due from other funds" or "due to other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

I. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items for enterprise and internal service funds.

K. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (i.e. roads, bridges, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than $5,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

All reported capital assets, other than land, water rights, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 50 years
Equipment	5 - 20 years
Vehicles	5 - 20 years
Infrastructure - Bridges	15 - 25 years
Infrastructure - Roads	15 - 50 years

L. Deferred outflows/inflows of resources

In addition to assets, statement of net position and fund balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows.

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *deferred revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available at both the governmental fund level and the period the taxes are levied for at the statement of net position reporting level.

M. Compensated Absences

Accumulated personal time off (PTO) leave is reported as a liability for all leave related to past employee service for which payment to the employee is considered probable. The leave liability includes any non-vested leave earned by employees which is considered likely to vest.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accumulated personal time off leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay the benefit. A liability for these amounts is reported in governmental funds only if they have matured, as a result of employee resignations and retirements. Accumulated personal time off leave for proprietary fund types is recorded as fund liabilities. All accumulated personal time off leave is accrued when incurred in the government-wide and proprietary financial statements.

N. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service or project expenditures.

O. Fund Balance

The County reports fund balances according to GASB statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its highest level of decision making authority which is the Board of County Commissioners, by resolution. Committed funds cannot be used for other purposes unless the Board of County Commissioners approve a resolution to remove or change the constraint. The Board establishes, modifies, or rescinds fund balance commitments by passage of a resolution.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the Board of County Commissioners or by an official to which the Board delegates authority. The Board has given authority to the County Finance Director.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are only reported in the general fund.

The Board establishes assigned fund balance by a written directive to the Finance Director. In 2021, the assigned fund balance in the general fund consists of $11,000,000 assigned to capital projects and $166,492 assigned to other agencies. The assigned to other agencies in general fund includes: 1) $58,783 held by the Morgan County Director of Cooperative Extension, 2) $57,360 held by the Morgan County Fair Board, 3) $46,974 held by the Morgan County Sheriff and 4) $3,375 held by the Morgan County Clerk.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

P. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Investment in capital assets, consist of capital assets, net of accumulated depreciation.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the County considers restricted funds to have been spent first.

The County does maintain restricted fund balance in several funds. The restricted funds are constrained to specific purposes legally required through legislation or other constitutional provisions.

The County also maintains funds that are committed for a specific purpose. These funds have been committed by the County Commissioners to fund specific projects by a County resolution.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. 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 reimbursements 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.

All other interfund transactions, except interfund services provided and used, are reported as transfers.

R. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Note 2: LEGAL COMPLIANCE - BUDGETS AND PROPERTY TAXES

On or before the 15th of September of each year, all agencies of the government submit requests for appropriation to the County Budget Officer so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and budget, and requested appropriations for the next fiscal year.

Colorado statutes provide the following timetable which is followed in the adoption of budget:

1) Submission of the proposed budget to the local governing body by October 15 of each year.
2) Levy all taxes and certify the levies by December 22.
3) Final adoption of budget and appropriations by December 31 of each year.
4) Lien for current year taxes attaches January 1.
5) Property taxes are due by April 30 of each year if paid in full, or in two equal installments due February 28 and June 15 of each year.
6) Taxes are considered delinquent June 16.
7) Liens are placed on property for which taxes are delinquent in November of each year.

Note 2: LEGAL COMPLIANCE - BUDGETS AND PROPERTY TAXES (continued)

Expenditures are appropriated for each individual fund. The appropriated budget is prepared by fund, function, and activity. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Commissioners. The legal level of budgetary control is the department level.

Note 3: DEPOSITS AND INVESTMENTS

Cash and Investments

At December 31, 2021, the County's deposits and investments were as follows:

Cash and Investments	
Cash	$ 2,335
Cash held by County departments	238,685
Cash held by County Treasurer	70,262,184
Cash held in custodial funds	2,354,306
Total cash and investments	$ 72,857,510

	Total
Cash	$ 42,241
Cash Deposits	5,276,967
Certificates of Deposit	10,851,692
Local government investment pool - ColoTrust	18,911,629
Local governemnt investment pool - CSafe	18,449,335
CSIP	14,363,761
Governmental Securities	4,961,885
	$ 72,857,510

Investments in local government investment pools are rated AAAm by Standard & Poor's. Certificates of deposit have maturities ranging from 07/30/22 to 10/22/24. The investments in U.S. Treasury Bills have a maturity of less than one year.

Cash held by County Departments includes $54,089 held by the County Sheriff, $3,375 held by the County Clerk, $58,783 held by the Morgan County Director of Cooperative Extension, $57,360 held by Morgan County Fair Board, and $2,144 held for IOG and $62,934 held for others held by the County Department of Human Services.

Note 3: DEPOSITS AND INVESTMENTS (continued)

Investments

Interest rate risk. As a means of limiting its exposure to interest rate risk, the County diversifies its investments by security type and institution, and limits holdings in any one type of investment or any one type of institution. The County investment policy restricts the maximum investment term to no more than three years from the purchase date. This limit on investment maturities is a means of limiting exposure to fair values arising from changes in interest rates.

Credit risk. State law limits investments for local government to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings.

Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency.

Investments consist of United States treasury bills, notes, and obligations of United States agencies. Investments are made in accordance with State statutes for the investment of public funds, and are stated at fair value. ColoTrust and C-Safe are vehicles established for local government entities in Colorado to pool surplus funds. In accordance with state law, the County operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. All of these funds operate similarly to a money market fund and each share is equal in value to $1.00. Investments of ColoTrust and C-Safe consist of various U.S. Government obligations. State law further limits investments in money market funds to those institutions with over $1 billion in assets or the highest credit rating from one or more of a nationally recognized rating agency. The State Securities Commissioner administers and enforces all State statutes governing the trusts. These funds do note have any unfunded commitments, redemption restrictions or redemption notice periods.

ColoTrust and C-Safe investments are over $1 billion in assets, rated AAAm by Standard & Poor's, and maintain a constant net asset value of $1 per share. ColoTrust and C-Safe are regulated by the State of Colorado, Department of Regulatory Agencies, Division of Securities, which establishes policies for and reviews the operation of local government investment pools in the state. Financial statements for CSAFE may be obtained at www.csafe.org and financial statements for ColoTrust may be obtained at www.ColoTrust.com.

Concentration of credit risk. The County limits investments to 20 percent to be invested with any one institution or in any single type of investment, with the exception of U.S. Treasury obligations, Government securities, and Government Agency backed securities.

Note 3: DEPOSITS AND INVESTMENTS (continued)

At December 31, 2021, unrealized losses were $30,064, which reflects the adjustment to fair value of investments

Custodial Credit Risk – Deposits Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. However, the Colorado Public Deposit Protection Act (PDPA) requires that deposits of all units of local governments be held at eligible public depositories, whose eligibility is determined by state regulators.

Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified 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 deposits as a group. The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Fair Value Measurements. To the extent available, the County's investments are recorded at fair value as of December 31, 2021. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

Investments that are measured using the net asset value (NAV) per share (or its equivalent) as a proxy are not classified in the fair value hierarchy. CSAFE and CSIP investments are reported at amortized cost which approximates fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 Investments – values are based on quoted prices (unadjusted) for identical assets (or liabilities) in active markets that a government can access at the measurement date.

Note 3: DEPOSITS AND INVESTMENTS (continued)

Level 2 Investments with inputs – other than quoted prices included within Level 1 - that are observable for an asset (or liability), either directly or indirectly.

Level 3 Investments – classified as Level 3 have unobservable inputs for an asset (or liability) and may require a degree of professional judgment.

The County's investments in Local Government Pools are measured at amortized cost.

Securities classified as Level 2 are valued as follows:

Govt. Sec: quoted prices for similar securities in active markets

Cert of Dep: matrix pricing based on securities' relationship to benchmark quoted prices

The following table summarizes the County's investments within the fair value hierarchy at December 31, 2021.

		Fair Value Measurement Using		
	Fair Value as of 12/31/21	Quoted prices in active markets for identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Certificates of Deposit	$ 10,851,692	$ -	$ 10,851,692	$ -
Government Securities	4,961,885	-	4,961,885	-
Total Investment by Fair Value Level	$ 15,813,577	$ -	$ 15,813,577	$ -

Additionally, at December 31, 2021, the County had $18,911,629 in Colorado Local Government Liquid Asset Trust (ColoTrust), $14,363,761 in Colorado Statewide Investment Program (CSIP), $119,004 in Colorado Surplus Asset Fund Trust (CSAFE) cash account and $17,997,617 in Colorado Surplus Asset Fund Trust (CSAFE) Core Account that are not valued at fair value.

Deposits

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is $250,000 per official custodian. Of the bank balance, $1,500,000 was covered by federal depository insurance. The remainder of the bank balance was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

Note 4: RECEIVABLES

Receivables at December 31, 2021, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Total
Receivables:						
Taxes	$ 13,160,635	$ 6,420,811	$ -	$ -	$ -	$ 19,581,446
Accounts & other	16,261	164,936	-	756,728	8,755	946,680
Intergovernmental	160,210	729,617	535	-	-	890,362
Gross Receivables	13,337,106	7,315,364	535	756,728	8,755	21,418,488
Less: allowance for Uncollectibles	-	-	-	(412,650)	-	(412,650)
Net total receivables	$ 13,337,106	$ 7,315,364	$ 535	$ 344,078	$ 8,755	$ 21,005,838

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts.

Note 5: CAPITAL ASSETS

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

	Balances 1/1/21	2021 Additions	2021 Deletions	Balances 12/31/21
Governmental Activities:				
Capital assets not being depreciated:				
Land and Water Rights	$ 2,118,484	$ -	$ -	$ 2,118,484
Construction in progress	-	99,691	-	99,691
Total capital assets not being depreciated	$ 2,118,484	$ 99,691	$ -	$ 2,218,175
Capital assets being depreciated:				
Buildings and improvements	$ 19,905,177	$ -	$ (107,715)	$ 19,797,462
Equipment	20,997,343	2,498,536	(668,553)	22,827,326
Infrastructure	449,130,689	256,779	-	449,387,468
Total capital assets being depreciated	$ 490,033,209	$ 2,755,315	$ (776,268)	$ 492,012,256
Less accumulated depreciation:				
Buildings and improvements	$ (13,642,235)	$ (399,379)	$ 27,527	$ (14,014,087)
Equipment	(13,724,626)	(1,265,323)	586,306	(14,403,643)
Infrastructure	(363,331,946)	(9,295,080)	-	(372,627,026)
Total accumulated depreciation	$ (390,698,807)	$ (10,959,782)	$ 613,833	$ (401,044,757)
Total capital assets being depreciated,net	$ 99,334,402	$ (8,204,466)	$ (162,435)	$ 90,967,501
Governmental activities capital assets,net	$ 101,452,886	$ (8,104,776)	$ (162,435)	$ 93,185,674
Business-type Activities:				
Capital assets not being depreciated:				
Land and Water Rights	$ 125,787	$ -	$ -	$ 125,787
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	$ 125,787	$ -	$ -	$ 125,787
Capital assets being depreciated:				
Buildings and improvements	$ 1,720,466	$ -	$ -	$ 1,720,466
Equipment	1,364,834	137,960	(91,777)	1,411,017
Infrastructure	-	635,300	-	635,300
Total capital assets being depreciated	$ 3,085,300	$ 773,260	$ (91,777)	$ 3,766,783
Less accumulated depreciation:				
Buildings and improvements	$ (709,212)	$ (41,724)	$ -	$ (750,936)
Equipment	(825,537)	(101,398)	84,206	(842,729)
Infrastructure	-	(10,587)	-	(10,587)
Total accumulated depreciation	$ (1,534,749)	$ (153,709)	$ 84,206	$ (1,604,252)
Total capital assets being depreciated,net	$ 99,334,402	$ (8,204,467)	$ (162,435)	$ 90,967,500
Business-type activities capital assets,net	$ 1,550,551	$ 619,551	$ (7,571)	$ 2,288,318

Note 5: CAPITAL ASSETS (continued)

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

Governmental activities:		
General government	$	459,946
Public safety		180,574
Auxiliary services		23,100
Roads and bridges		9,292,600
Public welfare		5,284
Capital assets held by Morgan County's internal service fund are charged to the various functions based on their usage of the assets		998,276
Total depreciation expense – government activities	$	10,959,780

Business-type activities:		
Ambulance service	$	90,363
Solid waste management fund		63,346
Total depreciation expense – business-type activities	$	153,709

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. In 1985, 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. During 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, 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.

Note 6: RISK MANAGEMENT (continued)

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.

County's Health and Life Insurance Pool

The County provides employee health and life insurance coverage for all full-time employees. Coverage in 2021 was provided through the County Health Pool (CHP).

The CHP provides medical and life insurance coverage for employees and their dependents. Claims are administered by National Benefit Administrators, Inc. Health care claims are managed by Anthem Blue Cross.

The amounts of settlements have not exceeded insurance coverage in any of the past three years for the above referenced pools.

Note 7: LONG-TERM OBLIGATIONS

During the year ended December 31, 2021, the following changes occurred in the County's long-term obligations:

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21	One Year
Governmental Activities:					
Compensated absences	$ 936,255	$ 714,649	$ (734,538)	$ 916,366	$ 606,324
Total Governmental	936,255	714,649	(734,538)	916,366	606,324
Busines-Type Activities:					
Landfill closure and post closure care costs	968,843	-	(238,101)	730,742	-
Compensated absences	94,052	57,751	(73,352)	78,451	51,111
Total Business-Type	1,062,895	57,751	(311,453)	809,193	51,111
Total Long-term obligations	$ 1,999,150	$ 772,400	$ (1,045,991)	$ 1,725,559	$ 657,435

At year-end, $155,076 of internal service funds compensated absences are included in the above amounts. For governmental activities, the majority of compensated absences are liquidated by the General Fund. The landfill closure and postclosure costs are liquidated by the Solid Waste Fund, which is a business-type activity.

Note 8: INTERFUND ASSETS/LIABILITIES

The County reports interfund balances between many of its funds. These balances result from a time lag between the dates interfund goods and services are provided or reimbursable expenditures occur and payments between funds occur. Interfund balances are generally expected to be repaid within one year of the financial statement date. The sum of all balances presented in the table agrees with the sum of interfund balances presented in the balance sheets for governmental and proprietary funds.

Interfund Receivables/(Payables):

$	298	Solid Waste Management
	(35,854)	Ambulance Service
	(10,811)	Solid Waste Management
$	(46,367)	Business Type Totals
$	(178,303)	General Fund
	(150,234)	Road & Bridge Department
	(29,178)	Social Services
	-	Jail Capital Improvement
	(289)	Lodging and Tourism
$	(358,004)	
$	(298)	Solid Waste Management
$	404,669	Central Services Fund
$	46,367	Governmental Activities Totals

Note 9: INTERFUND TRANSFERS

In 2021 the County General Fund transferred $120,000 to the County Jail Capital Improvement Fund. The transfer was budgeted and done to increase funds being accumulated in the Jail Capital Improvement Fund. This fund was created to account for money for future expansion of the County's Judicial Center building.

Note 10: TABOR COMPLIANCE

Emergency Reserve - Tax Spending and Debt Limitations

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

Note 10: TABOR COMPLIANCE (continued)

The County's financial activity for the year ended December 31, 2016, will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2016, revenue in excess of the County's "spending limit" must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

In November, 1996, the County's electorate approved a resolution to permit the County to collect and receive, retain, and expend all revenue and other funds from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, beginning with fiscal year 1995 and all succeeding years, provided however, that there is no increasing of tax rates or new taxes imposed.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The County has made the following fund balance restriction as a result of Article X, Section 20 (TABOR) of the Colorado Constitution:

> The Article requires an emergency restriction be set aside in the amount of 3% or more of its fiscal year spending. At December 31, 2021, the County has restricted $1,000,000 in the General Fund for this purpose, which is in excess of the required 3%.

The County believes it has fully complied with the provisions of the TABOR amendment.

Note 11: CLOSURE AND POSTCLOSURE CARE COSTS

The Environmental Protection Agency and the Colorado Department of Health have approved various rules and regulations regarding the operation of solid waste landfills. These rules and regulations were effective in 1994 but the implementation was delayed until 1997. GASB adopted Statement #18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, provides guidance for the accounting and financial reporting of these closure and postclosure costs. The GASB statement requires landfill operators to recognize these costs starting in 1994 even though the federal and state rules were not effective until 1997.

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these

Note 11: CLOSURE AND POSTCLOSURE CARE COSTS (continued)

closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Closure and postclosure care cost are calculated annually to allow for inflation.

In 2009, the County engaged Paragon Consulting Group to prepare a new Design and Operations Plan (D&O) for the Morgan County Solid Waste Landfill facility. With the implementation of the new baler system constructed in 2009, there have been considerable changes in operations from the last D&O updated in 2003. According to the new D&O submitted to the Colorado Department of Public Health Hazardous Materials and Waste Management Division, the life of the County Landfill will be extended to 2082. The previous landfill life estimate was 2051. In 2019 the County engaged AEC (American Environmental Consultants) to revise the total landfill capacity. A new cell was constructed and the new capacity was calculated at 9,303,112 cubic yards.

In compliance with Section 1.8 of the Colorado Regulations Pertaining to Solid Waste Sites and Facilities (Regulations), a revised calculation of costs for closure and postclosure was completed in 2019 by American Environmental Consulting, LLC.

At December 31, 2021, the closure cost for the Morgan County landfill was $2,266,598 and estimated postclosure care cost was $509,808. The $730,742 reported as landfill closure and postclosure care liability at December 31, 2021, represents the cumulative amount reported to date based on a 26.32 percent capacity usage of the estimated total cost of closure and postclosure care of $2,776,406. This is a decrease of $238,101 from the closure and postclosure liability reported in 2020.

The County will recognize the remaining estimated cost of closure and postclosure care of $2,045,664 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2021. The remaining life of the landfill is 60 years. The County expects to close the landfill in the year 2082. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The County will be required by state and federal laws and regulations to provide certain financial assurances, which might include making annual contributions to a trust, to finance these closure and postclosure care costs. The County does not expect to pay any postclosure costs within the next year.

Note 12: BUDGETARY DATA

The actual results of operations are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparations of the 2021 budget. For purposes of preparing the Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, the actual

Note 12: BUDGETARY DATA (continued)

results of operations have been adjusted to a basis consistent with the County's budgeted revenues and expenditures.

Adjustments necessary to convert the expenditures at the end of the year on the GAAP basis to the budgetary basis are as follows:

	Proprietary Fund Types		
	Central Service Fund	Ambulance Service Fund	Solid Waste Management Fund
Net Income (Loss)			
GAAP Basis	$ (73,452)	$ (45,765)	$ 763,526
Increase (Decrease) Due To:			
Depreciation	998,276	90,363	63,348
Capital Outlay	(2,203,567)	(121,160)	(635,301)
Net Income (Loss)			
Budgetary Basis	$ (1,278,743)	$ (76,562)	$ 191,573

Note 13: JOINTLY GOVERNED ORGANIZATIONS

The County, along with other counties and cities in Northeastern Colorado, participate in various intergovernmental service organizations. The County provides various levels of funding and normally has some degree of representation on the various Boards.

Northeastern Colorado Association of Local Governments

Northeastern Colorado Association of Local Governments was organized pursuant to Article XIV, Section 18 (2) of the Colorado Constitution and 29-1-401, 29-1-402, and 29-1-403, CRS.1973. Membership is open to the counties and incorporated municipalities comprising Colorado Planning and Management Region One. The purpose of the organization is to promote regional cooperation and coordination among local governments. The organization is governed by a Board of Directors. Morgan County’s representation consists of one regular representative and one alternate representative to the Board. In 2021, the County paid $43,057 to Northeastern Colorado Association of Local Governments.

Note 13: JOINTLY GOVERNED ORGANIZATIONS (continued)

Northeast Colorado Health Department

The Northeast Colorado Health Department's jurisdiction, at the discretion of the Board's of County Commissioners, extends over all unincorporated areas and all municipal corporations in Logan, Morgan, Phillips, Sedgwick, Washington, and Yuma Counties. The Department administers and enforces laws pertaining to public health, vital statistics, and water quality control. It is a public organization consisting of a Board of Health, a public health officer, and any other personnel as required to fulfill the functions of the Department. The Board of Health is comprised of eight members. Morgan County has two representatives on the Board, requiring that one appointee lives within the City of Fort Morgan. In 2021, the County paid $277,362 to Northeast Colorado Health Department.

Centennial Mental Health Center

Centennial Mental Health Center was incorporated pursuant to C.R.S. 7-22-101-110 to serve the behavioral health needs of ten participating counties. The Board of Directors (Board) consists of twenty-one members. Morgan County has two directorships on the Board. The Board of County Commissioners has the right to name the Commissioner Representatives, who may be, but are not required to be, a member of the Board of Commissioners. At least one-half of the Board shall be persons who are not providers of health care. In 2021, the County did not make any contributions to Centennial Mental Health Center.

Note 14: RETIREMENT PLAN

Morgan County is a member of the Colorado Retirement Association, a multi-employer defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are entered into the plan upon hire date with the County. The County and the employee each contribute an amount equal to 4.00% of the employee's gross wages. Employees may make additional voluntary contributions. Contribution rates may be amended by vote of the County Commissioners.

Net earnings or losses are allocated quarterly to Plan participants. The allocation is based on each participant's balance at the beginning of that quarter. Participants receiving benefit payments upon retirement or termination are allocated earnings through the date of termination.

Participants vest in employer contributions and in the earnings, losses and changes in fair value of the plan assets on a 6-year vesting schedule Participants are immediately vested 100% in their own contributions and earnings. County contributions and those

Note 14: RETIREMENT PLAN (continued)

earnings which have not vested to an employee terminating activity in the plan are returned to the County to use in meeting current and future funding requirements. Total retirement forfeiture was $38,605.

Both the County and the covered employees made the required 4.00% contributions, amounting to $447,882 from the County and $616,818 from the employees (including voluntary contributions) for a total contribution of $1,064,700.

If employment terminates, the Plan permits distribution of the vested account. Distribution may be made as soon as practicable following the date of termination. Morgan County does not offer post-employment retirement benefits.

The Plan issues a complete stand-alone set of financial statements that meet all the reporting requirements of US GAAP. These financial statements are publicly available and may be obtained at: Colorado Retirement Association, 751 Southpark Drive, Littleton, CO 80120 or at the following web address: CRA-online.org.

Note 15: CONTINGENT LIABILITIES

The County is involved in various multi-county self-insurance pools. In the event the contributions to the pools are not enough to cover claims, the County may be required to provide additional funding.

The County receives significant financial assistance from numerous federal, state and other grant programs. The disbursement of finances received under these programs generally requires compliance with specific guidelines and is subject to audit by other agencies. Any disallowed claims resulting from such audits may create a liability

MORGAN COUNTY

Where Prairie Meets The Sky

REQUIRED SUPPLEMENTARY INFORMATION

MORGAN COUNTY

Where Prairie Meets The Sky

MAJOR GOVERNMENTAL FUNDS

General Fund

General Fund- This fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue Funds

Road and Bridge - This fund is restricted for the acquisition, signage, construction and maintenance of new and existing roads and bridges in the County.

Social Services Fund - This fund is used to provide separate accountability or revenues and expenditures for the various public welfare services provided by the Department of Social Services.

Morgan County, Colorado

General Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budget Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes - current	$ 12,517,819	$ 12,288,542	$ (229,277)
Property taxes - abatements	(5,000)	(4,133)	867
Property taxes - delinquent	15,000	137,957	122,957
Proceeds of tax sale	5,000	13,384	8,384
Specific ownership taxes	1,145,000	1,260,109	115,109
Cigarette tax	9,000	10,965	1,965
Sales tax commissions	70,000	99,632	29,632
Intergovernmental	546,850	772,083	225,233
Administration	18,000	-	(18,000)
Licenses and permits	86,000	100,676	14,676
Fines and forfeitures	2,000	2,160	160
Fee accounts	1,459,550	1,585,391	125,841
Investment income	285,000	141,537	(143,463)
Miscellaneous	248,996	360,474	111,478
Total revenues	$ 16,403,215	$ 16,768,777	$ 365,562

See the accompanying independent auditors' report.

Morgan County, Colorado

General Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budget Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
EXPENDITURES			
Current:			
General government:			
Commissioners	$ 322,822	$ 303,370	$ 19,452
Planning and zoning	420,587	276,053	144,534
Administration	2,521,439	2,094,469	426,970
Clerk	886,855	719,670	167,185
Treasurer	238,487	235,148	3,339
Public trustee	12,700	12,700	-
Assessor	750,992	1,074,241	(323,249)
Maintenance	1,333,203	1,202,315	130,888
Total general government	6,487,085	5,917,966	569,119
Judicial and public safety:			
Sheriff	2,691,259	2,545,282	145,977
Jail	2,933,901	2,430,217	503,684
Communications center	1,160,238	838,605	321,633
Coroner	222,215	169,958	52,257
Emergency management	123,517	113,160	10,357
Total judicial and public safety	7,131,130	6,097,222	1,033,908
Auxiliary services:			
Extension service	377,371	300,229	77,142
Veterans' officer	30,964	18,766	12,198
Parks and recreation	185,544	146,397	39,147
Engineer	5,004	4,902	102
Total auxiliary services	598,883	470,294	128,589
Intergovernmental cooperation outlay	1,147,657	1,131,727	15,930
Capital outlay	2,550,000	221,818	2,328,182
Total expenditures	17,914,755	13,839,027	4,075,728
Excess (deficiency) of revenues over (under) expenditures	(1,511,540)	2,929,750	4,441,290
Other financing sources (uses):			
Transfers in:			
Transfers out:			
Jail capital improvement fund	(120,000)	(120,000)	-
Proceeds from sale of capital assets	-	199,872	199,872
Total other financing sources (uses)	(120,000)	79,872	199,872
Net change in fund balances	(1,631,540)	3,009,622	4,641,162
Fund Balances, January 1	32,730,322	32,730,322	-
Fund Balances, December 31	$ 31,098,782	$ 35,739,944	$ 4,641,162

See the accompanying independent auditors' report.

Morgan County, Colorado

Road and Bridge Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes - current	$ 4,811,585	$ 4,723,456	$ (88,129)
Property taxes - abatements	(2,000)	(1,590)	410
Property taxes - delinquent	4,000	53,168	49,168
Specific ownership taxes	350,000	409,553	59,553
Intergovernmental	3,064,685	3,422,745	358,060
Charges for materials/service	36,000	19,089	(16,911)
Investment income	70,000	16,390	(53,610)
Miscellaneous	10,400	10,986	586
Total revenues	8,344,670	8,653,797	309,127
EXPENDITURES			
Current:			
Maintenance - routine	3,303,236	2,468,920	834,316
Maintenance - asphalt	1,430,500	840,213	590,287
Snow and ice removal	107,000	91,725	15,275
Structural construction	694,594	432,180	262,414
Administration	1,761,100	1,215,321	545,779
Remittance to muncipalities	853,269	826,188	27,081
Capital outlay	538,518	304,720	233,798
Total expenditures	8,688,217	6,179,267	2,508,950
Excess (deficiency) of revenues over (under) expenditures	(343,547)	2,474,530	2,818,077
Fund Balances, January 1	13,247,831	13,247,831	-
Fund Balances, December 31	$ 12,904,284	$ 15,722,361	$ 2,818,077

See the accompanying independent auditors' report.

Morgan County, Colorado

Social Services Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes - current	$ 1,283,089	$ 1,259,588	$ (23,501)
Property taxes - abatements	(500)	(424)	76
Property taxes - delinquent	700	11,121	10,421
Intergovernmental	21	20	(1)
Intergovernmental:			
Colorado state allocation:			
Administration	2,178,668	2,189,651	10,983
JOBS/WORKS/TANF block grant	423,776	561,710	137,934
Child welfare block grant	1,317,810	1,315,009	(2,801)
Child care block grant	107,207	105,853	(1,354)
Medicaid transportation	68,250	35,673	(32,577)
Miscellaneous	29,000	53,534	24,534
Total revenues	5,408,021	5,531,735	123,714
EXPENDITURES			
Current:			
Administration	2,803,399	2,310,897	492,502
Adult Protective Services	248,438	267,968	(19,530)
JOBS/WORKS/TANF block grant	734,034	704,695	29,339
Aid to needy disabled	2,000	9,262	(7,262)
Child welfare block grant	1,823,232	1,786,723	36,509
Child care block grant	175,736	182,139	(6,403)
General Assistance	18,450	1,667	16,783
OAP 5% HCA	13,500	19,075	(5,575)
Total expenditures	5,818,789	5,282,426	536,363
Excess (deficiency) of revenues over (under) expenditures	(410,768)	249,309	660,077
Fund Balances, January 1	1,227,887	1,227,887	-
Fund Balances, December 31	$ 817,119	$ 1,477,196	$ 660,077

See the accompanying independent auditors' report.

MORGAN COUNTY, COLORADO

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2020

Note 1: BUDGETARY DATA

The County annually adopts the Budget Resolution for all operating funds of the County. Prior to October 15, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1 for all funds, except custodial funds. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and the means of financing them. Prior to December 31, the budget is legally adopted through the passage of adoption and appropriation resolutions. All annual appropriations lapse at year end. Budgets are adopted on a basis consistent with generally accepted accounting principles.

MORGAN COUNTY

Where Prairie Meets The Sky

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted for expenditure for particular purposes.

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911 Emergency Telephone Fund - This fund is used to account for the funding and expenditures of the County-wide emergency telephone line. Funding is obtained through a tax of seventy cents placed on every telephone bill in the County on a monthly basis. Expenditures are for purchases and repairs of equipment.

Lodging Tax Tourism Fund - This fund is used to account for receipt and disbursement of the 1.9% County-wide room tax established to pay for tourism promotion.

Conservation Trust Fund - This fund is used to provide for an accounting of those monies received through the State of Colorado Lottery Fund program. The State requires that these monies be expended in areas of parks and recreation development.

Sheriff's Confiscation/Seizure Fund - This fund is used to account for monies collected from the sale of evidence seized by the Sheriff's Office.

Capital Improvement Fund

Capital improvement funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund and trust funds.

Jail Capital Improvement Fund - In 2008, this fund was created to accumulate monies for future capital expansion of the Morgan County Jail. This project will be funded by the recently approved Model Traffic Code fees received by the Morgan County Sheriff and amounts received as a result of housing individuals sentenced to incarceration from any other jurisdiction than Morgan County District or County Court.

Morgan County, Colorado

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2021

	Special Revenue			
	911 Emergency Telephone	Lodging Tax Tourism	Conservation Trust	Sheriff's Confiscation/ Seizure
ASSETS:				
Cash	$ -	$ -	$ -	$ 85
Cash held by county departments	-	-	-	7,115
Cash and investments held by County Treasurer	915,215	603,112	338,600	-
Accounts	132,352	-	-	-
Intergovernmental	-	40,919	-	-
Total assets	$ 1,047,567	$ 644,031	$ 338,600	$ 7,200
LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants payable	$ 143	$ 300	$ -	$ -
Vouchers payable	120	13,538	-	-
Accounts payable	-	-	-	450
Interfund payables	-	289	-	-
Total liabilities	263	14,127	-	450
Fund balances:				
Restricted for:				
911 emergency	1,047,304	-	-	-
Tourism	-	629,904	-	-
Parks and recreation	-	-	338,600	-
Law enforcement	-	-	-	6,750
Committed to:				
Jail expansion	-	-	-	-
Total fund balances	1,047,304	629,904	338,600	6,750
Total liabilities and fund balances	$ 1,047,567	$ 644,031	$ 338,600	$ 7,200

See the accompanying independent auditors' report.

Total	Capital Projects Jail Capital Improvement	Total Nonmajor Governmental Funds
$ 85	$ -	$ 85
7,115	-	7,115
1,856,927	1,304,450	3,161,377
132,352	-	132,352
40,919	535	41,454
$ 2,037,398	$ 1,304,985	$ 3,342,383
$ 443	$ -	$ 443
13,658	-	13,658
450	-	450
289	-	289
14,840	-	14,840
1,047,304	-	1,047,304
629,904	-	629,904
338,600	-	338,600
6,750	-	6,750
-	1,304,985	1,304,985
2,022,558	1,304,985	3,327,543
$ 2,037,398	$ 1,304,985	$ 3,342,383

Morgan County, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended December 31, 2021

	Special Revenue			
	911 Emergency Telephone	Lodging Tax Tourism	Conservation Trust	Sheriff's Confiscation/ Seizure
REVENUES				
Taxes	$ -	$ 206,192	$ -	$ -
Intergovernmental	-	-	120,726	-
Fee accounts	-	-	-	924
Charges for materials/service	594,609	-	-	-
Investment income	-	-	904	-
Total revenues	594,609	206,192	121,630	924
EXPENDITURES				
Current:				
General government	-	129,083	53,025	-
Judicial and public safety	411,769	-	-	10
Total expenditures	411,769	129,083	53,025	10
Excess (deficiency) of revenues over (under) expenditures	182,840	77,109	68,605	914
Other financing sources:				
Operating transfers in:				
Transfers in	-	-	-	-
Net change in fund balances	182,840	77,109	68,605	914
Fund Balances, January 1	864,464	552,795	269,995	5,836
Fund Balances, December 31	$ 1,047,304	$ 629,904	$ 338,600	$ 6,750

See the accompanying independent auditors' report.

Total	Capital Projects Jail Capital Improvement	Total Nonmajor Governmental Funds
$ 206,192	$ -	$ 206,192
120,726	-	120,726
924	8,768	9,692
594,609	-	594,609
904	-	904
923,355	8,768	932,123
182,108	-	182,108
411,779	-	411,779
593,887	-	593,887
329,468	8,768	338,236
-	120,000	120,000
329,468	128,768	458,236
1,693,090	1,176,217	2,869,307
$ 2,022,558	$ 1,304,985	$ 3,327,543

Morgan County, Colorado

911 Emergency Telephone Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Emergency telephone service surcharges	$ 274,000	$ 594,609	$ 320,609
Miscellanous	50	-	(50)
Total revenues	274,050	594,609	320,559
EXPENDITURES			
Current:			
Compensation and benefits	300,000	300,000	-
Operating supplies	13,000	1,931	11,069
Purchased services	219,000	99,614	119,386
Fixed charges	16,000	5,584	10,416
Miscellaneous	503,500	4,640	498,860
Total expenditures	1,051,500	411,769	639,731
Excess (deficiency) of revenues over (under) expenditures	(777,450)	182,840	960,290
Fund Balances, January 1	864,464	864,464	-
Fund Balances, December 31	$ 87,014	$ 1,047,304	$ 960,290

See the accompanying independent auditors' report.

Morgan County, Colorado

Lodging Tax Tourism Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Lodging tax	$ 200,000	$ 206,192	$ 6,192
EXPENDITURES			
Current:			
Compensation and benefits	35,000	45,000	(10,000)
Operating supplies	6,200	1,742	4,458
Purchased services	156,900	58,347	98,553
Fixed charges	6,100	3,600	2,500
Contributions	25,000	18,454	6,546
Miscellaneous	2,000	1,940	60
Total expenditures	231,200	129,083	102,117
Excess (deficiency) of revenues over (under) expenditures	(31,200)	77,109	108,309
Fund Balances, January 1	552,795	552,795	-
Fund Balances, December 31	$ 521,595	$ 629,904	$ 108,309

See the accompanying independent auditors' report.

Morgan County, Colorado

Conservation Trust Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	$ 90,000	$ 120,726	$ 30,726
Interest	3,000	904	(2,096)
Total revenues	93,000	121,630	28,630
EXPENDITURES			
Current:			
Compensation and benefits	48,000	40,075	7,925
Operating supplies	2,000	-	2,000
Purchased services	-	12,950	(12,950)
Capital outlay	210,000	-	210,000
Total expenditures	260,000	53,025	206,975
Excess (deficiency) of revenues over (under) expenditures	(167,000)	68,605	235,605
Fund Balances, January 1	269,995	269,995	-
Fund Balances, December 31	$ 102,995	$ 338,600	$ 235,605

See the accompanying independent auditors' report.

Morgan County, Colorado

Sheriff's Confiscation/Seizure Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fee accounts	$ 1,000	$ 924	$ (76)
EXPENDITURES			
Current:			
Operating supplies	4,000	10	3,990
Total expenditures	4,000	10	3,990
Excess (deficiency) of revenues over (under) expenditures	(3,000)	914	3,914
Fund Balances, January 1	5,836	5,836	-
Fund Balances, December 31	$ 2,836	$ 6,750	$ 3,914

See the accompanying independent auditors' report.

Morgan County, Colorado

Jail Capital Improvement Fund

Schedule of Revenues, Expenditures and

Changes in Fund Balances - Budget and Actual

Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	$ 1,000,000	$ -	$ (1,000,000)
Fee accounts	20,000	8,768	(11,232)
Total revenues	1,020,000	8,768	(1,011,232)
EXPENDITURES			
Current:			
Capital outlay	2,150,000	-	2,150,000
Total expenditures	2,150,000	-	2,150,000
Excess (deficiency) of revenues over (under) expenditures	(1,130,000)	8,768	1,138,768
Other financing sources:			
Transfers in:			
General fund	120,000	120,000	-
Excess of revenues and other financing sources over expenditures	(1,010,000)	128,768	1,138,768
Fund Balances, January 1	1,176,217	1,176,217	-
Fund Balances, December 31	$ 166,217	$ 1,304,985	$ 1,138,768

See the accompanying independent auditors' report.

MORGAN COUNTY

Where Prairie Meets The Sky

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the County's Board of Commissioners is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the County's Board of Commissioners has decided that periodic determination of net income is appropriate for accountability purposes.

Ambulance Service Fund - This fund is used to account for the activities of the County owned and operated ambulance service.

Solid Waste Management Fund - This fund is used to account for the solid waste management activities of the County including the operation of the County's only municipal solid waste landfill and three strategically located solid waste transfer stations.

Morgan County, Colorado
Ambulance Service
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 1,680,000	$ 1,459,072	$ (220,928)
Miscellaneous revenues	22,500	22,277	(223)
Total operating revenues	1,702,500	1,481,349	(221,151)
Operating expenses			
Compensation and benefits	1,251,379	1,098,363	153,016
Operating supplies	63,300	63,772	(472)
Purchased services	172,450	144,770	27,680
Fixed charges	215,250	195,123	20,127
Other expenses	75,250	10,651	64,599
Capital outlay	-	121,160	(121,160)
Total operating expenses	1,777,629	1,633,839	143,790
Operating income (loss)	(75,129)	(152,490)	(77,361)
Nonoperating revenues (expenses)			
State grant	12,000	63,197	51,197
Other grants and donations	50	2,100	2,050
Interest	6,000	1,400	(4,600)
Gain (loss) on disposal of assets	-	9,231	9,231
Total nonoperating revenues (expenses)	18,050	75,928	57,878
Net income (loss) - budget basis	$ (57,079)	(76,562)	$ (19,483)
Adjustments for GAAP Basis			
Capital outlay		121,160	
Depreciation		(90,363)	
Total Adjustments for GAAP Basis		30,797	
Change in net position (GAAP Basis)		(45,765)	
Total net position, January 1		2,387,474	
Total net position, December 31		$ 2,341,709	

Morgan County, Colorado
Solid Waste Management
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
Year ended December 31, 2021

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 1,170,000	$ 1,284,894	$ 114,894
Miscellaneous revenues	4,000	7,473	3,473
Total operating revenues	1,174,000	1,292,367	118,367
Operating expenses			
Compensation and benefits	378,711	362,410	16,301
Operating supplies	78,000	60,471	17,529
Purchased services	231,900	120,035	111,865
Fixed charges	211,500	159,536	51,964
Other expenses	239,500	(224,666)	464,166
Capital outlay	1,034,000	635,301	398,699
Total operating expenses	2,173,611	1,113,087	1,060,524
Operating income (loss)	(999,611)	179,280	1,178,891
Nonoperating revenues (expenses)			
Interest	50,000	12,293	(37,707)
Total nonoperating revenues (expenses)	50,000	12,293	(37,707)
Net income (loss) - budget basis	$ (949,611)	191,573	$ 1,141,184
Adjustments for GAAP Basis			
Capital outlay		635,301	
Depreciation		(63,348)	
Total Adjustments for GAAP Basis		571,953	
Change in net position (GAAP Basis)		763,526	
Total net position, January 1		6,007,146	
Total net position, December 31		$ 6,770,672	

MORGAN COUNTY

Where Prairie Meets The Sky

INTERNAL SERVICE FUND

The Central Services Fund is used to account for the financing of goods and/or services provided by Attorney Services, Accounting, Information Systems, Central Inventory Control, and Fleet Management to other County departments and funds, County involved jointly governed organizations and other governmental units on a cost reimbursed basis.

Morgan County, Colorado
Central Services Fund
Schedule of Net Position
December 31, 2021

	Central Services Fund
ASSETS	
Current assets:	
Cash	$ 350
Cash and investments held by County Treasurer	3,930,383
Receivable (net of allowance uncollectibles:	
Accounts	8,755
Interfund Receivables	404,669
Inventory	154,729
Total current assets	4,498,886
Long term assets:	
Capital assets (net of accumulated depreciation):	
Buildings	2,136
General equipment	6,417,753
Infrastructure	15,082
Total long term assets	6,434,971
Total assets	10,933,857
LIABILITIES	
Current liabilities:	
Warrants payable	654,093
Vouchers payable	114,923
Accounts payable	62,165
Compensated absences	76,195
Interfund payables	263
Total current liabilities	907,639
Long term liabilities:	
Compensated absences	78,881
Total long term liabilities	78,881
Total liabilities	986,520
NET POSITION	
Investment in capital assets	6,434,971
Unrestricted	3,512,366
Total net position	$ 9,947,337

Morgan County, Colorado
Central Services Fund
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
Year ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 4,640,500	$ 4,310,993	$ (329,507)
Miscellaneous revenues	47,000	16,059	(30,941)
Total operating revenues	4,687,500	4,327,052	(360,448)
Operating expenses			
Compensation and benefits	1,608,495	1,452,823	155,672
Operating supplies	1,484,100	1,436,438	47,662
Purchased services	577,225	576,611	614
Fixed charges	72,383	76,142	(3,759)
Other expenses	7,700	3,291	4,409
Capital outlay	3,544,645	2,203,567	1,341,078
Total operating expenses	7,294,548	5,748,872	1,545,676
Operating loss	(2,607,048)	(1,421,820)	1,185,228
Nonoperating revenues (expenses)			
Gain (loss) on disposal of assets	-	118,320	118,320
Insurance recovery	-	24,757	24,757
Total nonoperating revenues (expenses)	-	143,077	143,077
Net income (loss) - budget basis	$ (2,607,048)	(1,278,743)	$ 1,328,305
Adjustments for GAAP Basis			
Capital outlay		2,203,567	
Depreciation		(998,276)	
Total Adjustments for GAAP Basis		1,205,291	
Change in net position (GAAP Basis)		(73,452)	
Total net position, January 1		10,020,789	
Total net position, December 31		$ 9,947,337	

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

County Treasurer - This fund is used to account for monies received and held by the County Treasurer as agent for other governmental units located within the County.

County Clerk - This fund is used to account for monies received by the County Clerk as agent for other governmental units.

County Sheriff - This fund is used to account for monies received by the County Sheriff and Jail for individuals or on behalf of the inmates in the County's care.

County Public Trustee - This fund is used to account for the fiduciary activities of the Pubic Trustee including forclosures and releases of deeds of trust.

Morgan County, Colorado

Combining Statement of Fiduciary Net Position

Custodial Funds

December 31, 2021

	County Clerk Fund	County Sheriff Fund	County Treasurer Fund	Public Trustee Fund	Total
ASSETS					
Cash	$ 748,278	$ 66,734	$ 1,524,503	$ 14,791	$ 2,354,306
Total assets	748,278	66,734	1,524,503	14,791	2,354,306
LIABILIITES					
Due to others	748,278	-	1,524,503	14,791	2,287,572
Total liabilities	748,278	-	1,524,503	14,791	2,287,572
NET POSITION					
Restricted for individuals	-	66,734	-	-	66,734
Total net position	$ -	$ 66,734	$ -	$ -	$ 66,734

Morgan County, Colorado

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the year ended December 31, 2021

	County Clerk Fund	County Sheriff Fund	County Treasurer Fund	Public Trustee Fund	Total
Additions					
Cash deposits	$ 11,167,319	$ 246,721	$ 43,407,851	$ 18,618	$ 54,840,509
Total additions	11,167,319	246,721	43,407,851	18,618	54,840,509
Deductions					
Paid to others	11,167,319	244,756	43,407,851	18,618	54,838,544
Total deductions	11,167,319	244,756	43,407,851	18,618	54,838,544
Change in net position	-	1,965	-	-	1,965
Total net position, January 1	-	64,769	-	-	64,769
Total net position, December 31	$ -	$ 66,734	$ -	$ -	$ 66,734

See Notes to Financial Statements

MORGAN COUNTY

Where Prairie Meets The Sky

SUPPLEMENTAL SCHEDULES

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

Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Morgan
	YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _):	Prepared By: Michelle R. Covelli Phone: 970-542-3506

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	5,185,635
4. Miscellaneous local receipts (from page 2)	45,418
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	5,231,053
B. Private Contributions	
C. Receipts from State government	
(from page 2)	3,358,515
D. Receipts from Federal Government	
(from page 2)	64,230
E. Total receipts (A.7 + B + C + D)	8,653,798

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	304,720
2. Maintenance:	3,087,028
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	80,803
c. Other	25,927
d. Total (a. through c.)	106,730
4. General administration & miscellaneous	2,680,788
5. Highway law enforcement and safety	
6. Total (1 through 5)	6,179,266
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	6,179,266

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	13,247,831	8,653,798	6,179,266	15,722,363	0

Notes and Comments:

See Independent Auditors' Report

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	4,775,033	a. Interest on investments	16,390
b. Other local imposts:		b. Traffic Fines & Penalities	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	1,048	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	14,074
4. Licenses	0	f. Charges for Services	2,515
5. Specific Ownership &/or Other	409,554	g. Other Misc. Receipts	174
6. Total (1. through 5.)	410,602	h. Other	12,265
c. Total (a. + b.)	5,185,635	i. Total (a. through h.)	45,418
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	3,002,506	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	78,752	d. Federal Transit Admin	0
d. Other (Specify) - PILT Grant	73	e. U.S. Corps of Engineers	0
e. Other (Specify) - SB21-260	277,184	f. Other Federal	64,230
f. Total (a. through e.)	356,009	g. Total (a. through f.)	64,230
4. Total (1. + 2. + 3.f)	3,358,515	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		47,941	47,941
(3). System Preservation		256,779	256,779
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	304,720	304,720
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	304,720	304,720
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

See Independent Auditors' Report

FEDERAL FINANCIAL ASSISTANCE RECONCILATION

Social Services Fund

On February 1, 1997, the Colorado Department of Human Services (CDHS) started the implementation of electronic payment methods from the CDHS directly to welfare clients and service providers. These electronic payments replaced the payment method of county warrants and significantly changed the cash flow between counties and the CDHS. Typically, a welfare payment is composed of a combination of federal, state, and local money. Previously, the county warrants were reimbursed by the CDHS with federal and state funds. Currently, with the EBT system, the counties pay their local share of these EBT payment authorizations to the CDHS.

This significant change in cash flow created a considerable change in financial reporting. During the implementation phase of EBT, the counties were instructed to record only their local share of EBT authorizations as expenditures and not the total amount of the EBT authorization. They were instructed to disclose the total amount of the authorizations in a note to the financial statements or in an additional schedule.

The program expenditures by source are reported in the schedule of EBT authorizations, warrant expenditures, and total expenditures as follows:

MORGAN COUNTY, COLORADO
HUMAN SERVICES FUND
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures
For the Year Ended December 31, 2021

PROGRAM	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C EXPENDITURES BY COUNTY WARRANT	D COUNTY EBT AUTHORIZATIONS PLUS EXPENDITURES BY COUNTY WARRANT (COL. A + COL. C)	E TOTAL COUNTY EXPENDITURES (COL. B + COL. C)
CHILD WELFARE					
ADMIN - 80% & 100%			1,578,392.76	1,578,392.76	1,578,392.76
CHRP	-	-	-	-	-
RES MENTAL HEALTH	27,989.00	4,018.45		27,989.00	4,018.45
CASE SERVICES	3,751.80	2,607.43	-	3,751.80	2,607.43
OOH	591,669.54	151,702.00		591,669.54	151,702.00
SPECIAL CIRCUM CC	9,891.64	134.09	-	9,891.64	134.09
SUBADOPT	464,561	49,869		464,561	49,869
TOTAL CW	1,097,863	208,331	1,578,393	2,676,255	1,786,724
COUNTY ADMINISTRATION			830,293	830,293	830,293
FS FRAUD ADMIN			70,276	70,276	70,276
STAFF DEVELOPMENT	0	0	0	0	0
CORE SERVICES	184,276		450,181	634,457	450,181
CHAFEE			58,392	58,392	58,392
LEAP & ADMIN	351,887		4,032	355,919	4,032
AND & HCA - AND	55,841	9,262		55,841	9,262
IV-D ADMINISTRATION (CSE)			684,737	684,737	684,737
EMPLOYMENT 1ST	75		67,241	67,316	67,241
TANF & WORKS ADMIN	605,854	128,088	576,607	1,182,461	704,695
CHILD CARE & ADMIN	402,473	76,656	105,485	507,958	182,141
OLD AGE PEN & ADMIN	265,540		17,150	282,690	17,150
HCA - OAP	38,493	1,925		38,493	1,925
FC PARENTAL FEE			7,214	7,214	7,214
TITLE IV-B (PSSF)			77,037	77,037	77,037
HB1451 CARE MGT GRANT			35,673	35,673	35,673
FC RETENTION GRANT			1,337	1,337	1,337
COACT			24,480	24,480	24,480
GENERAL ASSISTANCE			1,667	1,667	1,667
ADULT PROTECTION			267,971	267,971	267,971
AUDIT ADJUSTMENT					0
	1,904,439	**215,931**	**3,279,771**	**5,184,211**	**3,495,702**
FOOD ASSISTANCE	11,168,776	0	0	11,168,776	0
GRAND TOTAL	**14,171,077**	**424,262**	**4,858,164**	**19,029,241**	**5,282,426**

A. Welfare payments authorized by the Morgan County Department of Human Services. These county authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).

B. County share of EBT authorizations. These amounts are settled monthly by a reduction of State cash advances to the county.

C. Expenditures made by county warrants or other county payment methods.

D. This represents the total cost of the welfare programs that are administered by Morgan County.

E. This total matches the expenditures on the Social Services Fund - Statement of Revenues & Expenditures.

MORGAN COUNTY

Where Prairie Meets The Sky

STATISTICAL SECTION

MORGAN COUNTY

Where Prairie Meets The Sky

This part of Morgan County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	104 - 112
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	113 - 123
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	124 - 126
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	127 - 129
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	130 - 135

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The County implemented GASB 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Morgan County, Colorado
Net Position by Component
Last Ten Years
(accrual basis of accounting)
(unaudited)

	2021	2020	2019
Governmental activities			
Investment in capital assets	$ 93,185,674	$ 101,452,886	$ 110,920,860
Restricted	17,460,049	12,059,538	11,208,218
Unrestricted	41,558,071	42,065,680	38,528,623
Total governmental activities net position	$ 152,203,794	$ 155,578,104	$ 160,657,701
Business-type activities			
Investment in capital assets	$ 2,288,318	$ 1,676,338	$ 1,725,262
Unrestricted	6,824,063	6,718,282	6,484,187
Total business-type activities net position	$ 9,112,381	$ 8,394,620	$ 8,209,449
Primary government			
Investment in capital assets	$ 95,473,992	$ 103,129,224	$ 112,646,122
Restricted	17,460,049	12,059,538	11,208,218
Unrestricted	48,382,134	48,783,962	45,012,810
Total primary govenment activities net position	$ 161,316,175	$ 163,972,724	$ 168,867,150

2018	2017	2016	2015	2014	2013	2012
$ 117,813,966	$ 124,241,092	$ 131,089,740	$ 136,884,869	$ 141,166,518	$ 147,045,403	$ 155,638,332
10,560,743	9,040,123	9,647,561	9,911,448	10,228,223	9,313,903	7,862,243
34,851,764	32,163,842	28,709,841	25,300,016	24,257,515	23,125,677	20,949,060
$ 163,226,473	$ 165,445,057	$ 169,447,142	$ 172,096,333	$ 175,652,256	$ 179,484,983	$ 184,449,635
$ 1,769,212	$ 1,782,910	$ 1,339,384	$ 1,353,897	$ 1,411,672	$ 1,504,703	$ 1,624,577
5,691,088	4,890,803	4,620,083	4,168,253	3,872,134	3,480,904	3,516,382
$ 7,460,300	$ 6,673,713	$ 5,959,467	$ 5,522,150	$ 5,283,806	$ 4,985,607	$ 5,140,959
$ 119,583,178	$ 126,024,002	$ 132,429,124	$ 138,238,766	$ 142,578,190	$ 148,550,106	$ 157,262,909
10,560,743	9,040,123	9,647,561	9,911,448	10,228,223	9,313,903	7,862,243
40,542,852	37,054,645	33,329,924	29,468,269	28,129,649	26,606,581	24,465,442
$ 170,686,773	$ 172,118,770	$ 175,406,609	$ 177,618,483	$ 180,936,062	$ 184,470,590	$ 189,590,594

Morgan County, Colorado
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
(unaudited)

	2021	2020	2019	2018
Expenses				
Governmental activities:				
General government	$ 8,258,422	$ 8,071,055	$ 7,640,141	$ 6,996,471
Judicial and public safety	6,631,128	6,418,615	6,160,079	5,766,384
Auxiliary services	470,294	452,772	514,335	464,661
Roads and bridges	15,179,406	15,881,428	14,396,716	14,167,484
Public welfare	5,288,182	5,137,371	5,039,466	5,055,167
Capital Outlay	-	897,060	-	-
Total governmental activities expenses	35,827,432	36,858,301	33,750,737	32,450,167
Business-type activities:				
Ambulance services	$ 1,603,042	$ 1,457,169	$ 1,350,047	$ 1,234,911
Solid waste services	541,134	870,814	836,632	733,357
Total business-type activities expenses	2,144,176	2,327,983	2,186,679	1,968,268
Total primary government expenses	$ 37,971,608	$ 39,186,284	$ 35,937,416	$ 34,418,435
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 1,782,426	$ 2,298,319	$ 2,133,254	$ 1,436,068
Judicial and public safety	800,488	532,489	482,306	501,705
Road and bridges	24,126	55,680	35,023	202,352
Operating grants and contributions	8,523,470	8,672,242	8,708,522	8,484,048
Capital grants and contributions	-	-	28,513	103,638
Total governmental activities program revenues	11,130,510	11,558,730	11,387,618	10,727,811
Business-type activities:				
Charges for services:				
Ambulance services	$ 1,459,072	$ 1,207,499	$ 1,473,043	$ 1,421,886
Solid waste services	1,284,894	1,176,790	1,210,304	1,174,866
Operating grants and contributions	3,462	59,555	129,327	64,865
Capital grants and contributions	61,835	-	37,380	33,151
Total business-type activities program revenues	2,809,263	2,443,844	2,850,054	2,694,768
Total primary government program revenues	$ 13,939,773	$ 14,002,574	$ 14,237,672	$ 13,422,579
Net (expense)/revenue				
Governmental activities	$ (24,696,922)	$ (25,299,571)	$ (22,363,119)	$ (21,722,358)
Business-type activities	665,087	115,861	663,375	726,500
Total primary government net expense	$ (24,031,835)	$ (25,183,710)	$ (21,699,744)	$ (20,995,858)

2017	2016	2015	2014	2013	2012
$ 6,353,665	$ 5,520,906	$ 5,613,406	$ 6,485,480	$ 6,845,246	$ 6,957,045
5,248,513	5,078,786	5,219,708	4,694,742	3,981,293	3,902,451
500,709	440,388	464,619	488,566	440,435	425,573
14,695,292	13,072,223	12,667,839	12,806,499	13,798,554	12,816,909
4,794,943	4,713,540	4,454,833	4,464,512	4,418,503	4,386,731
-	-	-	-	-	10,416
31,593,122	28,825,843	28,420,405	28,939,799	29,484,031	28,499,125
$ 1,145,209	$ 1,070,858	$ 1,126,716	$ 1,036,578	$ 1,089,211	$ 903,002
793,476	763,632	707,029	631,224	973,948	593,057
1,938,685	1,834,490	1,833,745	1,667,802	2,063,159	1,496,059
$ 33,531,807	$ 30,660,333	$ 30,254,150	$ 30,607,601	$ 31,547,190	$ 29,995,184
$ 893,981	$ 594,119	$ 537,680	$ 1,221,787	$ 1,215,473	$ 1,380,278
541,926	528,016	503,902	517,131	530,147	520,332
18,132	25,361	8,047	88,274	22,021	11,925
7,936,012	7,328,010	7,566,786	7,138,055	6,987,625	6,750,821
51,157	-	44,654	470,189	791,252	53,823
9,441,208	8,475,506	8,661,069	9,435,436	9,546,518	8,717,179
$ 1,351,772	$ 1,205,051	$ 1,157,045	$ 1,054,961	$ 1,016,461	$ 1,067,020
1,062,122	1,030,125	860,302	814,740	799,465	769,998
170,419	3,505	24,165	35,141	34,487	32,123
27,271	-	6,334	6,108	46,901	57,680
2,611,584	2,238,681	2,047,846	1,910,950	1,897,314	1,926,821
$ 12,052,792	$ 10,714,187	$ 10,708,915	$ 11,346,386	$ 11,443,832	$ 10,644,000
$ (22,151,914)	$ (20,350,337)	$ (19,759,336)	$ (19,504,363)	$ (19,937,513)	$ (19,781,946)
672,899	404,191	214,101	243,148	(165,845)	430,762
$ (21,479,015)	$ (19,946,146)	$ (19,545,235)	$ (19,261,215)	$ (20,103,358)	$ (19,351,184)

Morgan County, Colorado
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
(unaudited)

	2021	2020	2019	2018
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	$ 18,481,069	$ 17,276,977	$ 15,881,611	$ 15,118,777
Specific ownership	1,669,662	1,623,075	1,758,505	1,642,242
Sales - Lodging	305,824	203,196	218,131	223,174
Other	10,965	14,364	90,044	89,003
Interest earnings	158,831	571,075	1,283,355	434,313
Miscellaneous	458,257	414,155	418,600	487,320
Gain (loss) on sale of capital assets	238,004	117,132	144,101	155,000
Transfers	-	-	-	-
Total governmental activities	21,322,612	20,219,974	19,794,347	18,149,829
Business-type activities:				
Interest earnings	13,693	42,957	79,026	37,928
Miscellaneous	29,750	26,353	6,748	3,419
Gain/(Loss) on sale of assets	9,231	-	-	-
Transfers	-	-	-	-
Total business-type activities	52,674	69,310	85,774	41,347
Total primary government	$ 21,375,286	$ 20,289,284	$ 19,880,121	$ 18,191,176
Change in Net Position				
Governmental activities	$ (3,374,310)	$ (5,079,597)	$ (2,568,772)	$ (4,002,085)
Business-type activities	717,761	185,171	749,149	714,246
Total primary government	$ (2,656,549)	$ (4,894,426)	$ (1,819,623)	$ (3,287,839)

2017	2016	2015	2014	2013	2012
$ 15,047,692	$ 13,579,680	$ 12,889,251	$ 12,374,675	$ 11,855,985	$ 11,982,812
1,506,682	1,538,445	1,560,361	1,456,985	1,273,495	1,178,748
186,372	221,834	207,040	122,188	101,439	81,300
80,078	71,241	71,016	56,119	109,999	43,956
244,482	190,551	191,692	116,984	86,927	47,991
373,685	360,891	428,055	358,223	666,890	563,613
262,155	240,771	352,529	487,687	23,235	68,953
-	-	(28,308)	-	(36,460)	-
17,701,146	16,203,413	15,671,636	14,972,861	14,081,510	13,967,373
30,169	18,847	13,955	5,630	2,729	1,551
2,984	5,396	12,788	4,863	3,347	4,094
(27)	-	-	-	(4,113)	-
-	-	28,308	-	-	-
33,126	24,243	55,051	10,493	6,076	5,645
$ 17,734,272	$ 16,227,656	$ 15,726,687	$ 14,983,354	$ 14,087,586	$ 13,973,018
$ (2,649,191)	$ (3,555,923)	$ (3,832,727)	$ (4,964,652)	$ (5,700,436)	$ (10,729,549)
437,317	238,344	298,199	(155,352)	432,725	396,234
$ (2,211,874)	$ (3,317,579)	$ (3,534,528)	$ (5,120,004)	$ (5,267,711)	$ (10,333,315)

Morgan County, Colorado
Fund Balance, Governmental Funds
Last Ten Years
(modified accrual accounting)
(unaudited)

	2021	2020	2019	2018	2017
General fund					
Non Spendable	$ -	$ -	$ -	$ -	$ -
Restricted	3,893,074	1,082,289	946,337	948,480	842,327
Assigned	11,166,492	11,163,572	11,157,713	11,220,486	11,186,134
Committed	873,074	778,710	679,089	574,041	473,437
Unassigned	19,807,304	19,705,751	17,491,938	14,688,077	13,004,169
Total general fund	$ 35,739,944	$ 32,730,322	$ 30,275,077	$ 27,431,084	$ 25,506,067
All other governmental funds					
Non Spendable	$ 96,378	$ 79,180	$ 69,872	$ 89,303	$ 102,970
Restricted	13,594,528	10,974,809	10,259,465	9,609,894	8,197,796
Committed	6,836,194	6,291,036	5,746,860	5,130,285	4,952,277
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 20,527,100	$ 17,345,025	$ 16,076,197	$ 14,829,482	$ 13,253,043

2016	2015	2014	2013	2012
$ -	$ -	$ -	$ -	$ 704
836,428	830,922	825,066	819,912	664,076
10,143,470	8,131,456	1,122,589	1,132,514	1,127,830
376,393	278,660	184,972	92,126	-
11,280,916	10,303,949	15,513,001	13,886,509	11,832,605
$ 22,637,207	$ 19,544,987	$ 17,645,628	$ 15,931,061	$ 13,625,215
$ 93,361	$ 78,817	$ 91,688	$ 85,744	$ 98,318
8,811,133	9,080,526	9,403,157	8,493,991	7,198,167
4,349,889	3,761,093	4,195,561	3,766,506	3,336,227
-	-	-	-	-
-	-	-	-	(23,006)
$ 13,254,383	$ 12,920,436	$ 13,690,406	$ 12,346,241	$ 10,609,706

Morgan County, Colorado
Changes in Fund Balance of Governmental Funds
Last Ten Years
(modified accrual accounting)
(unaudited)

	2021	2020	2019	2018	2017
Revenues					
Taxes	$ 20,467,520	$ 19,117,614	$ 17,948,291	$ 17,937,109	$ 17,073,196
Intergovernmental	8,523,470	8,668,192	8,708,522	8,484,048	7,936,012
Licenses and permits	113,989	118,543	102,577	97,822	88,659
Fines and forfeiture	2,160	2,055	2,265	2,757	3,892
Fee accounts	1,595,083	1,551,974	1,444,735	1,461,626	1,410,411
Charges for material/service	600,385	269,253	306,584	539,664	290,535
Interest	158,831	571,075	1,283,355	857,258	434,313
Miscellaneous	424,994	374,740	416,975	478,636	486,916
Total revenues	31,886,432	30,673,446	30,213,304	29,858,920	27,723,934
Expenditures					
Current:					
General government	6,100,074	6,857,746	5,456,344	5,579,881	5,011,770
Judicial and public safety	6,509,001	6,291,622	6,011,334	5,577,035	5,157,630
Public health	-	-	-	-	-
Auxiliary services	470,294	452,772	515,069	465,373	501,347
Road and bridge	5,874,547	6,565,394	5,163,442	5,104,051	5,563,489
Public welfare	5,282,426	5,327,164	5,030,790	5,059,410	4,797,258
Intergovernmental cooperation outlay	1,131,727	1,128,848	1,134,694	1,144,153	1,120,429
Capital outlay	526,538	525,827	2,810,923	3,427,560	2,704,491
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other charges	-	-	-	-	-
Total expenditures	25,894,607	27,149,373	26,122,596	26,357,463	24,856,414
Excess of revenues over (under) expenditures	5,991,825	3,524,073	4,090,708	3,501,456	2,867,520
Other financing sources (uses)					
Transfers in	120,000	320,000	120,000	120,000	120,000
Transfers out	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
Proceeds of participation certificates	-	-	-	-	-
Proceeds from sale of capital assets	199,872	-	-	-	-
Certificate issuance costs	-	-	-	-	-
Original discount fee	-	-	-	-	-
Benefit payments refunded	-	-	-	-	-
Total other financing sources (uses)	199,872	200,000	-	-	-
Net change in fund balances	$ 6,191,697	$ 3,724,073	$ 4,090,708	$ 3,501,456	$ 2,867,520
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

2016	2015	2014	2013	2012
$ 16,820,824	$ 15,411,200	$ 14,727,668	$ 14,009,967	$ 13,340,918
7,328,010	7,566,786	7,548,824	7,521,826	6,750,821
96,926	84,958	78,523	61,868	59,632
4,091	4,641	13,930	20,654	22,702
1,388,951	1,293,167	1,307,332	1,296,819	1,321,583
311,443	326,123	394,221	267,804	248,638
244,482	190,551	191,692	116,984	86,927
357,539	360,283	392,434	353,929	612,748
26,552,266	25,237,709	24,654,624	23,649,851	22,443,969
4,459,590	4,261,742	4,268,427	4,698,979	4,637,684
5,022,918	5,103,613	4,606,906	3,903,282	3,822,837
-	465,300	-	-	-
441,072	3,944,569	489,239	440,435	425,573
4,166,484	4,462,082	5,262,251	4,981,971	4,359,311
4,710,757	1,120,295	4,455,679	4,406,656	3,953,014
1,119,295	4,750,739	1,109,401	1,098,383	1,060,089
3,220,323	-	1,375,681	77,784	472,555
-	-	-	-	-
-	-	-	-	1,855,000
-	-	-	-	9,733
-	-	-	-	683
23,140,439	24,108,340	21,567,584	19,607,490	20,596,479
3,411,827	1,129,369	3,087,040	4,042,361	1,847,490
120,000	120,000	310,000	200,000	1,514,690
(120,000)	(120,000)	(338,308)	(200,000)	(1,514,690)
-	-	-	20	-
14,340	20	-	20	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
14,340	20	(28,308)	40	-
$ 3,426,167	$ 1,129,389	$ 3,058,732	$ 4,042,401	$ 1,847,490
0.00%	0.00%	0.00%	0.00%	10.22%

Morgan County, Colorado
Program Revenues by Function/Program
Last Ten Years
(accrual basis of accounting)
(unaudited)

	2021	2020	2019	2018
Function/Program				
General government	$ 2,566,448	$ 3,734,489	$ 2,778,622	$ 2,184,081
Judicial and public safety	909,275	655,579	639,147	688,914
Roads and bridges	3,446,871	3,030,427	3,961,236	3,825,694
Public welfare	4,207,916	4,138,235	4,008,613	4,029,122
Total governmental activities	11,130,510	11,558,730	11,387,618	10,727,811
Business-type activities				
Ambulance services	1,524,369	1,267,054	1,639,750	1,519,902
Solid waste services	1,284,894	1,176,790	1,210,304	1,174,866
Total business-type activities net position	2,809,263	2,443,844	2,850,054	2,694,768
Total primary government	$ 13,939,773	$ 14,002,574	$ 14,237,672	$ 13,422,579

2017	2016	2015	2014	2013	2012
$ 1,650,225	$ 973,245	$ 989,455	$ 1,859,970	$ 1,797,172	$ 1,830,401
637,763	647,872	595,599	1,059,218	759,544	697,234
3,370,854	3,187,142	3,529,603	3,153,758	3,722,515	2,924,551
3,782,366	3,667,247	3,487,582	3,362,490	3,267,287	3,264,993
9,441,208	8,475,506	8,602,239	9,435,436	9,546,518	8,717,179
1,549,462	1,205,051	1,187,544	1,096,210	1,097,849	1,156,823
1,062,122	1,030,125	860,302	814,740	799,465	769,998
2,611,584	2,235,176	2,047,846	1,910,950	1,897,314	1,926,821
$ 12,052,792	$ 10,710,682	$ 10,650,085	$ 11,346,386	$ 11,443,832	$ 10,644,000

Morgan County, Colorado
Tax Revenues by Source, Governmental Funds
Last Ten Years
(modified accrual accounting)
(unaudited)

Year	Property Taxes	SO Taxes	Cigarette Taxes	Sales Tax and Other	Total
2021	18,481,069	1,669,662	10,965	305,824	20,467,520
2020	17,276,976	1,623,075	14,364	203,199	19,117,614
2019	15,881,611	1,758,505	10,387	297,788	17,948,291
2018	15,993,175	1,644,309	8,437	216,031	17,861,952
2017	15,119,847	1,641,603	6,866	223,174	16,991,490
2016	15,047,692	1,506,682	9,077	257,373	16,820,824
2015	13,579,680	1,538,445	9,235	283,840	15,411,200
2014	12,984,216	1,560,360	6,404	269,168	14,820,148
2013	12,409,909	1,456,984	7,320	170,987	14,045,200
2012	11,887,184	1,273,495	7,910	203,527	13,372,116
Change					
2012-2021	35.68%	23.73%	27.86%	33.45%	34.67%

MORGAN COUNTY

Where Prairie Meets The Sky

Morgan County, Colorado
Assessed Value and Estimated Value of Taxable Property
Last Ten Years
(unaudited)

Year Ended December 31,	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Vacant Land	Natural Resources & Utilities
2021	144,752,520	74,997,600	23,567,100	62,270,370	8,338,030	3,294,010
2020	141,416,800	72,559,840	22,321,220	60,832,160	9,046,880	3,488,060
2019	108,717,860	66,135,180	21,348,010	56,813,590	6,567,670	27,800,230
2018	106,873,320	63,202,210	20,762,120	55,696,820	6,581,730	2,535,220
2017	99,827,560	53,836,470	19,108,820	50,090,040	5,078,680	3,498,090
2016	98,757,180	52,012,320	18,886,900	48,894,750	5,203,140	9,827,170
2015	89,526,130	48,428,340	17,466,450	41,139,250	4,800,170	10,886,750
2014	89,526,130	48,428,340	61,529,073	41,139,250	4,800,170	10,886,750
2013	88,806,920	46,514,960	16,403,930	40,438,820	5,020,550	11,295,580
2012	87,502,260	48,001,890	14,677,380	37,213,540	4,918,310	32,083,560

From 2012 to 2021 commercial real property, undeveloped land, personal property and utilities were assessed at 29% of replacement cost calculated on the base year's appraised valu.e

Residential real property was assessed as follows:

Year	Assessment Percentage	Base Year
2021	7.20%	2020 appraised value
2020	7.20%	2019 appraised value
2019	7.20%	2019 appraised value
2018	7.20%	2017 appraised value
2017	7.20%	2017 appraised value
2016	7.96%	2015 appraised value
2015	7.96%	2015 appraised value
2014	7.96%	2013 appraised value
2013	7.96%	2013 appraised value
2012	7.96%	2011 appraised value

Source: Morgan County Assessor's office

Note: All residential and commercial real properties are reappraised every two years in the odd year cycle bringing properties to the current market level of valuation. The residential rate is set by the Legislature and coincides with changes in the level of value. This is constitutionally required and designed to stabilize the tax burden on residential property.

Personal Property	Total Taxable Assed Value	Tax Exempt Property	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
297,168,010	675,874,830	290,803,490	29.012	4,344,739,270	15.56%
267,282,610	641,544,610	280,417,900	28.953	3,729,474,710	17.20%
260,588,560	601,683,980	268,412,190	28.961	3,543,909,210	16.98%
270,489,180	552,170,540	237,390,850	28.970	3,018,294,850	18.29%
265,521,470	521,172,180	236,862,350	28.970	3,013,820,350	17.29%
278,353,330	511,934,790	191,181,280	28.128	2,697,685,720	18.98%
289,591,670	470,619,610	176,332,860	28.948	2,728,398,820	17.25%
233,591,670	470,916,610	157,851,940	28.948	2,414,135,330	19.51%
212,940,880	445,723,250	154,546,270	28.948	2,320,211,520	19.21%
203,020,040	427,416,980	152,947,180	28.948	2,252,146,830	18.98%

Schedule 08

Morgan County, Colorado
Direct and Overlapping Property Tax Rates
Last Ten Years
(Rate per $1,000 of assesed value)
(unaudited)

	2021	2020	2019	2018	2017
County direct rates					
General Fund	19.512	19.453	19.461	19.470	19.470
Road and Bridge	7.500	7.500	7.500	7.500	7.500
Human Services	2.000	2.000	2.000	2.000	2.000
Total Direct Rate	29.012	28.953	28.961	28.970	28.970
City and town rates					
Brush	15.660	15.660	15.671	15.683	15.752
Fort Morgan	13.254	13.254	13.254	13.254	13.254
Hillrose	17.073	16.515	17.890	17.585	17.890
Log Lane	11.094	12.635	34.267	27.413	34.267
Wiggins	32.212	32.212	32.212	32.212	32.212
Fire districts	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719
School districts	19.69 - 47.939	19.855 - 50.861	19.298 - 52.728	15.219 - 52.360	19.500 - 45.285
Other special districts	0.000 - 25.00	0.000 - 25.00	0.000 - 9.001	.021 - 9.010	.026 - 10.958

Source: Abstract of Assessments and Levies, prepared by Morgan County Assessor's office

2016	2015	2014	2013	2012
19.628	19.448	19.448	19.448	21.048
6.500	6.500	6.500	6.500	5.400
2.000	3.000	3.000	3.000	2.500
28.128	28.948	28.948	28.948	28.948
15.660	15.660	15.660	15.660	15.660
13.254	13.254	13.254	13.254	13.254
17.773	17.890	17.890	17.718	17.890
34.267	34.267	34.267	34.267	34.267
32.212	32.212	32.212	32.212	32.212
2.588 -7.719	2.991-7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719
17.105 - 42.449	17.128-43.801	17.128 - 43.801	17.815 - 41.252	22.305 - 39.174
.027 - 10.947	.027-11.902	.027 - 11.902	.027 - 11.902	.30 - 10.720

Morgan County, Colorado
Principal Property Tax Payers
Current Year and Ten Years Ago
(unaudited)

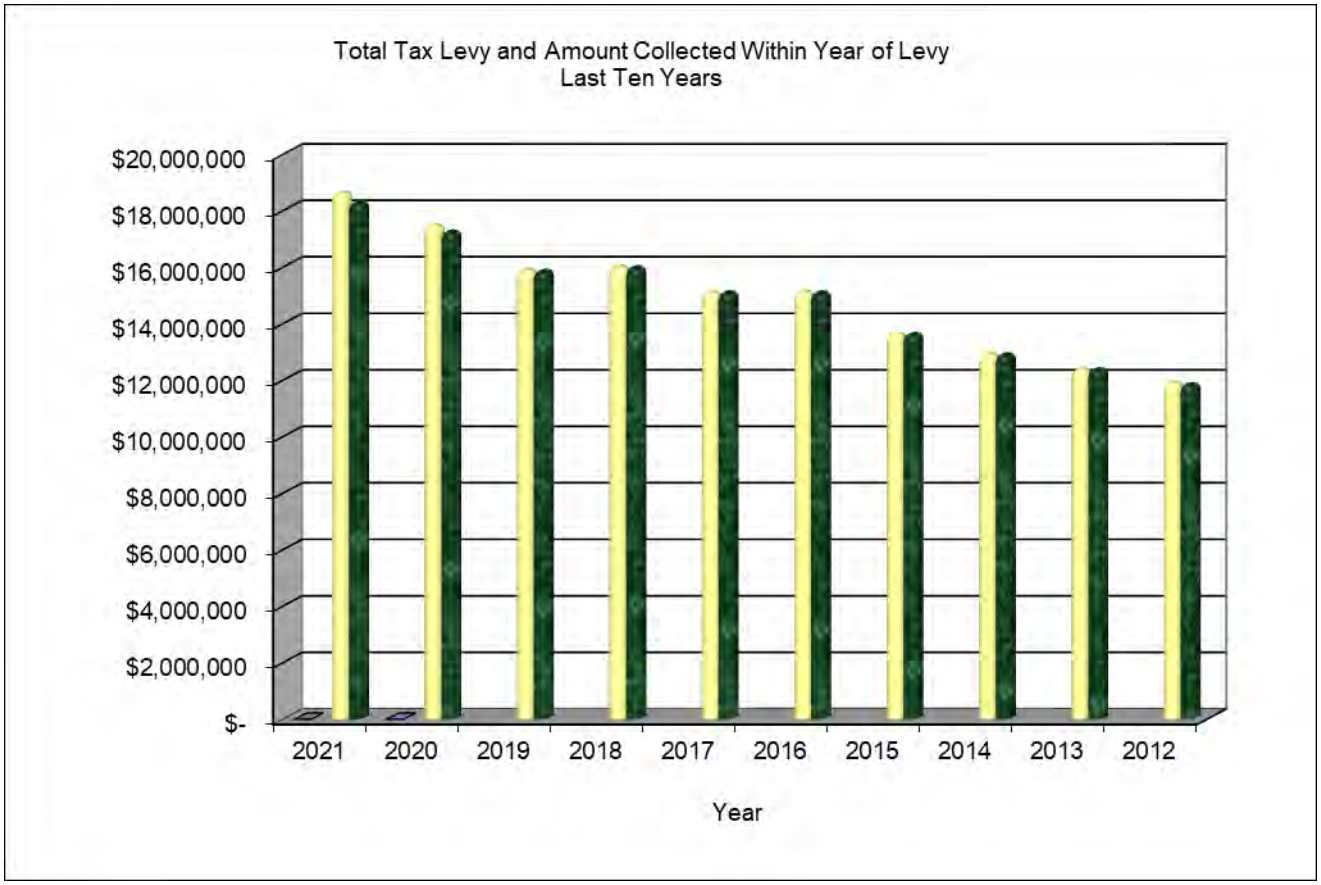
		2021			2012		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Public Service Co. of Colorado	Utility	$ 148,332,400	1	27.07%	79,727,320	1	19.29%
Leprino Foods Company	Cheese Processing	20,666,750	2	3.77%	8,443,790	8	2.04%
BNSF Railway Company	Transportation	19,503,900	3	3.56%	9,142,600	5	2.21%
Colorado Interstate Gas Co.	Utility	16,033,800	4	2.93%	16,204,000	3	3.92%
Cargill Meat Solutions Corporation	Meat Processing	15,524,920	5	2.83%	19,245,470	4	4.66%
Manchief Power Company LLC	Utility	12,685,800	6	2.32%	20,006,500	2	4.84%
Sterling Energy Investments LLC	Utility	9,518,910	7	1.74%			
Western Sugar Cooperative	Sugar Processing	9,409,060	8	1.72%	4,832,100	12	1.17%
Morgan County REA Association	Utility	9,120,500	9	1.66%	-		
Wildcat Dairy LLC	Dairy	7,683,650	10	1.40%	-		0.00%
Tri-State Generation & Transmission Assoc.	Utility	7,498,800	11	1.37%	-	9	0.00%
Brush Power LLC	Utility	7,104,500	12	1.30%	10,094,500	6	
Cargill Meat Solutions Corp (Lagoon)	Utility	6,977,180	13	1.27%	-	11	
Spectrum Pacific West LLC	Utility	6,376,090	14	1.16%			
Young Gas Storage Company Ltd	Utility	3,456,950	15	0.63%	-	10	0.00%
Cheyenne Plains Gas Pipeline Co	Utility	-		0.00%	10,009,200	7	
Total		$ 299,893,210		54.73%	$ 177,705,480		38.14%
Total assessed valuation		$ 547,971,100			$ 413,266,190		

Source: Morgan County Assessor's office

Morgan County, Colorado
Property Tax Levies and Collections
Last Ten Years
(unaudited)

Year Ended December 31,	Taxes Levied for the Year (1)	Collected Within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	18,612,493	18,268,091	98.15%	0	18,268,091	98.15%
2020	17,447,852	17,241,747	98.82%	151,151	17,392,898	99.69%
2019	15,869,790	15,847,377	99.86%	7,385	15,847,073	99.86%
2018	15,994,171	15,972,255	99.86%	9,022	15,981,277	100.00%
2017	15,098,358	15,087,091	99.93%	166	15,084,258	100.00%
2016	15,104,971	15,087,298	99.88%	6,602	15,093,901	100.00%
2015	13,632,095	13,609,422	99.83%	(194)	13,609,225	100.00%
2014	12,902,798	12,890,894	99.91%	2,014	12,892,907	100.00%
2013	12,372,865	12,361,150	99.91%	7,806	12,368,956	100.00%
2012	11,878,040	11,831,192	99.61%	4,279	11,835,472	100.00%

Notes:
(1) This column does not include abatements and reappraisals during the year.



Source: Morgan County Treasurer

Morgan County, Colorado
Ratios of Outstanding Debt by Type
Last Ten Years
(unaudited)

	Governmental Activities			
Year	Certificates of Participation	Total Primary Government	Percentage of Personal Income '(1)	Per Capita (1)
2021	-	-	0.000%	-
2020	-	-	0.000%	-
2019	-	-	0.000%	-
2018	-	-	0.000%	-
2017	-	-	0.000%	-
2016	-	-	0.000%	-
2015	-	-	0.000%	-
2014	-	-	0.000%	-
2013	-	-	0.000%	-
(2) 2012	-	-	0.000%	-

(1) See Schedule 14 for personal income and population data.

(2) In January 2012, the Morgan County Building Authority early paid off the Certificates of Participation.

Morgan County, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021
(unaudited)

Taxing Jurisdiction	General Obligation Long-Term Debt Outstanding	Estimated Percentage Applicable (1)	Overlapping Debt
School Districts			
Brush RE-2(J) School District	$ 33,351,642	99.44%	$ 33,164,873
Fort Morgan RE-3 School District (2)	$ 15,725,000	100.00%	$ 15,725,000
Wiggins RE-50(J) School District (2)	$ 26,280,000	27.00%	$ 7,095,600
Briggsdale RE-10 School District	$ 1,462,675	0.0001%	$ 1
Weldon Valley School District RE-20(J)	$ 145,000	99.97%	$ 144,957
Other			
Well Augmentation Subdistrict	$ 20,293,477	14.00%	$ 2,841,087
Groundwater Management Subdistrict	$ 24,327,750	14.00%	$ 3,405,885
Central Colorado Water Conservancy District	$ 47,038,300	14.00%	$ 6,585,362
Morgan County Quality Water District	$ 29,217,136	99.78%	$ 29,152,858
Total Overlapping Debt			$ 98,115,623

Source: Debt amounts and percentages are provided by each governmental unit.

(1) Portion of debt applicable to Morgan County is determined by the ratio of the assessed value of the portion of the applicable district located within Morgan County to the total assessed value of the applicable taxing district.

(2) Updated 2021 information was not provided. Numbers listed are 2020 numbers.

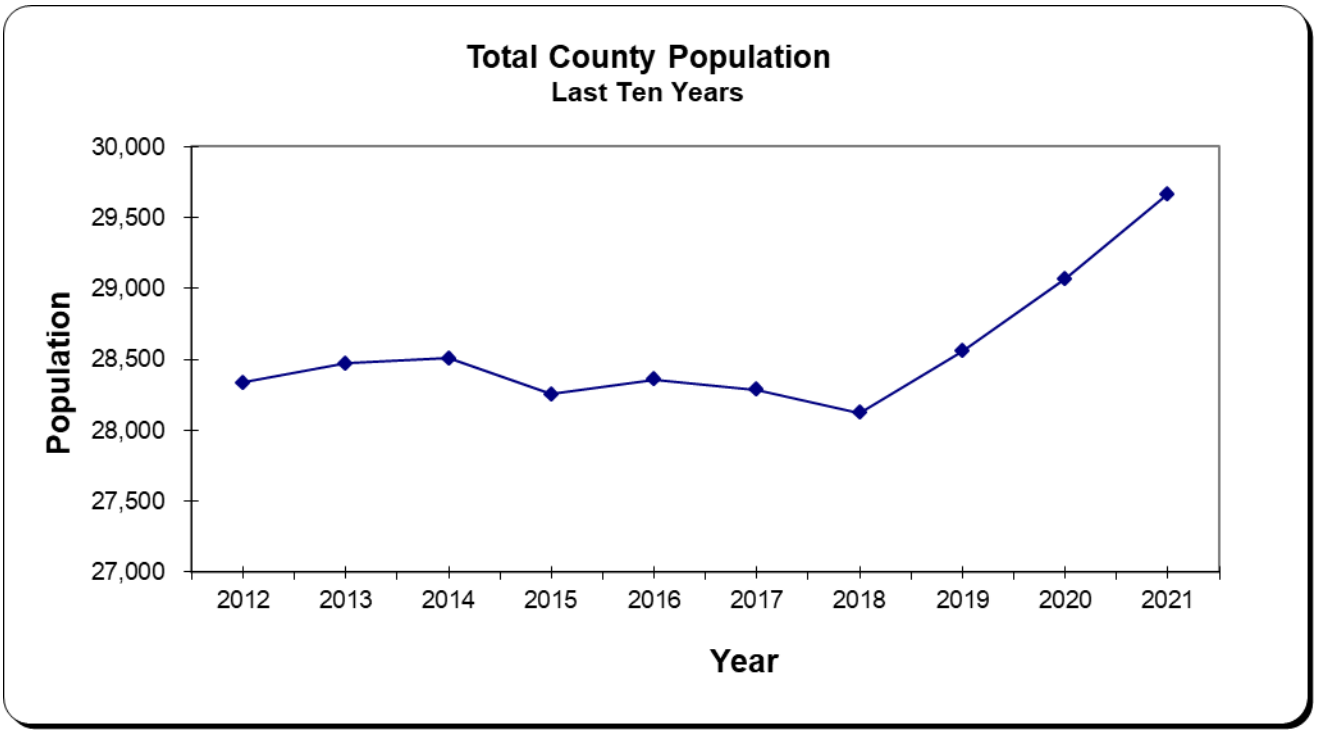
Morgan County, Colorado
Legal Debt Margin Information
Last Ten Years
(unaudited)

Assessed Valuation:		
Assessed value	$	675,874,830
Add back: exempt real property		77,557,940
Total assessed value	$	753,432,770
Legal debt margin:		
Debt limitation - 3% of assessed value	$	22,602,983
No debt applicable to limitation		

Year	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2021	22,602,983	-0-	22,602,983	0.00%
2020	20,208,398	-0-	20,208,398	0.00%
2019	16,439,133	-0-	16,439,133	0.00%
2018	16,565,116	-0-	16,565,116	0.00%
2017	15,635,165	-0-	15,635,165	0.00%
2016	16,110,248	-0-	16,110,248	0.00%
2015	14,127,498	-0-	14,127,498	0.00%
2014	13,371,698	-0-	13,371,698	0.00%
2013	12,890,759	-0-	12,890,759	0.00%
2012	13,619,326	-0-	13,619,326	0.00%

Morgan County, Colorado
Demographic and Economic Statistics
Last Ten Years
(unaudited)

Year	Population	Personal Income (1)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2021	29,666	735,716,800	24,800	36.2	5,801	4.10%
2020	29,068	728,560,352	25,064	35.5	5,625	11.90%
2019	28,558	1,474,335,308	51,626	36.3	5,831	2.70%
2018	28,123	1,447,097,088	51,456	36.6	5,734	3.30%
2017	28,288	1,400,114,560	49,495	36.6	5,559	2.90%
2016	28,359	1,209,227,760	42,640	36.4	6,551	2.70%
2015	28,254	1,153,889,324	39,956	36.5	5,431	3.60%
2014	28,509	1,120,745,808	39,312	36.4	5,714	3.20%
2013	28,472	989,458,944	34,752	36.4	5,553	5.20%
2012	28,338	949,011,282	33,489	34.5	5,460	6.10%



(1) Compuatation of per capita personal income multiplied by population.

Source:

www.suburbanstats.org
www.cde.state.co.us
www.factfinder.census.gov
www.colmigateway.com

MORGAN COUNTY

Where Prairie Meets The Sky

Morgan County, Colorado
Principal Private Employers
Current Year and Ten Years Ago
(unaudited)

		2021			2012		
Taxpayer	Type of Business	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Cargill Meat Solutions Corporation	Beef Processing	2,150	1	12.70%	2,100	1	12.74%
Leprino Foods Company	Cheese Processing Plant	350	2	2.07%	272	3	1.65%
Colorado Plains Medical Center	Hospital	312	3	1.84%	227	5	1.38%
Western Sugar (Includes Seasonal)	Sugar Processing	282	4	1.67%	200	7	1.21%
Morgan County	Government	263	5	1.55%			
Eben Ezer Lutheran Care Center	Nursing Home	225	6	1.33%	220	6	1.33%
Viaero Wireless	Cellular Provider	155	7	0.92%	250	4	0.64%
East Morgan County Hospital	Hospital	192	8	1.13%	118	9	0.72%
Wal-Mart Super Center	Retail/Grocery	111	9	0.66%	325	2	1.97%
Xcel Energy	Utility	83	10	0.44%			
Valley View Villa	Nursing Home	74	11	0.10%	135	8	0.82%
Basic Energy Services - Pumping Div	Oil/Gas Services	17	12	0.49%	105		0.64%
Total		4,214		24.90%	3,952		23.10%
Total Morgan County Labor Force		16,924			16,480		

Source: Morgan County Economic Development

Schedule 16

Morgan County, Colorado
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years
(unaudited)

Function/Program	2021	2020	2019	2018	2017
General Government					
Assessor	10	11	11	9	9
Board of County Commissioners	3	3	3	3	3
Building Maintenance	7	7	7	7	8
Clerk and Recorder	12	12	12	12	12
Courier	1	1	1	1	1
Finance	5	5	5	5	5
Fleet	7	7	7	7	7
Human Resources	1	1	1	1	1
Information Management Services	6	4	4	4	4
Planning and Building	5	4	4	4	4
Purchasing and Support Staff for BCC	1	1	1	1	1
Treasurer	3	3	3	3	3
Judicial and Public Safety					
Communications Center	16	16	14	14	14
Coroner	3	3	3	3	3
Corrections (Jail)	30	30	28	26	26
County Attorney	1	2	1	1	1
Emergency Management	1	1	1	1	1
Sheriff	25	24	23	30	30
Streets and Highways					
Road and Bridge	41	41	41	39	39
Auxiliary Services					
Extension	2	2	2	3	3
Fairgrounds	1	1	1	1	1
Veterans Officer	1	1	1	1	1
Health and Human Services					
Human Services	69	68	67	67	67
Business-type Services					
Ambulance Service	26	26	26	19	23
Solid Waste Management	6	6	6	7	7
Total	283	280	273	269	274

Source: Morgan County Payroll Department

Note: The numbers presented above are the number of FTE's (full-time equivalents) rounded to the nearest whole number. These numbers are from the final payroll of each respective year at December 31. The numbers do not take into account the fluctuations in staffing throughout the year, not do they include variancies at year end.

2016	2015	2014	2013	2012
9	9	9	9	10
3	3	3	3	3
7	7	8	8	8
11	11	11	12	12
1	1	1	1	1
5	5	5	5	5
7	6	7	7	7
1	1	1	1	1
4	4	4	4	4
3	4	3	3	3
1	2	1	1	1
3	2	2	2	2
11	14	14	13	11
3	3	3	3	4
32	28	32	31	30
1	1	1	1	1
1	1	1	1	1
24	27	23	23	22
36	36	36	36	37
2	3	3	3	3
0	0	1	1	1
1	1	1	1	1
63	63	62	60	64
19	23	21	22	21
7	7	6	6	6
255	262	259	257	259

Morgan County, Colorado
Operating Indicators by Function/Program
Last Ten Years
(unaudited)

Function/Program	2021	2020	2019	2018
General Government				
Assessor				
Property transfers	1,219	1,072	1,666	1,904
Public Trustee				
Number of foreclosures	12	12	40	40
Clerk				
Motor Vehicle transactions	53,735	52,225	53,743	66,877
Registered Voters	18,591	17,663	16,778	16,868
Planning and Building				
Number of building permits issued	498	119	142	411
Number of parcels created	26	21	24	26
Judicial and Public Safety				
Communications Center				
Non-emergency calls	51,003	62,355	73,985	79,078
9-1-1 calls	12,667	12,086	11,537	10,671
District Attorney				
Number of felony cases	459	405	356	436
Number of juvenile cases	32	19	34	47
Sheriff				
Detention Center average daily population	60	73	79	93
Incidents handled by patrol and investigations	19,776	21,765	19,654	19,572
Streets and Highways				
Road and Bridge				
Bridges	173	173	173	173
County maintained roads (miles)	1,030	1,030	1,031	1,035
County roads maintained by others (miles)	61	61	61	61
County roads not maintained (miles)	146	146	145	142
Health and Human Services				
Human Services				
Families receiving food assistance	1,655	1,311	2,645	2,710
Seniors receiving assistance	3,293	2,636	2,359	2,668
Children receiving subsidized day care	***	***	***	90
Child Abuse or neglect cases reported	81	63	65	67
Auxiliary Services				
Extension				
4-H youth development program participants	339	392	392	415
Fairgrounds				
County fair attendance	2,550	**	4,700	4,650
Total Complex attendance	3,000	**	33,200	33,185
Business-type Services				
Ambulance Service				
Number of calls	3,345	3,050	3,073	2,831
Solid Waste Management				
Recycled tons processed	638	264	234	348

*** Department of Human Services records not available for 2019-2021
**Due to Covid-19 no one able to attend
Source: Information provided by individual Morgan County departments.

2017	2016	2015	2014	2013	2012
2,050	839	1,755	1,549	1,804	683
48	70	60	53	74	123
86,014	71,389	68,755	58,312	63,473	63,682
15,941	16,194	14,477	15,067	15,378	15,400
301	355	103	81	100	79
15	22	25	38	19	17
64,349	77,123	68,807	66,672	74,884	97,501
9,806	10,746	10,514	9,910	8,344	10,674
460	344	279	280	261	304
40	30	59	35	38	68
90	85	77	61	95	90
20,146	17,515	15,404	15,808	18,244	15,880
173	173	173	173	173	173
1,034	1,036	1,036	1,056	1,056	1,057
61	61	61	54	54	54
143	143	143	128	128	128
2,717	2,818	2,819	2,747	3,016	2,985
2,745	2,634	2,617	1,800	2,186	2,154
78	68	56	64	55	55
52	59	51	48	46	44
368	378	397	397	401	374
4,200	4,300	4,100	4,000	4,000	4,000
31,730	32,060	30,950	30,570	30,570	37,750
2,726	2,526	2,444	2,355	2,181	2,125
566	318	349	417	356	300

Morgan County, Colorado
Capital Asset Statistics by Function/Program
Last Ten Years
(unaudited)

Function/Program	2021	2020	2019	2018	2017
Judicial and Public Safety					
Communications Center console positions	5	5	5	3	4
Communications Center vehicles	3	3	1	1	1
911 Emergency Telephone towers	3	3	3	3	3
Emergency Management vehicles	1	1	1	1	1
Courtrooms - district and county	3	3	3	3	3
Jail	1	1	1	1	1
Jail vehicles	3	3	3	3	3
Patrol vehicles	14	15	14	14	14
Sheriff Investigation & Administrative vehicles	13	13	13	13	13
Streets and Highways					
Graders	15	15	15	15	15
Grader sheds	6	6	6	6	6
Trucks	24	24	24	24	24
Heavy equipment	10	10	10	10	10
Other equipment	53	55	56	54	55
Vehicles	21	21	21	20	20
Health and Human Services					
Building	1	1	1	1	1
Vehicles	9	9	9	9	9
Auxiliary Services					
Extension Office	1	1	1	1	1
Event Center	1	1	1	1	1
Fairgrounds	1	1	1	1	1
Fairground heavy equipment	3	3	3	3	3
Fairground vehicles	1	1	1	1	1
Ambulance Service					
Buildings	2	2	2	2	3
Ambulance vehicles	7	7	7	7	7
Administrative vehicles	1	1	1	1	1
Solid Waste Management					
Landfill site	1	1	1	1	1
Transfer sites	0	0	0	0	0
Equipment	5	5	5	5	5
Vehicles	2	2	2	2	3

Note: No capital asset indicators are available for the general government.

Source: Information provided by individual Morgan County departments

2016	2015	2014	2013	2012
4	4	4	4	4
1	1	1	1	2
3	3	3	3	3
1	1	1	4	4
3	3	3	3	3
1	1	1	1	1
3	3	3	3	3
14	14	14	13	12
13	13	13	13	12
15	15	15	15	15
6	6	6	6	6
24	24	24	24	24
10	10	10	10	10
48	44	39	37	36
20	22	19	6	20
1	1	1	1	1
9	9	9	9	9
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
2	2	2	3	2
8	7	8	8	8
1	1	1	1	1
1	1	1	1	1
0	0	0	6	0
5	5	5	4	4
3	3	3	3	3

MORGAN COUNTY

Where Prairie Meets The Sky

SINGLE AUDIT SECTION

MORGAN COUNTY

Where Prairie Meets The Sky

WATSON COON RYAN
CERTIFIED PUBLIC ACCOUNTANTS

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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
Morgan County
Fort Morgan, 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 Morgan County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Morgan County's basic financial statements, and have issued our report thereon.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morgan 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 Morgan County's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan County's internal control.

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

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

RANDY WATSON | JEREMY RYAN | TROY COON | KELLY WATSON | JOHNNIE DOWNING

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morgan 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.

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
August 26, 2022

WATSON COON RYAN
CERTIFIED PUBLIC ACCOUNTANTS

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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
Morgan County

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Morgan 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 Morgan County's compliance with the compliance requirements referred to above.

RANDY WATSON | JEREMY RYAN | TROY COON | KELLY WATSON | JOHNNIE DOWNING

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 Morgan 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 Morgan 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 Morgan 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 Morgan 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 Morgan 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 Morgan 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.

Respectfully,

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO

AUGUST 26, 2022

MORGAN COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2021

Program	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture		
Passed through Colorado Department of Human Services		
Food Assistance Administration	10.561	201,028
Total Department of Agriculture		201,028
U.S. Department of Health and Human Services		
Passed through Colorado Department of Human Services		
Child Care Cluster		
Child Care and Development Block Grant	93.575	195,265
Care and Development Fund	93.596	147,012
Total Child Care Cluster		342,277
Promoting Safe and Stable Families	93.556	136,286
TANF	93.558	1,037,369
Title IV-D	93.563	342,969
Title IV-B	93.645	28,397
Title IV-E	93.658	390,672
Adoption	93.659	238,333
Tile XX Block Grant	93.667	131,667
Low Income Home Energy Assistance Block Grant	93.568	13,233
Guardianship Assistance - ARRA	93.090	3,156
Chafee Assistance	93.674	4,490
Injury Prevention	93.136	4,100
Department of Health Care Policy and Financing		
Title XIX Medicaid Assistance Program	93.778	373,814
Total Department of Health and Human Services		3,247,791
U.S. Department of Justice		
Passed through State of Colorado		
Victims Assistance Program	16.575	36,174
Bulletproof Vest Program	16.607	4,141
Total Department of Justice		40,315
U.S. Department of Homeland Security		
Passed through State of Colorado		
Emergency Management Performance Grant	97.042	47,000
Total Department of Homeland Security		47,000
U.S. Department of Treasury		
Passed through State of Colorado		
Coronavirus Relief Fund	21.019	403,820
Total Expenditures of Federal Awards		$ 3,738,926

See the accompanying notes to schedule of expenditures of federal awards.

MORGAN COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMEBER 31, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Morgan County under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Morgan County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Morgan County

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. STATE INFORMATION TECHNOLOGY SYSTEM

In 2004, the State of Colorado (the State) implemented the new Colorado Benefits Management System (CBMS), which consolidated legacy systems into one system and also incorporated a rules engine for determining eligibility and calculating and issuing benefits payments. As a result, the counties and the State split eligibility determination functions for certain federal Human Services' programs under CBMS. Counties are responsible for data collection from applicants and data entry of applicable information into CBMS. Concurrently, the State maintains the computer system supporting the eligibility determination process and pays benefits to the participants. The actual eligibility and payment determinations become the State's responsibility utilizing CBMS.

4. SUBRECIPIENTS

No federal awards were passed through to subrecipients for the year-ended December 31, 2021.

5. HUMAN SERVICES PROGRAMS

The County's Department of Human Services operates several federally funded human services programs where benefits are provided to qualified citizens. The benefit distribution method consists of participants receiving benefits using a state-maintained electronic banking card (EBT) instead of the City's cash disbursements. The Colorado Department of Human Services provided total EBT authorizations to qualified citizens in the County, in the amount of $14,171,077. The revenue and expenditures associated with these federal programs are not recognized in the County's basic financial statements.

6. INDIRECT COST RATE

Morgan County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

MORGAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	____ Yes	__x__ No
Significant deficiencies identified?	____ Yes	__x__ None reported
Noncompliance material to financial statements noted?	____ Yes	__x__ No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	____ Yes	__x__ No
Significant deficiencies 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:	**93.659** Adoption Assistance **93.558** Temporary Assistance for Needy Families	
Dollar threshold used to distinguish between type A and type B programs:	$____750,000____	
Auditee qualified as a low-risk auditee?	__x__ Yes	___ No

Section II: Financial Statement Findings

There were no findings.

Section III: Federal Awards Findings

There were no findings.

Section IV: Status of Prior Year Findings

There were no findings for the year ended December 31, 2020.

MORGAN COUNTY

Where Prairie Meets The Sky