

# COMMISSIONERS PROCEEDINGS 1

## BOARD OF COUNTY COMMISSIONERS Minutes of Special Meeting July 9, 2019

The Board of Morgan County Commissioners met on Tuesday, July 9, 2019 at 11:43 a.m. with Chairman James Zwetzig, Commissioner Mark Arndt and Commissioner Jon Becker in attendance. Chairman Zwetzig called the meeting to order.

### GENERAL BUSINESS AND ADMINISTRATIVE ITEMS

#### **Consideration of Approval – CONTRACT – Morgan County Audit for the fiscal year ending December 31, 2017**

Morgan County Finance Director Michelle Covelli presented to the Board for approval the Morgan County Comprehensive Annual Report for the fiscal year ending December 31, 2018. Ms. Covelli introduced Kelly Watson and Troy Coon with Watson, Coon and Ryan, this is the fifth year they have done the County audit.

Ms. Covelli stated as a result of working with the auditors and starting to work on the budget there needs to be a long term capital plan. Ms. Covelli explained there is additional revenue in the general fund again, it needs to be looked at what there is for capital projects and look at what is the plan for if Pawnee Power Plant does close. Chairman Zwetzig asked how that is developed, with Ms. Covelli explaining that the Road, Bridge and Fleet Departments both have good plans but there needs to be one for County buildings. Further discussion continued as to what the County would do if the power plant were to close.

Ms. Watson went over the communication letters the Board received. Ms. Watson summarized the information to the Board stating the audit went very well, they were able to receive the help they needed stating they did not find any significant issues there should be concern about. She explained that they work with different departments each year.

Ms. Watson explained that they do not audit internal controls as it is not part of an audit, they test them in cognition with the single audit. They look at the controls surrounding government grants. There was nothing that showed a risk as they were going through all those controls.

Ms. Watson stated that they would recommend and encourage the County to do a risk audit which is completed internally, not through the auditors. Ms. Covelli stated that would be something that would be done in the Treasurer's Office.

Ms. Watson stated there is one proposed adjustment that was not posted as being between assets and liability and the way that cash is recorded. On the Treasurers report it is showing a reduction in cash as if it is an outstanding check, it is not it is unearned revenue which is property tax received in the wrong year. It is currently reported as a reduction in cash and should be presented as deferred revenue. Ms. Covelli stated that that change will be done with this year's reports.

Ms. Watson stated they looked at all major funds and the County is doing well. The biggest change will be in the depreciation that is in the road and bridge department that is shown on page 29 on the audit report. On pages 34 and 35 is a better explanation of the yearly cash flow. They are not seeing any concerns the County can not meet its needs.

Ms. Watson explained that Solid Waste is required to have an estimate of their closure liability and that was done in 2018; it is done by a professional engineering company.

Mr. Coon explained that on the reports the liabilities have been falling each on year making the allegations decrease as well. Mr. Coon explained there is a lot of detail in the statement and asked the Board if there were any areas they would like to go over.

Chairman Zwetzig asked about the enterprise fund that the ambulance has and do they see anything as a need in that, with Ms. Watson stating it can be absorbed into the general fund and that would be up to the Board what they decide to do with it. Discussion continued as to the ambulance enterprise fund.

Mr. Coon explained that there is a lot of information and it is nice it is summarized well and its intention is to be transparent. Ms. Watson stated that each year they will change up who will review which items to be sure that everything is looked at with fresh eyes, they do want to be sure they are not doing the same procedures each year, along with rotating the county departments.

Ms. Watson stated that the main two that were dug into this year were the TANF and Medicaid which are Human Service programs, and there were no findings of concern.

Commissioner Becker stated that everything seems to look good, but with the largest property taxpayer possibly going away the County will have to find a solution if that should occur.

Chairman Zwetzig thanked the auditors and stated the report is posted on the County's website.

After no further discussion, the special meeting adjourned at 12:12 p.m.

Respectfully submitted,

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Randee Aleman  
Deputy Clerk to the Board

(Minutes ratified July 23, 2018)

**THE BOARD OF COUNTY COMMISSIONERS  
MORGAN COUNTY, COLORADO**

\_\_\_\_\_  
James P. Zwetzig, Chairman

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Mark A. Arndt, Commissioner

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Jon J. Becker, Commissioner

(SEAL)

**ATTEST:**

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Susan L. Bailey