



MORGAN COUNTY, COLORADO

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2023



MORGAN COUNTY, COLORADO
Annual Comprehensive Financial Report
For the fiscal year ended December 31, 2023

Board of County Commissioners

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Lori Crispin, Interim

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Finance and Information Systems Departments



MORGAN COUNTY, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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INTRODUCTORY SECTION



MORGAN COUNTY ADMINISTRATION

August 28, 2024

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, 2023.

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 2023 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, 2023. 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 29,524. 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 11,453. 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 custodial 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 248 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 2022, the County assessed value certified by the County Assessor decreased by .7%. This slight decrease 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 Viero Wireless with 501 employees followed by Leprino Foods with 350 employees. The unemployment rate in Morgan County in 2023 was 3%. Morgan County's unemployment rate of 3% is slightly lower than the State rate of 3.2%. 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 decided to use the County's American Rescue Plan Funds for an expansion project to increase space 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 received an Energy Impact Assistance Fund 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 2023, the County purchased a building and property using Federal American Rescue Plan (ARP) funds that had been awarded to the County. This building was purchased adjacent to the current Morgan County Justice Center and will add space for the Justice Center operations.

In addition, in 2022, the County applied for an Energy Impact Assistance grant through the Colorado Department of Local Affairs. The County was awarded a \$700,000 grant for a project to improve energy efficiency for the Morgan County Justice Center, Department of Human Services building, County Administration building, and Morgan County Fairgrounds. This project has been delayed and will begin in 2024.

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, 2022. 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 thirty consecutive years (fiscal years ended 1993-2022). 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,

A handwritten signature in blue ink that reads "Lori Crispin". The signature is written in a cursive, flowing style.

Lori Crispin
Interim Director of Finance and Accounting





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

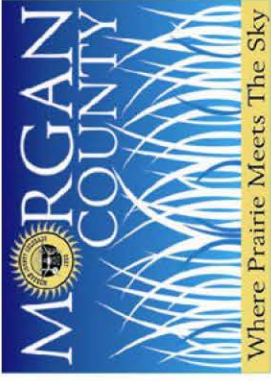
**Morgan County Government
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO



Morgan County Organizational Chart

Morgan County Citizens

Elected Officials

Assessor

Clerk & Recorder

Coroner

Board of County Commissioners

Sheriff

Surveyor

Treasurer

Departments

Finance

Fair Board

Emergency Management

Building & Maintenance

Planning & Zoning

Human Services

Information Services

Solid Waste Management

Veterans Officer

Human Resources

Communications Center

Admin Services Management

Ambulance

Extension Office

DHS Attorney

Public Works

Lodging & Tourism

Road & Bridge

Fleet Maintenance

MORGAN COUNTY, COLORADO

List of Principal Officials
As of December 31, 2023

TITLE

NAME

ELECTED

Chairman, Board of County Commissioners
Commissioner
Commissioner
Assessor
Clerk & Recorder
Coroner
Sheriff
Surveyor
Treasurer

Gordon H. Westhoff
Mark A. Arndt
Jon Becker
Tim M. Amen
Kevin Strauch
Michael Dahl
David D. Martin
Nichole F. Hay
Robert A. Sagel

APPOINTED

Accounting & Finance Director, Interim
Administrative Services Manager
Ambulance Manager
Attorney
Director of Communications
Director of Human Resources
Director of Human Services
Emergency Operations Coordinator
Information Systems Manager
Manager of Bridge Construction
Manager of Building Operations
Manager of Environment
Manager of Road Construction
Planning & Zoning Administrator
Public Works Director
Shop Manager
Veterans Officer

Lori Crispin
Karla Powell
Travis Freeman
Jeff Parker
Danette Martin
Tracy Amen
Jacque Frenier
Roger Doll
Karol L. Kopetzky
James Rehn
Dave Cornwell
Cass Yearous
John Goodman
Nicole F. Hay
Bruce Bass
Patrick Canham
Ricky Arellano



FINANCIAL SECTION

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 Morgan County, as of and for the year ended December 31, 2023, 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, each major fund, and the aggregate remaining fund information of Morgan County, as of December 31, 2023, 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.

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. 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 28, 2024 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 28, 2024

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, 2023. 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 \$160 million (net position) at the end of 2023. Of this amount, \$60 million may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$101 million is invested in capital assets or restricted by law.
- The County's General Fund balance was \$43.8 million as of December 31, 2023. Of this amount, \$1,000,000 is restricted for emergencies, \$43,054 is restricted for Clerk E-filing, \$2,601 is committed for the Tri Centennial, \$1,114,949 is committed for the Human Services building, \$11 million is assigned for capital building projects, and \$107,283 is assigned for other agencies. The remaining \$30.5 million is unassigned fund balance. The 2022 fund balance was \$38.4 million.
- The total 2023 General Fund balance is \$43.8 million, which is \$7 million more than the 2022 General Fund operating expenditures plus transfers out of \$38.4 million. 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 50% of the General Fund revenue in 2023.

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 31 – 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 90. Budget to actual comparisons for the Enterprise Funds are on pages 86 – 87. Budget to actual comparison for the Internal Services Fund is on page 91.

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 93 and a Combining Statement of Changes in Fiduciary Net Position - Custodial Funds is on page 94.

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, 2023, assets exceeded liabilities and deferred inflows of resources by \$160 million. The largest portion of Morgan County's net position (53%) is invested in capital assets. The net investment in capital assets is \$85.1 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 \$15.5 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, \$10.2 million, is restricted for the Roadways.

The County had an unrestricted net position of \$59.7 million, which may be used to meet the County's ongoing obligations to citizens and creditors.

The three categories of net position are: net investment in capital assets, assets subject to certain restrictions, and unrestricted assets. At the end of 2023, Morgan County had positive balances in all three categories of net position both for governmental activities and business type activities.

**Morgan County Government
Net Position**

	Governmental activities		Business-type activities		Total Government	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 94,061,745	\$ 90,277,948	\$ 8,154,126	\$ 8,105,165	\$ 102,215,871	\$ 98,383,113
Capital assets	82,201,560	85,897,227	2,905,737	3,020,720	85,107,297	88,917,947
Total assets	176,263,305	176,175,175	11,059,863	11,125,885	187,323,168	187,301,060
Liabilities						
Current liabilities	3,670,967	8,157,155	175,051	1,046,477	3,846,018	9,203,632
Long-term liabilities	1,118,073	1,070,467	991,369	895,497	2,109,442	1,965,964
Total liabilities	4,789,040	9,227,622	1,166,420	1,941,974	5,955,460	11,169,596
Deferred Property Tax Revenue	21,031,336	19,449,004	-	-	21,031,336	19,449,004
Total liabilities and deferred inflows of resources	25,820,376	28,676,626	1,166,420	1,941,974	26,986,796	30,618,600
Net position						
Net investment in capital assets	82,201,560	85,897,227	2,905,737	3,020,720	85,107,297	88,917,947
Restricted	15,479,238	20,288,938	-	-	15,479,238	20,288,938
Unrestricted	52,762,131	41,312,384	6,987,706	6,163,191	59,749,837	47,475,575
Total net position	\$ 150,442,929	\$ 147,498,549	\$ 9,893,443	\$ 9,183,911	\$ 160,336,372	\$ 156,682,460

The total net position increased in 2023 by \$3.7 million. The increase in the 2023 net position can be seen by the decrease in total liabilities and deferred inflows of resources. The decrease in 2023 is \$3.6 million. The large decrease in the liability was due mainly to the revenue recognition of the \$4 million in Morgan County's American Recovery Plan federal funds received.

The total restricted net position decreased by \$4.8 million. The decrease in restricted funds was due mainly to the County utilizing the \$4 million restricted American Recovery Plan Funds from the federal government.

Net investment in capital assets decreased \$3.8 million in 2023. The majority of the decline was from depreciation calculated on capital assets.

Governmental activities. Governmental activities increased Morgan County's net position by \$2.9 million. The increase in net position in the governmental funds is due mainly to the decrease in current liability reported that included the unearned American Recovery Funds and an increase in revenue. The County's investment income increased by \$3.3 million in the governmental activities in 2023 due to increased interest rates.

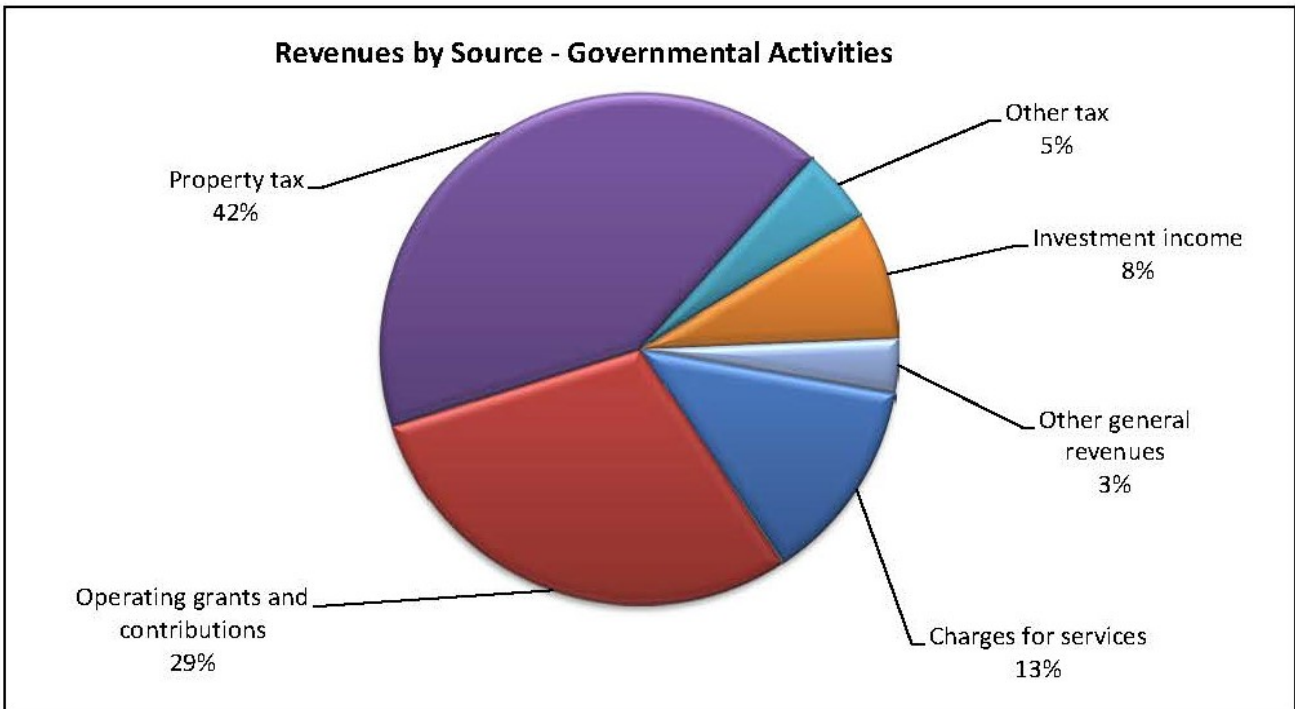
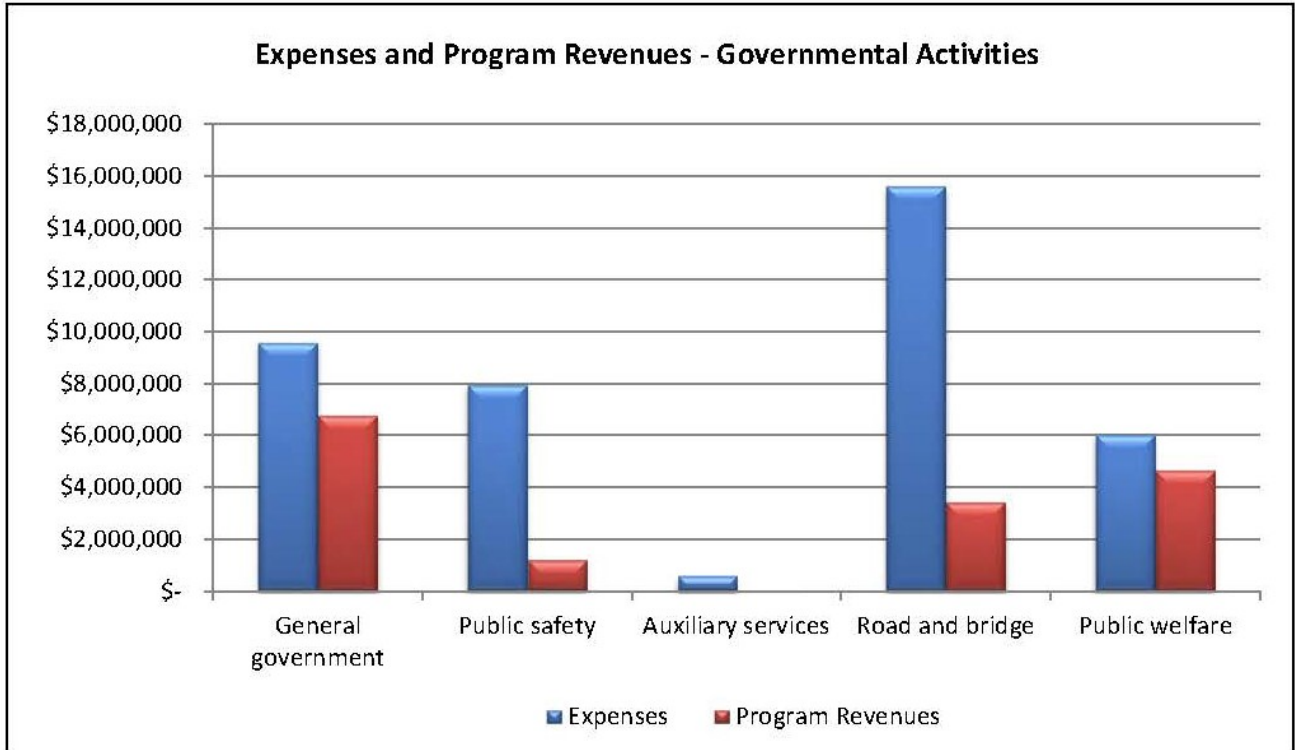
Business type activities. Business type activities increased Morgan County's net position by \$709,532. The increase in net position was due to the increase in customer fees collected, as

well as an increase in revenues from a \$200,000 transfer from the General Fund to the Ambulance Service Fund.

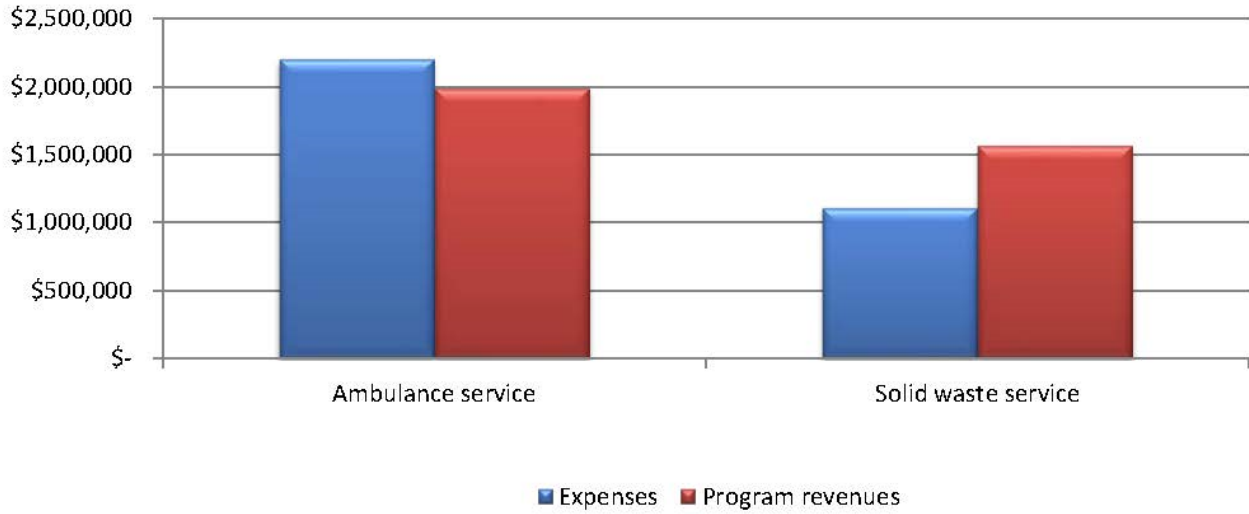
The following shows the elements of the County's change in net position:

**Morgan County Government
Changes in Net Position**

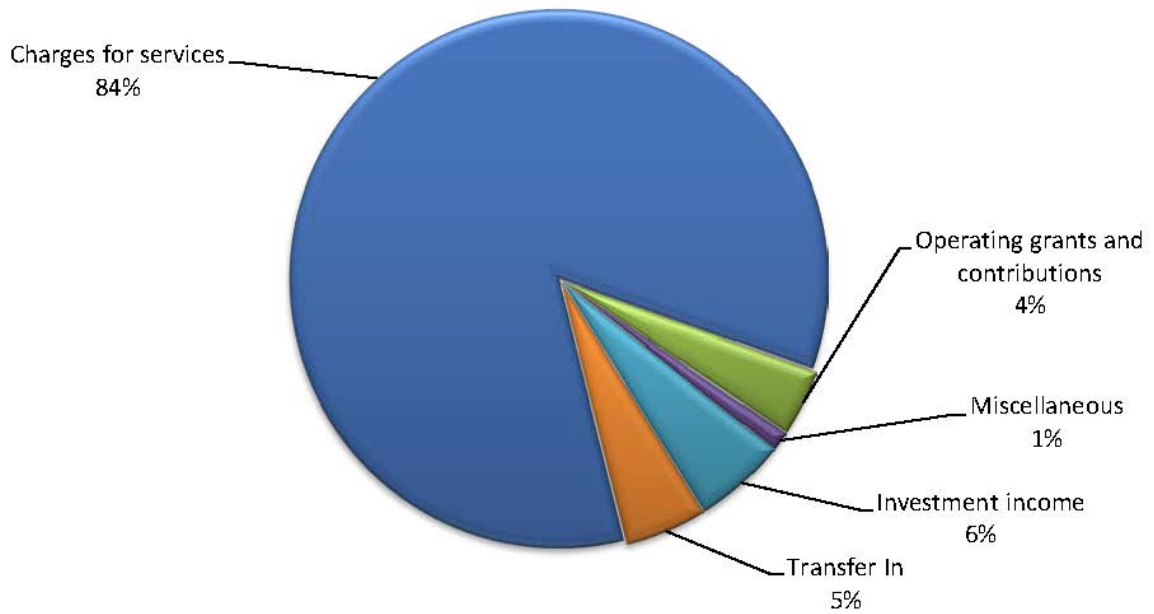
	Governmental activities		Business-type activities		Total Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 2,597,628	\$ 2,319,952	\$ 3,396,671	\$ 2,650,662	\$ 5,994,299	\$ 4,970,614
Operating grants and contributions	13,532,804	8,937,915	162,062	112,219	13,694,866	9,050,134
Capital grants and contributions	-	-	-	18,361	-	18,361
General revenues						
Property tax	19,300,192	19,854,404	-	-	19,300,192	19,854,404
Other tax	2,157,393	1,990,778	-	-	2,157,393	1,990,778
Investment Income	3,737,698	443,769	224,284	83,105	3,961,982	526,874
Other general revenues	<u>1,607,721</u>	<u>548,070</u>	<u>45,839</u>	<u>21,006</u>	<u>1,653,560</u>	<u>569,076</u>
Total revenues	<u>42,933,436</u>	<u>34,094,888</u>	<u>3,828,856</u>	<u>2,885,353</u>	<u>46,762,292</u>	<u>36,980,241</u>
Expenses						
General government	9,576,800	8,675,798	-	-	9,576,800	8,675,798
Public safety	7,977,817	7,797,655	-	-	7,977,817	7,797,655
Auxiliary services	576,967	536,989	-	-	576,967	536,989
Roads and bridges	15,616,577	16,256,356	-	-	15,616,577	16,256,356
Public welfare	6,040,895	5,533,334	-	-	6,040,895	5,533,334
Ambulance services	-	-	2,203,137	1,836,227	2,203,137	1,836,227
Solid waste services	-	-	<u>1,116,187</u>	<u>977,596</u>	<u>1,116,187</u>	<u>977,596</u>
Total expenses	<u>39,789,056</u>	<u>38,800,132</u>	<u>3,319,324</u>	<u>2,813,823</u>	<u>43,108,380</u>	<u>41,613,955</u>
Increase (decrease) in net position	3,144,380	(4,705,244)	509,532	71,530	3,653,912	(4,633,714)
Transfers	<u>(200,000)</u>	-	<u>200,000</u>	-	-	-
Net position - January 1	<u>147,498,549</u>	<u>152,203,793</u>	<u>9,183,911</u>	<u>9,112,381</u>	<u>156,682,460</u>	<u>161,316,174</u>
Net position - December 31	<u>\$ 150,442,929</u>	<u>\$ 147,498,549</u>	<u>\$ 9,893,443</u>	<u>\$ 9,183,911</u>	<u>\$ 160,336,372</u>	<u>\$ 156,682,460</u>



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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 2023. The total fund balances in the governmental funds increased by \$7.0 million. As of the end of 2023 the combined ending fund balance of County governmental funds was \$66.6 million. Approximately 46% 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 non-spendable inventory in the amount of \$134,114 or 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 \$43,054, 3) a state statute for Social Services \$1,796,519, 4) a state statute for roadways \$10,199,626, 5) a state statute for the 911 emergency telephone services \$1,199,097, 6) a state statute to promote tourism in the County \$629,646, 7) a state statute to promote parks and recreation \$624,904, 8) a state statute regulating law enforcement confiscation and seizure \$4,667.

Proprietary 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.** Total net position of this fund at the end of 2023 amounted to \$7,810,906. This is an increase of \$653,518 from net position at the end of 2022. The increase in net position was due to an increase in revenue from customers as well as a decrease in expenses.
- ❖ **Ambulance Service Fund.** Total net position of this fund at the end of 2023 amounted to \$2,082,537. This is an increase of \$56,014 from net position at the end of 2022. The increase in net position was due to a cash transfer in of \$200,000 received from the County General Fund. the Ambulance Service Fund continues to struggle with decreasing revenues and increasing costs..

The proprietary funds change in net position is mainly due to the increase in customer fees collected in the Solid Waste Management Fund.

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 a total net position of \$9.1 million. This is a decrease of \$329,071 from 2022 total net position. The decrease in net position was due

mainly to the increase of expenses in the County's fleet department. Expenses increased 7% in the fleet department.

Governmental Funds Overview

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, 2023, was \$43.8 million. This is an increase of \$5 million. Of this amount, \$13.3 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 146% of total 2023 expenditures and transfers in the general fund. The increase in fund balance is due to the increase in general fund revenues. Total interest income in the General Fund increased by \$1.9 million.
- ❖ **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 \$17 million in fund balance at the end of 2023. Of this amount, \$10.2 million is restricted for future capital highway projects, \$134,114 is nonspendable for bridge inventory, and \$6.7 million is committed for future capital road and bridge projects. Total Road and Bridge fund balance increased by \$1.2 million in 2023. The increase in fund balance was due to a decrease in expenditures. Expenditures for the capital road and bridge projects decreased in 2023 by \$400,000.
- ❖ **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 2023 was \$1.8 million. This is a slight increase of \$13,649 from the 2022 fund balance. The \$1.8 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 net investment in capital assets for its governmental and business type activities as of December 31, 2023 totals \$85.1 million (net of accumulated depreciation). This investment includes all land, buildings, machinery and equipment, as well as infrastructure constructed from 1980 through 2023.

**Morgan County Government
Capital Assets
(net of depreciation)**

	Governmental activities		Business-type activities		Total Government	
	2023	2022	2023	2022	2023	2022
Land and Water Rights	\$ 2,118,484	\$ 2,118,484	\$ 125,787	\$ 125,787	\$ 2,244,271	\$ 2,244,271
Building and Improvements	9,487,981	5,387,305	891,305	930,030	10,379,286	6,317,335
Machinery and Equipment	8,227,969	8,338,051	401,700	482,173	8,629,669	8,820,224
Infrastructure Construction in Progress	61,724,012	69,494,980	1,486,945	1,218,761	63,210,957	70,713,741
	643,114	558,407	-	263,969	643,114	822,376
Total capital assets	<u>\$ 82,201,560</u>	<u>\$ 85,897,227</u>	<u>\$ 2,905,737</u>	<u>\$ 3,020,720</u>	<u>\$ 85,107,297</u>	<u>\$ 88,917,947</u>

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, 2023.

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 2024 budget:

- The County's certified assessed value in 2023 increased by 7.8%. This amounts to an increase in property tax to be collected in 2024 of \$52.8 million. Morgan County's assessed value is critical to revenues as there is no County sales tax levied.
- The County has historically, and continues to be, fiscally responsible. The fund balance for the County was carefully invested.
- Planning has begun on building renovation and updating of the existing County Jail/Judicial Complex. Work will begin in 2024.
- The County Social Services department continues to address increasing case loads and increasing costs to local government.
- The County's Ambulance Service Fund expenses continue to increase. Fees the County collects for the ambulance services has increased but not at a level to meet current expenses. In 2023, the County approved a transfer of funds from the Morgan County General Fund to help meet the increasing cost of ambulance operations.

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.



BASIC FINANCIAL STATEMENTS



Morgan County, Colorado
Government-Wide Statement of Net Position
December 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash (Note 3)	\$ 1,635	\$ 700	\$ 2,335
Cash held by county departments (Note 3)	212,229	-	212,229
Cash and investments held by County Treasurer (Note 3)	70,933,859	7,668,424	78,602,283
Receivables (net of allowance for uncollectibles) (Note 4):			
General property tax - net	21,031,336	-	21,031,336
Accounts	214,243	512,779	727,022
Intergovernmental	1,229,438	-	1,229,438
Internal balances (Note 8)	27,777	(27,777)	-
Inventory	411,228	-	411,228
Capital assets not being depreciated (Note 5)	2,761,598	125,787	2,887,385
Capital assets (net of accumulated depreciation) (Note 5)	79,439,962	2,779,950	82,219,912
Total assets	<u>176,263,305</u>	<u>11,059,863</u>	<u>187,323,168</u>
LIABILITIES			
Warrants payable	695,612	52,618	748,230
Vouchers payable	610,004	29,625	639,629
Accounts payable	492,381	19,132	511,513
Accrued wages	-	60,831	60,831
Intergovernmental payables	31,689	-	31,689
Unearned other revenue	1,841,281	12,845	1,854,126
Noncurrent liabilities:			
Due within one year (Note 7)	755,788	88,561	844,349
Due more than one year (Note 7)	362,285	902,808	1,265,093
Total liabilities	<u>4,789,040</u>	<u>1,166,420</u>	<u>5,955,460</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	21,031,336	-	21,031,336
NET POSITION:			
Investment in capital assets	82,201,560	2,905,737	85,107,297
Restricted for:			
Clerk E-filing fees	43,054	-	43,054
Emergencies (Note 10)	1,000,000	-	1,000,000
Roadways	10,199,626	-	10,199,626
Social services	1,790,620	-	1,790,620
911 emergency	1,186,721	-	1,186,721
Tourism	629,646	-	629,646
Parks and recreation	624,904	-	624,904
Law enforcement	4,667	-	4,667
Unrestricted	52,762,131	6,987,706	59,749,837
Total net position	<u>\$ 150,442,929</u>	<u>\$ 9,893,443</u>	<u>\$ 160,336,372</u>

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

Morgan County, Colorado
Government-Wide Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,576,800	\$ 1,480,706	\$ 5,281,927	\$ -
Judicial and public safety	7,977,817	1,046,576	185,552	-
Auxiliary services	576,967	-	-	-
Roads and bridges	15,616,577	49,279	3,400,217	-
Public welfare	6,040,895	21,067	4,665,108	-
Total governmental activities	39,789,056	2,597,628	13,532,804	-
Business-type activities:				
Ambulance services	2,203,137	1,829,101	162,062	-
Solid waste services	1,116,187	1,567,570	-	-
Total business-type activities	3,319,324	3,396,671	162,062	-
Total primary government	\$ 43,108,380	\$ 5,994,299	\$ 13,694,866	\$ -
General revenues:				
Taxes:				
Property				
Specific ownership				
Lodging				
Other				
Investment income				
Miscellaneous				
Gain/(Loss) sale of assets				
Total general revenues				
Transfers				
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
\$ (2,814,167)	\$ -	\$ (2,814,167)
(6,745,689)	-	(6,745,689)
(576,967)	-	(576,967)
(12,167,081)	-	(12,167,081)
(1,354,720)	-	(1,354,720)
<u>(23,658,624)</u>	<u>-</u>	<u>(23,658,624)</u>
-	(211,974)	(211,974)
-	451,383	451,383
-	239,409	239,409
<u>\$ (23,658,624)</u>	<u>\$ 239,409</u>	<u>\$ (23,419,215)</u>
19,300,192	-	19,300,192
1,883,847	-	1,883,847
262,022	-	262,022
11,524	-	11,524
3,737,698	224,284	3,961,982
1,184,496	44,464	1,228,960
423,225	1,375	424,600
<u>26,803,004</u>	<u>270,123</u>	<u>27,073,127</u>
(200,000)	200,000	-
2,944,380	709,532	3,653,912
147,498,549	9,183,911	156,682,460
<u>\$ 150,442,929</u>	<u>\$ 9,893,443</u>	<u>\$ 160,336,372</u>



Morgan County, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	General	Road and Bridge	Social Services	Nonmajor Governmental Funds	Total
ASSETS:					
Cash	\$ 800	\$ -	\$ 400	\$ 85	\$ 1,285
Cash held by county departments	107,283	-	99,914	5,032	212,229
Cash and investments held by County Treasurer	46,245,286	16,967,380	1,544,745	3,888,792	68,646,203
Receivables (net of allowances for uncollectibles):					
General property tax - net	14,154,329	5,429,216	1,447,791	-	21,031,336
Accounts receivable	17,395	-	31,739	153,630	202,764
Intergovernmental Receivables	312,903	274,145	642,255	135	1,229,438
Inventories	-	134,114	447	-	134,561
Total assets	\$ 60,837,996	\$ 22,804,855	\$ 3,767,291	\$ 4,047,674	\$ 91,457,816
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Warrants payable	\$ 368,917	\$ 113,065	\$ 104,140	\$ -	\$ 586,122
Vouchers payable	322,008	55,659	87,858	14,874	480,399
Accounts payable	389,544	626	101,761	450	492,381
Intergovernmental payables	-	-	31,689	-	31,689
Interfund payables	166,477	169,719	16,454	213	352,863
Unearned other revenue	1,660,202	-	181,079	-	1,841,281
Total liabilities	2,907,148	339,069	522,981	15,537	3,784,735
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	14,154,329	5,429,216	1,447,791	-	21,031,336
FUND BALANCES:					
Fund balance:					
Nonspendable:					
Inventory	-	134,114	-	-	134,114
Restricted for:					
Clerk E-filing fees	43,054	-	-	-	43,054
Emergencies	1,000,000	-	-	-	1,000,000
Roadways	-	10,199,626	-	-	10,199,626
Social services	-	-	1,796,519	-	1,796,519
911 emergency	-	-	-	1,199,097	1,199,097
Tourism	-	-	-	629,646	629,646
Parks and recreation	-	-	-	624,904	624,904
Law enforcement	-	-	-	4,667	4,667
Committed to:					
Tri Centennial	2,601	-	-	-	2,601
Capital improvements	1,114,949	-	-	-	1,114,949
Bridge structures	-	4,047,173	-	-	4,047,173
Road projects	-	2,655,657	-	-	2,655,657
Jail expansion	-	-	-	1,573,823	1,573,823
Assigned to:					
Other capital projects	11,000,000	-	-	-	11,000,000
Other agencies	107,283	-	-	-	107,283
Unassigned:	30,508,632	-	-	-	30,508,632
Total fund balances	43,776,519	17,036,570	1,796,519	4,032,137	66,641,745
Total liabilities, deferred inflows, and fund balances	\$ 60,837,996	\$ 22,804,855	\$ 3,767,291	\$ 4,047,674	\$ 91,457,816

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

Morgan County, Colorado
Reconciliation of the Governmental Funds
Balance Sheet to the Government Wide Statement of Net Position
December 31, 2023

Total governmental fund balances (page 31) \$ 66,641,745

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. 75,690,122

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 (967,783)

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. 9,078,845

Net position of governmental activities (page 27) \$ 150,442,929

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, 2023

	General	Road and Bridge	Social Services	Nonmajor Governmental Funds	Total
REVENUES					
Taxes	\$ 14,540,953	\$ 5,426,548	\$ 1,328,978	\$ 161,106	\$ 21,457,585
Intergovernmental	5,301,524	3,400,217	4,686,175	133,523	13,521,439
Licenses and permits	263,470	25,244	-	-	288,714
Fines and forfeitures	1,164	-	-	-	1,164
Fee accounts	1,566,519	-	-	14,958	1,581,477
Charges for materials/service	-	-	-	833,463	833,463
Investment income	3,442,895	271,150	-	23,653	3,737,698
Miscellaneous	385,275	24,253	33,492	32,432	475,452
Total revenues	<u>25,501,800</u>	<u>9,147,412</u>	<u>6,048,645</u>	<u>1,199,135</u>	<u>41,896,992</u>
EXPENDITURES					
Current:					
General government	6,701,913	-	-	206,799	6,908,712
Judicial and public safety	7,247,294	-	-	596,707	7,844,001
Auxiliary services	576,967	-	-	-	576,967
Road and bridge	-	6,409,422	-	-	6,409,422
Public welfare	-	-	6,034,996	-	6,034,996
Intergovernmental cooperation outlay	1,264,704	-	-	-	1,264,704
Capital outlay	4,734,263	1,506,294	-	81,081	6,321,638
Total expenditures	<u>20,525,141</u>	<u>7,915,716</u>	<u>6,034,996</u>	<u>884,587</u>	<u>35,360,440</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,976,659</u>	<u>1,231,696</u>	<u>13,649</u>	<u>314,548</u>	<u>6,536,552</u>
Other financing sources (uses):					
Transfers in	-	-	-	120,000	120,000
Insurance proceeds	680,153	-	-	-	680,153
Transfers out	(320,000)	-	-	-	(320,000)
Total other financing sources (uses)	<u>360,153</u>	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>480,153</u>
Net change in fund balances	5,336,812	1,231,696	13,649	434,548	7,016,705
Fund Balances, January 1	38,439,707	15,804,874	1,782,870	3,597,589	59,625,040
Fund Balances, December 31	<u>\$ 43,776,519</u>	<u>\$ 17,036,570</u>	<u>\$ 1,796,519</u>	<u>\$ 4,032,137</u>	<u>\$ 66,641,745</u>

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 Government Wide Statement of Activities
For the Year Ended December 31, 2023

Net change in fund balances – total governmental funds (page 33) \$ 7,016,705

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	\$	6,321,637	
Depreciation expense		(10,033,356)	
Excess of depreciation over capital outlay			(3,711,719)

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	(31,535)
----------------------	----------

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.

	(329,071)
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Change in net position of governmental funds (page 29) \$ 2,944,380

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, 2023

	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	1,205,278	6,463,146	7,668,424	2,287,656
Receivables (net of allowance uncollectibles):				
Accounts Receivable	396,062	101,405	497,467	11,479
Other Receivables	8,312	7,000	15,312	-
Interfund Receivables	6,385	119	6,504	380,640
Inventory	-	-	-	276,667
Total current assets	1,616,037	6,572,370	8,188,407	2,956,792
Long term assets:				
Capital assets (net of accumulated depreciation):				
Land and water rights	62,190	63,597	125,787	-
Buildings	448,991	442,314	891,305	305
General equipment	186,525	215,176	401,701	6,501,010
Infrastructure	-	1,486,944	1,486,944	10,123
Total long term assets	697,706	2,208,031	2,905,737	6,511,438
Total assets	2,313,743	8,780,401	11,094,144	9,468,230
LIABILITIES				
Current liabilities:				
Warrants payable	29,169	23,449	52,618	109,490
Vouchers payable	19,729	9,896	29,625	129,605
Accounts payable	-	19,132	19,132	-
Accrued wages	60,831	-	60,831	-
Compensated absences	62,218	26,343	88,561	99,673
Interfund payables	17,941	16,340	34,281	-
Unearned revenue	12,845	-	12,845	-
Total current liabilities	202,733	95,160	297,893	338,768
Long term liabilities:				
Compensated absences	28,473	15,581	44,054	50,617
Accrued landfill closure and post-closure care	-	858,754	858,754	-
Total long term liabilities	28,473	874,335	902,808	50,617
Total liabilities	231,206	969,495	1,200,701	389,385
NET POSITION				
Investment in capital assets	697,706	2,208,031	2,905,737	6,511,438
Unrestricted	1,384,831	5,602,875	6,987,706	2,567,407
Total net position	\$ 2,082,537	\$ 7,810,906	\$ 9,893,443	\$ 9,078,845

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, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Ambulance Service	Solid Waste Management	Total	Activities - Internal Service Fund
Operating revenues				
Charges for services	\$ 1,829,101	\$ 1,567,570	\$ 3,396,671	\$ 4,443,515
Miscellaneous revenues	44,062	402	44,464	2,889
Total operating revenues	<u>1,873,163</u>	<u>1,567,972</u>	<u>3,441,135</u>	<u>4,446,404</u>
Operating expenses				
Compensation and benefits	1,616,495	463,754	2,080,249	1,529,617
Operating supplies	77,110	82,811	159,921	1,907,086
Purchased services	178,811	133,794	312,605	568,673
Fixed charges	214,497	213,889	428,386	74,321
Depreciation	95,105	124,718	219,823	1,197,026
Other expenses	21,119	97,221	118,340	2,000
Total operating expenses	<u>2,203,137</u>	<u>1,116,187</u>	<u>3,319,324</u>	<u>5,278,723</u>
Operating income (loss)	<u>(329,974)</u>	<u>451,785</u>	<u>121,811</u>	<u>(832,319)</u>
Nonoperating revenues				
State grant	162,062	-	162,062	-
Interest	23,926	200,358	224,284	-
Gain (loss) on disposal of assets	-	1,375	1,375	423,225
Insurance recovery	-	-	-	80,023
Total nonoperating revenues	<u>185,988</u>	<u>201,733</u>	<u>387,721</u>	<u>503,248</u>
Income (loss) before transfers	<u>(143,986)</u>	<u>653,518</u>	<u>509,532</u>	<u>(329,071)</u>
Transfers:				
Transfers in	200,000	-	200,000	-
Total transfers	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Change in net position	56,014	653,518	709,532	(329,071)
Total net position, January 1	2,026,523	7,157,388	9,183,911	9,407,916
Total net position, December 31	<u>\$ 2,082,537</u>	<u>\$ 7,810,906</u>	<u>\$ 9,893,443</u>	<u>\$ 9,078,845</u>

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, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Ambulance Service Fund	Solid Waste Management	2023	Internal Services Fund
Cash flows from operating activities				
Receipts from customers and users	\$ 1,670,575	\$ 1,538,469	\$ 3,209,044	\$ 129,387
Receipts from interfund services	-	720	720	4,244,706
Payments to suppliers	(274,787)	(1,120,156)	(1,394,943)	(2,716,305)
Payments for interfund services	(238,715)	(200,614)	(439,329)	(33,724)
Payments to employees	(1,588,257)	(458,458)	(2,046,715)	(1,513,543)
Net cash provided by operating activities	<u>(431,184)</u>	<u>(240,039)</u>	<u>(671,223)</u>	<u>110,521</u>
Cash flows from noncapital financing activities				
Grants received	162,062	-	162,062	-
Transfer from General Fund	200,000	-	200,000	-
Net cash provided by noncapital financing activities	<u>362,062</u>	<u>-</u>	<u>362,062</u>	<u>-</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	-	(104,840)	(104,840)	(889,066)
Proceeds from sale of capital assets	-	1,375	-	99,216
Insurance Recovery	-	-	-	80,023
Net cash used by capital and related financing activities	<u>-</u>	<u>(103,465)</u>	<u>(104,840)</u>	<u>(709,827)</u>
Cash flows from investing activities				
Interest received	23,926	200,358	224,284	-
Net cash provided by investing activities	<u>23,926</u>	<u>200,358</u>	<u>224,284</u>	<u>-</u>
Net decrease in cash and cash equivalents	(45,196)	(143,146)	(188,342)	(599,306)
Cash and cash equivalents - January 1	<u>1,250,474</u>	<u>6,606,992</u>	<u>7,857,466</u>	<u>2,887,312</u>
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)	<u>\$ 1,205,278</u>	<u>\$ 6,463,846</u>	<u>\$ 7,669,123</u>	<u>\$ 2,288,006</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (329,974)	\$ 451,785	121,811	\$ (832,319)
Adjustment to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	95,105	124,718	219,823	1,197,026
(Increase) decrease in accounts receivable	(202,588)	(29,503)	(232,091)	5,906
(Increase) decrease in intergovernmental receivables	-	720	720	(26,572)
Increase in inventory	-	-	-	(51,645)
Increase (decrease) in accounts payable	1,688	(874,449)	(872,761)	(197,945)
Increase (decrease) in intergovernmental payable	(9,096)	3,165	(5,931)	-
Increase in accrued wages	15,888	-	15,888	-
Increase in accrued compensated absences	12,349	5,297	17,646	16,070
Decrease in unearned revenue	(14,556)	-	(14,556)	-
Increase in accrued landfill closure and postclosure	-	78,228	78,228	-
Total adjustments	<u>(101,210)</u>	<u>(691,824)</u>	<u>(793,034)</u>	<u>942,840</u>
Net cash provided by operating activities	<u>\$ (431,184)</u>	<u>\$ (240,039)</u>	<u>\$ (671,223)</u>	<u>\$ 110,521</u>

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, 2023

	<u>Total Custodial Funds</u>
ASSETS	
Cash	\$ 3,433,363
Total assets	<u>3,433,363</u>
LIABILITIES	
Due to other governments and organizations	<u>3,356,104</u>
Total liabilities	<u>3,356,104</u>
NET POSITION	
Restricted for individuals	<u>\$ 77,259</u>

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, 2023

		Total Custodial Funds
ADDITIONS		
Inmate deposits	\$	203,536
Fees collected		31,224
Foreclosure escrow amounts received		29,428
Collection of taxes and fees for other governments		58,832,844
Total additions		59,097,032
DEDUCTIONS		
Commissary - sales and services		199,289
Distribution of fees		25,870
Foreclosure escrow amounts disbursed		29,428
Payments of taxes and fees to other governments		58,832,844
Total deductions		59,087,431
Change in net position		9,601
Total net position, January 1		67,658
Total net position, December 31	\$	77,259

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

MORGAN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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:

Morgan County Building Authority

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 2023.

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 2023, 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 use the economic resources measurement focus.

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

The Sheriff's Confiscation/Seizure Fund 2023 actual expenses exceeded the final approved budget amount by \$2,000.

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, 2023, 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 assets 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 assets/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 2023, the assigned fund balance in the general fund consists of \$11,000,000 assigned to capital projects and \$107,283 assigned to other agencies. The assigned to other agencies in general fund includes: 1) \$54,675 held by the Morgan County Fair Board, 2) \$49,233 held by the Morgan County Sheriff and 3) \$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. Net 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.

S. Recent Accounting Pronouncements

Morgan County implemented GASB 96 and no material subscription based Information Technology agreements were identified.

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, 2023, the County's deposits and investments were as follows:

Cash and Investments	
Cash	\$ 2,335
Cash held by County departments	212,229
Cash held by County Treasurer	78,602,283
Cash held in custodial funds	3,433,363
Total cash and investments	<u>\$ 82,250,210</u>

	<u>Total</u>
Cash	\$ 67,998
Cash Deposits	4,638,192
Certificates of Deposit	7,135,064
Local government investment pool - ColoTrust	19,904,332
Local government investment pool - CSafe	19,420,234
CSIP	17,467,736
Governmental Securities	13,616,654
	<u>\$ 82,250,210</u>

Investments in local government investment pools are rated AAAM by Standard & Poor's. Certificates of deposit have maturities ranging from 10/22/24 to 11/01/24. The investments in U.S. Treasury Bills have a maturity of less than three years.

Cash held by County Departments includes \$54,265 held by the County Sheriff, \$3,375 held by the County Clerk, \$54,675 held by the Morgan County Fair Board, and \$99,914 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 not 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, 2023, unrealized losses were \$390,600 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, 2023. 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:

Government Securities: quoted prices for similar securities in active markets

Certificate of Deposit: 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, 2023.

	Fair Value as of 12/31/23	Fair Value Measurement Using		
		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	\$ 7,135,064	\$ -	\$ 7,135,064	\$ -
Government Securities	13,616,654	-	13,616,654	-
Total Investment by Fair Value Level	\$ 20,751,718	\$ -	\$ 20,751,718	\$ -

Additionally, at December 31, 2023, the County had \$19,904,332 in Colorado Local Government Liquid Asset Trust (ColoTrust), \$17,467,736 in Colorado Statewide Investment Program (CSIP), \$210,686 in Colorado Surplus Asset Fund Trust (CSAFE) cash account and \$19,187,063 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, \$750,000 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, 2023, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Total
Receivables:						
Taxes	\$ 14,154,329	\$ 6,877,007	\$ -	\$ -	\$ -	\$ 21,031,336
Accounts & other	17,395	185,369	-	1,214,836	11,479	1,429,079
Intergovernmental	<u>312,903</u>	<u>916,400</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>1,229,438</u>
Gross Receivables	14,484,627	7,978,776	135	1,214,836	11,479	23,689,853
Less: allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>(702,057)</u>	<u>-</u>	<u>(702,057)</u>
Net total receivables	<u>\$ 14,484,627</u>	<u>\$ 7,978,776</u>	<u>\$ 135</u>	<u>\$ 512,779</u>	<u>\$ 11,479</u>	<u>\$ 22,987,796</u>

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, 2023, was as follows:

	Balances 1/1/23	2023 Additions	2023 Deletions	Balances 12/31/23
Governmental Activities:				
Capital assets not being depreciated:				
Land and Water Rights	\$ 2,118,484	\$ -	\$ -	\$ 2,118,484
Construction in progress	558,407	643,114	(558,407)	643,114
Total capital assets not being depreciated	<u>\$ 2,676,891</u>	<u>\$ 643,114</u>	<u>\$ (558,407)</u>	<u>\$ 2,761,598</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 19,783,962	\$ 4,617,366	\$ -	\$ 24,401,328
Equipment	\$ 23,744,336	\$ 1,477,612	\$ (870,069)	24,351,879
Infrastructure	\$ 451,320,674	\$ 1,440,214	\$ -	452,760,888
Total capital assets being depreciated	<u>\$ 494,848,972</u>	<u>\$ 7,535,192</u>	<u>\$ (870,069)</u>	<u>\$ 501,514,095</u>
Less accumulated depreciation:				
Buildings and improvements	\$ (14,396,657)	\$ (516,690)	\$ -	\$ (14,913,347)
Equipment	\$ (15,406,285)	\$ (1,502,505)	\$ 784,880	(16,123,910)
Infrastructure	\$ (381,825,694)	\$ (9,211,182)	\$ -	(391,036,876)
Total accumulated depreciation	<u>\$ (411,628,636)</u>	<u>\$ (11,230,377)</u>	<u>\$ 784,880</u>	<u>\$ (422,074,133)</u>
Total capital assets being depreciated, net	<u>\$ 83,220,336</u>	<u>\$ (3,695,185)</u>	<u>\$ (85,189)</u>	<u>\$ 79,439,962</u>
Governmental activities capital assets, net	<u>\$ 85,897,227</u>	<u>\$ (3,052,071)</u>	<u>\$ (643,596)</u>	<u>\$ 82,201,560</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land and Water Rights	\$ 125,787	\$ -	\$ -	\$ 125,787
Construction in Progress	263,969	-	(263,969)	-
Total capital assets not being depreciated	<u>\$ 389,756</u>	<u>\$ -</u>	<u>\$ (263,969)</u>	<u>\$ 125,787</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 1,720,466	\$ -	\$ -	\$ 1,720,466
Equipment	\$ 1,426,669	\$ 23,695	\$ (10,882)	1,439,482
Infrastructure	\$ 1,261,114	\$ 345,114	\$ -	1,606,228
Total capital assets being depreciated	<u>\$ 4,408,249</u>	<u>\$ 368,809</u>	<u>\$ (10,882)</u>	<u>\$ 4,766,176</u>
Less accumulated depreciation:				
Buildings and improvements	\$ (790,436)	\$ (38,725)	\$ -	\$ (829,161)
Equipment	\$ (944,496)	\$ (104,168)	\$ 10,882	(1,037,782)
Infrastructure	\$ (42,353)	\$ (76,930)	\$ -	(119,283)
Total accumulated depreciation	<u>\$ (1,777,285)</u>	<u>\$ (219,823)</u>	<u>\$ 10,882</u>	<u>\$ (1,986,226)</u>
Total capital assets being depreciated, net	<u>\$ 2,630,964</u>	<u>\$ 148,986</u>	<u>\$ -</u>	<u>\$ 2,779,950</u>
Business-type activities capital assets, net	<u>\$ 3,020,720</u>	<u>\$ 148,986</u>	<u>\$ (263,969)</u>	<u>\$ 2,905,737</u>

Note 5: CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 530,747
Public safety	243,367
Auxiliary services	46,875
Roads and bridges	9,208,347
Public welfare	4,015
Capital assets held by Morgan County's internal service fund are charged to the various functions based on their usage of the assets	<u>1,197,026</u>
Total depreciation expense – government activities	<u><u>\$ 11,230,377</u></u>
Business-type activities:	
Ambulance service	\$ 95,105
Solid waste management fund	<u>124,718</u>
Total depreciation expense – business-type activities	<u><u>\$ 219,823</u></u>

Note 6: RISK MANAGEMENT**County Workers' Compensation Pool**

The County is exposed to various risks of loss related to injuries of employees while on the job. 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 2023 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, 2023, the following changes occurred in the County's long-term obligations:

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	One Year
Governmental Activities:					
Compensated absences	\$ 1,070,467	\$ 859,333	\$ (811,727)	\$ 1,118,073	\$ 755,788
Total Governmental	<u>1,070,467</u>	<u>859,333</u>	<u>(811,727)</u>	<u>1,118,073</u>	<u>755,788</u>
Business-Type Activities:					
Landfill closure and post closure care costs	780,526	78,228	-	858,754	-
Compensated absences	114,971	105,897	(88,253)	132,615	88,561
Total Business-Type	<u>895,497</u>	<u>184,125</u>	<u>(88,253)</u>	<u>991,369</u>	<u>88,561</u>
Total Long-term obligations	<u>\$ 1,965,964</u>	<u>\$ 1,043,458</u>	<u>\$ (899,980)</u>	<u>\$ 2,109,442</u>	<u>\$ 844,349</u>

At year-end, \$150,290 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):

Solid Waste Management	\$	119
Ambulance Service		(11,556)
Solid Waste Management		(16,340)
Business Type Totals	\$	<u>(27,777)</u>
General Fund	\$	(166,477)
Road & Bridge Department		(169,719)
Social Services		(16,454)
Jail Capital Improvement		(102)
Lodging and Tourism		(111)
	\$	<u>(352,863)</u>
Central Services Fund		380,640
Governmental Activities Totals	\$	<u><u>27,777</u></u>

Note 9: INTERFUND TRANSFERS

In 2023 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. The County General Fund transferred \$200,000 to the Ambulance Service Fund in 2023. This transfer was budgeted and done to cover increased costs in the Ambulance Service Fund.

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, 2023, 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, 2023, the closure cost for the Morgan County landfill was \$2,527,121 and estimated postclosure care cost was \$568,405. The \$858,754 reported as landfill closure and postclosure care liability at December 31, 2023, represents the cumulative amount reported to date based on a 27.74 percent capacity usage of the estimated total cost of closure and postclosure care of \$3,095,526. This is an increase of \$78,228 from the closure and postclosure liability reported in 2022.

The County will recognize the remaining estimated cost of closure and postclosure care of \$2,236,772 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2023. The remaining life of the landfill is 58 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 2023 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	\$ (329,071)	\$ 56,014	\$ 653,518
Increase (Decrease) Due To:			
Depreciation	1,197,026	95,105	124,718
Capital Outlay	(889,066)	-	(104,840)
Net Income (Loss)			
Budgetary Basis	\$ (21,111)	\$ 151,119	\$ 673,396

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 2023, the County paid \$110,732 to Northeastern Colorado Association of Local Governments.

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,

Note 13: JOINTLY GOVERNED ORGANIZATIONS (continued)

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 2023, the County paid \$277,362 to Northeast Colorado Health Department.

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 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 \$35,616.

Both the County and the covered employees made the required 4.00% contributions, amounting to \$577,512 from the County and \$764,572 from the employees (including voluntary contributions) for a total contribution of \$1,342,084.

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



REQUIRED SUPPLEMENTARY INFORMATION



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, 2023

	Original and Final Budget Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes - current	\$ 13,074,041	\$ 12,943,786	\$ (130,255)
Property taxes - abatements	(23,489)	(5,636)	17,853
Property taxes - delinquent	20,000	29,247	9,247
Proceeds of tax sale	5,000	12,015	7,015
Specific ownership taxes	1,200,000	1,449,101	249,101
Cigarette tax	5,000	11,524	6,524
Sales tax commissions	90,000	100,916	10,916
Intergovernmental	7,000,806	5,301,524	(1,699,282)
Licenses and permits	87,000	263,470	176,470
Fines and forfeitures	2,000	1,164	(836)
Fee accounts	1,629,700	1,566,519	(63,181)
Investment income	296,000	3,442,895	3,146,895
Miscellaneous	226,522	385,275	158,753
Total revenues	<u>\$ 23,612,580</u>	<u>\$ 25,501,800</u>	<u>\$ 1,889,220</u>

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, 2023

	Original and Final Budget Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
EXPENDITURES			
Current:			
General government:			
Commissioners	\$ 320,771	\$ 316,021	\$ 4,750
Planning and zoning	353,187	296,912	56,275
Administration	3,046,224	2,506,585	539,639
Clerk	1,043,499	841,118	202,381
Treasurer	267,820	261,343	6,477
Public trustee	12,700	12,500	200
Assessor	802,339	841,130	(38,791)
Maintenance	1,540,619	1,626,304	(85,685)
Total general government	<u>7,387,159</u>	<u>6,701,913</u>	<u>685,246</u>
Judicial and public safety:			
Sheriff	3,181,554	3,283,381	(101,827)
Jail	3,411,944	2,939,693	472,251
Communications center	1,284,249	629,721	654,528
Coroner	314,113	260,917	53,196
Emergency management	144,875	133,582	11,293
Total judicial and public safety	<u>8,336,735</u>	<u>7,247,294</u>	<u>1,089,441</u>
Auxiliary services:			
Extension service	366,602	375,654	(9,052)
Veterans' officer	25,600	17,689	7,911
Parks and recreation	183,481	178,656	4,825
Engineer	5,428	4,968	460
Total auxiliary services	<u>581,111</u>	<u>576,967</u>	<u>4,144</u>
Intergovernmental cooperation outlay	<u>1,294,534</u>	<u>1,264,704</u>	<u>29,830</u>
Capital outlay	<u>19,254,500</u>	<u>4,734,263</u>	<u>14,520,237</u>
Total expenditures	<u>36,854,039</u>	<u>20,525,141</u>	<u>16,328,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,241,459)</u>	<u>4,976,659</u>	<u>18,218,118</u>
Other financing sources (uses):			
Transfers in:			
Social services fund	500,000	-	(500,000)
Insurance proceeds	-	680,153	680,153
Transfers out:			
Jail capital improvement fund	(120,000)	(120,000)	-
Ambulance service fund	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>180,000</u>	<u>360,153</u>	<u>180,153</u>
Net change in fund balances	(13,061,459)	5,336,812	18,398,271
Fund Balances, January 1	32,730,322	38,439,707	5,709,385
Fund Balances, December 31	<u>\$ 19,668,863</u>	<u>\$ 43,776,519</u>	<u>\$ 24,107,656</u>

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes - current	\$ 5,032,865	\$ 4,982,723	\$ (50,142)
Property taxes - abatements	(1,000)	(2,170)	(1,170)
Property taxes - delinquent	10,000	11,249	1,249
Specific ownership taxes	350,000	434,746	84,746
Intergovernmental	3,250,953	3,400,217	149,264
Charges for materials/service	19,000	25,244	6,244
Investment income	40,000	271,150	231,150
Miscellaneous	13,500	24,253	10,753
Total revenues	<u>8,715,318</u>	<u>9,147,412</u>	<u>432,094</u>
EXPENDITURES			
Current:			
Maintenance - routine	3,308,490	2,586,854	721,636
Maintenance - asphalt	1,088,520	759,984	328,536
Snow and ice removal	150,000	497,729	(347,729)
Structural construction	944,968	349,462	595,506
Administration	1,929,050	1,323,589	605,461
Remittance to municipalities	914,123	891,804	22,319
Capital outlay	1,280,000	1,506,294	(226,294)
Total expenditures	<u>9,615,151</u>	<u>7,915,716</u>	<u>1,699,435</u>
Excess (deficiency) of revenues over (under) expenditures	(899,833)	1,231,696	2,131,529
Fund Balances, January 1	13,247,831	15,804,874	2,557,043
Fund Balances, December 31	<u><u>\$ 12,347,998</u></u>	<u><u>\$ 17,036,570</u></u>	<u><u>\$ 4,688,572</u></u>

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes - current	\$ 1,342,097	\$ 1,328,726	\$ (13,371)
Property taxes - abatements	(500)	(579)	(79)
Property taxes - delinquent	700	831	131
Intergovernmental	21	21	-
Intergovernmental:			
Colorado state allocation:			
Administration	2,271,755	2,391,071	119,316
JOBS/WORKS/TANF block grant	594,129	538,811	(55,318)
Child welfare block grant	1,788,607	1,601,742	(186,865)
Child care block grant	109,558	89,408	(20,150)
Medicaid transportation	57,821	65,122	7,301
Miscellaneous	28,000	33,492	5,492
Total revenues	<u>6,192,188</u>	<u>6,048,645</u>	<u>(143,543)</u>
EXPENDITURES			
Current:			
Administration	3,140,081	2,720,986	419,095
Adult Protective Services	368,653	316,760	51,893
JOBS/WORKS/TANF block grant	591,769	716,552	(124,783)
Aid to needy disabled	9,000	17,211	(8,211)
Child welfare block grant	1,847,153	2,075,178	(228,025)
Child care block grant	199,140	169,728	29,412
General Assistance	17,150	-	17,150
OAP 5% HCA	14,000	18,581	(4,581)
Total expenditures	<u>6,186,946</u>	<u>6,034,996</u>	<u>151,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,242</u>	<u>13,649</u>	<u>8,407</u>
Other Financing Sources (Uses)			
Transfers out	(500,000)	-	500,000
Total other financing sources (uses)	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
Excess (deficiency) of revenues over (under) expenditures	(494,758)	13,649	508,407
Fund Balances, January 1	1,227,887	1,782,870	554,983
Fund Balances, December 31	<u>\$ 733,129</u>	<u>\$ 1,796,519</u>	<u>\$ 1,063,390</u>

See the accompanying independent auditors' report.



MORGAN COUNTY, COLORADO

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION December 31, 2023

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.

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.

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, 2023

	Special Revenue			
	911 Emergency Telephone	Lodging Tax Tourism	Conservation Trust	Sheriff's Confiscation/ Seizure
ASSETS:				
Cash	\$ -	\$ -	\$ -	\$ 85
Cash held by county departments	-	-	-	5,032
Cash and investments held by County Treasurer	1,046,348	643,750	624,904	-
Accounts receivable	153,630	-	-	-
Intergovernmental Receivables	-	-	-	-
Total assets	<u>\$ 1,199,978</u>	<u>\$ 643,750</u>	<u>\$ 624,904</u>	<u>\$ 5,117</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Vouchers payable	\$ 881	\$ 13,993	\$ -	\$ -
Accounts payable	-	-	-	450
Interfund payables	-	111	-	-
Total liabilities	<u>881</u>	<u>14,104</u>	<u>-</u>	<u>450</u>
Fund balances:				
Restricted for:				
911 emergency	1,199,097	-	-	-
Tourism	-	629,646	-	-
Parks and recreation	-	-	624,904	-
Law enforcement	-	-	-	4,667
Committed to:				
Jail expansion	-	-	-	-
Total fund balances	<u>1,199,097</u>	<u>629,646</u>	<u>624,904</u>	<u>4,667</u>
Total liabilities and fund balances	<u>\$ 1,199,978</u>	<u>\$ 643,750</u>	<u>\$ 624,904</u>	<u>\$ 5,117</u>

See the accompanying independent auditors' report.

	Capital Projects	
Total	Jail Capital Improvement	Total Nonmajor Governmental Funds
\$ 85	\$ -	\$ 85
5,032	-	5,032
2,315,002	1,573,790	3,888,792
153,630	-	153,630
-	135	135
<u>\$ 2,473,749</u>	<u>\$ 1,573,925</u>	<u>\$ 4,047,674</u>

\$ 14,874	\$ -	\$ 14,874
450	-	450
111	102	213
<u>15,435</u>	<u>102</u>	<u>15,537</u>

1,199,097	-	1,199,097
629,646	-	629,646
624,904	-	624,904
4,667	-	4,667
-	1,573,823	1,573,823
<u>2,458,314</u>	<u>1,573,823</u>	<u>4,032,137</u>
<u>\$ 2,473,749</u>	<u>\$ 1,573,925</u>	<u>\$ 4,047,674</u>

Morgan County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Special Revenue			
	911 Emergency Telephone	Lodging Tax Tourism	Conservation Trust	Sheriff's Confiscation/ Seizure
REVENUES				
Taxes	\$ -	\$ 161,106	\$ -	\$ -
Intergovernmental	-	-	133,523	-
Fee accounts	-	-	-	104
Charges for materials/service	833,463	-	-	-
Investment income	-	-	23,653	-
Miscellaneous	32,432	-	-	-
Total revenues	<u>865,895</u>	<u>161,106</u>	<u>157,176</u>	<u>104</u>
EXPENDITURES				
Current:				
General government	-	206,799	-	-
Judicial and public safety	593,707	-	-	3,000
Capital outlay	81,081	-	-	-
Total expenditures	<u>674,788</u>	<u>206,799</u>	<u>-</u>	<u>3,000</u>
Excess (deficiency) of revenues over (under) expenditures	191,107	(45,693)	157,176	(2,896)
Other financing sources:				
Operating transfers in:				
Transfers in	-	-	-	-
Net change in fund balances	191,107	(45,693)	157,176	(2,896)
Fund Balances, January 1	1,007,990	675,339	467,728	7,563
Fund Balances, December 31	<u>\$ 1,199,097</u>	<u>\$ 629,646</u>	<u>\$ 624,904</u>	<u>\$ 4,667</u>

See the accompanying independent auditors' report.

	Capital Projects	
Total	Jail Capital Improvement	Total Nonmajor Governmental Funds
\$ 161,106	\$ -	\$ 161,106
133,523	-	133,523
104	14,854	14,958
833,463	-	833,463
23,653	-	23,653
32,432	-	32,432
<u>1,184,281</u>	<u>14,854</u>	<u>1,199,135</u>
206,799	-	206,799
596,707	-	596,707
81,081	-	81,081
<u>884,587</u>	<u>-</u>	<u>884,587</u>
299,694	14,854	314,548
-	120,000	120,000
299,694	134,854	434,548
2,158,620	1,438,969	3,597,589
<u>\$ 2,458,314</u>	<u>\$ 1,573,823</u>	<u>\$ 4,032,137</u>

Morgan County, Colorado
911 Emergency Telephone Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Emergency telephone service surcharges	\$ 731,402	\$ 833,463	\$ 102,061
Miscellaneous	-	32,432	32,432
Total revenues	<u>731,402</u>	<u>865,895</u>	<u>134,493</u>
EXPENDITURES			
Current:			
Compensation and benefits	500,000	500,000	-
Operating supplies	16,000	2,049	13,951
Purchased services	152,500	74,710	77,790
Fixed charges	6,000	8,950	(2,950)
Miscellaneous	233,000	7,998	225,002
Capital outlay	385,000	81,081	303,919
Total expenditures	<u>1,292,500</u>	<u>674,788</u>	<u>617,712</u>
Excess (deficiency) of revenues over (under) expenditures	(561,098)	191,107	752,205
Fund Balances, January 1	864,464	1,007,990	143,526
Fund Balances, December 31	<u>\$ 303,366</u>	<u>\$ 1,199,097</u>	<u>\$ 895,731</u>

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Lodging tax	\$ 160,000	\$ 161,106	\$ 1,106
EXPENDITURES			
Current:			
Compensation and benefits	35,000	26,250	8,750
Operating supplies	2,000	624	1,376
Purchased services	165,400	168,406	(3,006)
Fixed charges	3,600	4,440	(840)
Contributions	10,000	5,000	5,000
Miscellaneous	2,000	2,079	(79)
Total expenditures	<u>218,000</u>	<u>206,799</u>	<u>11,201</u>
Excess (deficiency) of revenues over (under) expenditures	(58,000)	(45,693)	12,307
Fund Balances, January 1	552,795	675,339	122,544
Fund Balances, December 31	<u>\$ 494,795</u>	<u>\$ 629,646</u>	<u>\$ 134,851</u>

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 90,000	\$ 133,523	\$ 43,523
Interest	1,000	23,653	22,653
Total revenues	<u>91,000</u>	<u>157,176</u>	<u>66,176</u>
EXPENDITURES			
Current:			
Compensation and benefits	48,000	-	48,000
Operating supplies	2,000	-	2,000
Capital outlay	20,000	-	20,000
Total expenditures	<u>70,000</u>	<u>-</u>	<u>70,000</u>
Excess (deficiency) of revenues over (under) expenditures	21,000	157,176	136,176
Fund Balances, January 1	269,995	467,728	197,733
Fund Balances, December 31	<u>\$ 290,995</u>	<u>\$ 624,904</u>	<u>\$ 333,909</u>

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fee accounts	\$ 1,000	\$ 104	\$ (896)
EXPENDITURES			
Current:			
Operating supplies	1,000	-	1,000
Miscellaneous	-	3,000	(3,000)
Total expenditures	<u>1,000</u>	<u>3,000</u>	<u>(2,000)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(2,896)	(2,896)
Fund Balances, January 1	5,836	7,563	1,727
Fund Balances, December 31	<u>\$ 5,836</u>	<u>\$ 4,667</u>	<u>\$ (1,169)</u>

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, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fee accounts	\$ 10,000	\$ 14,854	\$ 4,854
Total revenues	<u>10,000</u>	<u>14,854</u>	<u>4,854</u>
EXPENDITURES			
Current:			
Capital outlay	1,000,000	-	1,000,000
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Excess (deficiency) of revenues over (under) expenditures	(990,000)	14,854	1,004,854
Other financing sources:			
Transfers in:			
General fund	120,000	120,000	-
Excess of revenues and other financing sources over expenditures	(870,000)	134,854	1,004,854
Fund Balances, January 1	1,176,217	1,438,969	262,752
Fund Balances, December 31	<u>\$ 306,217</u>	<u>\$ 1,573,823</u>	<u>\$ 1,267,606</u>

See the accompanying independent auditors' report.

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, 2023**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 1,140,000	\$ 1,829,101	\$ 689,101
Miscellaneous revenues	31,000	44,062	13,062
Total operating revenues	<u>1,171,000</u>	<u>1,873,163</u>	<u>702,163</u>
Operating expenses			
Compensation and benefits	1,741,509	1,616,495	125,014
Operating supplies	81,150	77,110	4,040
Purchased services	196,600	178,811	17,789
Fixed charges	205,750	214,497	(8,747)
Other expenses	20,500	21,119	(619)
Capital outlay	40,000	-	40,000
Total operating expenses	<u>2,285,509</u>	<u>2,108,032</u>	<u>177,477</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,114,509)</u>	<u>(234,869)</u>	<u>879,640</u>
Nonoperating revenues (expenses)			
State grant	117,000	162,062	45,062
Other grants and donations	2,000	-	(2,000)
Interest	4,000	23,926	19,926
Total nonoperating revenues (expenses)	<u>123,000</u>	<u>185,988</u>	<u>62,988</u>
Income (loss) before transfers	<u>(991,509)</u>	<u>(48,881)</u>	<u>942,628</u>
Transfers:			
Transfers in - General Fund	200,000	200,000	-
Total transfers	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net income (loss) - budget basis	<u>\$ (791,509)</u>	<u>151,119</u>	<u>\$ 942,628</u>
Adjustments for GAAP Basis			
Depreciation		(95,105)	
Total Adjustments for GAAP Basis		<u>(95,105)</u>	
Change in net position (GAAP Basis)		56,014	
Total net position, January 1		<u>2,026,523</u>	
Total net position, December 31		<u>\$ 2,082,537</u>	

See the accompanying independent auditors' report.

Morgan County, Colorado
Solid Waste Management
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
Year ended December 31, 2023

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 1,395,000	\$ 1,567,570	\$ 172,570
Miscellaneous revenues	-	402	402
Total operating revenues	1,395,000	1,567,972	172,972
Operating expenses			
Compensation and benefits	472,232	463,754	8,478
Operating supplies	71,000	82,811	(11,811)
Purchased services	240,825	133,794	107,031
Fixed charges	216,000	213,889	2,111
Other expenses	364,000	97,221	266,779
Capital outlay	1,664,200	104,840	1,559,360
Total operating expenses	3,028,257	1,096,309	1,931,948
Excess (deficiency) of revenues over (under) expenses	(1,633,257)	471,663	2,104,920
Nonoperating revenues (expenses)			
Interest	35,000	200,358	165,358
Gain (loss) on disposal of assets	-	1,375	1,375
Total nonoperating revenues (expenses)	35,000	201,733	166,733
Net income (loss) - budget basis	\$ (1,598,257)	673,396	\$ 2,271,653
Adjustments for GAAP Basis			
Capital outlay		104,840	
Depreciation		(124,718)	
Total Adjustments for GAAP Basis		(19,878)	
Change in net position (GAAP Basis)		653,518	
Total net position, January 1		7,157,388	
Total net position, December 31		\$ 7,810,906	

See the accompanying independent auditors' report.



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, 2023**

	Central Services Fund
ASSETS	
Current assets:	
Cash	\$ 350
Cash and investments held by County Treasurer Receivable (net of allowance uncollectibles:	2,287,656
Accounts Receivable	11,479
Interfund Receivables	380,640
Inventory	276,667
Total current assets	2,956,792
Long term assets:	
Capital assets (net of accumulated depreciation):	
Buildings	305
General equipment	6,501,010
Infrastructure	10,123
Total long term assets	6,511,438
Total assets	9,468,230
LIABILITIES	
Current liabilities:	
Warrants payable	109,490
Vouchers payable	129,605
Compensated absences	99,673
Total current liabilities	338,768
Long term liabilities:	
Compensated absences	50,617
Total long term liabilities	50,617
Total liabilities	389,385
NET POSITION	
Investment in capital assets	6,511,438
Unrestricted	2,567,407
Total net position	\$ 9,078,845

Morgan County, Colorado
Central Services Fund
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
Year ended December 31, 2023

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 4,618,500	\$ 4,443,515	\$ (174,985)
Miscellaneous revenues	-	2,889	2,889
Total operating revenues	<u>4,618,500</u>	<u>4,446,404</u>	<u>(172,096)</u>
Operating expenses			
Compensation and benefits	1,760,947	1,529,617	231,330
Operating supplies	1,980,500	1,907,086	73,414
Purchased services	631,235	568,673	62,562
Fixed charges	87,013	74,321	12,692
Other expenses	9,000	2,000	7,000
Capital outlay	2,634,232	889,066	1,745,166
Total operating expenses	<u>7,102,927</u>	<u>4,970,763</u>	<u>2,132,164</u>
Excess (deficiency) of revenues over (under) expenses	<u>(2,484,427)</u>	<u>(524,359)</u>	<u>1,960,068</u>
Nonoperating revenues (expenses)			
State grant	200,000	-	(200,000)
Gain (loss) on disposal of assets	-	423,225	423,225
Insurance recovery	-	80,023	80,023
Total nonoperating revenues (expenses)	<u>200,000</u>	<u>503,248</u>	<u>303,248</u>
Net income (loss) - budget basis	<u>\$ (2,284,427)</u>	<u>(21,111)</u>	<u>\$ 2,263,316</u>
Adjustments for GAAP Basis			
Capital outlay		889,066	
Depreciation		<u>(1,197,026)</u>	
Total Adjustments for GAAP Basis		<u>(307,960)</u>	
Change in net position (GAAP Basis)		(329,071)	
Total net position, January 1		<u>9,407,916</u>	
Total net position, December 31		<u>\$ 9,078,845</u>	

See the accompanying independent auditors' report.

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 Public Trustee including foreclosures and releases of deeds of trust.

Morgan County, Colorado
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

	County Clerk Fund	County Sheriff Fund	County Treasurer Fund	Public Trustee Fund	Total
ASSETS					
Cash	\$ 714,903	\$ 77,259	\$ 2,625,337	\$ 15,864	\$ 3,433,363
Total assets	714,903	77,259	2,625,337	15,864	3,433,363
LIABILITIES					
Due to other governments and organizations	714,903	-	2,625,337	15,864	3,356,104
Total liabilities	714,903	-	2,625,337	15,864	3,356,104
NET POSITION					
Restricted for individuals	-	77,259	-	-	77,259
Total net position	\$ -	\$ 77,259	\$ -	\$ -	\$ 77,259

See the accompanying independent auditors' report.

Morgan County, Colorado
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended December 31, 2023

	<u>County Clerk Fund</u>	<u>County Sheriff Fund</u>	<u>County Treasurer Fund</u>	<u>Public Trustee Fund</u>	<u>Total</u>
Additions					
Inmate deposits	\$ -	\$ 203,536	\$ -	\$ -	\$ 203,536
Fees collected	-	31,224	-	-	31,224
Foreclosure escrow amounts received	-	-	-	29,428	29,428
Collection of taxes and fees for other governments	12,872,966	-	45,959,878	-	58,832,844
Total additions	<u>12,872,966</u>	<u>234,760</u>	<u>45,959,878</u>	<u>29,428</u>	<u>59,097,032</u>
Deductions					
Commissary - sales and services	-	199,289	-	-	199,289
Distribution of fees	-	25,870	-	-	25,870
Foreclosure escrow amounts disbursed	-	-	-	29,428	29,428
Payments of taxes and fees to other governments	12,872,966	-	45,959,878	-	58,832,844
Total deductions	<u>12,872,966</u>	<u>225,159</u>	<u>45,959,878</u>	<u>29,428</u>	<u>59,087,431</u>
Change in net position	-	9,601	-	-	9,601
Total net position, January 1	-	67,658	-	-	67,658
Total net position, December 31	<u>\$ -</u>	<u>\$ 77,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,259</u>

See the accompanying independent auditors' report.

SUPPLEMENTAL SCHEDULES

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

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): 12/23

This Information From The Records Of: MORGAN COUNTY	Prepared By: LORI CRISPIN
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 1,506,294.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 3,115,845.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	\$ 524,515.00
3. Other local imposts (from page 2)	\$ 5,427,125.00	c. Other	\$ 48,736.00
4. Miscellaneous local receipts (from page 2)	\$ 320,071.00	d. Total (a. through c.)	\$ 573,251.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 2,720,326.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 7,915,716.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 5,747,196.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 3,217,869.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 182,347.00	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 9,147,412.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.e)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	\$ 7,915,716.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 15,804,874.00	\$ 9,147,412.00	\$ 7,915,716.00	\$ 17,036,570.00	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23

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	\$ 4,991,802.00	a. Interest on investments	\$ 271,150.00
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 577.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 21,595.00
4. Licenses		f. Charges for Services	2,440.00
5. Specific Ownership &/or Other	\$ 434,746.00	g. Other Misc. Receipts	\$ 219.00
6. Total (1. through 5.)	\$ 435,323.00	h. Other Permits	\$ 24,667.00
c. Total (a. + b.)	\$ 5,427,125.00	i. Total (a. through h.)	\$ 320,071.00
	(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	3,147,563.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 70,228.00	d. Federal Transit Admin	
d. DOLA Grant		e. U.S. Corps of Engineers	\$ 182,347.00
e. Other (Specify) - PILT	\$ 78.00	f. Other Federal	\$ 182,347.00
f. Total (a. through e.)	\$ 70,306.00	g. Total (a. through f.)	\$ 182,347.00
4. Total (1. + 2. + 3.f)	\$ 3,217,869.00	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			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements		\$ 76,202.00	\$ 76,202.00
(3). System Preservation		\$ 1,430,092.00	\$ 1,430,092.00
(4). System Enhancement & Operation			0.00
(5). Total Construction (1) + (2) + (3) + (4)	\$ -	\$ 1,506,294.00	\$ 1,506,294.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	\$ -	\$ 1,506,294.00	\$ 1,506,294.00
			(Carry forward to page 1)

Notes and Comments:

Morgan County, Colorado
Schedule of Federal Financial Assistance Reconciliation
December 31, 2023

FEDERAL FINANCIAL ASSISTANCE RECONCILIATION

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, 2023

PROGRAM	A	B	C	D	E
	COUNTY EBT AUTHORIZATIONS	COUNTY SHARE OF AUTHORIZATIONS	EXPENDITURES BY COUNTY WARRANT	COUNTY EBT AUTHORIZATIONS PLUS EXPENDITURES BY COUNTY WARRANT (COL. A + COL. C)	TOTAL COUNTY EXPENDITURES (COL. B + COL. C)
CHILD WELFARE					
ADMIN - 80% & 100%			1,934,216	1,934,216	1,934,216
RES MENTAL HEALTH	81,090			81,090	-
CASE SERVICES	5,619		5,249	10,868	5,249
OOH	523,276	91,703		523,276	91,703
SPECIAL CIRCUM CC	1,990	677	-	1,990	677
SUBADOPT	435,060	43,333		435,060	43,333
TOTAL CW	1,047,035	135,713	1,939,465	2,986,500	2,075,178
COUNTY ADMINISTRATION	-	-	1,112,287	1,112,287	1,112,287
CORE SERVICES	169,207		522,819	692,026	522,819
CHAFEE	-		96,107	96,107	96,107
LEAP & ADMIN	339,779	-	28,278	368,057	28,278
AND & HCA - AND	83,991	17,211		83,991	17,211
IV-D ADMINISTRATION (CSE)			796,540	796,540	796,540
EMPLOYMENT 1ST	16,253		95,789	112,042	95,789
TANF & WORKS ADMIN	470,365	11,014	705,537	1,175,902	716,551
CHILD CARE & ADMIN	674,632	85,222	84,507	759,139	169,729
OLD AGE PEN & ADMIN	323,997	-	18,353	342,350	18,353
HCA - OAP	4,559	228	-	4,559	228
FC PARENTAL FEE	-	-	1,958	1,958	1,958
HB1451 CARE MGT GRANT	-	-	44,541	44,541	44,541
SSI DISABILITY NAVIGATOR	-	-	15,542	15,542	15,542
ADULT PROTECTION			316,760	316,760	316,760
FAMILY VOICE GRANT			5,525	5,525	5,525
HCPF PHYSICAL SECURITY			1,600	1,600	1,600
				5,928,926	3,959,818
FOOD ASSISTANCE	8,382,448			8,382,448	-
GRAND TOTAL				17,297,874	6,034,996

- 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.



STATISTICAL SECTION

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.	102 - 111
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	112 - 121
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.	122 - 124
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.	125 - 127
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.	128 - 133

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)

	2023	2022	2021
Governmental activities			
Net investment in capital assets	\$ 82,201,560	\$ 85,897,227	\$ 93,185,674
Restricted	15,479,238	20,288,938	17,460,049
Unrestricted	52,762,131	41,312,384	41,558,071
Total governmental activities net position	<u>\$ 150,442,929</u>	<u>\$ 147,498,549</u>	<u>\$ 152,203,794</u>
Business-type activities			
Net investment in capital assets	\$ 2,905,737	\$ 3,020,720	\$ 2,288,318
Unrestricted	6,987,706	6,163,191	6,824,063
Total business-type activities net position	<u>\$ 9,893,443</u>	<u>\$ 9,183,911</u>	<u>\$ 9,112,381</u>
Primary government			
Net investment in capital assets	\$ 85,107,297	\$ 88,917,947	\$ 95,473,992
Restricted	15,479,238	20,288,938	17,460,049
Unrestricted	59,749,837	47,475,575	48,382,134
Total primary government activities net position	<u>\$ 160,336,372</u>	<u>\$ 156,682,460</u>	<u>\$ 161,316,175</u>

2020	2019	2018	2017	2016	2015	2014
\$ 101,452,886	\$ 110,920,860	\$ 117,813,966	\$ 124,241,092	\$ 131,089,740	\$ 136,884,869	\$ 141,166,518
12,059,538	11,208,218	10,560,743	9,040,123	9,647,561	9,911,448	10,228,223
42,065,680	38,528,623	34,851,764	32,163,842	28,709,841	25,300,016	24,257,515
<u>\$ 155,578,104</u>	<u>\$ 160,657,701</u>	<u>\$ 163,226,473</u>	<u>\$ 165,445,057</u>	<u>\$ 169,447,142</u>	<u>\$ 172,096,333</u>	<u>\$ 175,652,256</u>
\$ 1,676,338	\$ 1,725,262	\$ 1,769,212	\$ 1,782,910	\$ 1,339,384	\$ 1,353,897	\$ 1,411,672
6,718,282	6,484,187	5,691,088	4,890,803	4,620,083	4,168,253	3,872,134
<u>\$ 8,394,620</u>	<u>\$ 8,209,449</u>	<u>\$ 7,460,300</u>	<u>\$ 6,673,713</u>	<u>\$ 5,959,467</u>	<u>\$ 5,522,150</u>	<u>\$ 5,283,806</u>
\$ 103,129,224	\$ 112,646,122	\$ 119,583,178	\$ 126,024,002	\$ 132,429,124	\$ 138,238,766	\$ 142,578,190
12,059,538	11,208,218	10,560,743	9,040,123	9,647,561	9,911,448	10,228,223
48,783,962	45,012,810	40,542,852	37,054,645	33,329,924	29,468,269	28,129,649
<u>\$ 163,972,724</u>	<u>\$ 168,867,150</u>	<u>\$ 170,686,773</u>	<u>\$ 172,118,770</u>	<u>\$ 175,406,609</u>	<u>\$ 177,618,483</u>	<u>\$ 180,936,062</u>

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

	2023	2022	2021	2020
Expenses				
Governmental activities:				
General government	\$ 9,576,800	\$ 8,675,798	\$ 8,258,422	\$ 8,071,055
Judicial and public safety	7,977,817	7,797,655	6,631,128	6,418,615
Auxiliary services	576,967	536,990	470,294	452,772
Roads and bridges	15,616,577	16,256,356	15,179,406	15,881,428
Public welfare	6,040,895	5,533,334	5,288,182	5,137,371
Capital Outlay	-	-	-	897,060
Total governmental activities expenses	<u>39,789,056</u>	<u>38,800,133</u>	<u>35,827,432</u>	<u>36,858,301</u>
Business-type activities:				
Ambulance services	\$ 2,203,137	\$ 1,836,227	\$ 1,603,042	\$ 1,457,169
Solid waste services	1,116,187	977,596	541,134	870,814
Total business-type activities expenses	<u>3,319,324</u>	<u>2,813,823</u>	<u>2,144,176</u>	<u>2,327,983</u>
Total primary government expenses	<u>\$ 43,108,380</u>	<u>\$ 41,613,956</u>	<u>\$ 37,971,608</u>	<u>\$ 39,186,284</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,480,706	\$ 1,331,750	\$ 1,782,426	\$ 2,298,319
Judicial and public safety	1,046,576	929,473	800,488	532,489
Road and bridges	49,279	38,540	24,126	55,680
Public Welfare	21,067	20,189	-	-
Operating grants and contributions	13,532,804	8,937,915	8,523,470	8,672,242
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>16,130,432</u>	<u>11,257,867</u>	<u>11,130,510</u>	<u>11,558,730</u>
Business-type activities:				
Charges for services:				
Ambulance services	\$ 1,829,101	\$ 1,365,394	\$ 1,459,072	\$ 1,207,499
Solid waste services	1,567,570	1,285,268	1,284,894	1,176,790
Operating grants and contributions	162,062	112,219	3,462	59,555
Capital grants and contributions	-	18,361	61,835	-
Total business-type activities program revenues	<u>3,558,733</u>	<u>2,781,242</u>	<u>2,809,263</u>	<u>2,443,844</u>
Total primary government program revenues	<u>\$ 19,689,165</u>	<u>\$ 14,039,109</u>	<u>\$ 13,939,773</u>	<u>\$ 14,002,574</u>
Net (expense)/revenue				
Governmental activities	\$ (23,658,624)	\$ (27,542,266)	\$ (24,696,922)	\$ (25,299,571)
Business-type activities	239,409	(32,581)	665,087	115,861
Total primary government net expense	<u>\$ (23,419,215)</u>	<u>\$ (27,574,847)</u>	<u>\$ (24,031,835)</u>	<u>\$ (25,183,710)</u>

2019	2018	2017	2016	2015	2014
\$ 7,640,141	\$ 6,996,471	\$ 6,353,665	\$ 5,520,906	\$ 5,613,406	\$ 6,485,480
6,160,079	5,766,384	5,248,513	5,078,786	5,219,708	4,694,742
514,335	464,661	500,709	440,388	464,619	488,566
14,396,716	14,167,484	14,695,292	13,072,223	12,667,839	12,806,499
5,039,466	5,055,167	4,794,943	4,713,540	4,454,833	4,464,512
-	-	-	-	-	-
<u>33,750,737</u>	<u>32,450,167</u>	<u>31,593,122</u>	<u>28,825,843</u>	<u>28,420,405</u>	<u>28,939,799</u>
\$ 1,350,047	\$ 1,234,911	\$ 1,145,209	\$ 1,070,858	\$ 1,126,716	\$ 1,036,578
836,632	733,357	793,476	763,632	707,029	631,224
<u>2,186,679</u>	<u>1,968,268</u>	<u>1,938,685</u>	<u>1,834,490</u>	<u>1,833,745</u>	<u>1,667,802</u>
<u>\$ 35,937,416</u>	<u>\$ 34,418,435</u>	<u>\$ 33,531,807</u>	<u>\$ 30,660,333</u>	<u>\$ 30,254,150</u>	<u>\$ 30,607,601</u>
\$ 2,133,254	\$ 1,436,068	\$ 893,981	\$ 594,119	\$ 537,680	\$ 1,221,787
482,306	501,705	541,926	528,016	503,902	517,131
35,023	202,352	18,132	25,361	8,047	88,274
-	-	-	-	-	-
8,708,522	8,484,048	7,936,012	7,328,010	7,566,786	7,138,055
28,513	103,638	51,157	-	44,654	470,189
<u>11,387,618</u>	<u>10,727,811</u>	<u>9,441,208</u>	<u>8,475,506</u>	<u>8,661,069</u>	<u>9,435,436</u>
\$ 1,473,043	\$ 1,421,886	\$ 1,351,772	\$ 1,205,051	\$ 1,157,045	\$ 1,054,961
1,210,304	1,174,866	1,062,122	1,030,125	860,302	814,740
129,327	64,865	170,419	3,505	24,165	35,141
37,380	33,151	27,271	-	6,334	6,108
<u>2,850,054</u>	<u>2,694,768</u>	<u>2,611,584</u>	<u>2,238,681</u>	<u>2,047,846</u>	<u>1,910,950</u>
<u>\$ 14,237,672</u>	<u>\$ 13,422,579</u>	<u>\$ 12,052,792</u>	<u>\$ 10,714,187</u>	<u>\$ 10,708,915</u>	<u>\$ 11,346,386</u>
\$ (22,363,119)	\$ (21,722,358)	\$ (22,151,914)	\$ (20,350,337)	\$ (19,759,336)	\$ (19,504,363)
663,375	726,500	672,899	404,191	214,101	243,148
<u>\$ (21,699,744)</u>	<u>\$ (20,995,858)</u>	<u>\$ (21,479,015)</u>	<u>\$ (19,946,146)</u>	<u>\$ (19,545,235)</u>	<u>\$ (19,261,215)</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	\$ 19,300,192	\$ 19,854,404	\$ 18,481,069	\$ 17,276,977
Specific ownership	1,883,847	1,695,279	1,669,662	1,623,075
Sales - Lodging	262,022	287,297	305,824	203,196
Other	11,524	8,202	10,965	14,364
Interest earnings	3,737,698	443,769	158,831	571,075
Miscellaneous	1,184,496	375,421	458,257	414,155
Gain (loss) on sale of capital assets	423,225	172,649	238,004	117,132
Transfers	(200,000)	-	-	-
Total governmental activities	<u>26,603,004</u>	<u>22,837,021</u>	<u>21,322,612</u>	<u>20,219,974</u>
Business-type activities:				
Interest earnings	224,284	83,105	13,693	42,957
Miscellaneous	44,464	21,006	29,750	26,353
Gain/(Loss) on sale of assets	1,375	-	9,231	-
Transfers	200,000	-	-	-
Total business-type activities	<u>470,123</u>	<u>104,111</u>	<u>52,674</u>	<u>69,310</u>
Total primary government	<u>\$ 27,073,127</u>	<u>\$ 22,941,132</u>	<u>\$ 21,375,286</u>	<u>\$ 20,289,284</u>
Change in Net Position				
Governmental activities	\$ 2,944,380	\$ (4,705,245)	\$ (3,374,310)	\$ (5,079,597)
Business-type activities	709,532	71,530	717,761	185,171
Total primary government	<u>\$ 3,653,912</u>	<u>\$ (4,633,715)</u>	<u>\$ (2,656,549)</u>	<u>\$ (4,894,426)</u>

2019	2018	2017	2016	2015	2014
\$ 15,881,611	\$ 15,118,777	\$ 15,047,692	\$ 13,579,680	\$ 12,889,251	\$ 12,374,675
1,758,505	1,642,242	1,506,682	1,538,445	1,560,361	1,456,985
218,131	223,174	186,372	221,834	207,040	122,188
90,044	89,003	80,078	71,241	71,016	56,119
1,283,355	434,313	244,482	190,551	191,692	116,984
418,600	487,320	373,685	360,891	428,055	358,223
144,101	155,000	262,155	240,771	352,529	487,687
-	-	-	-	(28,308)	-
<u>19,794,347</u>	<u>18,149,829</u>	<u>17,701,146</u>	<u>16,203,413</u>	<u>15,671,636</u>	<u>14,972,861</u>
79,026	37,928	30,169	18,847	13,955	5,630
6,748	3,419	2,984	5,396	12,788	4,863
-	-	(27)	-	-	-
-	-	-	-	28,308	-
<u>85,774</u>	<u>41,347</u>	<u>33,126</u>	<u>24,243</u>	<u>55,051</u>	<u>10,493</u>
<u>\$ 19,880,121</u>	<u>\$ 18,191,176</u>	<u>\$ 17,734,272</u>	<u>\$ 16,227,656</u>	<u>\$ 15,726,687</u>	<u>\$ 14,983,354</u>
\$ (2,568,772)	\$ (4,002,085)	\$ (2,649,191)	\$ (3,555,923)	\$ (3,832,727)	\$ (4,964,652)
749,149	714,246	437,317	238,344	298,199	(155,352)
<u>\$ (1,819,623)</u>	<u>\$ (3,287,839)</u>	<u>\$ (2,211,874)</u>	<u>\$ (3,317,579)</u>	<u>\$ (3,534,528)</u>	<u>\$ (5,120,004)</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General fund					
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,043,054	6,702,829	3,893,074	1,082,289	946,337
Assigned	11,107,283	11,110,863	11,166,492	11,163,572	11,157,713
Committed	1,117,550	981,420	873,074	778,710	679,089
Unassigned	30,508,632	19,644,595	19,807,304	19,705,751	17,491,938
Total general fund	<u>\$ 43,776,519</u>	<u>\$ 38,439,707</u>	<u>\$ 35,739,944</u>	<u>\$ 32,730,322</u>	<u>\$ 30,275,077</u>
All other governmental funds					
Non Spendable	\$ 134,114	\$ 115,523	\$ 96,378	\$ 79,180	\$ 69,872
Restricted	14,454,459	13,599,161	13,594,528	10,974,809	10,259,465
Committed	8,276,653	7,470,649	6,836,194	6,291,036	5,746,860
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 22,865,226</u>	<u>\$ 21,185,333</u>	<u>\$ 20,527,100</u>	<u>\$ 17,345,025</u>	<u>\$ 16,076,197</u>

2018	2017	2016	2015	2014
\$ -	\$ -	\$ -	\$ -	\$ -
948,480	842,327	836,428	830,922	825,066
11,220,486	11,186,134	10,143,470	8,131,456	1,122,589
574,041	473,437	376,393	278,660	184,972
14,688,077	13,004,169	11,280,916	10,303,949	15,513,001
<u>\$ 27,431,084</u>	<u>\$ 25,506,067</u>	<u>\$ 22,637,207</u>	<u>\$ 19,544,987</u>	<u>\$ 17,645,628</u>
\$ 89,303	\$ 102,970	\$ 93,361	\$ 78,817	\$ 91,688
9,609,894	8,197,796	8,811,133	9,080,526	9,403,157
5,130,285	4,952,277	4,349,889	3,761,093	4,195,561
-	-	-	-	-
-	-	-	-	-
<u>\$ 14,829,482</u>	<u>\$ 13,253,043</u>	<u>\$ 13,254,383</u>	<u>\$ 12,920,436</u>	<u>\$ 13,690,406</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues					
Taxes	\$ 21,457,585	\$ 21,845,182	\$ 20,467,520	\$ 19,117,614	\$ 17,948,291
Intergovernmental	13,521,439	8,843,569	8,523,470	8,668,192	8,708,522
Licenses and permits	288,714	125,880	113,989	118,543	102,577
Fines and forfeiture	1,164	2,243	2,160	2,055	2,265
Fee accounts	1,581,477	1,550,421	1,595,083	1,551,974	1,444,735
Charges for material/service	833,463	776,928	600,385	269,253	306,584
Interest	3,737,698	363,182	158,831	571,075	1,283,355
Miscellaneous	475,452	464,104	424,994	374,740	416,975
Total revenues	<u>41,896,992</u>	<u>33,971,509</u>	<u>31,886,432</u>	<u>30,673,446</u>	<u>30,213,304</u>
Expenditures					
Current:					
General government	6,908,712	6,270,012	6,100,074	6,857,746	5,456,344
Judicial and public safety	7,844,001	7,675,527	6,509,001	6,291,622	6,011,334
Public health	-	-	-	-	-
Auxiliary services	576,967	536,989	470,294	452,772	515,069
Road and bridge	6,409,422	7,025,699	5,874,547	6,565,394	5,163,442
Public welfare	6,034,996	5,520,282	5,282,426	5,127,164	5,030,790
Intergovernmental cooperation outlay	1,264,704	1,083,991	1,131,727	1,128,848	1,134,694
Capital outlay	6,321,638	2,526,014	526,538	525,827	2,810,923
Total expenditures	<u>35,360,440</u>	<u>30,638,514</u>	<u>25,894,607</u>	<u>26,949,373</u>	<u>26,122,596</u>
Excess of revenues over (under) expenditures	6,536,552	3,332,995	5,991,825	3,724,073	4,090,708
Other financing sources (uses)					
Transfers in	120,000	120,000	120,000	320,000	120,000
Transfers out	(320,000)	(120,000)	(120,000)	(320,000)	(120,000)
Proceeds from insurance claims	680,153	-	-	-	-
Proceeds from sale of capital assets	-	25,001	199,872	-	-
Total other financing sources (uses)	<u>480,153</u>	<u>25,001</u>	<u>199,872</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 7,016,705</u>	<u>\$ 3,357,996</u>	<u>\$ 6,191,697</u>	<u>\$ 3,724,073</u>	<u>\$ 4,090,708</u>

	2018	2017	2016	2015	2014
\$	17,937,109	\$ 17,073,196	\$ 16,820,824	\$ 15,411,200	\$ 14,727,668
	8,484,048	7,936,012	7,328,010	7,566,786	7,548,824
	97,822	88,659	96,926	84,958	78,523
	2,757	3,892	4,091	4,641	13,930
	1,461,626	1,410,411	1,388,951	1,293,167	1,307,332
	539,664	290,535	311,443	326,123	394,221
	857,258	434,313	244,482	190,551	191,692
	478,636	486,916	357,539	360,283	392,434
	<u>29,858,920</u>	<u>27,723,934</u>	<u>26,552,266</u>	<u>25,237,709</u>	<u>24,654,624</u>
	5,579,881	5,011,770	4,459,590	4,261,742	4,268,427
	5,577,035	5,157,630	5,022,918	5,103,613	4,606,906
	-	-	-	465,300	-
	465,373	501,347	441,072	3,944,569	489,239
	5,104,051	5,563,489	4,166,484	4,462,082	5,262,251
	5,059,410	4,797,258	4,710,757	1,120,295	4,455,679
	1,144,153	1,120,429	1,119,295	4,750,739	1,109,401
	3,427,560	2,704,491	3,220,323	-	1,375,681
	<u>26,357,463</u>	<u>24,856,414</u>	<u>23,140,439</u>	<u>24,108,340</u>	<u>21,567,584</u>
	3,501,456	2,867,520	3,411,827	1,129,369	3,087,040
	120,000	120,000	120,000	120,000	310,000
	(120,000)	(120,000)	(120,000)	(120,000)	(338,308)
	-	-	-	-	-
	-	-	14,340	20	-
	-	-	<u>14,340</u>	<u>20</u>	<u>(28,308)</u>
\$	<u>3,501,456</u>	<u>\$ 2,867,520</u>	<u>\$ 3,426,167</u>	<u>\$ 1,129,389</u>	<u>\$ 3,058,732</u>

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

Function/Program	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General government	\$ 6,762,633	\$ 2,318,633	\$ 2,566,448	\$ 3,734,489
Judicial and public safety	1,232,128	1,172,535	909,275	655,579
Roads and bridges	3,449,496	3,346,242	3,446,871	3,030,427
Public welfare	<u>4,686,175</u>	<u>4,420,457</u>	<u>4,207,916</u>	<u>4,138,235</u>
Total governmental activities	<u>16,130,432</u>	<u>11,257,867</u>	<u>11,130,510</u>	<u>11,558,730</u>
Business-type activities				
Ambulance services	1,991,163	1,495,974	1,524,369	1,267,054
Solid waste services	<u>1,567,570</u>	<u>1,285,268</u>	<u>1,284,894</u>	<u>1,176,790</u>
Total business-type activities net position	<u>3,558,733</u>	<u>2,781,242</u>	<u>2,809,263</u>	<u>2,443,844</u>
Total primary government	<u>\$ 19,689,165</u>	<u>\$ 14,039,109</u>	<u>\$ 13,939,773</u>	<u>\$ 14,002,574</u>

	2019	2018	2017	2016	2015	2014
\$	2,778,622	\$ 2,184,081	\$ 1,650,225	\$ 973,245	\$ 989,455	\$ 1,859,970
	639,147	688,914	637,763	647,872	595,599	1,059,218
	3,961,236	3,825,694	3,370,854	3,187,142	3,529,603	3,153,758
	4,008,613	4,029,122	3,782,366	3,667,247	3,487,582	3,362,490
	<u>11,387,618</u>	<u>10,727,811</u>	<u>9,441,208</u>	<u>8,475,506</u>	<u>8,602,239</u>	<u>9,435,436</u>
	1,639,750	1,519,902	1,549,462	1,205,051	1,187,544	1,096,210
	1,210,304	1,174,866	1,062,122	1,030,125	860,302	814,740
	<u>2,850,054</u>	<u>2,694,768</u>	<u>2,611,584</u>	<u>2,235,176</u>	<u>2,047,846</u>	<u>1,910,950</u>
\$	<u>14,237,672</u>	<u>13,422,579</u>	<u>12,052,792</u>	<u>10,710,682</u>	<u>10,650,085</u>	<u>11,346,386</u>



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
2023	19,300,192	1,883,847	11,524	262,022	21,457,585
2022	19,854,404	1,695,279	8,202	287,297	21,845,182
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
Change					
2014-2023	32.72%	17.17%	44.43%	-2.73%	30.93%

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
2023	187,330,350	94,984,030	30,292,070	67,460,310	12,769,290	3,557,530
2022	164,482,180	76,248,770	74,408,365	67,671,420	12,237,400	1,365,210
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

From 2014 to 2023 commercial real property, undeveloped land, personal property and utilities were assessed at 29% of replacement cost calculated on the base year's appraised value.

Residential real property was assessed as follows:

Year	Assessment Percentage	Base Year
2023	6.70%	2022 appraised value
2022	7.96%	2021 appraised value
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

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 Assesed Value	Tax Exempt Property	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
300,318,200	696,711,780	408,076,620	29.053	4,703,681,670	14.81%
297,918,680	694,332,025	152,947,180	29.012	4,099,783,010	16.94%
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%

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

	2023	2022	2021	2020	2019
County direct rates					
General Fund	19.553	19.472	19.512	19.453	19.461
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	<u>29.053</u>	<u>28.972</u>	<u>29.012</u>	<u>28.953</u>	<u>28.961</u>
City and town rates					
Brush	15.660	15.660	15.660	15.660	15.671
Fort Morgan	13.254	13.254	13.254	13.254	13.254
Hillrose	16.380	15.357	17.073	16.515	17.890
Log Lane	17.784	11.094	11.094	12.635	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	14.226 - 48.940	21.152 - 47.771	19.69 - 47.939	19.855 - 50.861	19.298 - 52.728
Other special districts	.019 - 72.760	.022 - 9.034	0.000 - 25.00	0.000 - 25.00	0.000 - 9.001

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

2018	2017	2016	2015	2014
19.470	19.470	19.628	19.448	19.448
7.500	7.500	6.500	6.500	6.500
<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>3.000</u>	<u>3.000</u>
<u>28.970</u>	<u>28.970</u>	<u>28.128</u>	<u>28.948</u>	<u>28.948</u>
15.683	15.752	15.660	15.660	15.660
13.254	13.254	13.254	13.254	13.254
17.585	17.890	17.773	17.890	17.890
27.413	34.267	34.267	34.267	34.267
32.212	32.212	32.212	32.212	32.212
2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.991-7.719	2.588 - 7.719
15.219 - 52.360	19.500 - 45.285	17.105 - 42.449	17.128-43.801	17.128 - 43.801
.021 - 9.010	.026 - 10.958	.027 - 10.947	.027-11.902	.027 - 11.902

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

Taxpayer	Type of Business	2023		Percentage of Total Assessed Value	2014		Percentage of Total Assessed Value
		Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Public Service Co. of Colorado	Utility	\$ 159,793,300	1	22.94%	105,103,800	1	22.32%
BNSF Railway Company	Transportation	21,986,800	2	3.16%	11,152,600	6	2.37%
Leprino Foods Company	Cheese Processing	20,263,750	3	2.91%	8,131,000	8	1.73%
Cargill Meat Solutions Corporation	Meat Processing	17,955,090	4	2.58%	13,471,000	4	2.86%
Colorado Interstate Gas Co.	Utility	13,303,400	5	1.91%	21,282,890	2	4.52%
Western Sugar Cooperative	Sugar Processing	12,259,790	6	1.76%	6,194,680	9	1.32%
Sterling Energy Investments LLC	Utility	9,822,590	7	1.41%	-	-	0.00%
Morgan County REA Association	Utility	8,953,200	8	1.29%	3,174,300	14	0.67%
Wildcat Dairy LLC	Dairy	8,556,840	9	1.23%	-	-	0.00%
Cargill Meat Solutions Corp (Lagoon)	Utility	6,754,520	10	0.97%	-	-	0.00%
Tri-State Generation & Transmission Assoc.	Utility	6,360,300	11	0.91%	5,104,950	11	1.08%
Brush Power LLC	Utility	6,047,400	12	0.87%	12,681,640	5	2.69%
NE Colorado Cellular Inc (DBA Viaero)	Utility	4,116,700	13	0.59%	-	-	0.00%
Young Gas Storage Company Ltd	Utility	3,972,810	14	0.57%	5,880,200	10	1.25%
Oneok Elk Creek Pipeline LLC	Utility	3,607,200	15	0.52%	-	-	0.00%
Manchief Power Company	Utility	-		0.00%	15,838,600	3	3.36%
Cheyenne Plains Gas Pipeline Co	Utility	-		0.00%	10,766,900	7	2.29%
Brush Cogeneration Partners	Utility	-		0.00%	3,732,400	12	0.79%
Adena LLC	Utility	-		0.00%	3,657,000	13	0.78%
Total		<u>\$ 303,753,690</u>		<u>43.62%</u>	<u>\$ 226,171,960</u>		<u>48.03%</u>
Total assessed valuation		<u>\$ 696,711,780</u>			<u>\$ 470,916,610</u>		

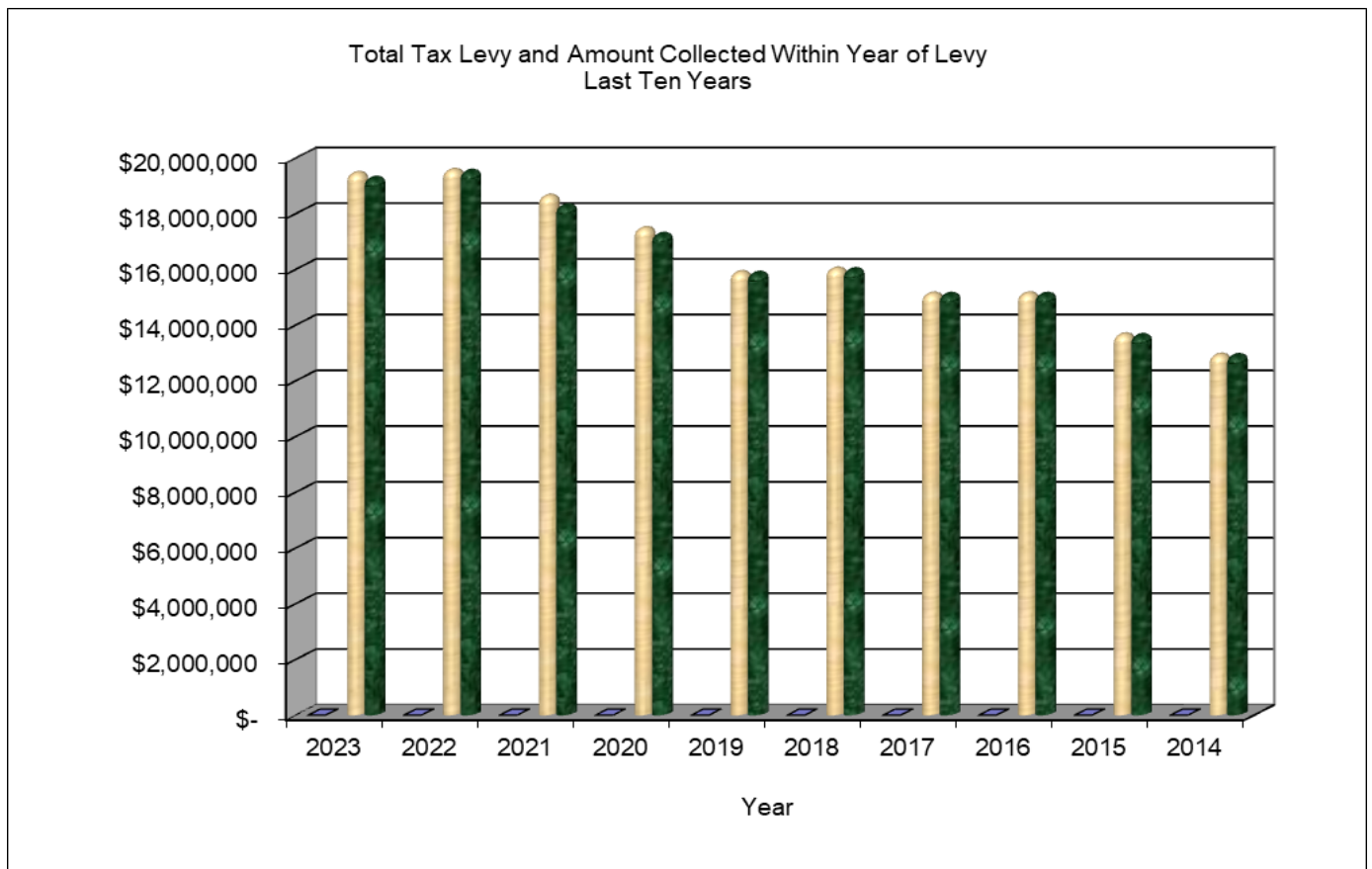
Source: Morgan County Assessor's office

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
2023	19,425,517	19,255,235	99.12%	0	19,255,235	99.12%
2022	19,537,164	19,503,252	99.83%	0	19,503,252	99.83%
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%

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)

Year	Governmental Activities			Per Capita (1)
	Certificates of Participation	Total Primary Government	Percentage of Personal Income (1)	
2023	-	-	0.000%	-
2022	-	-	0.000%	-
2021	-	-	0.000%	-
2020	-	-	0.000%	-
2019	-	-	0.000%	-
2018	-	-	0.000%	-
2017	-	-	0.000%	-
2016	-	-	0.000%	-
2015	-	-	0.000%	-
2014	-	-	0.000%	-

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

No outstanding debt.

Morgan County, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023
(unaudited)

Taxing Jurisdiction	General Obligation Long-Term Debt Outstanding	Estimated Percentage Applicable (1)	Overlapping Debt
School Districts			
Brush RE-2(J) School District	\$ 30,131,554	99.44%	\$ 29,962,817
Fort Morgan RE-3 School District	\$ 23,490,000	100.00%	\$ 23,490,000
Wiggins RE-50(J) School District	\$ 48,854,060	17.00%	\$ 8,305,190
Briggsdale RE-10 School District	\$ 705,600	0.0001%	\$ 1
Weldon Valley School District RE-20(J)	\$ 6,255,000	99.97%	\$ 6,253,124
Other			
Well Augmentation Subdistrict	\$ 18,257,533	14.00%	\$ 2,556,055
Groundwater Management Subdistrict	\$ 37,447,072	14.00%	\$ 5,242,590
Central Colorado Water Conservancy District	\$ 38,562,004	6.10%	\$ 2,352,282
Morgan County Quality Water District	\$ -	0.00%	\$ -
Total Overlapping Debt			<u>\$ 78,162,059</u>

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.

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

Assessed Valuation:

Assessed value	\$ 694,332,025
Add back: exempt real property	<u>78,144,360</u>
Total assessed value	<u><u>\$ 772,476,385</u></u>

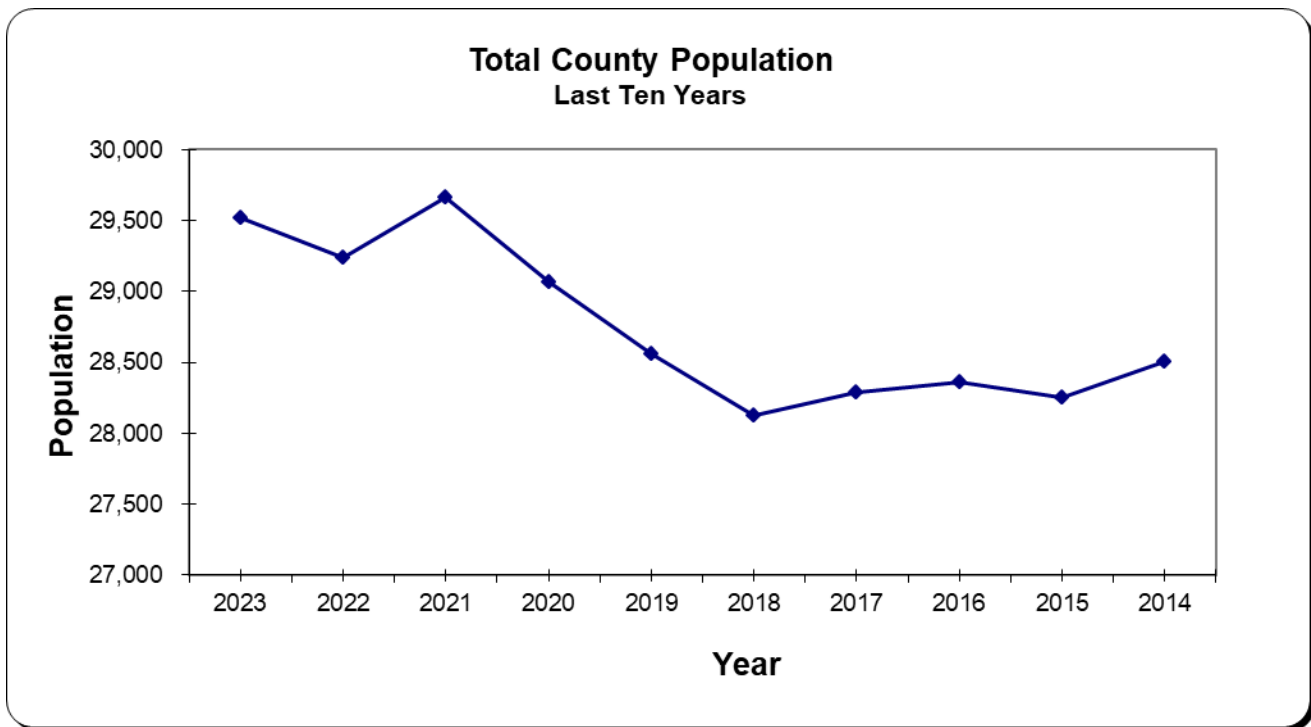
Legal debt margin:

Debt limitation - 3% of assessed value	\$ 23,174,292
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
2023	23,174,292	-0-	23,174,292	0.00%
2022	22,434,123	-0-	22,434,123	0.00%
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%

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
2023	29,524	1,495,095,360	50,640	36.9	5,946	3.00%
2022	29,239	1,839,542,446	62,914	37.0	5,819	12.40%
2021	29,666	1,708,227,612	57,582	36.2	5,801	12.00%
2020	29,068	1,560,428,376	53,682	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%



(1) Computation 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, Colorado
 Principal Private Employers
 Current Year and Ten Years Ago
 (unaudited)

Taxpayer	Type of Business	2023			2014		
		Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Cargill Meat Solutions Corporation	Beef Processing	2,100	1	12.41%	2,091	1	13.80%
Viaero Wireless	Cellular Provider	501	2	2.96%	267	5	1.76%
Leprino Foods Company	Cheese Processing Plant	350	3	2.07%	240	2	1.58%
Wal-Mart Super Center	Retail/Grocery	300	4	1.77%	225	10	1.48%
Centura St. Elizabeth Hospital (CPMC)	Hospital	260	5	1.54%			-
Morgan County	Government	258	6	1.52%			-
East Morgan County Hospital	Hospital	250	7	1.48%	186	6	1.23%
Western Sugar (Includes Seasonal)	Sugar Processing	195	8	1.15%	185	4	1.22%
Eben Ezer Lutheran Care Center	Nursing Home	155	9	0.92%	125	8	0.82%
Xcel Energy	Utility	83	10	0.49%	111	11	0.73%
Kaiser Premier LLC Equipment	Equipment Manufacturer	75	11	0.44%			-
Total		4,527		26.75%	3,430		22.62%
Total Morgan County Labor Force		16,924			15,154		

Source: Morgan County Economic Development

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

Function/Program	2023	2022	2021	2020	2019
General Government					
Assessor	10	9	10	11	11
Board of County Commissioners	3	3	3	3	3
Building Maintenance	8	8	7	7	7
Clerk and Recorder	12	12	12	12	12
Courier	1	1	1	1	1
Finance	5	5	5	5	5
Fleet	5	7	7	7	7
Human Resources	1	1	1	1	1
Information Management Services	4	4	6	4	4
Planning and Building	5	5	5	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	9	16	16	16	14
Coroner	2	3	3	3	3
Corrections (Jail)	29	30	30	30	28
County Attorney	1	1	1	2	1
Emergency Management	1	1	1	1	1
Sheriff	21	25	25	24	23
Streets and Highways					
Road and Bridge	33	41	41	41	41
Auxiliary Services					
Extension	2	2	2	2	2
Fairgrounds	1	1	1	1	1
Veterans Officer	0	1	1	1	1
Health and Human Services					
Human Services	67	69	69	68	67
Business-type Services					
Ambulance Service	18	26	26	26	26
Solid Waste Management	6	6	6	6	6
Total	248	281	283	280	273

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 variances at year end.

2018	2017	2016	2015	2014
9	9	9	9	9
3	3	3	3	3
7	8	7	7	8
12	12	11	11	11
1	1	1	1	1
5	5	5	5	5
7	7	7	6	7
1	1	1	1	1
4	4	4	4	4
4	4	3	4	3
1	1	1	2	1
3	3	3	2	2
14	14	11	14	14
3	3	3	3	3
26	26	32	28	32
1	1	1	1	1
1	1	1	1	1
30	30	24	27	23
39	39	36	36	36
3	3	2	3	3
1	1	0	0	1
1	1	1	1	1
67	67	63	63	62
19	23	19	23	21
7	7	7	7	6
269	274	255	262	259

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

Function/Program	2023	2022	2021	2020
General Government				
Assessor				
Property transfers	1,432	683	1,219	1,072
Public Trustee				
Number of foreclosures	51	123	12	12
Clerk				
Motor Vehicle transactions	58,806	63,682	53,735	52,225
Registered Voters	20,013	15,400	18,591	17,663
Planning and Building				
Number of building permits issued	201	79	498	119
Number of parcels created	19	17	26	21
Judicial and Public Safety				
Communications Center				
Non-emergency calls	61,209	97,501	51,003	62,355
9-1-1 calls	12,718	10,674	12,667	12,086
District Attorney				
Number of felony cases	382	304	459	405
Number of juvenile cases	24	68	32	19
Sheriff				
Detention Center average daily population	79	90	60	73
Incidents handled by patrol and investigations	16,758	15,880	19,776	21,765
Streets and Highways				
Road and Bridge				
Bridges	173	173	173	173
County maintained roads (miles)	1,057	1,057	1,030	1,030
County roads maintained by others (miles)	54	54	61	61
County roads not maintained (miles)	128	128	146	146
Health and Human Services				
Human Services				
Families receiving food assistance	2,985	2,985	1,655	1,311
Seniors receiving assistance	2,073	2,154	3,293	2,636
Children receiving subsidized day care	136	55	***	***
Child Abuse or neglect cases reported	44	44	81	63
Auxiliary Services				
Extension				
4-H youth development program participants	325	374	339	392
Fairgrounds				
County fair attendance	4,000	4,000	2,550	**
Total Complex attendance	32,000	37,750	3,000	**
Business-type Services				
Ambulance Service				
Number of calls	3,479	2,125	3,345	3,050
Solid Waste Management				
Recycled tons processed	316	300	638	264

*** 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.

2019	2018	2017	2016	2015	2014
1,666	1,904	2,050	839	1,755	1,549
40	40	48	70	60	53
53,743	66,877	86,014	71,389	68,755	58,312
16,778	16,868	15,941	16,194	14,477	15,067
142	411	301	355	103	81
24	26	15	22	25	38
73,985	79,078	64,349	77,123	68,807	66,672
11,537	10,671	9,806	10,746	10,514	9,910
356	436	460	344	279	280
34	47	40	30	59	35
79	93	90	85	77	61
19,654	19,572	20,146	17,515	15,404	15,808
173	173	173	173	173	173
1,031	1,035	1,034	1,036	1,036	1,056
61	61	61	61	61	54
145	142	143	143	143	128
2,645	2,710	2,717	2,818	2,819	2,747
2,359	2,668	2,745	2,634	2,617	1,800
***	90	78	68	56	64
65	67	52	59	51	48
392	415	368	378	397	397
4,700	4,650	4,200	4,300	4,100	4,000
33,200	33,185	31,730	32,060	30,950	30,570
3,073	2,831	2,726	2,526	2,444	2,355
234	348	566	318	349	417

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

Function/Program	2023	2022	2021	2020	2019
Judicial and Public Safety					
Communications Center console positions	5	5	5	5	5
Communications Center vehicles	3	3	3	3	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	14	15	15	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	56	56	55	55	56
Vehicles	21	21	21	21	21
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	4	3	3	3	3
Fairground vehicles	1	1	1	1	1
Ambulance Service					
Buildings	3	3	2	2	2
Ambulance vehicles	7	8	8	7	7
Administrative vehicles	2	1	1	1	1
Solid Waste Management					
Landfill site	1	1	1	1	1
Transfer sites	0	0	0	0	0
Equipment	6	6	5	5	5
Vehicles	2	2	2	2	2

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

Source: Information provided by individual Morgan County departments

2018	2017	2016	2015	2014
3	4	4	4	4
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
3	3	3	3	3
14	14	14	14	14
13	13	13	13	13
15	15	15	15	15
6	6	6	6	6
24	24	24	24	24
10	10	10	10	10
54	55	48	44	39
20	20	20	22	19
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	3	2	2	2
7	7	8	7	8
1	1	1	1	1
1	1	1	1	1
0	0	0	0	0
5	5	5	5	5
2	3	3	3	3



SINGLE AUDIT SECTION

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

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

Report on 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 Morgan County'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 Morgan County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Watson Coon Ryan, LLC

CENTENNIAL, COLORADO
August 28, 2024

**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, 2023. 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, 2023.

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.

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 28, 2024

MORGAN COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2023

Program	Assistance Listing	Federal Expenditures
U.S. Department of Agriculture		
Passed through Colorado Department of Human Services		
SNAP Cluster		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 280,696
Total Department of Agriculture/ SNAP Cluster		<u>280,696</u>
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	519,073
Child Care Mandatory and Matching Portion of the Child Care and Development Fund	93.596	132,878
Total Child Care Cluster		<u>651,951</u>
477 Cluster		
Temporary Assistance for Needy Families	93.558	972,296
Total 477 Cluster		<u>972,296</u>
Medicaid Cluster		
Medical Assistance Program	93.778	411,645
Total Medicaid Cluster		<u>411,645</u>
Child Support Services	93.563	396,443
Stephanie Tubbs Jones Child Welfare Services Program	93.645	17,959
Foster Care Title IV-E	93.658	561,656
Adoption Assistance	93.659	207,875
Social Services Block Grant	93.667	144,703
Low-Income Home Energy Assistance	93.568	24,838
Guardianship Assistance	93.090	2,305
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	5,740
Injury Prevention and Control Research State and Community Based Programs	93.136	2,778
Total Department of Health and Human Services		<u>3,400,189</u>
U.S. Department of Justice		
Passed through Colorado Department of Criminal Justice		
Crime Victim Assistance	16.575	41,927
State Criminal Alien Assistance Program	16.606	21,934
Total Department of Justice		<u>63,861</u>
U.S. Department of Homeland Security		
Passed through Colorado Division of Homeland Security and Emergency		
Emergency Management Performance Grant	97.042	61,868
Total Department of Homeland Security		<u>61,868</u>
U.S. Department of Treasury		
Local Assistance and Tribal Consistency Fund	21.032	100,000
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	3,985,916
Total Department of Treasury		<u>4,085,916</u>
Total Expenditures of Federal Awards		<u>\$ 7,892,530</u>

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, 2023

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, 2023. 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, 2023.

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 \$7,773,944. 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, 2023**

SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	___ Yes	<u> x </u> No
Significant deficiencies identified?	___ Yes	<u> x </u> None reported
Noncompliance material to financial statements noted?	___ Yes	<u> x </u> No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	___ Yes	<u> x </u> No
Significant deficiencies identified?	___ Yes	<u> x </u> 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	<u> x </u> No
Identification of major federal programs:	21.027 Coronaviruse State and Local Fiscal Recovery Funds 93.778 Medicaid Cluster	
Dollar threshold used to distinguish between type A and type B programs:	\$ <u> 750,000 </u>	
Auditee qualified as a low-risk auditee?	___ Yes	<u> x </u> 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, 2022.

