



# **MORGAN COUNTY, COLORADO**

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2024



**MORGAN COUNTY, COLORADO**  
**Annual Comprehensive Financial Report**  
**For the fiscal year ended December 31, 2024**

Board of County Commissioners

Mark Arndt, Chairman  
Jon Becker  
Gordon H. Westhoff

Director of Finance

Lori Crispin, Interim

Director of Information Systems

Karol Kopetzky

Information Systems Specialist

Vicki Jump

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Payroll Technician

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Prepared by:

Finance and Information Systems Departments



**MORGAN COUNTY, COLORADO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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# **INTRODUCTORY SECTION**



## **MORGAN COUNTY ADMINISTRATION**

December 10, 2025

To the Citizens of Morgan County, Colorado:

State law requires that every government publish at 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, 2024.

The County's Annual Financial Report was prepared by the Department of Accounting and Finance for Morgan County Government. The responsibility for both the accuracy 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 2024 audit. Watson Coon Ryan, LLC have issued an unmodified ("clean") opinion on Morgan County Government's financial statements for the year ended December 31, 2024. 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 30,300. 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 280 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

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 Viaero Wireless with 501 employees followed by Leprino Foods with 350 employees. The unemployment rate in Morgan County in 2024 was 4.2%. Morgan County's unemployment rate of 4.2% is slightly higher 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.

## MAJOR INITIATIVES AND 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 targeted 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. 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.

## 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, 2023. 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-one consecutive years (fiscal years ended 1993-2023). 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 cursive script that reads "Jessica Trusty". The signature is written in black ink and is centered below the text "Respectfully submitted,".

Jessica Trusty  
Director of Finance and Accounting



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

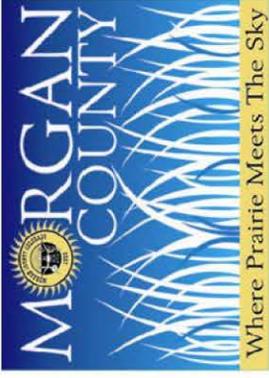
**Morgan County Government  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

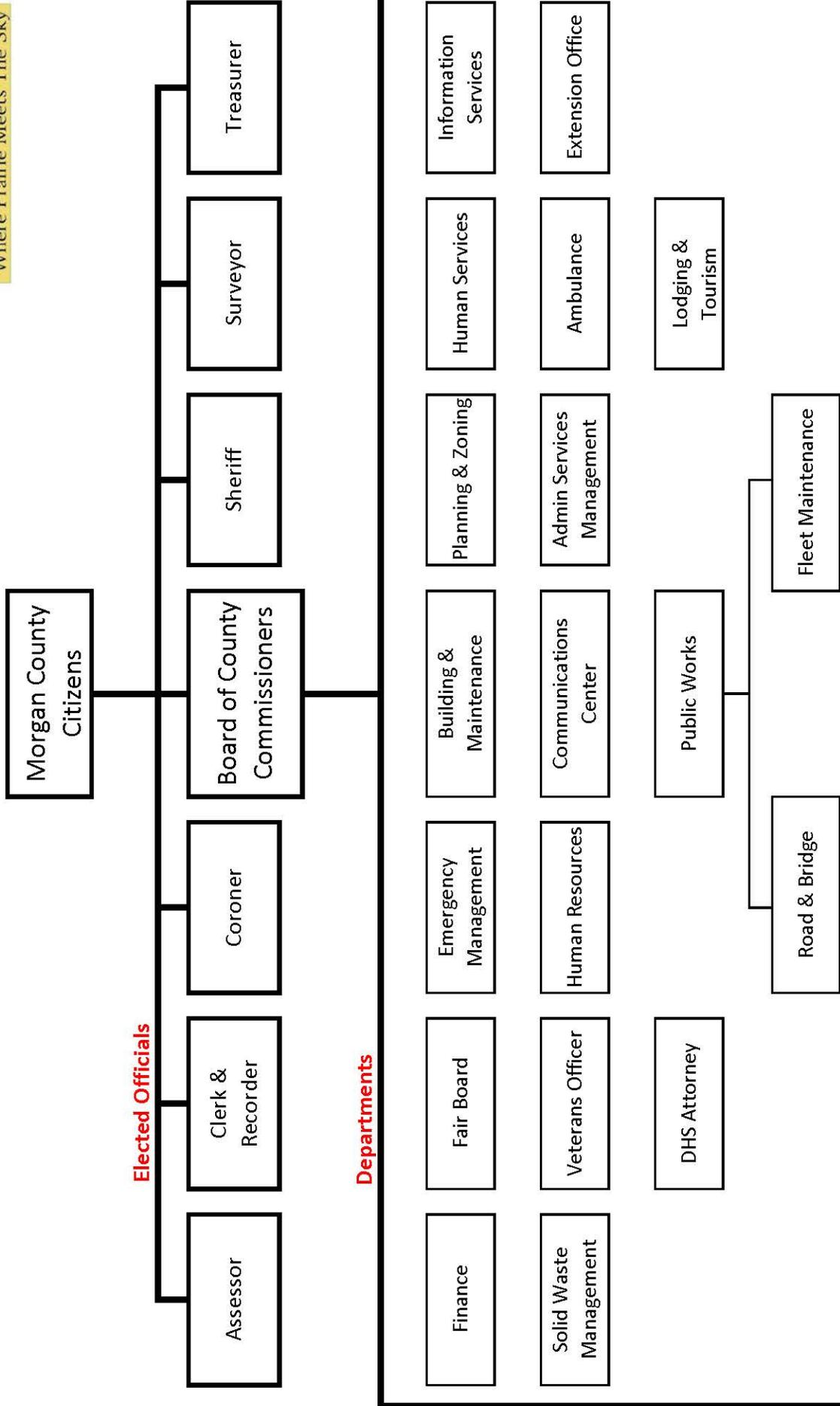
December 31, 2023

*Christopher P. Morrill*

Executive Director/CEO



# Morgan County Organizational Chart



# MORGAN COUNTY, COLORADO

List of Principal Officials  
As of December 31, 2024

## TITLE

## NAME

### **ELECTED**

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

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

### **APPOINTED**

Accounting & Finance Director, Interim  
Administrative Services Manager  
Building Maintenance Director  
County Attorney  
Emergency Management Director  
Environmental Director  
Human Services Attorney  
Human Services Director  
Information Systems Director  
Planning & Zoning Director  
Public Service Director  
Public Works Director  
Veterans Officer

Lori Crispin  
Mindi Cloyd  
Dave Cornwell  
Jeff Parker  
Roger Doll  
Cass Yearous  
David Bute  
Jaque Frenier  
Karol L. Kopetzky  
Nicole F. Hay  
Travis Freeman  
Bruce Bass  
Brian Uhrich



# **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, 2024, 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, 2024, 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 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 December 12, 2025 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  
December 12, 2025

## 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, 2024. 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 \$163 million (net position) at the end of 2024. Of this amount, \$67 million may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$96 million is invested in capital assets or restricted by law.
- The County's General Fund balance was \$51.2 million as of December 31, 2024. Of this amount, \$1 million is restricted for emergencies, \$46,154 is restricted for Clerk E-filing, \$2,726 is committed for the Tri Centennial, \$1,264,548 is committed for the Human Services building, \$11 million is assigned for capital building projects, and \$130,636 is assigned for other agencies. The remaining \$37.8 million is unassigned fund balance. The 2023 fund balance was \$43.8 million.
- The total 2024 General Fund balance is \$51.2 million, which is \$7.5 million more than the 2023 General Fund operating expenditures plus transfers out of \$43.8 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 52% of the General Fund revenue in 2024.

### 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 the 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 66 – 70 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 74 – 77 in this report. Governmental funds budgets for the non-major funds are provided on pages 78 – 82. The basic governmental fund financial statements can be found on pages 25 – 32 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 33 – 35. The Internal Service Fund schedule of net position is on page 89. Budget to actual comparisons for the Enterprise Funds are on pages 85 – 86. Budget to actual comparison for the Internal Services Fund is on page 90.

**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 38 – 61 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, 2024, assets exceeded liabilities and deferred inflows of resources by \$163 million. The largest portion of Morgan County's net position (50%) is invested in capital assets. The net investment in capital assets is \$80.2 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 \$15.8 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, \$10.8 million, is restricted for the Roadways.

The County had an unrestricted net position of \$67.3 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 2024, 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	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and other assets	\$ 101,000,137	\$ 94,061,745	\$ 8,245,739	\$ 8,154,126	\$ 109,245,876	\$ 102,215,871
Capital assets	77,941,570	82,201,560	2,934,702	2,905,737	80,876,272	85,107,297
<b>Total assets</b>	<b>178,941,707</b>	<b>176,263,305</b>	<b>11,180,441</b>	<b>11,059,863</b>	<b>190,122,148</b>	<b>187,323,168</b>
<b>Liabilities</b>						
Current liabilities	2,523,073	3,670,967	190,287	175,051	2,713,360	3,846,018
Long-term liabilities	1,044,601	1,118,073	1,547,183	991,369	2,591,784	2,109,442
<b>Total liabilities</b>	<b>3,567,674</b>	<b>4,789,040</b>	<b>1,737,470</b>	<b>1,166,420</b>	<b>5,305,144</b>	<b>5,955,460</b>
Deferred Property Tax Revenue	21,609,164	21,031,336	-	-	21,609,164	21,031,336
<b>Total liabilities and deferred inflows of resources</b>	<b>25,176,838</b>	<b>25,820,376</b>	<b>1,737,470</b>	<b>1,166,420</b>	<b>26,914,308</b>	<b>26,986,796</b>
<b>Net position</b>						
Net investment in capital assets	77,235,314	82,201,560	2,934,702	2,905,737	80,170,016	85,107,297
Restricted	15,754,697	15,479,238	-	-	15,754,697	15,479,238
Unrestricted	60,774,858	52,762,131	6,508,269	6,987,706	67,283,127	59,749,837
<b>Total net position</b>	<b>\$ 153,764,869</b>	<b>\$ 150,442,929</b>	<b>\$ 9,442,971</b>	<b>\$ 9,893,443</b>	<b>\$ 163,207,840</b>	<b>\$ 160,336,372</b>

The total net position increased in 2024 by \$2.9 million. The increase in the 2024 net position can be seen by the decrease in total liabilities and deferred inflows of resources. The decrease of total liabilities and deferred inflows of resources in 2024 is \$72,488.

The total restricted net position increased by \$275,459. The increase in restricted funds was mainly in the Road & Bridge fund due to a decrease in capital projects completed.

Net investment in capital assets decreased \$4.9 million in 2024. The majority of the decline was from depreciation calculated on capital assets and disposal of several pieces of equipment which were mainly due to the resolution of production backlog.

**Governmental activities.** Governmental activities increased Morgan County's net position by \$3.3 million. The increase in net position in the governmental funds is due mainly to the decrease in current liability reported and increase in revenue. The County's investment income increased by \$455,943 in the governmental activities in 2024.

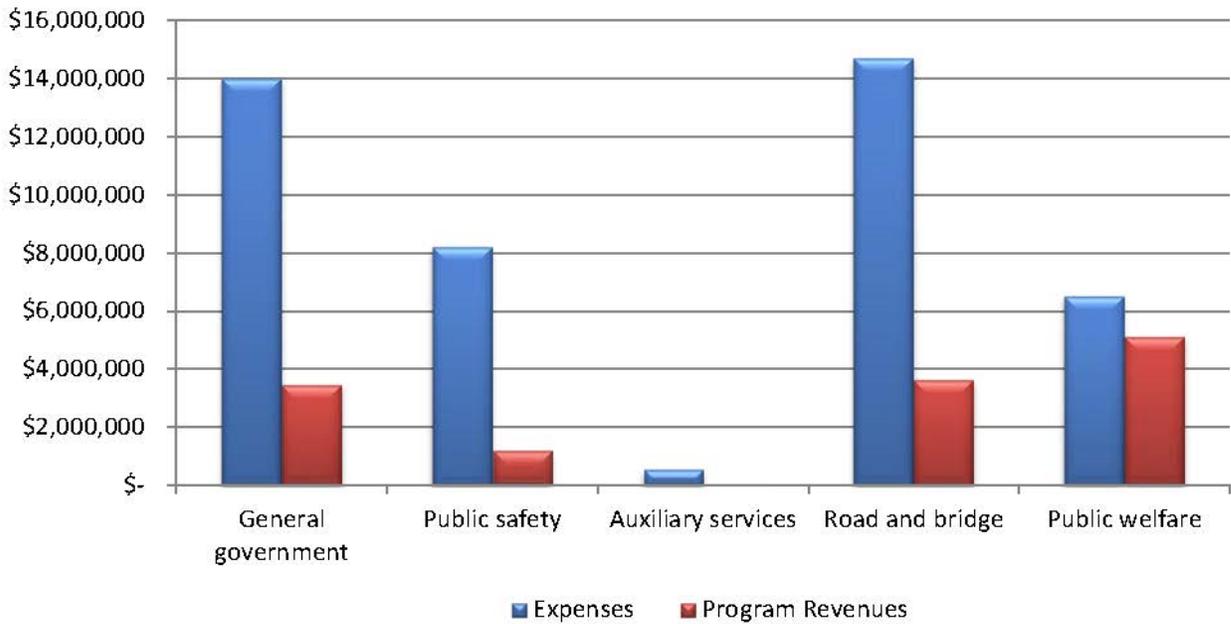
**Business type activities.** Business type activities decreased Morgan County's net position by \$450,472. The decrease in net position was due to the increase in customer fees uncollected, as well as an increase in expenses in the Ambulance Service Fund.

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

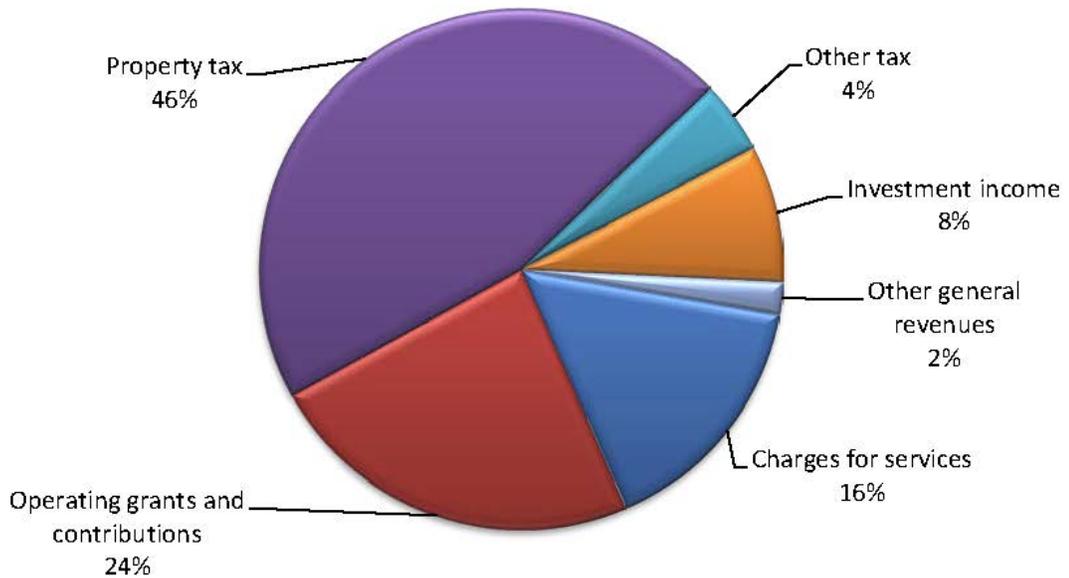
**Morgan County Government  
Changes in Net Position**

	Governmental activities		Business-type activities		Total Government	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 7,757,346	\$ 2,597,628	\$ 3,114,549	\$ 3,396,671	\$ 10,871,895	\$ 5,994,299
Operating grants and contributions	11,527,316	13,532,804	177,862	162,062	11,705,178	13,694,866
General revenues						
Property tax	22,681,704	19,300,192	-	-	22,681,704	19,300,192
Other tax	2,153,853	2,157,393	-	-	2,153,853	2,157,393
Investment Income	4,193,641	3,737,698	284,502	224,284	4,478,143	3,961,982
Other general revenues	994,993	1,607,721	92,718	45,839	1,087,711	1,653,560
Total revenues	<u>49,308,853</u>	<u>42,933,436</u>	<u>3,669,631</u>	<u>3,828,856</u>	<u>52,978,484</u>	<u>46,762,292</u>
<b>Expenses</b>						
General government	15,788,777	9,576,800	-	-	15,788,777	9,576,800
Public safety	8,203,023	7,977,817	-	-	8,203,023	7,977,817
Auxiliary services	559,974	576,967	-	-	559,974	576,967
Roads and bridges	14,708,251	15,616,577	-	-	14,708,251	15,616,577
Public welfare	6,526,888	6,040,895	-	-	6,526,888	6,040,895
Ambulance services	-	-	2,707,360	2,203,137	2,707,360	2,203,137
Solid waste services	-	-	1,612,743	1,116,187	1,612,743	1,116,187
Total expenses	<u>45,786,913</u>	<u>39,789,056</u>	<u>4,320,103</u>	<u>3,319,324</u>	<u>50,107,016</u>	<u>43,108,380</u>
Increase (decrease) in net position	3,521,940	3,144,380	(650,472)	509,532	2,871,468	3,653,912
Transfers	(200,000)	(200,000)	200,000	200,000	-	-
Net position - January 1	<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>
Net position - December 31	<u>\$ 153,764,869</u>	<u>\$ 150,442,929</u>	<u>\$ 9,442,971</u>	<u>\$ 9,893,443</u>	<u>\$ 163,207,840</u>	<u>\$ 160,336,372</u>

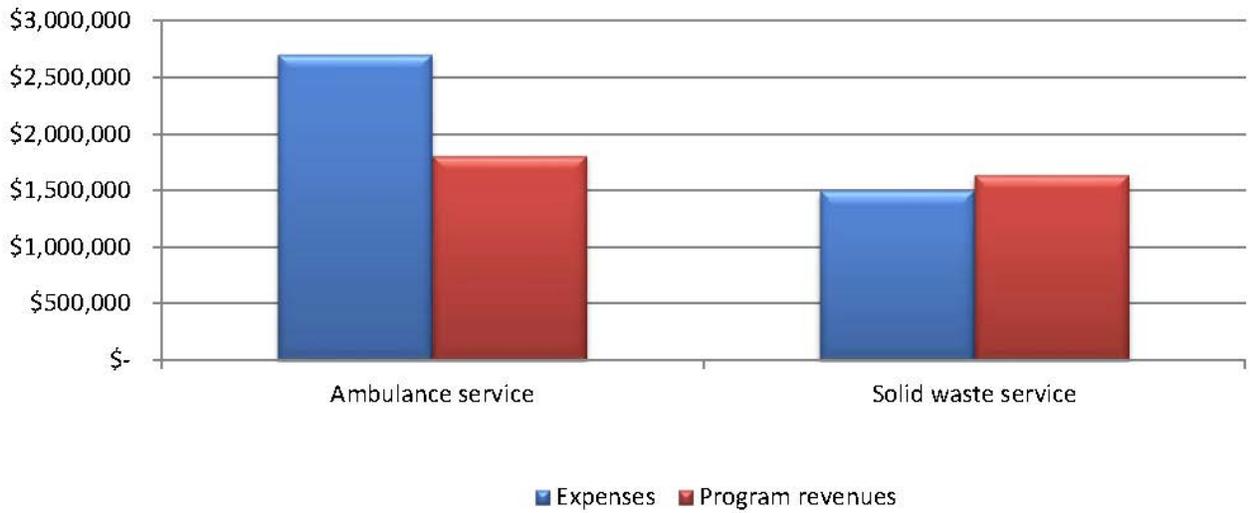
### Expenses and Program Revenues - Governmental Activities



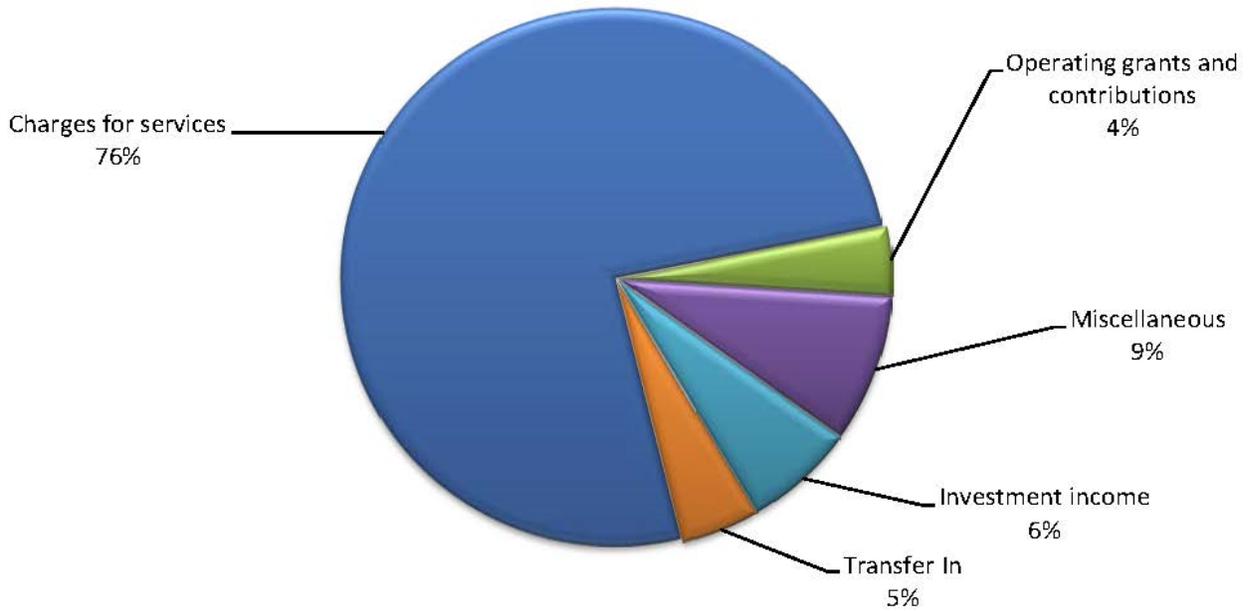
### Revenues by Source - Governmental Activities



### 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 2024. The total fund balances in the governmental funds increased by \$8.1 million. As of the end of 2024 the combined ending fund balance of County governmental funds was \$74.7 million. Approximately 51% 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 \$133,295 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 \$46,154, 3) a state statute for Social Services \$1,227,623, 4) a state statute for roadways \$10,752,021, 5) a state statute for the 911 emergency telephone services \$1,304,099, 6) a state statute to promote tourism in the County \$637,850, 7) a state statute to promote parks and recreation \$775,294, 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 2024 amounted to \$8.1 million. This is an increase of \$242,564 from net position at the end of 2023. The increase in net position was mainly due to an annual increase in fees and a significant increase in customer volume as well as a decrease in expenses.
- ❖ **Ambulance Service Fund.** Total net position of this fund at the end of 2024 amounted to \$1.4 million. This is a decrease of \$693,036 from net position at the end of 2023. The decrease in net position was due to continuing to struggles with decreasing revenues and increased disallowed insurance allowances 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 \$9.6 million. This is an increase of \$493,968 from 2023 total net position. The increase in net position was due mainly to the decrease of expenses in the County's 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, 2024, was \$51.2 million. This is an increase of \$7.5 million. Of this amount, \$13.4 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 194% of total 2024 expenditures and transfers in the general fund. The increase in fund balance is due to the increase in general fund tax revenues and interest on investments.
  
- ❖ **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 \$18 million in fund balance at the end of 2023. Of this amount, \$10.8 million is restricted for future capital highway projects, \$133,295 is nonspendable for bridge inventory, and \$7.1 million is committed for future capital road and bridge projects. Total Road and Bridge fund balance increased by \$1.0 million in 2024. The increase in fund balance was due to an increase in tax revenues.
  
- ❖ **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 2024 was \$1.2 million. This is a slight decrease of \$568,896 from the 2023 fund balance which was mainly due to a decrease in state funding. The \$1.2 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, 2024 totals \$80.2 million (net of accumulated depreciation). This investment includes all land, buildings, machinery and equipment, as well as infrastructure constructed from 1980 through 2024.

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

	Governmental activities		Business-type activities		Total Government	
	2024	2023	2024	2023	2024	2023
Land and Water Rights	\$ 2,118,484	\$ 2,118,484	\$ 125,787	\$ 125,787	\$ 2,244,271	\$ 2,244,271
Buildings and Improvements	8,911,017	9,487,981	835,005	891,305	9,746,022	10,379,286
Machinery and Equipment	9,170,853	8,227,969	567,277	401,700	9,738,130	8,629,669
Infrastructure Construction in Progress	55,959,748	61,724,012	1,406,633	1,486,945	57,366,381	63,210,957
	<u>1,781,469</u>	<u>643,114</u>	<u>-</u>	<u>-</u>	<u>1,781,469</u>	<u>643,114</u>
Total capital assets	<u>\$ 77,941,571</u>	<u>\$ 82,201,560</u>	<u>\$ 2,934,702</u>	<u>\$ 2,905,737</u>	<u>\$ 80,876,273</u>	<u>\$ 85,107,297</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, 2024.

**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 2024 increased by 2.8%. This amounts to an increase in property tax to be collected in 2024 of \$20.3 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 began 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 2024, 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.

