



MORGAN COUNTY, COLORADO

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2019



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Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2019

Board of County Commissioners

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Mark Arndt

Jon Becker

Director of Finance

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Director of Information Systems

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Prepared by:
Finance and Information Systems Departments

INTRODUCTORY SECTION

MORGAN COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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MORGAN COUNTY ADMINISTRATION

June 30, 2020

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, 2019.

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 2019 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, 2019. 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 28,558. Morgan County encompasses five incorporated cities and towns as well as a large unincorporated area. The largest city is Fort Morgan with a population of 11,646. Morgan County offers several community and recreational facilities. Jackson Lake is a popular recreational area in Morgan County that attracts weekend visitors as well as year-round residents wanting to retire to a rural area. The area offers fishing and boating while the climate allows year-round residence. Some of the finest hunting in North America is found in the area, including pheasant, turkey, grouse, quail, geese, duck, deer, and antelope. Morgan County has moderate summers, crisp falls, cool winters, and warm springs. There are 330 days of sunshine annually, 14.9 inches annual precipitation, and 29.7 inches average snowfall. Annual average temperature is 64 degrees F.

PROFILE OF MORGAN COUNTY GOVERNMENT

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

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

Morgan County Government employs 273 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 2019, the County assessed value certified by the County Assessor increased by 10%. This increase was due to a reappraisal year. This increase is significant as Morgan County does not have a County sales tax, so assessed value is critical to the County's operations. Agriculture is the primary industry in Morgan County with retailers, other locally focused businesses, and government operations supporting area farming and ranching communities. The major crops grown in the County include corn, sugar beets, hay, silage, wheat, potatoes, onions, alfalfa, and turf. The dairy industry also continues to have a strong presence. Cargill Meat Solutions Corporation is the largest employer in the county, employing 2,100 employees. The next largest employer is Leprino Foods with 350 employees followed by Colorado Plains Medical Center with 262 employees. The unemployment rate in Morgan County in 2019 was 2.6%. This is lower than the 2018 rate of 3.4%. Morgan County's unemployment rate of 2.6% is slightly lower than the State rate of 2.8%. Morgan County's location near the Front Range allows easy access for the opportunities of the big cities while maintaining the benefits of a rural lifestyle – with a large residential growth in Wiggins, the most western community in Morgan County. The County prides itself on maintaining tradition while looking to the future.

COUNTY LONG-TERM FINANCIAL PLANNING

Facilities planning and maintenance continue to be a major area of emphasis for the County. The County is in the process of reviewing the capital improvement plan. The County Commissioners have convened a task force to analyze and plan for the increasing demands on the County's Jail/Judicial Complex which also houses the Communications Center, the Probation Department, the District Attorney, the Court and the Sheriff's Department. In order to address the situation the County created the Jail Capital Improvement Fund in 2008 to accumulate monies for the future expansion of the facility. 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 2019, funds from the Jail Capital Improvement Fund were used to complete a study on future needs of the Morgan County Jail/Judicial facility. This study will help the Commissioners plan for continuing space needs at the facility that houses the County Jail, Sheriff's Department, Communications Center, Probation, the County and District Courts and the 13th Judicial District's District Attorney.

In planning for the future needs of the Morgan County Jail/Judicial facility, the County purchased land adjacent to the facility. The County will continue to address the need of expanding the current facility.

In 2019 the Ambulance Service purchased additional power cots were installed in several ambulances. The cost of this project was \$75,000.

Conservation Trust Fund money was used in 2019 to install an audio system at the Morgan County Fairgrounds facility. Funds in the Conservation Trust Fund are the County's portion of lottery money collected by the State of Colorado.

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 comprehensive annual financial report for the fiscal year ended December 31, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

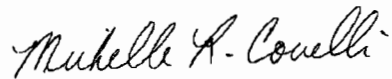
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable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

A Certificate of Achievement is valid for a period of one year only. Morgan County Government has received a Certificate of Achievement for the last twenty-six consecutive years (fiscal years ended 1993-2018). We believe that our current comprehensive annual 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 comprehensive annual 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 "Michelle R. Covelli".

Michelle R. Covelli
Director of Finance and Accounting





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

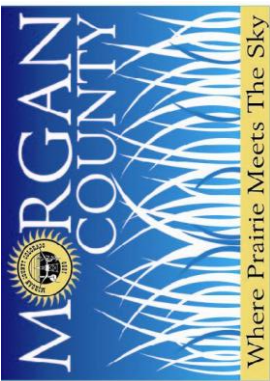
**Morgan County
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

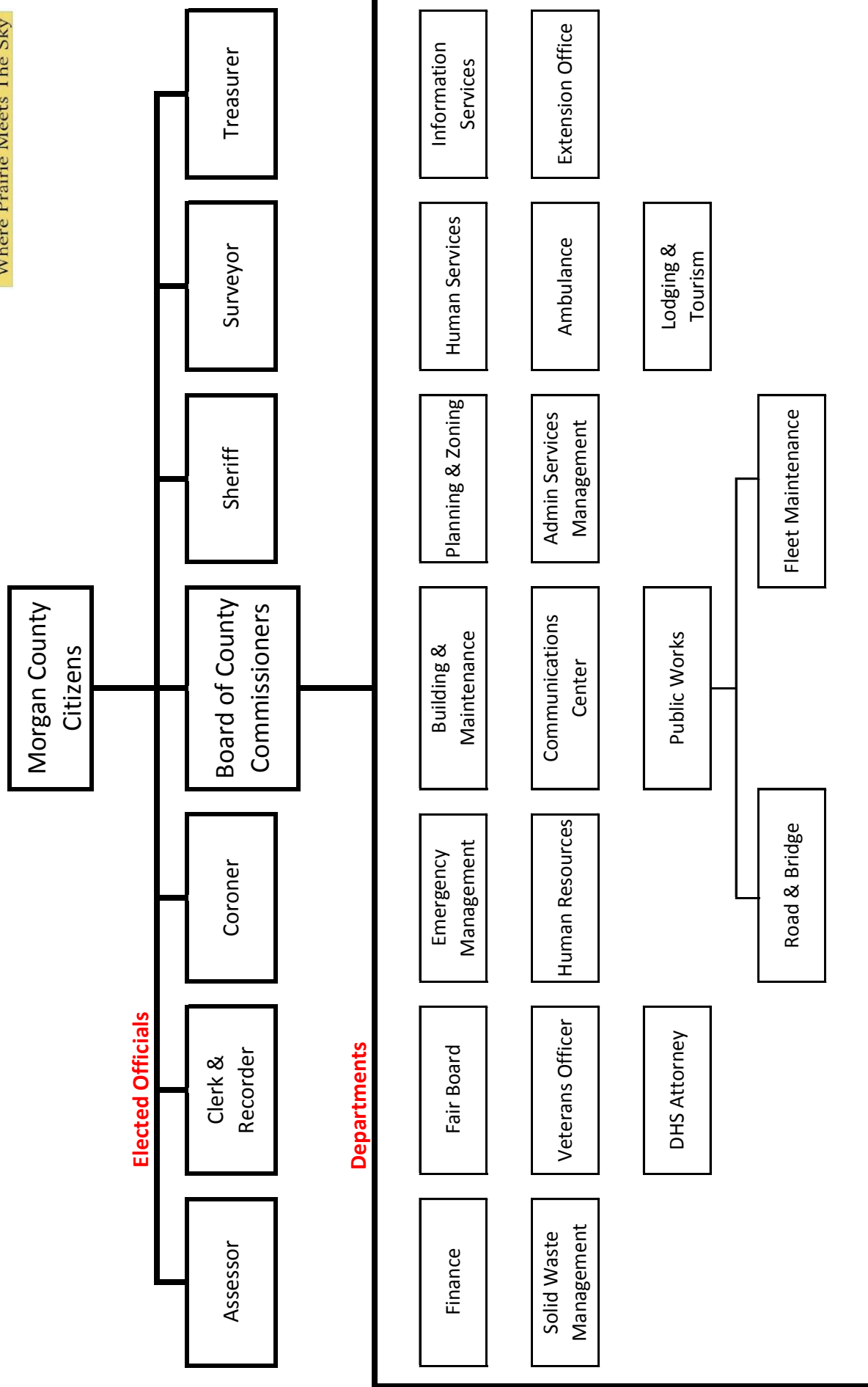
December 31, 2018

Christopher P. Morrell

Executive Director/CEO



Morgan County Organizational Chart



MORGAN COUNTY, COLORADO

List of Principal Officials

December 31, 2019

TITLE

NAME

ELECTED

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

James. P Zwetzig
Mark A. Arndt
Jon Becker
Tim M. Amen
Susan L. Bailey
Don Heer
David D. Martin
Nichole F. Hay
Robert A. Sagel

APPOINTED

Accounting & Finance Director
Administrative Services Manager
Ambulance Manager
Attorney
Director of Communications
Director of Extension
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

Michelle Covelli
Kara Powell
Joe King
Jeff Parker
Danette Martin
Amy Kelley
Jacque Frenier
Roger Doll
Karol L. Kopetzky
Richard Early
Dave Cornwell
Cass Yearous
John Goodman
Pam Cherry
Bruce Bass
James Monroe
Daniel Scalise



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Morgan County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Morgan County, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 14-23, and 70-74 be presented to supplement the basic financial statements. Such information, 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.

Report on Summarized Comparative Information

We have previously audited the County's 2018 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated June 21, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; combining and individual nonmajor fund financial statements and schedules; the Local Highway Finance Report; the Schedule of Federal Financial Assistance Reconciliation and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, combining and individual nonmajor fund financial statements and schedules; the Local Highway Finance Report; and the Schedule of Federal Financial Assistance Reconciliation are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards combining and individual nonmajor fund financial statements and schedules; the Local Highway Finance Report; and the Schedule of Federal Financial Assistance Reconciliation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Watson Coon Ryan, LLC

GREENWOOD VILLAGE, COLORADO
July 17, 2020

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, 2019. 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 \$168.9 million (net position) at the end of 2019. Of this amount, \$45 million may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$123.9 million is invested in capital assets or restricted by law.
- The County's General Fund balance was \$30.3 million as of December 31, 2019. Of this amount, \$850,000 is restricted for emergencies, \$96,337 is restricted for Clerk E-filing, \$2,416 is committed for the Tri Centennial, \$676,673 is committed for the Human Services building, \$11 million is assigned for capital building projects, and \$157,713 is assigned for other agencies. The remaining \$17.5 million is unassigned fund balance. The 2018 fund balance was \$27.4 million.
- The total 2019 General Fund balance is \$30.3 million, which is \$2.8 million more than the 2018 General Fund operating expenditures plus transfers out. Morgan County does not have a county sales tax and relies heavily on property tax collections as a main revenue source. Current property taxes represent 67% of the General Fund revenue in 2019.

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 70 – 73 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 78 – 81 in this report. Governmental funds budgets for the non-major funds are provided on pages 82 – 87. The basic governmental fund financial statements can be found on pages 30 – 36 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 37 – 39. The Internal Service Fund comparative schedule of net position is on page 94. Budget to actual comparisons for the Enterprise Funds are on pages 90 – 91. Budget to actual comparison for the Internal Services Fund is on page 95.

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 Agency Funds. Morgan County maintains four Agency Funds. The accounting used for fiduciary funds is much like that used for proprietary funds. A combining Statement of Agency Funds is on page 98. Individual statements are provided on pages 99 – 102.

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 41 – 65 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, 2019, assets exceeded liabilities and deferred inflows of resources by \$168.8 million. The largest portion of Morgan County's net position (67%) is invested in capital assets. The net investment in capital assets is \$112.6 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 \$11.2 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, \$7.3 million, is restricted for County roadways.

The County had an unrestricted net position of \$45 million, which may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2019, Morgan County had positive balances in all three categories of net position both for governmental activities and business type activities. The three categories of net position are: net investment in capital assets, assets subject to certain restrictions, and unrestricted assets.

Morgan County Government
Net Position

	Governmental activities		Business-type activities		Total Government	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 69,702,549	\$ 63,753,526	\$ 7,603,254	\$ 6,763,663	\$ 77,305,803	\$ 70,517,189
Capital assets	110,920,860	117,813,966	1,725,262	1,769,212	112,646,122	119,583,178
Total assets	<u>180,623,409</u>	<u>181,567,492</u>	<u>9,328,516</u>	<u>8,532,875</u>	<u>189,951,925</u>	<u>190,100,367</u>
Liabilities						
Current liabilities	1,655,649	1,656,621	107,633	102,598	1,763,282	1,759,219
Long-term liabilities	<u>865,221</u>	<u>821,731</u>	<u>1,011,434</u>	<u>969,977</u>	<u>1,876,655</u>	<u>1,791,708</u>
Total liabilities	<u>2,520,870</u>	<u>2,478,352</u>	<u>1,119,067</u>	<u>1,072,575</u>	<u>3,639,937</u>	<u>3,550,927</u>
Deferred Property Tax Revenue	<u>17,444,838</u>	<u>15,862,667</u>	-	-	<u>17,444,838</u>	<u>15,862,667</u>
Total liabilities and deferred inflows of resources	<u>19,965,708</u>	<u>18,341,019</u>	<u>1,119,067</u>	<u>1,072,575</u>	<u>21,084,775</u>	<u>19,413,594</u>
Net position						
Net investment in capital assets	110,920,860	117,813,966	1,725,262	1,769,212	112,646,122	119,583,178
Restricted	11,208,218	10,560,743	-	-	11,208,218	10,560,743
Unrestricted	<u>38,528,623</u>	<u>34,851,764</u>	<u>6,484,187</u>	<u>5,691,088</u>	<u>45,012,810</u>	<u>40,542,852</u>
Total net position	<u>\$ 160,657,701</u>	<u>\$ 163,226,473</u>	<u>\$ 8,209,449</u>	<u>\$ 7,460,300</u>	<u>\$ 168,867,150</u>	<u>\$ 170,686,773</u>

The total net position decreased in 2019 by \$1.8 million.

The total restricted net position increased by \$647,475. The largest increase in restricted funds was in Road and Bridge Fund which increased 10%. The increase was due to an increase in intergovernmental revenue.

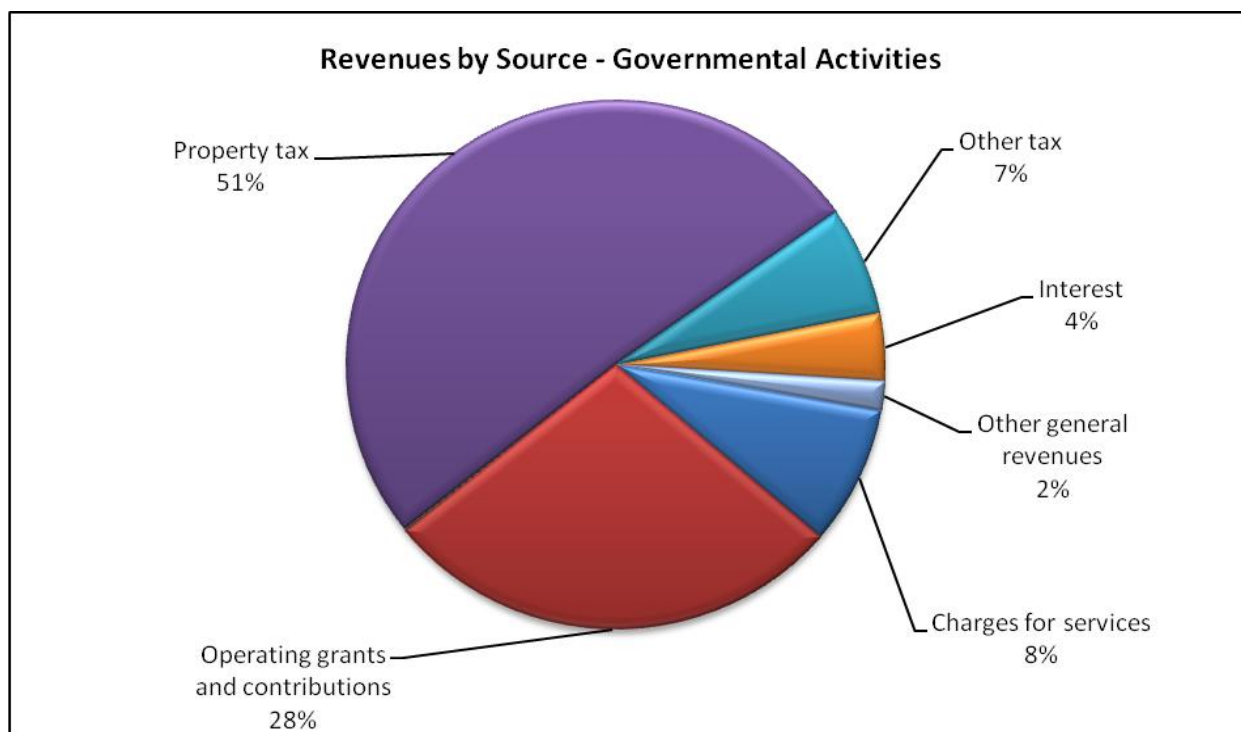
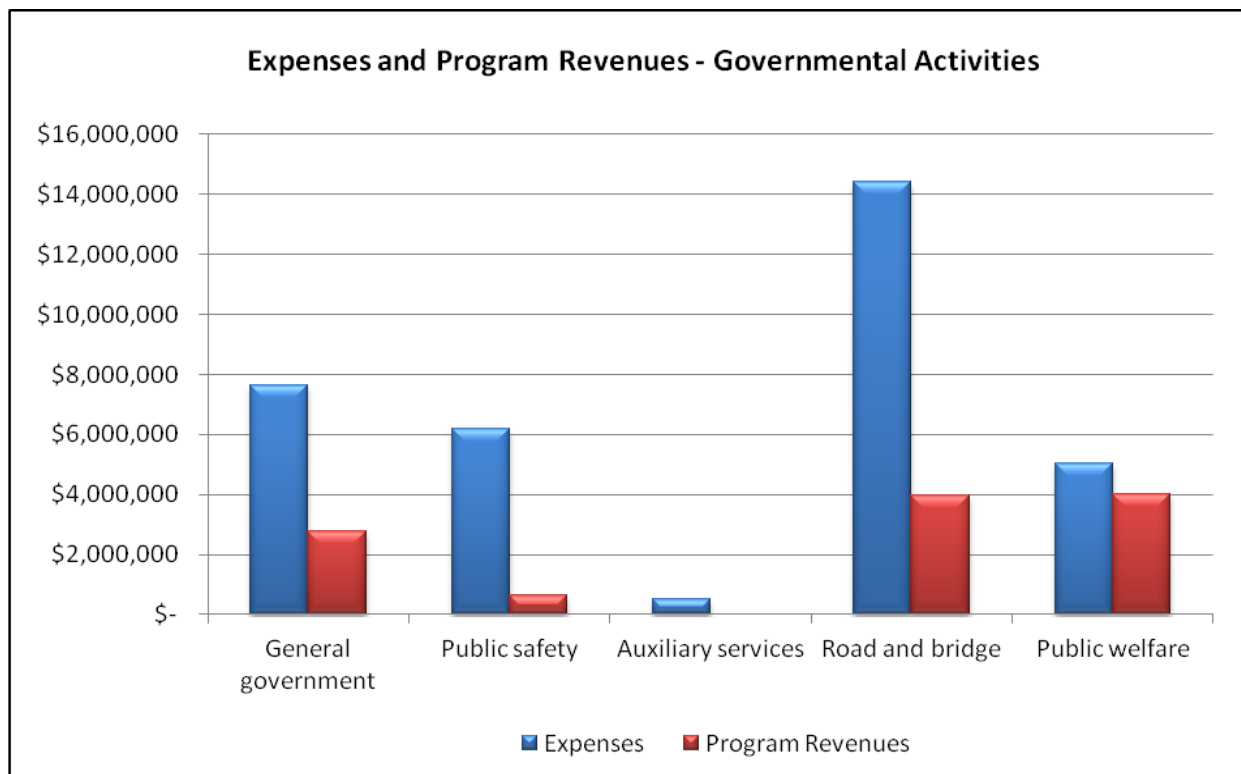
Net investment in capital assets decreased \$6.9 million in 2019. The majority of the decline was from depreciation calculated on capital assets.

Governmental activities. Governmental activities decreased Morgan County's net position by \$2.5 million. The decrease in net position in the governmental funds is due to the depreciation expense in the Road and Bridge Fund.

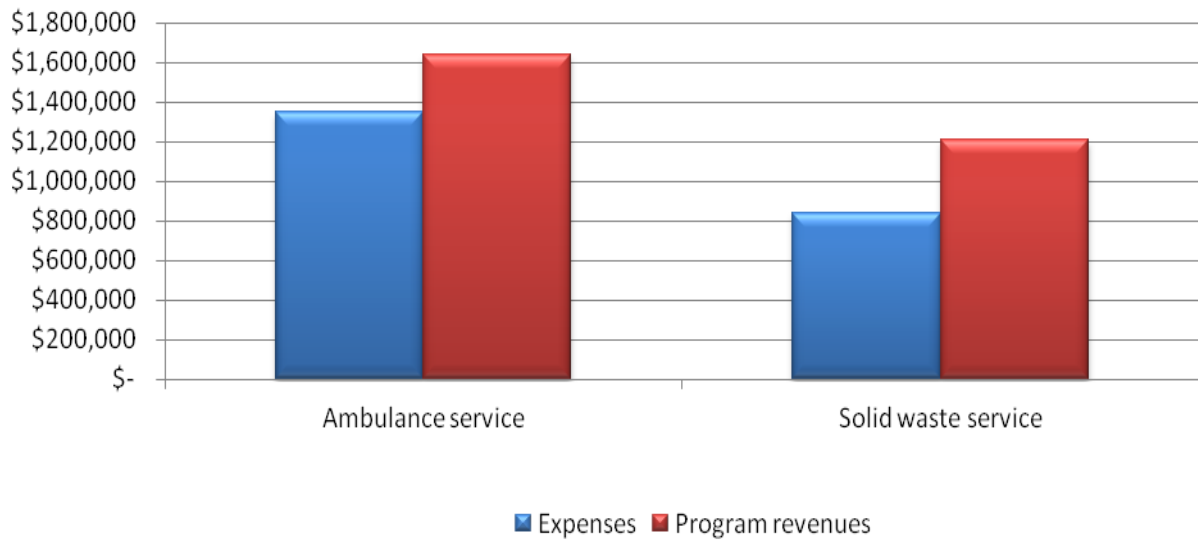
Business type activities. Business type activities increased Morgan County's net position by \$749,149. The Ambulance Fund and the Solid Waste Management Fund increased assets in 2019. Revenues collected increased in both the Solid Waste Management Fund and the Ambulance Fund. In addition the Ambulance Fund received a large donation in 2019.

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

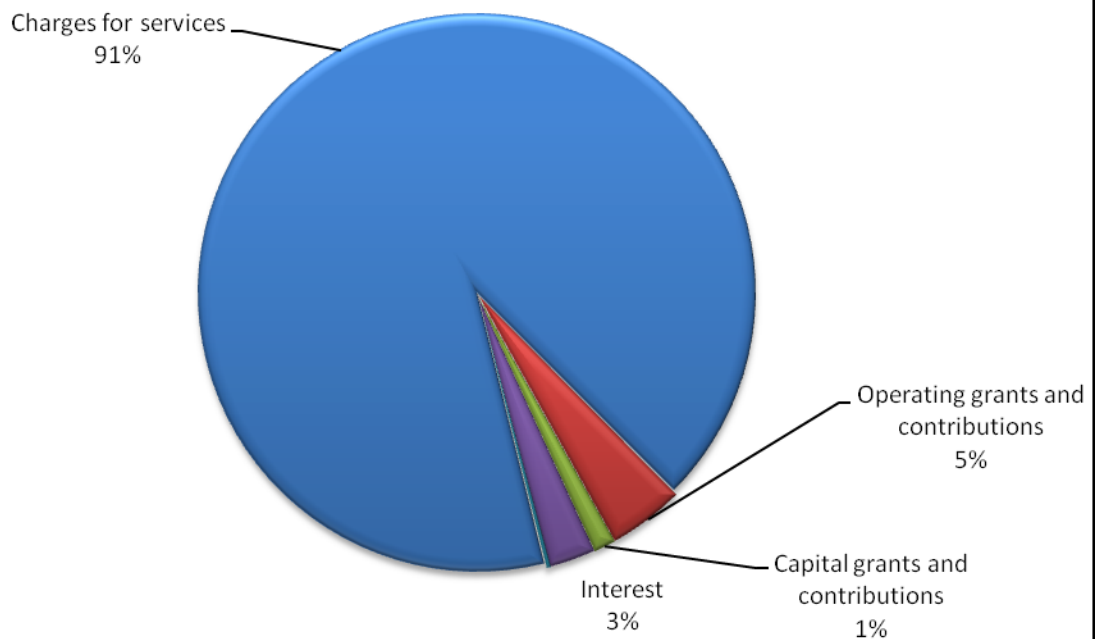
Morgan County Government Changes in Net Position						
	Governmental activities		Business-type activities		Total Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 2,650,583	\$ 2,140,125	\$ 2,683,347	\$ 2,596,752	\$ 5,333,930	\$ 4,736,877
Operating grants and contributions	8,708,522	8,484,048	129,327	64,865	8,837,849	8,548,913
Capital grants and contributions	28,513	103,638	37,380	33,151	65,893	136,789
General revenues						
Property tax	15,881,611	15,993,175	-	-	15,881,611	15,993,175
Other tax	2,066,680	1,943,932	-	-	2,066,680	1,943,932
Interest	1,283,355	857,258	79,026	56,589	1,362,381	913,847
Other general revenues	562,701	709,407	6,748	3,498	569,449	712,905
Total revenues	<u>31,181,965</u>	<u>30,231,583</u>	<u>2,935,828</u>	<u>2,754,855</u>	<u>34,117,793</u>	<u>32,986,438</u>
Expenses						
General government	7,640,141	6,996,471	-	-	7,640,141	6,996,471
Public safety	6,160,079	5,766,384	-	-	6,160,079	5,766,384
Auxiliary services	514,335	464,661	-	-	514,335	464,661
Roads and bridges	14,396,716	14,167,484	-	-	14,396,716	14,167,484
Public welfare	5,039,466	5,055,167	-	-	5,039,466	5,055,167
Ambulance services			1,350,047	1,234,911	1,350,047	1,234,911
Solid waste services			836,632	733,357	836,632	733,357
Total expenses	<u>33,750,737</u>	<u>32,450,167</u>	<u>2,186,679</u>	<u>1,968,268</u>	<u>35,937,416</u>	<u>34,418,435</u>
Increase (decrease) in net position	(2,568,772)	(2,218,584)	749,149	786,587	(1,819,623)	(1,431,997)
Net position - January 1	<u>163,226,473</u>	<u>165,445,057</u>	<u>7,460,300</u>	<u>6,673,713</u>	<u>170,686,773</u>	<u>172,118,770</u>
Net position - December 31	<u>\$ 160,657,701</u>	<u>\$ 163,226,473</u>	<u>\$ 8,209,449</u>	<u>\$ 7,460,300</u>	<u>\$ 168,867,150</u>	<u>\$ 170,686,773</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 2019. The total fund balances in the governmental funds increased by \$4.1 million. As of the end of 2019, the combined ending fund balance of County governmental funds was \$46.4 million. Approximately 38% of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is restricted or committed for a specific purpose by the current County Commissioners. The County has restricted funds for the following purposes: 1) a state-constituted mandated emergency reserve \$850,000, 2) a state mandated clerk technology fund \$96,337, 3) a state statute for Social Services \$1,198,371, 4) a state statute for roadways \$7,271,325, 5) a state statute for the 911 emergency telephone services \$1,009,535, 6) a state statute to promote tourism in the County \$557,703, 7) a state statute to promote parks and recreation \$217,631, and 8) a state statute regulating law enforcement confiscation and seizure \$4,900.

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

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

- ❖ **Solid Waste Management Fund.** Unrestricted net position of this fund at the end of the year amounted to \$4,741,413. This is an increase of \$520,697 from unrestricted net position at the end of 2018.
- ❖ **Ambulance Service Fund.** Unrestricted net position of this fund at the end of 2019 amounted to \$1,742,774. This is an increase of \$272,402 from unrestricted net position at the end of 2018.

The County has one Internal Service Fund type Proprietary Fund. The Internal Service Fund is a governmental activity fund in the Proprietary Fund financial statements. The County's Internal Service Fund, the Central Services Fund, has unrestricted net position of \$4.1 million.

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, 2019, was \$30.3 million. Of this amount, \$12.8 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 136% of total 2019 expenditures and transfers in the general fund.

- ❖ **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 \$12 million in fund balance at the end of 2019. Of this amount, \$7.3 million is restricted for future capital highway projects, and \$69,872 is nonspendable for bridge inventory and \$4.7 million is committed for future capital road and bridge projects. Total Road and Bridge fund balance increased by \$1.1 million in 2019. Revenues increased in 2019 by \$62,489. In 2019, the total expenditures in the Road and Bridge Fund increased by \$635,742. The increase in expenditures was due to the increase in capital projects completed.
- ❖ **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 2019 was \$1.2 million. This is an increase of \$93,860 from the 2018 fund balance. 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 revenues were \$1.3 million more than the budgeted amount. 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, 2019 totals \$112.6 million (net of accumulated depreciation). This investment includes all land, buildings, machinery and equipment, as well as infrastructure constructed from 1980 through 2019.

Morgan County Government Capital Assets (net of depreciation)							
	Governmental activities		Business-type activities		Total Government		
	2019	2018	2019	2018	2019	2018	
Land and Water Rights	\$ 2,118,484	\$ 1,817,987	\$ 125,787	\$ 125,787	\$ 2,244,271	\$ 1,943,774	
Building and Improvements	5,669,221	6,088,903	1,057,332	1,103,459	6,726,553	7,192,362	
Machinery and Equipment	8,167,424	6,924,932	542,143	539,966	8,709,567	7,464,898	
Infrastructure Construction in Progress	94,965,731	101,828,686	-	-	94,965,731	101,828,686	
	-	1,153,459	-	-	-	1,153,459	
Total capital assets	<u>\$ 110,920,860</u>	<u>\$ 117,813,966</u>	<u>\$ 1,725,262</u>	<u>\$ 1,769,212</u>	<u>\$ 112,646,122</u>	<u>\$ 119,583,178</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, 2019.

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 2019 budget:

- The County assessed value in 2019 increased by 10%. This amounts to an increase of \$1.6 million in property tax revenue. The increase in assessed value was due mainly to 2019 being a reappraisal year. Morgan County's assessed value is critical to revenues as there is no County sales tax levied. The County's agricultural industry has been the backbone of the area's economy for many years. The County continues to promote economic development in Morgan County.
- The County has historically, and continues to be, fiscally responsible. The fund balance for the County was carefully invested.
- Planning has begun on building expansion and updating of the existing County Jail/Judicial Complex.
- The County Social Services department continues to address increasing case loads and increasing costs to local government.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS



Morgan County, Colorado
Statement of Net Position
December 31, 2019
(With comparative totals for December 31, 2018)

	Governmental	Business-type	Total	
	Activities	Activities	2019	2018
ASSETS				
Cash (Note 3)	\$ 1,635	\$ 700	\$ 2,335	\$ 2,335
Cash held by county departments (Note 3)	165,455	-	165,455	227,480
Cash and investments held by County Treasurer (Note 3)	50,827,601	7,316,221	58,143,822	52,584,762
Client trust accounts (Note 3)	38,628	-	38,628	201,054
Receivables (net of allowances for uncollectibles) (Note 4):				
General property tax - net	17,444,836	-	17,444,836	15,862,667
Accounts	112,236	310,356	422,592	386,373
Intergovernmental	837,444	-	837,444	983,636
Internal balances (Note 8)	24,023	(24,023)	-	-
Inventory	250,691	-	250,691	268,882
Capital assets not being depreciated (Note 5)	2,118,484	125,787	2,244,271	3,097,233
Capital assets (net of accumulated depreciation) (Note 5)	108,802,376	1,599,475	110,401,851	116,485,945
Total assets	180,623,409	9,328,516	189,951,925	190,100,367
LIABILITIES				
Warrants payable	854,295	24,276	878,571	467,204
Vouchers payable	527,913	31,826	559,739	774,481
Accounts payable	21,657	10,888	32,545	33,385
Accrued wages	-	31,293	31,293	25,170
Client trust accounts (Note 3)	38,628	-	38,628	201,053
Intergovernmental payables	35,584	-	35,584	37,399
Unearned other revenue	143,275	9,350	152,625	171,678
Funds held for others	34,297	-	34,297	48,849
Noncurrent liabilities:				
Due within one year (Note 7)	598,735	49,609	648,344	599,022
Due more than one year (Note 7)	266,486	961,825	1,228,311	1,192,686
Total liabilities	2,520,870	1,119,067	3,639,937	3,550,927
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	17,444,838	-	17,444,838	15,862,667
NET POSITION:				
Net investment in capital assets	110,920,860	1,725,262	112,646,122	119,583,178
Restricted for:				
Clerk E-filing fees	96,337	-	96,337	98,480
Emergencies (Note 9)	850,000	-	850,000	850,000
Tri Centennial	2,416	-	2,416	2,369
Roadways	7,271,325	-	7,271,325	6,675,279
Social services	1,198,371	-	1,198,371	1,104,511
911 emergency	1,009,535	-	1,009,535	1,151,454
Tourism	557,703	-	557,703	544,226
Parks and recreation	217,631	-	217,631	130,423
Law enforcement	4,900	-	4,900	4,001
Unrestricted	38,528,623	6,484,187	45,012,810	40,542,852
Total net position	\$ 160,657,701	\$ 8,209,449	\$ 168,867,150	\$ 170,686,773

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

Morgan County, Colorado
Statement of Activities
For Fiscal Year Ended December 31, 2019
(With comparative totals for fiscal year ended December 31, 2018)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 7,640,141	\$ 2,133,254	\$ 642,368	\$ 3,000
Judicial and public safety	6,160,079	482,306	131,328	25,513
Auxiliary services	514,335	-	-	-
Roads and bridges	14,396,716	35,023	3,926,213	-
Public welfare	5,039,466	-	4,008,613	-
Total governmental activities	<u>33,750,737</u>	<u>2,650,583</u>	<u>8,708,522</u>	<u>28,513</u>
Business-type activities:				
Ambulance services	1,350,047	1,473,043	129,327	37,380
Solid waste services	836,632	1,210,304	-	-
Total business-type activities	<u>2,186,679</u>	<u>2,683,347</u>	<u>129,327</u>	<u>37,380</u>
Total primary government	<u>\$ 35,937,416</u>	<u>\$ 5,333,930</u>	<u>\$ 8,837,849</u>	<u>\$ 65,893</u>
General revenues:				
Taxes:				
Property				
Specific ownership				
Lodging				
Other				
Investment income				
Miscellaneous				
Gain/(Loss) sale of assets				
Total general revenues				
Changes in net position				
Net position, January 1				
Net position, December 31				

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	
		2019	2018
\$ (4,861,519)	\$ -	\$ (4,861,519)	\$ (4,812,392)
(5,520,932)	-	(5,520,932)	(5,077,470)
(514,335)	-	(514,335)	(464,661)
(10,435,480)	-	(10,435,480)	(10,341,790)
(1,030,853)	-	(1,030,853)	(1,026,045)
(22,363,119)	-	(22,363,119)	(21,722,358)
-	289,703	289,703	284,991
-	373,672	373,672	441,509
-	663,375	663,375	726,500
\$ (22,363,119)	\$ 663,375	\$ (21,699,744)	\$ (20,995,858)
15,881,611	-	15,881,611	15,993,175
1,758,505	-	1,758,505	1,681,672
218,131	-	218,131	169,279
90,044	-	90,044	92,983
1,283,355	79,026	1,362,381	913,847
418,600	6,748	425,348	558,232
144,101	-	144,101	154,673
19,794,347	85,774	19,880,121	19,563,861
(2,568,772)	749,149	(1,819,623)	(1,431,997)
163,226,473	7,460,300	170,686,773	172,118,770
\$ 160,657,701	\$ 8,209,449	\$ 168,867,150	\$ 170,686,773

Morgan County, Colorado
Balance Sheet
Governmental Funds
December 31, 2019
(With comparative totals for December 31, 2018)

	General	Road and Bridge	Social Services	Other Governmental Funds
ASSETS:				
Cash	\$ 800	\$ -	\$ 400	\$ 85
Cash held by county departments	157,714	-	2,476	5,265
Cash and investments held by County Treasurer	30,415,090	12,247,902	1,152,024	2,801,882
Client trust accounts	-	-	38,628	-
Receivables (net of allowances for uncollectibles):				
General property tax - net	11,719,883	4,519,700	1,205,253	-
Accounts	50,486	505	-	41,084
Intergovernmental	157,792	230,846	410,852	37,954
Inventories	-	69,872	720	-
Total assets	\$ 42,501,765	\$ 17,068,825	\$ 2,810,353	\$ 2,886,270
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Warrants payable	\$ 203,935	\$ 322,620	\$ 84,395	\$ 6,539
Vouchers payable	146,318	54,990	67,418	6,294
Accounts payable	4,845	210	16,602	-
Client trust accounts	-	-	38,628	-
Intergovernmental payables	-	-	35,584	-
Interfund payables	120,336	165,572	18,349	894
Unearned other revenue	-	-	143,275	-
Funds held for others	31,371	-	2,476	450
Total liabilities	506,805	543,392	406,727	14,177
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	11,719,883	4,519,700	1,205,255	-
FUND BALANCES:				
Fund balance:				
Nonspendable:				
Inventory	-	69,872	-	-
Restricted for:				
Clerk E-filing fees	96,337	-	-	-
Emergencies	850,000	-	-	-
Roadways	-	7,271,325	-	-
Social services	-	-	1,198,371	-
911 emergency	-	-	-	1,009,535
Tourism	-	-	-	557,703
Parks and recreation	-	-	-	217,631
Law enforcement	-	-	-	4,900
Committed to:				
Tri Centennial	2,416	-	-	-
Capital improvements	676,673	-	-	-
Bridge structures	-	2,978,593	-	-
Road projects	-	1,685,943	-	-
Jail expansion	-	-	-	1,082,324
Assigned to:				
Other capital projects	11,000,000	-	-	-
Other agencies	157,713	-	-	-
Unassigned:	17,491,938	-	-	-
Total fund balances	30,275,077	12,005,733	1,198,371	2,872,093
Total liabilities and fund balances	\$ 42,501,765	\$ 17,068,825	\$ 2,810,353	\$ 2,886,270

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

Total Governmental Funds

2019	2018
\$ 1,285	\$ 1,285
165,455	227,480
46,616,898	42,368,281
38,628	201,054
17,444,836	15,862,667
92,075	62,272
837,444	983,636
70,592	89,753
<u>\$ 65,267,213</u>	<u>\$ 59,796,428</u>

\$ 617,489	\$ 404,910
275,020	493,264
21,657	23,109
38,628	201,053
35,584	37,399
305,151	299,928
143,275	164,683
34,297	48,849
<u>1,471,101</u>	<u>1,673,195</u>

<u>17,444,838</u>	<u>15,862,667</u>
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69,872	89,303
96,337	98,480
850,000	850,000
7,271,325	6,675,279
1,198,371	1,104,511
1,009,535	1,151,454
557,703	544,226
217,631	130,423
4,900	4,001
2,416	2,369
676,673	571,672
2,978,593	2,721,005
1,685,943	1,453,498
1,082,324	955,782
11,000,000	11,000,000
157,713	220,486
17,491,938	14,688,077
<u>46,351,274</u>	<u>42,260,566</u>
<u>\$ 65,267,213</u>	<u>\$ 59,796,428</u>



Morgan County, Colorado
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2019

Total governmental fund balances (page 31)	\$ 46,351,274
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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.	105,747,551
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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	(727,297)

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.	<u>9,286,173</u>
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Net position of governmental activities (page 27)	<u>\$160,657,701</u>
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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
For the fiscal year ended December 31, 2019
(With comparative totals for the fiscal year ended December 31, 2018)

	General	Road and Bridge	Social Services	Other Governmental Funds
REVENUES				
Taxes	\$ 12,098,219	\$ 4,536,979	\$ 1,094,962	\$ 218,131
Intergovernmental	660,174	3,926,213	4,008,613	113,522
Licenses and permits	102,577	-	-	-
Fines and forfeitures	2,265	-	-	-
Fee accounts	1,427,451	-	-	17,284
Charges for materials/service	-	35,798	-	270,786
Investment income	1,190,009	90,032	-	3,314
Miscellaneous	383,755	117	33,075	28
Total revenues	<u>15,864,450</u>	<u>8,589,139</u>	<u>5,136,650</u>	<u>623,065</u>
EXPENDITURES				
Current:				
General government	5,221,757	-	-	234,587
Judicial and public safety	5,645,143	-	-	366,191
Auxiliary services	515,069	-	-	-
Road and bridge	-	5,163,442	-	-
Public welfare	-	-	5,030,790	-
Intergovernmental cooperation outlay	1,134,694	-	-	-
Capital outlay	383,794	2,359,049	12,000	56,080
Total expenditures	<u>12,900,457</u>	<u>7,522,491</u>	<u>5,042,790</u>	<u>656,858</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,963,993</u>	<u>1,066,648</u>	<u>93,860</u>	<u>(33,793)</u>
Other financing sources (uses):				
Transfers in	-	-	-	120,000
Transfers out	(120,000)	-	-	-
Total other financing sources (uses)	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
Net change in fund balances	2,843,993	1,066,648	93,860	86,207
Fund Balances, January 1	27,431,084	10,939,085	1,104,511	2,785,886
Fund Balances, December 31	<u>\$ 30,275,077</u>	<u>\$ 12,005,733</u>	<u>\$ 1,198,371</u>	<u>\$ 2,872,093</u>

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

Total Governmental Funds

2019	2018
\$ 17,948,291	\$ 17,937,109
8,708,522	8,484,048
102,577	97,822
2,265	2,757
1,444,735	1,461,625
306,584	539,664
1,283,355	857,258
416,975	478,636
<u>30,213,304</u>	<u>29,858,919</u>
5,456,344	5,579,881
6,011,334	5,577,035
515,069	465,373
5,163,442	5,104,051
5,030,790	5,059,410
1,134,694	1,144,153
2,810,923	3,427,560
<u>26,122,596</u>	<u>26,357,463</u>
4,090,708	3,501,456
120,000	120,000
(120,000)	(120,000)
<u>-</u>	<u>-</u>
4,090,708	3,501,456
42,260,566	38,759,110
<u>\$ 46,351,274</u>	<u>\$ 42,260,566</u>

Morgan County, Colorado
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended December 31, 2019

Net change in fund balances – total governmental funds (page 35) \$ 4,090,708

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	\$ 2,810,923	
Depreciation expense	<u>(9,954,047)</u>	
Excess of depreciation over capital outlay		(7,143,124)

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	(38,612)
----------------------	----------

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.

	<u>522,256</u>
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Change in net position of governmental funds (page 29) \$ (2,568,772)

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

Morgan County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019
(With comparative totals for Business-type Activities at December 31, 2018)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Ambulance Service	Solid Waste Management	Total		
			2019	2018	
ASSETS					
Current assets:					
Cash	\$ -	\$ 700	\$ 700	\$ 700	\$ 350
Cash and investments held by County Treasurer	1,663,583	5,652,638	7,316,221	6,486,177	4,210,703
Receivables (net of allowance uncollectibles):					
Accounts	215,504	93,190	308,694	302,556	20,161
Other	256	1,406	1,662	1,560	-
Inventory	-	-	-	-	180,099
Total current assets	1,879,343	5,747,934	7,627,277	6,790,993	4,411,313
Long term assets:					
Capital assets (net of accumulated depreciation):					
Land and water rights	62,190	63,597	125,787	125,787	-
Buildings	554,170	503,162	1,057,332	1,103,459	3,966
General equipment	192,658	349,485	542,143	539,966	5,149,303
Infrastructure	-	-	-	-	20,040
Total long term assets	809,018	916,244	1,725,262	1,769,212	5,173,309
Total assets	2,688,361	6,664,178	9,352,539	8,560,205	9,584,622
LIABILITIES					
Current liabilities:					
Warrants payable	15,895	8,381	24,276	23,113	236,806
Vouchers payable	11,552	20,274	31,826	37,044	252,893
Accounts payable	-	10,888	10,888	10,276	-
Accrued wages	31,293	-	31,293	25,170	-
Compensated absences	36,284	13,325	49,609	50,534	89,077
Interfund payables	11,957	12,066	24,023	27,330	(329,174)
Unearned revenue	9,350	-	9,350	6,995	-
Total current liabilities	116,331	64,934	181,265	180,462	249,602
Long term liabilities:					
Compensated absences	20,238	7,439	27,677	25,996	48,847
Accrued landfill closure and post-closure care costs	-	934,148	934,148	893,447	-
Total long term liabilities	20,238	941,587	961,825	919,443	48,847
Total liabilities	136,569	1,006,521	1,143,090	1,099,905	298,449
NET POSITION					
Net investment in capital assets	809,018	916,244	1,725,262	1,769,212	5,173,309
Unrestricted	1,742,774	4,741,413	6,484,187	5,691,088	4,112,864
Total net position	\$ 2,551,792	\$ 5,657,657	\$ 8,209,449	\$ 7,460,300	\$ 9,286,173

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

Morgan County, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2019
(With comparative totals Business-type Activities for the year ended December 31, 2018)

	Business-type Activities - Enterprise Funds				Governmental
	Ambulance Service	Solid Waste Management	Total		Activities -
			2019	2018	Internal Service Fund
Operating revenues					
Charges for services	\$ 1,473,043	\$ 1,210,304	\$ 2,683,347	\$ 2,596,752	\$ 4,396,344
Miscellaneous revenues	23,203	4,143	27,346	24,608	850
Total operating revenues	<u>1,496,246</u>	<u>1,214,447</u>	<u>2,710,693</u>	<u>2,621,360</u>	<u>4,397,194</u>
Operating expenses					
Compensation and benefits	908,077	328,568	1,236,645	1,198,211	1,353,820
Operating supplies	47,503	36,799	84,302	101,298	1,342,968
Purchased services	145,655	183,493	329,148	277,879	400,994
Fixed charges	189,613	163,602	353,215	331,182	73,525
Depreciation	47,789	70,921	118,710	119,652	869,487
Other expenses	11,410	53,249	64,659	(27,667)	6,758
Total operating expenses	<u>1,350,047</u>	<u>836,632</u>	<u>2,186,679</u>	<u>2,000,555</u>	<u>4,047,552</u>
Operating income (loss)	<u>146,199</u>	<u>377,815</u>	<u>524,014</u>	<u>620,805</u>	<u>349,642</u>
Nonoperating revenues					
State grant	41,109	-	41,109	36,651	3,000
Other grants and donations	105,000	-	105,000	40,255	-
Interest	7,065	71,961	79,026	56,589	-
Gain (loss) on disposal of assets	-	-	-	32,287	144,101
Insurance recovery	-	-	-	-	25,513
Total nonoperating revenues	<u>153,174</u>	<u>71,961</u>	<u>225,135</u>	<u>165,782</u>	<u>172,614</u>
Change in net position	299,373	449,776	749,149	786,587	522,256
Total net position, January 1	2,252,419	5,207,881	7,460,300	6,673,713	8,763,917
Total net position, December 31	<u>\$ 2,551,792</u>	<u>\$ 5,657,657</u>	<u>\$ 8,209,449</u>	<u>\$ 7,460,300</u>	<u>\$ 9,286,173</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, 2019
(With comparative totals Business-type Activities for the year ended December 31, 2018)

	Business-type Activities - Enterprise Funds				Governmental Activities -
	Ambulance Service Fund	Solid Waste Management	2019	2018	Internal Services Fund
Cash flows from operating activities					
Receipts from customers and users	\$ 1,488,500	\$ 1,216,545	\$ 2,705,045	\$ 2,719,075	\$ 114,010
Receipts from interfund services	-	-	-	-	4,280,122
Payments to suppliers	(186,720)	(233,573)	(420,293)	(385,400)	(1,575,626)
Payments for interfund services	(208,333)	(166,983)	(375,316)	(334,674)	(41,074)
Payments to employees	(900,671)	(329,096)	(1,229,767)	(1,194,537)	(1,350,142)
Net cash provided by operating activities	192,776	486,893	679,669	804,464	1,427,290
Cash flows from noncapital financing activities					
Grants received	41,109	-	41,109	36,651	3,000
Donations received	105,000	-	105,000	40,255	-
Net cash provided by noncapital financing activities	146,109	-	146,109	76,906	3,000
Cash flows from capital and related financing activities					
Acquisition of capital assets	(74,760)	-	(74,760)	(136,102)	(992,702)
Proceeds from sale of capital assets	-	-	-	62,436	17,298
Insurance Recovery	-	-	-	-	25,513
Net cash used by capital and related financing activities	(74,760)	-	(74,760)	(73,667)	(949,891)
Cash flows from investing activities					
Interest received	7,065	71,961	79,026	56,588	-
Net cash provided by investing activities	7,065	71,961	79,026	56,588	-
Net Increase (decrease) in cash and cash equivalents	271,190	558,854	830,044	864,291	480,399
Cash and cash equivalents - January 1	1,392,393	5,094,484	6,486,877	5,622,586	3,730,654
Cash and cash equivalents - December 31					
(Including \$700 and \$350 for the Solid Waste Management Fund and Central Services Fund, respectively, reported in cash on hand)	\$ 1,663,583	\$ 5,653,338	\$ 7,316,921	\$ 6,486,877	\$ 4,211,053
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 146,199	\$ 377,815	524,014	620,805	\$ 349,642
Adjustment to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	47,789	70,921	118,710	119,652	869,487
(Increase) decrease in accounts receivable	(7,745)	1,505	(6,240)	(15,149)	(175)
(Increase) decrease in intergovernmental receivables	-	591	591	112,240	(1,917)
(Increase) decrease in inventory	-	-	-	-	(969)
Increase (decrease) in accounts payable	(191)	(3,252)	(3,443)	10,309	206,344
Increase (decrease) in intergovernmental payable	(3,035)	(863)	(3,898)	5,612	-
Increase (decrease) in accrued wages	6,123	-	6,123	1,084	-
Increase (decrease) in accrued compensated absences	1,281	(525)	756	2,591	4,878
Increase (decrease) in unearned revenue	2,355	-	2,355	180	-
Increase (decrease) in accrued landfill closure and postclosure	-	-	-	-	-
Total adjustments	46,577	109,078	155,655	183,659	1,077,648
Net cash provided by operating activities	\$ 192,776	\$ 486,893	\$ 679,669	\$ 804,464	\$ 1,427,290

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

Morgan County, Colorado
Statement of Net Position
Fiduciary Funds
December 31, 2019

	<u>Total Agency Funds</u>
ASSETS	
Cash	\$ 137,150
Cash held by County Treasurer - Public Trustee and Clerk	866,840
Cash held by County Treasurer - held for other governments	883,185
Total assets	<u>\$ 1,887,175</u>
LIABILITIES	
Warrants payable	\$ 899,208
Funds held for designated purpose	14,652
Funds held for others	973,315
Total liabilities	<u>\$ 1,887,175</u>

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

MORGAN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS December 31, 2019

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 2019.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The *Agency Funds* account for assets held by the County as an agent for individuals, private organizations, and other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County agency 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 agency 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes levied in December 2019, 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.

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.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 agency 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 Agency 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.

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

G. Cash and Investments

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

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

H. Short-term Interfund Receivables/Payables

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2019, 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.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows.

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

M. Compensated Absences

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

A liability for grandfathered sick leave benefits is accrued only if it is probable that the employee will be compensated for the benefits through cash payments upon termination or retirement. Under modified accrual accounting, expenditures and liabilities related to compensated absences will be recognized in governmental funds only when they mature (when due). The sick leave liability is estimated based on the County's past experience in making termination payments for sick leave and its termination payment policy (termination payment method).

Accumulated personal time off leave and termination payments for sick leave that are expected to be liquidated with expendable available financial resources are 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 vacation leave and sick leave termination payments for proprietary fund types are recorded as fund liabilities. All accumulated personal time off leave and termination payments for sick leave are accrued when incurred in the government-wide and proprietary financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
- 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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 2019, the assigned fund balance in the general fund consists of \$11,000,000 assigned to capital projects and \$186,134 assigned to other agencies. The assigned to other agencies in general fund includes: 1) \$50,270 held by the Morgan County Director of Cooperative Extension, 2) \$54,286 held by the Morgan County Fair Board, 3) \$112,755 held by the Morgan County Sheriff and 4) \$3,175 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

R. Reclassifications and Comparative Data

Certain accounts in the prior year have been reclassified to conform to the current year presentation.

Comparative total data for the prior year have been presented in the accompanying basic financial statements and the individual fund financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

S. Use of Estimates

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

Note 2: LEGAL COMPLIANCE - BUDGETS AND PROPERTY TAXES

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

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

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

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

- 7) Liens are placed on property for which taxes are delinquent in November of each year.

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, 2019, the County's deposits and investments were as follows:

Cash and Investments

Cash	\$ 2,335
Cash held by County departments	165,455
Client trust accounts	38,628
Cash held by County Treasurer	58,143,822
Cash held by County Treasurer for Clerk and Public Trustee	866,840
Cash held by County Treasurer for other governments	883,185
Agency Funds	137,150
Total cash and investments	<u>\$ 60,237,415</u>

	Cash and Investments	Cash held by Treasurer	Cash held by County Departments	Client trust accounts	Total
Cash	\$ 51,173	\$ 3,350	\$ 3,375	\$ -	\$ 57,898
Cash Deposits	88,312	2,051,219	125,916	38,628	\$ 2,304,075
Certificates of Deposit	-	16,798,857	36,164	-	\$ 16,835,021
Local government investment pool – ColoTrust	-	9,148,222	-	-	\$ 9,148,222
Local government investment pool – CSafe	-	10,073,553	-	-	\$ 10,073,553
CSIP	-	8,285,189	-	-	\$ 8,285,189
Governmental Securities	-	13,533,457	-	-	\$ 13,533,457
	<u>\$ 139,485</u>	<u>\$ 59,893,847</u>	<u>\$ 165,455</u>	<u>\$ 38,628</u>	<u>\$ 60,237,415</u>

Investments in local government investment pools are rated AAAm by Standard & Poor's. Certificates of deposit have maturities ranging from 01/01/16 to 12/07/20. The investments in U.S. Treasury Bills have a maturity of less than one year.

Note 3: DEPOSITS AND INVESTMENTS (continued)

Cash held by County Departments includes \$49,540 held by the County Sheriff, \$3,375 held by the County Clerk, \$54,607 held by the Morgan County Director of Cooperative Extension, \$55,457 held by Morgan County Fair Board, and \$2,476 held for IOG held by the County Department of Human Services.

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.

Note 3: DEPOSITS AND INVESTMENTS (continued)

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.

At December 31, 2019, unrealized gains were \$5,355, 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, 2019. 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

Note 3: DEPOSITS AND INVESTMENTS (continued)

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.

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

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

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

Securities classified as Level 2 are valued as follows:

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

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

The following table summarizes the County's investments within the fair value hierarchy at December 31, 2019.

	Fair Value as of 12/31/19	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	\$ 16,835,021	\$ -	\$ 16,835,021	\$ -
Government Securities	\$ 13,533,457	-	13,533,457	-
Total Investment by Fair Value Level	\$ 30,368,478	\$ -	\$ 30,368,478	\$ -
Investment at Net Asset Value	\$ 9,148,222			
Investment at Amortized Cost	\$ 18,358,742			
Total Investments	\$ 57,875,442			

Note 3: DEPOSITS AND INVESTMENTS (continued)

Deposits

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. At December 31, 2019, the County's cash deposits and certificates of deposit had a book balance of \$19,492,629, and a corresponding bank balance of \$19,622,430. The difference between the book and bank balances is due to outstanding checks and deposits not yet processed by the banks. Of the bank balance, \$1,500,000 was covered by federal depository insurance. The remainder of the bank balance, \$18,122,430, 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, 2019, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Total
Receivables:						
Taxes	\$ 11,719,883	\$ 5,724,953	\$ -	\$ -	\$ -	\$ 17,444,836
Accounts & other	\$ 50,486	\$ 41,589	\$ -	\$ 642,900	\$ 20,161	\$ 755,136
Intergovernmental	\$ 157,792	\$ 678,967	\$ 685	\$ -	\$ -	\$ 837,444
Interfunds	\$ -	\$ -	\$ -	\$ -	\$ 329,174	\$ 329,174
Gross Receivables	\$ 11,928,161	\$ 6,445,509	\$ 685	\$ 642,900	\$ 349,335	\$ 19,366,590
Less: allowance for						
Uncollectibles	\$ -	\$ -	\$ -	\$ (332,544)	\$ -	\$ (332,544)
Net total receivables	\$ 11,928,161	\$ 6,445,509	\$ 685	\$ 310,356	\$ 349,335	\$ 19,034,046

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, 2019, was as follows:

	Balances 1/1/2019	2019 Additions	2019 Deletions	Balances 12/31/2019
Governmental Activities:				
Capital assets not being depreciated:				
Land and Water Rights	\$ 1,817,987	\$ 300,497	\$ -	\$ 2,118,484
Construction in progress	\$ 1,153,459		\$ (1,153,459)	\$ -
Total capital assets not being depreciated	\$ 2,971,446	\$ 300,497	\$ (1,153,459)	\$ 2,118,484
Capital assets being depreciated:				
Buildings and improvements	\$ 18,811,201	\$ 55,782	\$ -	\$ 18,866,983
Equipment	\$ 19,719,904	\$ 2,463,797	\$ (508,090)	\$ 21,675,611
Infrastructure	\$ 446,618,753	\$ 2,359,049	\$ -	\$ 448,977,802
Total capital assets being depreciated	\$ 485,149,858	\$ 4,878,628	\$ (508,090)	\$ 489,520,396
Less accumulated depreciation:				
Buildings and improvements	\$ (12,722,298)	\$ (475,464)	\$ -	\$ (13,197,762)
Equipment	\$ (12,794,971)	\$ (1,126,066)	\$ 412,851	\$ (13,508,186)
Infrastructure	\$ (344,790,067)	\$ (9,222,004)	\$ -	\$ (354,012,071)
Total accumulated depreciation	\$ (370,307,336)	\$ (10,823,533)	\$ 412,851	\$ (380,718,019)
Total capital assets being depreciated, net	\$ 114,842,521	\$ (5,944,906)		\$ 108,802,376
Governmental activities capital assets, net	\$ 117,813,968	\$ (5,644,409)	\$ (1,248,698)	\$ 110,920,860
Business-type Activities:				
Capital assets not being depreciated:				
Land and Water Rights	\$ 125,787		\$ -	\$ 125,787
Construction in Progress		\$ -		\$ -
Total capital assets not being depreciated	\$ 125,787	\$ -	\$ -	\$ 125,787
Capital assets being depreciated:				
Buildings and improvements	\$ 1,720,466			\$ 1,720,466
Equipment	\$ 1,272,281	\$ 74,760	\$ (8,374)	\$ 1,338,667
Total capital assets being depreciated	\$ 2,992,747	\$ 74,760	\$ (8,374)	\$ 3,059,133
Less accumulated depreciation:				
Buildings and improvements	\$ (617,007)	\$ (46,127)		\$ (663,134)
Equipment	\$ (732,315)	\$ (72,583)	\$ 8,374	\$ (796,524)
Total accumulated depreciation	\$ (1,349,322)	\$ (118,710)	\$ 8,374	\$ (1,459,658)
Total capital assets being depreciated, net	\$ 1,643,425	\$ (43,950)	\$ -	\$ 1,599,475
Business-type activities capital assets, net	\$ 1,769,212	\$ (43,950)	\$ -	\$ 1,725,262

Note 5: CAPITAL ASSETS (continued)

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

Governmental activities:		
General government	\$	517,646
Public safety		169,859
Auxiliary services		43,713
Roads and bridges		9,219,525
Public welfare		3,304
Capital assets held by Morgan County's internal service		
fund are charged to the various functions based on their usage of the assets		869,487
Total depreciation expense – government activities	\$	<u>10,823,533</u>
Business-type activities:		
Ambulance service	\$	47,789
Solid waste management fund		70,921
Total depreciation expense – business-type activities	\$	<u>118,710</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

Note 6: RISK MANAGEMENT (continued)

member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage.

The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

County's Health and Life Insurance Pool

The County provides employee health and life insurance coverage for all full-time employees. Coverage in 2019 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, 2019, the following changes occurred in the County's long-term obligations:

	Balance 01/01/19	Additions	Deletions	Balance 12/31/19	One Year
Governmental Activities:					
Compensated absences	\$ 821,731	\$ 716,588	\$ (673,098)	\$ 865,221	\$ 598,735
Total Governmental	821,731	716,588	(673,098)	865,221	598,735
Business-Type Activities:					
Landfill closure and post closure care costs	893,447	40,701	-	934,148	
Compensated absences	76,530	58,830	(58,074)	77,286	49,609
Total Business-Type	969,977	99,531	(58,074)	1,011,434	49,609
Total Long-term obligations	<u>\$ 1,791,708</u>	<u>\$ 816,119</u>	<u>\$ (731,172)</u>	<u>\$ 1,876,655</u>	<u>\$ 648,344</u>

At year-end, \$137,924 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:

\$ 35	Solid Waste Management
(11,957)	Ambulance Service
(12,101)	Solid Waste Management
<u>\$ (24,023)</u>	Business Type Totals
\$ (120,336)	General Fund
(165,537)	Road & Bridge Department
(18,349)	Social Services
(216)	Jail Capital Improvement
(678)	Lodging and Tourism
<u>\$ (305,116)</u>	
\$ (35)	Solid Waste Management
329,174	Central Services Fund
<u>\$ 24,023</u>	Governmental Activities Totals

Note 9: INTERFUND TRANSFERS

In 2019 the County General Fund transferred \$120,000 to the County Jail Capital Improvement Fund. The transfer was budgeted and done to increase funds being accumulated in the Jail Capital Improvement Fund. This fund was created to account for money for future expansion of the County's Judicial Center building.

Note 10: TABOR COMPLIANCE

Emergency Reserve - Tax Spending and Debt Limitations

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

Note 10: TABOR COMPLIANCE (continued)

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

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

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

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

The Article requires an emergency restriction be set aside in the amount of 3% or more of its fiscal year spending. At December 31, 2019, the County has restricted \$850,000 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 2083. The previous landfill life estimate was 2051. In addition, the updated D&O estimate of total landfill capacity increased by 8,712 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, 2019, the closure cost for the Morgan County landfill was \$2,212,507 and estimated postclosure care cost was \$497,642. The \$934,148 reported as landfill closure and postclosure care liability at December 31, 2019, represents the cumulative amount reported to date based on a 34.47 percent capacity usage of the estimated total cost of closure and postclosure care of \$2,710,149. This is an increase of \$40,701 from the closure and postclosure liability reported in 2018.

The County will recognize the remaining estimated cost of closure and postclosure care of \$1,776,001 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2019. The remaining life of the landfill is 67 years. The County expects to close the landfill in the year 2083. 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 2019 budget. For purposes of preparing the Statements of Revenues, Expenditures and Changes in Fund

Note 12: BUDGETARY DATA (continued)

Balance - Budget and Actual, the actual 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
Net Income (Loss)		
GAAP Basis	\$ 522,256	\$ 299,373
Increase (Decrease) Due To:		
Capital Outlay	(992,702)	(74,760)
Net Income (Loss)		
Budgetary Basis	<u>\$ (470,446)</u>	<u>\$ 224,613</u>

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 2019, the County paid \$41,710 to Northeastern Colorado Association of Local Governments.

Note 13: JOINTLY GOVERNED ORGANIZATIONS (continued)

Northeast Colorado Health Department

The Northeast Colorado Health Department's jurisdiction, at the discretion of the Board's of County Commissioners, extends over all unincorporated areas and all municipal corporations in Logan, Morgan, Phillips, Sedgwick, Washington, and Yuma Counties. The Department administers and enforces laws pertaining to public health, vital statistics, and water quality control. It is a public organization consisting of a Board of Health, a public health officer, and any other personnel as required to fulfill the functions of the Department. The Board of Health is comprised of eight members. Morgan County has two representatives on the Board, requiring that one appointee lives within the City of Fort Morgan. In 2019, the County paid \$277,362 to Northeast Colorado Health Department.

Centennial Mental Health Center

Centennial Mental Health Center was incorporated pursuant to C.R.S. 7-22-101-110 to serve the behavioral health needs of ten participating counties. The Board of Directors (Board) consists of twenty-one members. Morgan County has two directorships on the Board. The Board of County Commissioners has the right to name the Commissioner Representatives, who may be, but are not required to be, a member of the Board of Commissioners. At least one-half of the Board shall be persons who are not providers of health care. In 2019, the County did not make any contributions Centennial Mental Health Center.

Note 14: RETIREMENT PLAN

Morgan County is a member of the Colorado Retirement Association, a multi-employer defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are entered into the plan upon hire date with the County. The County and the employee each contribute an amount equal to 4.00% of the employee's gross wages. Employees may make additional voluntary contributions not to exceed 10% of their gross wages. 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 at a rate of 20% per year. Participants are immediately vested 100% in their own contributions and earnings. County

Note 14: RETIREMENT PLAN (continued)

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 \$8,891.

Both the County and the covered employees made the required 4.00% contributions, amounting to \$415,261 from the County and \$620,109 from the employees (including voluntary contributions) for a total contribution of \$1,035,370.

If employment terminates, the Plan permits distribution of the vested account. Distribution may be made as soon as practicable following the date of termination.

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.

Note 16: CONSTRUCTION COMMITMENTS

The County did not have any active capital construction projects as of December 31, 2019.

Note 17: SUBSEQUENT EVENT

At the time these financial statements were issued, the world economy was responding to the novel COVID-19 pandemic. This pandemic is anticipated to negatively affect the U.S. economy during 2020. Management is unable to reasonably estimate the amount or scope of the impact that this could have on its financial position. No accruals or adjustments are reflected in the current financial statements to account for the potential impacts of the pandemic.



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
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes:						
Property taxes - current	\$ 10,656,942	\$ 10,652,824	\$ (4,118)	\$ 10,738,613	\$ 10,734,564	\$ (4,049)
Property taxes - abatements	(1,000)	(4,351)	(3,351)	(5,000)	(1,194)	3,806
Property tax incentive credits	(10,200)	-	10,200	(10,173)	(10,173)	-
Property taxes - delinquent	15,000	21,029	6,029	15,000	17,099	2,099
Proceeds of tax sale	5,000	5,272	272	2,000	8,060	6,060
Specific ownership taxes	1,085,000	1,333,401	248,401	1,070,000	1,261,569	191,569
Cigarette tax	6,000	10,387	4,387	5,000	10,163	5,163
Sales tax commissions	80,000	79,657	(343)	70,000	82,820	12,820
Intergovernmental	425,558	660,174	234,616	742,440	714,387	(28,053)
Licenses and permits	81,500	102,577	21,077	96,000	97,822	1,822
Fines and forfeitures	3,000	2,265	(735)	4,000	2,757	(1,243)
Fee accounts	1,304,110	1,427,451	123,341	1,223,600	1,437,687	214,087
Investment income	650,000	1,190,009	540,009	300,000	791,625	491,625
Miscellaneous	251,858	383,755	131,897	277,196	441,497	164,301
Total revenues	<u>\$ 14,552,768</u>	<u>\$ 15,864,450</u>	<u>\$ 1,311,682</u>	<u>\$ 14,528,676</u>	<u>\$ 15,588,683</u>	<u>\$ 1,060,007</u>

See the accompanying independent auditors' report.

Morgan County, Colorado
General Fund
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES						
Current:						
General government:						
Commissioners	\$ 323,637	\$ 302,816	\$ 20,821	\$ 292,900	\$ 285,939	\$ 6,961
Planning and zoning	423,178	351,994	71,184	376,433	320,610	55,823
Administration	2,284,043	1,956,550	327,493	2,587,788	2,029,435	558,353
Clerk	845,994	695,195	150,799	837,675	689,061	148,614
Treasurer	228,160	219,677	8,483	195,782	192,737	3,045
Public trustee	12,700	12,700	-	12,700	12,700	-
Assessor	726,918	664,652	62,266	654,128	624,001	30,127
Maintenance	1,217,545	1,018,173	199,372	1,166,207	1,125,984	40,223
Total general government	<u>6,062,175</u>	<u>5,221,757</u>	<u>840,418</u>	<u>6,123,613</u>	<u>5,280,467</u>	<u>843,146</u>
Judicial and public safety:						
Sheriff	2,416,604	2,347,109	69,495	2,275,435	2,145,923	129,512
Jail	2,433,027	2,259,907	173,120	2,317,423	2,136,133	181,290
Communications center	939,882	752,482	187,400	1,144,946	922,665	222,281
Coroner	218,217	174,240	43,977	201,720	143,420	58,300
Emergency management	112,514	111,405	1,109	109,002	119,994	(10,992)
Total judicial and public safety	<u>6,120,244</u>	<u>5,645,143</u>	<u>475,101</u>	<u>6,048,526</u>	<u>5,468,135</u>	<u>580,391</u>
Auxiliary services:						
Extension service	251,601	341,921	(90,320)	345,614	326,054	19,560
Veterans' officer	16,351	16,629	(278)	15,149	17,175	(2,026)
Parks and recreation	163,292	151,617	11,675	148,726	118,592	30,134
Engineer	5,004	4,902	102	3,650	3,552	98
Total auxiliary services	<u>436,248</u>	<u>515,069</u>	<u>(78,821)</u>	<u>513,139</u>	<u>465,373</u>	<u>47,766</u>
Intergovernmental cooperation outlay	<u>1,170,693</u>	<u>1,134,694</u>	<u>35,999</u>	<u>1,147,153</u>	<u>1,144,153</u>	<u>3,000</u>
Capital outlay	<u>672,000</u>	<u>383,794</u>	<u>288,206</u>	<u>1,870,000</u>	<u>1,185,538</u>	<u>684,462</u>
Total expenditures	<u>\$ 14,461,360</u>	<u>\$ 12,900,457</u>	<u>\$ 1,560,903</u>	<u>\$ 15,702,431</u>	<u>\$ 13,543,666</u>	<u>\$ 2,158,765</u>
Excess of revenues over expenditures	\$ 91,408	\$ 2,963,993	\$ 2,872,585	\$ (1,173,755)	\$ 2,045,017	\$ 3,218,772
Other financing sources (uses):						
Transfers out:						
Jail capital improvement fund	(120,000)	(120,000)	-	(120,000)	(120,000)	-
Net change in fund balances	(28,592)	2,843,993	2,872,585	(1,293,755)	1,925,017	3,218,772
Fund Balances, January 1	27,431,084	27,431,084	-	25,506,067	25,506,067	-
Fund Balances, December 31	<u><u>\$ 27,402,492</u></u>	<u><u>\$ 30,275,077</u></u>	<u><u>\$ 2,872,585</u></u>	<u><u>\$ 24,212,312</u></u>	<u><u>\$ 27,431,084</u></u>	<u><u>\$ 3,218,772</u></u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Road and Bridge Fund
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes:						
Property taxes - current	\$ 4,109,783	\$ 4,105,451	\$ (4,332)	\$ 4,141,279	\$ 4,135,890	\$ (5,389)
Property taxes - abatements	(500)	(1,677)	(1,177)	(500)	(460)	40
Property taxes - delinquent	4,000	8,101	4,101	4,000	6,586	2,586
Specific ownership taxes	365,000	425,104	60,104	320,000	420,103	100,103
Intergovernmental	3,174,611	3,926,213	751,602	3,226,442	3,623,342	396,900
Charges for materials/service	18,000	35,798	17,798	180,100	278,388	98,288
Investment income	50,000	90,032	40,032	30,000	62,645	32,645
Miscellaneous	200	117	(83)	200	156	(44)
Total revenues	<u>7,721,094</u>	<u>8,589,139</u>	<u>868,045</u>	<u>7,901,521</u>	<u>8,526,650</u>	<u>625,129</u>
EXPENDITURES						
Current:						
Maintenance - routine	2,998,915	2,740,220	258,695	3,018,353	2,756,108	262,245
Maintenance - asphalt	447,470	7,788	439,682	443,273	102,833	340,440
Snow and ice removal	107,000	146,087	(39,087)	107,000	72,102	34,898
Structural construction	687,418	264,204	423,214	689,028	319,833	369,195
Administration	1,826,216	1,324,614	501,602	1,678,490	1,179,189	499,301
Remittance to municipalities	696,790	680,529	16,261	686,910	673,986	12,924
Capital outlay	2,117,754	2,359,049	(241,295)	1,588,000	1,782,698	(194,698)
Total expenditures	<u>8,881,563</u>	<u>7,522,491</u>	<u>1,359,072</u>	<u>8,211,054</u>	<u>6,886,749</u>	<u>1,324,305</u>
Excess (deficiency) of revenues over (under) expenditures	(1,160,469)	1,066,648	2,227,117	(309,533)	1,639,901	1,949,434
Fund Balances, January 1	10,939,085	10,939,085	-	9,299,184	9,299,184	-
Fund Balances, December 31	<u>\$ 9,778,616</u>	<u>\$ 12,005,733</u>	<u>\$ 2,227,117</u>	<u>\$ 8,989,651</u>	<u>\$ 10,939,085</u>	<u>\$ 1,949,434</u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Social Services Fund
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES						
Taxes:						
Property taxes - current	\$ 1,095,942	\$ 1,094,787	\$ (1,155)	\$ 1,104,341	\$ 1,102,904	\$ (1,437)
Property taxes - abatements	(500)	(447)	53	(500)	(123)	377
Property taxes - delinquent	700	622	(78)	700	22	(678)
Intergovernmental:						
Colorado state allocation:						
Administration	2,026,591	2,091,193	64,602	2,075,683	1,986,603	(89,080)
JOBS/WORKS/TANF block grant	518,896	514,340	(4,556)	680,068	515,709	(164,359)
Child welfare block grant	1,220,909	1,264,345	43,436	1,046,484	1,342,557	296,073
Child care block grant	107,484	91,067	(16,417)	97,081	99,235	2,154
Medicaid transportation	86,142	47,650	(38,492)	105,877	85,000	(20,877)
Other	21	18	(3)	21	18	(3)
Miscellaneous	29,000	33,075	4,075	29,000	36,955	7,955
Total revenues	<u>5,085,185</u>	<u>5,136,650</u>	<u>51,465</u>	<u>5,138,755</u>	<u>5,168,880</u>	<u>30,125</u>
EXPENDITURES						
Current:						
Administration	2,510,155	2,262,646	247,509	2,417,910	2,160,846	257,064
Adult Protective Services	250,942	235,283	15,659	237,733	235,581	2,152
JOBS/WORKS/TANF block grant	692,462	685,430	7,032	829,107	667,305	161,802
Aid to needy disabled	5,000	13,704	(8,704)	5,000	11,205	(6,205)
Child welfare block grant	1,634,069	1,681,165	(47,096)	1,681,683	1,814,924	(133,241)
Child care block grant	176,835	134,808	42,027	161,880	147,060	14,820
General Assistance	18,450	1,550	16,900	18,450	7,111	11,339
OAP 5% HCA	13,500	16,204	(2,704)	13,500	15,378	(1,878)
Capital outlay	19,499	12,000	7,499	15,986	-	15,986
Total expenditures	<u>5,320,912</u>	<u>5,042,790</u>	<u>278,122</u>	<u>5,381,249</u>	<u>5,059,410</u>	<u>321,839</u>
Excess (deficiency) of revenues over (under) expenditures	(235,727)	93,860	329,587	(242,494)	109,470	351,964
Fund Balances, January 1	1,104,511	1,104,511	-	995,041	995,041	-
Fund Balances, December 31	<u><u>\$ 868,784</u></u>	<u><u>\$ 1,198,371</u></u>	<u><u>\$ 329,587</u></u>	<u><u>\$ 752,547</u></u>	<u><u>\$ 1,104,511</u></u>	<u><u>\$ 351,964</u></u>

See the accompanying independent auditors' report.

MORGAN COUNTY, COLORADO

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION December 31, 2019

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 agency 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, 2019
(With comparative totals for December 31, 2018)

	Special Revenue			
	911	Lodging		
	Emergency	Tax	Conservation	Confiscation/
	Telephone	Tourism	Trust	Seizure
ASSETS:				
Cash on hand	\$ -	\$ -	\$ -	\$ 85
Cash held by other agencies	-	-	-	5,265
Cash and investments held by				
County Treasurer	969,520	532,876	217,631	-
Accounts receivable	41,084	-	-	-
Intergovernmental receivable	-	37,269	-	-
Total assets	\$ 1,010,604	\$ 570,145	\$ 217,631	\$ 5,350
LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants payable	\$ -	\$ 6,539	\$ -	\$ -
Vouchers payable	1,069	5,225	-	-
Interfund payables	-	678	-	-
Funds held for others	-	-	-	450
Total liabilities	1,069	12,442	-	450
Fund balances:				
Restricted for:				
911 emergency	1,009,535	-	-	-
Tourism	-	557,703	-	-
Parks and recreation	-	-	217,631	-
Law enforcement	-	-	-	4,900
Committed to:				
Jail expansion	-	-	-	-
Total fund balances	1,009,535	557,703	217,631	4,900
Total liabilities and fund balances	\$ 1,010,604	\$ 570,145	\$ 217,631	\$ 5,350

See the accompanying independent auditors' report.

	Capital Projects			
	Jail	Total Nonmajor		
	Capital	Governmental Funds		
Total	Improvement	2019	2018	
\$ 85	\$ -	\$ 85	\$ 85	
5,265	-	5,265	4,366	
1,720,027	1,081,855	2,801,882	2,918,888	
41,084	-	41,084	37,775	
37,269	685	37,954	55,914	
<u>\$ 1,803,730</u>	<u>\$ 1,082,540</u>	<u>\$ 2,886,270</u>	<u>\$ 3,017,028</u>	
\$ 6,539	\$ -	\$ 6,539	\$ 1,393	
6,294	-	6,294	228,774	
678	216	894	525	
450	-	450	450	
<u>13,961</u>	<u>216</u>	<u>14,177</u>	<u>231,142</u>	
1,009,535	-	1,009,535	1,151,454	
557,703	-	557,703	544,226	
217,631	-	217,631	130,423	
4,900	-	4,900	4,001	
-	1,082,324	1,082,324	955,782	
<u>1,789,769</u>	<u>1,082,324</u>	<u>2,872,093</u>	<u>2,785,886</u>	
<u>\$ 1,803,730</u>	<u>\$ 1,082,540</u>	<u>\$ 2,886,270</u>	<u>\$ 3,017,028</u>	

Morgan County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019
(With comparative totals for the fiscal year ended December 31, 2018)

	Special Revenue			
	911	Lodging		Sheriff's
	Emergency	Tax	Conservation	Confiscation/
	Telephone	Tourism	Trust	Seizure
REVENUES				
Taxes	\$ -	\$ 218,131	\$ -	\$ -
Intergovernmental	-	-	109,154	-
Fee accounts	-	-	-	899
Charges for materials/service	270,786	-	-	-
Interest	-	-	3,314	-
Miscellaneous	28	-	-	-
Total revenues	<u>270,814</u>	<u>218,131</u>	<u>112,468</u>	<u>899</u>
EXPENDITURES				
Current:				
General government	-	204,654	15,722	-
Judicial and public safety	366,191	-	-	-
Capital outlay	46,542	-	9,538	-
Total expenditures	<u>412,733</u>	<u>204,654</u>	<u>25,260</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(141,919)	13,477	87,208	899
Other financing sources:				
Operating transfers in:				
General fund	-	-	-	-
Net change in fund balances	(141,919)	13,477	87,208	899
Fund Balances, January 1	1,151,454	544,226	130,423	4,001
Fund Balances, December 31	<u>\$ 1,009,535</u>	<u>\$ 557,703</u>	<u>\$ 217,631</u>	<u>\$ 4,900</u>

See the accompanying independent auditors' report.

		Capital Projects	
		Jail	Total Nonmajor
		Capital	Governmental Funds
Total	Improvement	2019	2018
\$ 218,131	\$ -	\$ 218,131	\$ 169,279
109,154	4,368	113,522	117,197
899	16,385	17,284	23,938
270,786	-	270,786	261,276
3,314	-	3,314	2,988
28	-	28	28
602,312	20,753	623,065	574,706
220,376	14,211	234,587	299,414
366,191	-	366,191	108,900
56,080	-	56,080	459,324
642,647	14,211	656,858	867,638
(40,335)	6,542	(33,793)	(292,932)
-	120,000	120,000	120,000
(40,335)	126,542	86,207	(172,932)
1,830,104	955,782	2,785,886	2,958,818
\$ 1,789,769	\$ 1,082,324	\$ 2,872,093	\$ 2,785,886

Morgan County, Colorado
911 Emergency Telephone Fund
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES						
Emergency telephone service surcharges	\$ 276,200	\$ 270,786	\$ (5,414)	\$ 277,880	\$ 261,276	\$ (16,604)
Miscellaneous	28	28	-	100	28	(72)
Total revenues	<u>276,228</u>	<u>270,814</u>	<u>(5,414)</u>	<u>277,980</u>	<u>261,304</u>	<u>(16,676)</u>
EXPENDITURES						
Current:						
Compensation and benefits	250,000	250,000	-	47,000	47,000	-
Operating supplies	13,000	2,693	10,307	12,000	997	11,003
Purchased services	146,000	110,836	35,164	101,000	58,277	42,723
Miscellaneous	512,425	2,662	509,763	603,500	2,626	600,874
Capital outlay	110,000	46,542	63,458	70,000	-	70,000
Total expenditures	<u>1,031,425</u>	<u>412,733</u>	<u>618,692</u>	<u>833,500</u>	<u>108,900</u>	<u>724,600</u>
Excess (deficiency) of revenues over (under) expenditures	(755,197)	(141,919)	613,278	(555,520)	152,404	707,924
Fund Balances, January 1	1,151,454	1,151,454	-	999,050	999,050	-
Fund Balances, December 31	<u><u>\$ 396,257</u></u>	<u><u>\$ 1,009,535</u></u>	<u><u>\$ 613,278</u></u>	<u><u>\$ 443,530</u></u>	<u><u>\$ 1,151,454</u></u>	<u><u>\$ 707,924</u></u>

See the accompanying independent auditors' report.



Morgan County, Colorado
Lodging Tax Tourism Fund
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES						
Lodging tax	\$ 250,000	\$ 218,131	\$ (31,869)	\$ 180,000	\$ 169,279	\$ (10,721)
EXPENDITURES						
Current:						
Compensation and benefits	45,230	45,857	(627)	46,088	37,534	8,554
Operating supplies	4,500	5,512	(1,012)	4,500	2,510	1,990
Purchased services	147,600	141,024	6,576	150,600	113,880	36,720
Fixed charges	2,000	72	1,928	500	944	(444)
Contributions	10,000	10,000	-	10,000	10,000	-
Miscellaneous	2,000	2,189	(189)	2,000	1,713	287
Total expenditures	211,330	204,654	6,676	213,688	166,581	47,107
Excess (deficiency) of revenues over (under) expenditures	38,670	13,477	(25,193)	(33,688)	2,698	36,386
Fund Balances, January 1	544,226	544,226	-	541,528	541,528	-
Fund Balances, December 31	\$ 582,896	\$ 557,703	\$ (25,193)	\$ 507,840	\$ 544,226	\$ 36,386

See the accompanying independent auditors' report.

Morgan County, Colorado
Conservation Trust Fund
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES						
Intergovernmental	\$ 100,000	\$ 109,154	\$ 9,154	\$ 100,000	\$ 96,565	\$ (3,435)
Interest	4,000	3,314	(686)	4,000	2,988	(1,012)
Total revenues	<u>104,000</u>	<u>112,468</u>	<u>8,468</u>	<u>104,000</u>	<u>99,553</u>	<u>(4,447)</u>
EXPENDITURES						
Current:						
Compensation and benefits	48,000	15,722	32,278	48,000	47,354	646
Operating supplies	10,000	-	10,000	10,000	-	10,000
Capital outlay	40,000	9,538	30,462	90,000	96,291	(6,291)
Total expenditures	<u>98,000</u>	<u>25,260</u>	<u>72,740</u>	<u>148,000</u>	<u>143,645</u>	<u>4,355</u>
Excess (deficiency) of revenues over (under) expenditures	6,000	87,208	81,208	(44,000)	(44,092)	(92)
Fund Balances, January 1	130,423	130,423	-	174,515	174,515	-
Fund Balances, December 31	<u><u>\$ 136,423</u></u>	<u><u>\$ 217,631</u></u>	<u><u>\$ 81,208</u></u>	<u><u>\$ 130,515</u></u>	<u><u>\$ 130,423</u></u>	<u><u>\$ (92)</u></u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Sheriff's Confiscation/Seizure Fund
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES						
Fee accounts	\$ 10,000	\$ 899	\$ (9,101)	\$ 10,000	\$ 695	\$ (9,305)
EXPENDITURES						
Current:						
Operating supplies	10,000	-	10,000	10,000	-	10,000
Total expenditures	10,000	-	10,000	10,000	-	10,000
Excess (deficiency) of revenues over (under) expenditures	-	899	899	-	695	695
Fund Balances, January 1	4,002	4,001	(1)	3,306	3,306	-
Fund Balances, December 31	\$ 4,002	\$ 4,900	\$ 898	\$ 3,306	\$ 4,001	\$ 695

See the accompanying independent auditors' report.

Morgan County, Colorado
Jail Capital Improvement Fund
Comparative Schedules of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive Negative
REVENUES						
Intergovernmental	\$ 18,750	\$ 4,368	\$ (14,382)	\$ 25,000	\$ 20,632	\$ (4,368)
Fee accounts	40,000	16,385	(23,615)	40,000	23,243	(16,757)
Total revenues	<u>58,750</u>	<u>20,753</u>	<u>(37,997)</u>	<u>65,000</u>	<u>43,875</u>	<u>(21,125)</u>
EXPENDITURES						
Current:						
Operating supplies	-	-	-	-	2,950	(2,950)
Purchased services	100,000	14,211	85,789	100,000	82,529	17,471
Capital outlay	100,000	-	100,000	400,000	363,033	36,967
Total expenditures	<u>200,000</u>	<u>14,211</u>	<u>185,789</u>	<u>500,000</u>	<u>448,512</u>	<u>51,488</u>
Excess (deficiency) of revenues over (under) expenditures	(141,250)	6,542	147,792	(435,000)	(404,637)	30,363
Other financing sources:						
Transfers in:						
General fund	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	(21,250)	126,542	147,792	(315,000)	(284,637)	30,363
Fund Balances, January 1	955,782	955,782	-	1,240,419	1,240,419	-
Fund Balances, December 31	<u><u>\$ 934,532</u></u>	<u><u>\$ 1,082,324</u></u>	<u><u>\$ 147,792</u></u>	<u><u>\$ 925,419</u></u>	<u><u>\$ 955,782</u></u>	<u><u>\$ 30,363</u></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 Fund
Comparative Schedules of Revenues, Expenses, and
Changes in Net Position - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amount	Actual Amounts	Variance with Final Budget - Positive (Negative)
Operating revenues						
Charges for services	\$ 1,251,000	\$ 1,473,043	\$ 222,043	\$ 1,228,000	\$ 1,421,886	\$ 193,886
Miscellaneous revenues	24,000	23,203	(797)	22,500	24,083	1,583
Total operating revenues	<u>1,275,000</u>	<u>1,496,246</u>	<u>221,246</u>	<u>1,250,500</u>	<u>1,445,969</u>	<u>195,469</u>
Operating expenses						
Compensation and benefits	951,896	908,077	43,819	873,091	851,378	21,713
Operating supplies	44,750	47,503	(2,753)	44,500	51,307	(6,807)
Purchased services	139,650	145,655	(6,005)	136,950	148,026	(11,076)
Fixed charges	146,000	189,613	(43,613)	148,250	157,104	(8,854)
Depreciation	-	47,789	(47,789)	-	46,089	(46,089)
Miscellaneous	60,700	11,410	49,290	60,500	13,294	47,206
Capital outlay	70,000	74,760	(4,760)	250,000	118,047	131,953
Total operating expenses	<u>1,412,996</u>	<u>1,424,807</u>	<u>(11,811)</u>	<u>1,513,291</u>	<u>1,385,245</u>	<u>128,046</u>
Operating income (loss)	<u>(137,996)</u>	<u>71,439</u>	<u>209,435</u>	<u>(262,791)</u>	<u>60,724</u>	<u>323,515</u>
Nonoperating revenues (expenses)						
State grant	38,500	41,109	2,609	227,500	36,651	(190,849)
Other grants and donations	150	105,000	104,850	35,150	40,255	5,105
Interest	4,000	7,065	3,065	1,000	4,656	3,656
Gain (Loss) on sale of assets	-	-	-	-	32,287	32,287
Total nonoperating revenues (expenses)	<u>42,650</u>	<u>153,174</u>	<u>110,524</u>	<u>263,650</u>	<u>113,849</u>	<u>(149,801)</u>
Net income (loss) - budget basis	<u>\$ (95,346)</u>	<u>224,613</u>	<u>\$ 319,959</u>	<u>\$ 859</u>	<u>174,573</u>	<u>\$ 173,714</u>
Adjustments for GAAP Basis						
Capital outlay		<u>74,760</u>			<u>118,047</u>	
Change in net position (GAAP Basis)		299,373			292,620	
Total net position, January 1		2,252,419			1,959,799	
Total net position, December 31		<u>\$ 2,551,792</u>			<u>\$ 2,252,419</u>	

See the accompanying independent auditors' report.

Morgan County, Colorado
Solid Waste Management Fund
Comparative Schedules of Revenues, Expenses and
Changes in Net Position - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Operating revenues						
Charges for services	\$ 1,037,990	\$ 1,210,304	\$ 172,314	\$ 1,009,490	\$ 1,174,866	\$ 165,376
Miscellaneous revenues	1,000	4,143	3,143	1,000	525	(475)
Total operating revenues	<u>1,038,990</u>	<u>1,214,447</u>	<u>175,457</u>	<u>1,010,490</u>	<u>1,175,391</u>	<u>164,901</u>
Operating expenses						
Landfill operation	3,075,548	765,711	2,309,837	1,075,761	677,849	397,912
Depreciation	-	70,921	(70,921)	-	73,563	(73,563)
Total operating expenses	<u>3,075,548</u>	<u>836,632</u>	<u>2,238,916</u>	<u>1,075,761</u>	<u>751,412</u>	<u>324,349</u>
Operating income (loss)	(2,036,558)	377,815	2,414,373	(65,271)	423,979	489,250
Nonoperating revenues						
Interest	<u>30,000</u>	<u>71,961</u>	<u>41,961</u>	<u>25,000</u>	<u>51,933</u>	<u>26,933</u>
Net income (loss) - budget basis	<u>\$ (2,006,558)</u>	<u>449,776</u>	<u>\$ 2,456,334</u>	<u>\$ (40,271)</u>	<u>475,912</u>	<u>\$ 516,183</u>
Adjustments for GAAP Basis						
Capital outlay		<u>-</u>			<u>18,055</u>	
Change in net position (GAAP Basis)		449,776			493,967	
Total net position, January 1		5,207,881			4,713,914	
Total net position, December 31		<u>\$ 5,657,657</u>			<u>\$ 5,207,881</u>	

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
Comparative Schedule of Net Position
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash	\$ 350	\$ 350
Cash and investments held by County Treasurer	4,210,703	3,730,304
Receivables:		
Accounts	20,161	19,985
Interfund receivables:		
General fund	120,336	120,416
Road and bridge fund	165,537	164,308
Social services fund	18,349	14,053
Lodging tax tourism fund	678	525
Jail capital improvement fund	216	-
Ambulance service fund	11,957	14,992
Solid waste management fund	12,101	12,964
Inventory - equipment parts	115,779	127,507
Inventory - gas and oil	64,320	51,622
Total current assets	4,740,487	4,257,026
Capital assets:		
Buildings	18,306	18,306
Accumulated depreciation - buildings	(14,340)	(13,425)
General equipment	14,903,771	14,197,117
Accumulated depreciation - general equipment	(9,754,468)	(9,301,226)
Infrastructure	49,584	49,584
Accumulated depreciation - infrastructure	(29,544)	(27,065)
Capital assets (net of accumulated depreciation)	5,173,309	4,923,291
Total assets	9,913,796	9,180,317
LIABILITIES AND EQUITY		
Current liabilities:		
Warrants payable	236,806	39,181
Vouchers payable	252,893	244,173
Accrued compensated absences	89,077	81,822
Total current liabilities	578,776	365,176
Noncurrent liabilities:		
Accrued compensated absences	48,847	51,224
Total liabilities	627,623	416,400
NET POSITION:		
Net investment in capital assets	5,173,309	4,923,291
Unrestricted	4,112,864	3,840,626
Total net position	\$ 9,286,173	\$ 8,763,917

See the accompanying independent auditors' report.

Morgan County, Colorado
Central Services Fund
Comparative Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
For the fiscal years ended December 31, 2019 and 2018

	2019			2018		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Unfavorable)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Unfavorable)
Operating revenues						
Charges for services	\$ 4,544,030	\$ 4,396,344	\$ (147,686)	\$ 4,423,703	\$ 4,209,681	\$ (214,022)
Miscellaneous revenues	-	850	850	500	62	(438)
Total operating revenues	<u>4,544,030</u>	<u>4,397,194</u>	<u>(146,836)</u>	<u>4,424,203</u>	<u>4,209,743</u>	<u>(214,460)</u>
Operating expenses						
DHS Attorney	106,493	109,764	(3,271)	110,035	106,180	3,855
Information systems	838,269	755,851	82,418	910,393	670,766	239,627
Accounting	436,730	410,240	26,490	420,475	389,600	30,875
Fleet maintenance	4,631,428	3,647,903	983,525	3,440,424	3,305,547	134,877
Inventory control	131,977	116,496	15,481	135,374	117,564	17,810
Total operating expenses	<u>6,144,897</u>	<u>5,040,254</u>	<u>1,104,643</u>	<u>5,016,701</u>	<u>4,589,657</u>	<u>427,044</u>
Operating loss	<u>(1,600,867)</u>	<u>(643,060)</u>	<u>957,807</u>	<u>(592,498)</u>	<u>(379,914)</u>	<u>212,584</u>
Nonoperating revenues						
State grant	3,500	3,000	(500)	50,000	73,218	23,218
Gain (loss) on disposal of assets	-	144,101	144,101	-	154,673	154,673
Insurance recovery	103,000	25,513	(77,487)	-	30,420	30,420
Total nonoperating revenues	<u>106,500</u>	<u>172,614</u>	<u>66,114</u>	<u>50,000</u>	<u>258,311</u>	<u>208,311</u>
Net loss - budget basis	<u>\$ (1,494,367)</u>	<u>(470,446)</u>	<u>\$ 1,023,921</u>	<u>\$ (542,498)</u>	<u>(121,603)</u>	<u>\$ 420,895</u>
Adjustments for GAAP Basis						
Capital outlay		<u>992,702</u>			<u>687,684</u>	
Change in net position (GAAP Basis)		522,256			566,081	
Total net position, January 1		8,763,917			8,197,836	
Total net position, December 31		<u>\$ 9,286,173</u>			<u>\$ 8,763,917</u>	

See the accompanying independent auditors' report.



AGENCY FUNDS

Agency 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 trustee or 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 trustee or agent for other governmental units.

County Sheriff - This fund is used to account for monies received by the County Sheriff and Jail for other governmental units or on behalf of the inmates in their care.

County Public Trustee - This fund is used to account for the monies received by the Public Trustee as a trustee or agent for parties outside the governmental structure.

Morgan County, Colorado
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the fiscal year ended December 31, 2019

	Balance 01/01/19	Additions	Deletions	Balance 12/31/2019
COUNTY TREASURER FUND				
Cash held by County Treasurer - held for other governments	\$ 1,095,629	\$ 40,536,647	\$ 40,749,091	\$ 883,185
LIABILITIES				
Cash held for others	\$ 1,095,629	\$ 40,536,647	\$ 40,749,091	\$ 883,185
COUNTY CLERK FUND				
ASSETS				
Cash	\$ 41,158	\$ 48,838	\$ 41,158	\$ 48,838
Cash held by County Treasurer - Clerk	869,926	11,194,005	11,211,743	852,188
Total assets	\$ 911,084	\$ 11,242,843	\$ 11,252,901	\$ 901,026
LIABILITIES				
Warrants payable	\$ 904,158	\$ 899,208	\$ 904,158	\$ 899,208
Cash held for others	6,926	10,343,635	10,348,743	1,818
Total liabilities	\$ 911,084	\$ 11,242,843	\$ 11,252,901	\$ 901,026
COUNTY SHERIFF FUND				
ASSETS				
Cash	\$ 84,726	\$ 279,309	\$ 275,723	\$ 88,312
LIABILITIES				
Cash held for others	\$ 84,726	\$ 279,309	\$ 275,723	\$ 88,312
PUBLIC TRUSTEE FUND				
ASSETS				
Cash held by County Treasurer - Public Trustee	\$ 14,315	\$ 41,691	\$ 41,354	\$ 14,652
LIABILITIES				
Cash held for designated purpose	\$ 14,315	\$ 337	\$ -	\$ 14,652
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 125,884	\$ 328,147	\$ 316,881	\$ 137,150
Cash held by County Treasurer - Public Trustee and Clerk	884,241	11,235,696	11,253,097	866,840
Cash held by County Treasurer - held for other governments	1,095,629	40,536,647	40,749,091	883,185
Total assets	\$ 2,105,754	\$ 52,100,490	\$ 52,319,069	\$ 1,887,175
LIABILITIES				
Warrants payable	\$ 904,158	\$ 899,208	\$ 904,158	\$ 899,208
Cash held for designated purpose	14,315	337	-	14,652
Cash held for others	1,187,281	51,159,591	51,373,557	973,315
Total liabilities	\$ 2,105,754	\$ 52,059,136	\$ 52,277,715	\$ 1,887,175

See the accompanying independent auditors' report.

Morgan County, Colorado
County Treasurer
Statement of Changes in Assets and Liabilities
For the fiscal year ended December 31, 2019

	Balance 01/01/19	Additions	Deletions	Balance 12/31/2019
ASSETS				
Cash held by County Treasurer - held for other governments	\$ 1,095,629	\$ 40,536,647	\$ 40,749,091	\$ 883,185
LIABILITIES				
Cash held for others:				
Schools	\$ 1,040,989	\$ 28,070,116	\$ 28,286,006	\$ 825,099
Cities and towns	26,575	3,879,920	3,879,038	27,457
Special districts	28,065	8,586,611	8,584,047	30,629
Total liabilities	\$ 1,095,629	\$ 40,536,647	\$ 40,749,091	\$ 883,185

See the accompanying independent auditors' report.

Morgan County, Colorado
County Clerk
Statement of Changes in Assets and Liabilities
For the fiscal year ended December 31, 2019

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
ASSETS				
Cash:				
On hand	\$ 41,158	\$ 48,838	\$ 41,158	\$ 48,838
Funds held by agency funds -				
County Treasurer:				
Clerk fees account	18,145	265,980	262,953	21,172
Electronic filing account	924	12,588	12,450	1,062
County Clerk	850,857	10,915,437	10,936,340	829,954
Total assets	<u>\$ 911,084</u>	<u>\$ 11,242,843</u>	<u>\$ 11,252,901</u>	<u>\$ 901,026</u>
LIABILITIES				
Warrants payable	\$ 904,158	\$ 899,208	\$ 904,158	\$ 899,208
Cash held for others - sundry				
clearing accounts	6,926	10,343,635	10,348,743	1,818
Total liabilities	<u>\$ 911,084</u>	<u>\$ 11,242,843</u>	<u>\$ 11,252,901</u>	<u>\$ 901,026</u>

See the accompanying independent auditors' report.

Morgan County, Colorado
County Sheriff
Statement of Changes in Assets and Liabilities
For the fiscal year ended December 31, 2019

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
ASSETS				
Cash:				
On deposit - checking account:				
Civil trust account	\$ 16,838	\$ 43,088	\$ 39,860	\$ 20,066
Special inmates account	67,888	236,221	235,863	68,246
Total assets	<u>\$ 84,726</u>	<u>\$ 279,309</u>	<u>\$ 275,723</u>	<u>\$ 88,312</u>
LIABILITIES				
Cash held for others - sundry				
clearing accounts	<u>\$ 84,726</u>	<u>\$ 279,309</u>	<u>\$ 275,723</u>	<u>\$ 88,312</u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Public Trustee Fund
Statement of Changes in Assets and Liabilities
For the fiscal year ended December 31, 2019

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
ASSETS				
Cash held by County Treasurer - Public Trustee	\$ 14,315	\$ 41,691	\$ 41,354	\$ 14,652
LIABILITIES				
Cash held for designated purpose	\$ 14,315	\$ 337	\$ -	\$ 14,652

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		City or County: Morgan
		YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of	Prepared By: Phone:	Michelle R. Covelli 970-542-3506

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	4,538,244
4. Miscellaneous local receipts (from page 2)	124,682
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	4,662,926
B. Private Contributions	
C. Receipts from State government (from page 2)	3,790,359
D. Receipts from Federal Government (from page 2)	135,854
E. Total receipts (A.7 + B + C + D)	8,589,139

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	2,359,049
2. Maintenance:	2,133,402
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	277,722
c. Other	36,522
d. Total (a. through c.)	314,244
4. General administration & miscellaneous	2,715,796
5. Highway law enforcement and safety	
6. Total (1 through 5)	7,522,491
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	7,522,491

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	10,939,085	8,589,139	7,522,491	12,005,733	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	

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	4,111,875	a. Interest on investments	90,032
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	1,265	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	7,820
4. Licenses	0	f. Charges for Services	366
5. Specific Ownership &/or Other	425,104	g. Other Misc. Receipts	117
6. Total (1. through 5.)	426,369	h. Other	26,347
c. Total (a. + b.)	4,538,244	i. Total (a. through h.)	124,682
	(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	3,709,534	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	80,758	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify) - PILT	67	f. Other Federal	135,854
f. Total (a. through e.)	80,825	g. Total (a. through f.)	135,854
4. Total (1. + 2. + 3.f)	3,790,359	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		2,359,049	2,359,049
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,359,049	2,359,049
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,359,049	2,359,049
			(Carry forward to page 1)

Notes and Comments:

Morgan County, Colorado
Schedule of Federal Financial Assistance Reconciliation
December 31, 2019

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, 2019

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%	-	-	1,450,336	1,450,336	1,450,336
CHRP	-	-	-	-	-
RES MENTAL HEALTH	80,519	16,909	-	80,519	16,909
CASE SERVICES	2,844	2,376	-	2,844	2,376
OOH	867,413	173,178	-	867,413	173,178
SPECIAL CIRCUM CC		(2,335)	-	-	(2,335)
SUBADOPT	406,362	40,700	-	406,362	40,700
TOTAL CW	1,357,138	230,828	1,450,336	2,807,473	1,681,164
COUNTY ADMINISTRATION	-	-	727,444	727,444	727,444
FS FRAUD ADMIN	-	-	57,371	57,371	57,371
STAFF DEVELOPMENT	-	-	4,303	4,303	4,303
CORE SERVICES	178,767	5,275	501,512	680,279	506,787
LEAP & ADMIN	227,422	-	3,963	231,385	3,963
AND & HCA - AND	64,873	12,975	729	65,602	13,704
IV-D ADMINISTRATION (CSE)	-	-	618,055	618,055	618,055
EMPLOYMENT 1ST	1,523	825	74,352	75,874	75,177
TANF & WORKS ADMIN	566,408	115,349	570,080	1,136,488	685,430
CHILD CARE & ADMIN	317,156	45,831	88,977	406,133	134,808
OLD AGE PEN & ADMIN	403,151	-	14,643	417,794	14,643
HCA - OAP	29,555	1,561	-	29,555	1,561
FC PARENTAL FEE	-	-	35,896	35,896	35,896
TITLE IV-B (PSSF)	-	-	105,825	105,825	105,825
HB1451 CARE MGT GRANT	-	-	47,650	47,650	47,650
FC RETENTION GRANT	-	-	5,400	5,400	5,400
CASEWORKER VISITATION	-	-	5,513	5,513	5,513
HS CONNECT GRANT	-	-	20,447	20,447	20,447
COACT	-	-	60,711	60,711	60,711
CSS 2Gen Transformation	-	-	105	105	105
GENERAL ASSISTANCE			1,550	1,550	1,550
ADULT PROTECTION	-	-	235,283	235,283	235,283
AUDIT ADJUSTMENT					-
	1,788,854	181,816	3,179,809	4,968,663	3,361,626
FOOD ASSISTANCE	3,302,462	-	-	3,302,462	-
GRAND TOTAL	6,448,454	412,645	4,630,145	11,078,597	5,042,790

- 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 comprehensive annual 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.	110 - 119
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	120 - 129
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.	130 - 132
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.	133 - 135
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.	136 - 141

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive annual 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)

	2019	2018	2017
Governmental activities			
Net investment in capital assets	\$ 110,920,860	\$ 117,813,966	\$ 124,241,092
Restricted	11,208,218	10,560,743	9,040,123
Unrestricted	<u>38,528,623</u>	<u>34,851,764</u>	<u>32,163,842</u>
Total governmental activities net position	<u>\$ 160,657,701</u>	<u>\$ 163,226,473</u>	<u>\$ 165,445,057</u>
Business-type activities			
Net investment in capital assets	\$ 1,725,262	\$ 1,769,212	\$ 1,782,910
Unrestricted	<u>6,484,187</u>	<u>5,691,088</u>	<u>4,890,803</u>
Total business-type activities net position	<u>\$ 8,209,449</u>	<u>\$ 7,460,300</u>	<u>\$ 6,673,713</u>
Primary government			
Net investment in capital assets	\$ 112,646,122	\$ 119,583,178	\$ 126,024,002
Restricted	11,208,218	10,560,743	9,040,123
Unrestricted	<u>45,012,810</u>	<u>40,542,852</u>	<u>37,054,645</u>
Total primary government activities net position	<u>\$ 168,867,150</u>	<u>\$ 170,686,773</u>	<u>\$ 172,118,770</u>

2016	2015	2014	2013	2012	2011	2010
\$ 131,089,740	\$ 136,884,869	\$ 141,166,518	\$ 147,045,403	\$ 155,638,332	\$ 163,075,950	\$ 171,760,468
9,647,561	9,911,448	10,228,223	9,313,903	7,862,243	7,351,100	767,500
28,709,841	25,300,016	24,257,515	23,125,677	20,949,060	19,723,021	23,508,232
<u>\$ 169,447,142</u>	<u>\$ 172,096,333</u>	<u>\$ 175,652,256</u>	<u>\$ 179,484,983</u>	<u>\$ 184,449,635</u>	<u>\$ 190,150,071</u>	<u>\$ 196,036,200</u>
\$ 1,339,384	\$ 1,353,897	\$ 1,411,672	\$ 1,504,703	\$ 1,624,577	\$ 1,685,171	\$ 1,790,241
4,620,083	4,168,253	3,872,134	3,480,904	3,516,382	3,023,063	2,581,709
<u>\$ 5,959,467</u>	<u>\$ 5,522,150</u>	<u>\$ 5,283,806</u>	<u>\$ 4,985,607</u>	<u>\$ 5,140,959</u>	<u>\$ 4,708,234</u>	<u>\$ 4,371,950</u>
\$ 132,429,124	\$ 138,238,766	\$ 142,578,190	\$ 148,550,106	\$ 157,262,909	\$ 164,761,121	\$ 173,550,709
9,647,561	9,911,448	10,228,223	9,313,903	7,862,243	7,351,100	767,500
33,329,924	29,468,269	28,129,649	26,606,581	24,465,442	22,746,084	26,089,941
<u>\$ 175,406,609</u>	<u>\$ 177,618,483</u>	<u>\$ 180,936,062</u>	<u>\$ 184,470,590</u>	<u>\$ 189,590,594</u>	<u>\$ 194,858,305</u>	<u>\$ 200,408,150</u>

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

	2019	2018	2017	2016
Expenses				
Governmental activities:				
General government	\$ 7,640,141	\$ 6,996,471	\$ 6,353,665	\$ 5,520,906
Judicial and public safety	6,160,079	5,766,384	5,248,513	5,078,786
Public health	-	-	-	-
Auxiliary services	514,335	464,661	500,709	440,388
Roads and bridges	14,396,716	14,167,484	14,695,292	13,072,223
Public welfare	5,039,466	5,055,167	4,794,943	4,713,540
Interest on long-term debt	-	-	-	-
Total governmental activities expenses	<u>33,750,737</u>	<u>32,450,167</u>	<u>31,593,122</u>	<u>28,825,843</u>
Business-type activities:				
Ambulance services	\$ 1,350,047	\$ 1,234,911	\$ 1,145,209	\$ 1,070,858
Solid waste services	836,632	733,357	793,476	763,632
Total business-type activities expenses	<u>2,186,679</u>	<u>1,968,268</u>	<u>1,938,685</u>	<u>1,834,490</u>
Total primary government expenses	<u>\$ 35,937,416</u>	<u>\$ 34,418,435</u>	<u>\$ 33,531,807</u>	<u>\$ 30,660,333</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,133,254	\$ 1,436,068	\$ 893,981	\$ 594,119
Judicial and public safety	482,306	501,705	541,926	528,016
Road and bridges	35,023	202,352	18,132	25,361
Operating grants and contributions	8,708,522	8,484,048	7,936,012	7,328,010
Capital grants and contributions	28,513	103,638	51,157	-
Total governmental activities program revenues	<u>11,387,618</u>	<u>10,727,811</u>	<u>9,441,208</u>	<u>8,475,506</u>
Business-type activities:				
Charges for services:				
Ambulance services	\$ 1,473,043	\$ 1,421,886	\$ 1,351,772	\$ 1,205,051
Solid waste services	1,210,304	1,174,866	1,062,122	1,030,125
Operating grants and contributions	129,327	64,865	170,419	3,505
Capital grants and contributions	37,380	33,151	27,271	-
Total business-type activities program revenues	<u>2,850,054</u>	<u>2,694,768</u>	<u>2,611,584</u>	<u>2,238,681</u>
Total primary government program revenues	<u>\$ 14,237,672</u>	<u>\$ 13,422,579</u>	<u>\$ 12,052,792</u>	<u>\$ 10,714,187</u>
Net (expense)/revenue				
Governmental activities	\$ (22,363,119)	\$ (21,722,358)	\$ (22,151,914)	\$ (20,350,337)
Business-type activities	663,375	726,500	672,899	404,191
Total primary government net expense	<u>\$ (21,699,744)</u>	<u>\$ (20,995,858)</u>	<u>\$ (21,479,015)</u>	<u>\$ (19,946,146)</u>

2015	2014	2013	2012	2011	2010
\$ 5,613,406	\$ 6,485,480	\$ 6,845,246	\$ 6,957,045	\$ 7,127,536	\$ 7,148,909
5,219,708	4,694,742	3,981,293	3,902,451	3,883,935	3,703,122
-	-	-	-	-	-
464,619	488,566	440,435	425,573	443,138	429,247
12,667,839	12,806,499	13,798,554	12,816,909	12,693,242	13,447,387
4,454,833	4,464,512	4,418,503	4,386,731	4,658,233	4,885,491
-	-	-	10,416	107,469	119,228
<u>28,420,405</u>	<u>28,939,799</u>	<u>29,484,031</u>	<u>28,499,125</u>	<u>28,913,553</u>	<u>29,733,384</u>
\$ 1,126,716	\$ 1,036,578	\$ 1,089,211	\$ 903,002	\$ 1,069,405	\$ 1,043,694
707,029	631,224	973,948	593,057	560,750	558,765
1,833,745	1,667,802	2,063,159	1,496,059	1,630,155	1,602,459
<u>\$ 30,254,150</u>	<u>\$ 30,607,601</u>	<u>\$ 31,547,190</u>	<u>\$ 29,995,184</u>	<u>\$ 30,543,708</u>	<u>\$ 31,335,843</u>
\$ 537,680	\$ 1,221,787	\$ 1,215,473	\$ 1,380,278	\$ 1,603,765	\$ 2,214,834
503,902	517,131	530,147	520,332	493,905	546,171
8,047	88,274	22,021	11,925	14,814	13,627
7,566,786	7,138,055	6,987,625	6,750,821	6,859,757	7,151,944
44,654	470,189	791,252	53,823	87,808	86,502
<u>8,661,069</u>	<u>9,435,436</u>	<u>9,546,518</u>	<u>8,717,179</u>	<u>9,060,049</u>	<u>10,013,078</u>
\$ 1,157,045	\$ 1,054,961	\$ 1,016,461	\$ 1,067,020	\$ 1,230,285	\$ 978,865
860,302	814,740	799,465	769,998	702,568	768,521
24,165	35,141	34,487	32,123	16,515	124,972
6,334	6,108	46,901	57,680	11,426	-
<u>2,047,846</u>	<u>1,910,950</u>	<u>1,897,314</u>	<u>1,926,821</u>	<u>1,960,794</u>	<u>1,872,358</u>
<u>\$ 10,708,915</u>	<u>\$ 11,346,386</u>	<u>\$ 11,443,832</u>	<u>\$ 10,644,000</u>	<u>\$ 11,020,843</u>	<u>\$ 11,885,436</u>
\$ (19,759,336)	\$ (19,504,363)	\$ (19,937,513)	\$ (19,781,946)	\$ (19,853,504)	\$ (19,720,306)
214,101	243,148	(165,845)	430,762	330,639	269,899
<u>\$ (19,545,235)</u>	<u>\$ (19,261,215)</u>	<u>\$ (20,103,358)</u>	<u>\$ (19,351,184)</u>	<u>\$ (19,522,865)</u>	<u>\$ (19,450,407)</u>

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

	2019	2018	2017	2016
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	\$ 15,881,611	\$ 15,118,777	\$ 15,047,692	\$ 13,579,680
Specific ownership	1,758,505	1,642,242	1,506,682	1,538,445
Sales - Lodging	218,131	223,174	186,372	221,834
Other	90,044	89,003	80,078	71,241
Interest earnings	1,283,355	434,313	244,482	190,551
Miscellaneous	418,600	487,320	373,685	360,891
Gain (loss) on sale of capital assets	144,101	155,000	262,155	240,771
Transfers	-	-	-	-
Total governmental activities	<u>19,794,347</u>	<u>18,149,829</u>	<u>17,701,146</u>	<u>16,203,413</u>
Business-type activities:				
Interest earnings	79,026	37,928	30,169	18,847
Miscellaneous	6,748	3,419	2,984	5,396
Loss on sale of assets			(27)	
Transfers	-	-	-	-
Total business-type activities	<u>85,774</u>	<u>41,347</u>	<u>33,126</u>	<u>24,243</u>
Total primary government	<u>\$ 19,880,121</u>	<u>\$ 18,191,176</u>	<u>\$ 17,734,272</u>	<u>\$ 16,227,656</u>
Change in Net Position				
Governmental activities	\$ (2,568,772)	\$ (4,002,085)	\$ (2,649,191)	\$ (3,555,923)
Business-type activities	749,149	714,246	437,317	238,344
Total primary government	<u>\$ (1,819,623)</u>	<u>\$ (3,287,839)</u>	<u>\$ (2,211,874)</u>	<u>\$ (3,317,579)</u>

2015	2014	2013	2012	2011	2010
\$ 12,889,251	\$ 12,374,675	\$ 11,855,985	\$ 11,982,812	\$ 11,768,430	\$ 11,102,178
1,560,361	1,456,985	1,273,495	1,178,748	1,058,212	1,045,194
207,040	122,188	101,439	81,300	75,972	87,012
71,016	56,119	109,999	43,956	34,021	34,644
191,692	116,984	86,927	47,991	66,940	203,390
428,055	358,223	666,890	563,613	645,187	660,706
352,529	487,687	23,235	68,953	6,258	8,277
(28,308)	-	(36,460)	-	-	-
<u>15,671,636</u>	<u>14,972,861</u>	<u>14,081,510</u>	<u>13,967,373</u>	<u>13,655,020</u>	<u>13,141,401</u>
13,955	5,630	2,729	1,551	2,194	16,718
12,788	4,863	3,347	4,094	803	2,812
-	-	(4,113)	-	-	-
<u>28,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>55,051</u>	<u>10,493</u>	<u>1,963</u>	<u>5,645</u>	<u>2,997</u>	<u>19,530</u>
<u>\$ 15,726,687</u>	<u>\$ 14,983,354</u>	<u>\$ 14,083,473</u>	<u>\$ 13,973,018</u>	<u>\$ 13,658,017</u>	<u>\$ 13,160,931</u>
\$ (3,832,727)	\$ (4,964,652)	\$ (5,700,436)	\$ (5,886,131)	\$ (6,065,286)	\$ (9,221,718)
298,199	(155,352)	432,725	336,284	272,896	682,905
<u>\$ (3,534,528)</u>	<u>\$ (5,120,004)</u>	<u>\$ (5,267,711)</u>	<u>\$ (5,549,847)</u>	<u>\$ (5,792,390)</u>	<u>\$ (8,538,813)</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund					
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	946,337	948,480	842,327	836,428	830,922
Assigned	11,157,713	11,220,486	11,186,134	10,143,470	8,131,456
Committed	679,089	574,041	473,437	376,393	278,660
Unassigned	<u>17,491,938</u>	<u>14,688,077</u>	<u>13,004,169</u>	<u>11,280,916</u>	<u>10,303,949</u>
Total general fund	<u>\$ 30,275,077</u>	<u>\$ 27,431,084</u>	<u>\$ 25,506,067</u>	<u>\$ 22,637,207</u>	<u>\$ 19,544,987</u>
All other governmental funds					
Non Spendable	\$ 69,872	\$ 89,303	\$ 102,970	\$ 93,361	\$ 78,817
Restricted	10,259,465	9,609,894	8,197,796	8,811,133	9,080,526
Committed	5,746,860	5,130,285	4,952,277	4,349,889	3,761,093
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 16,076,197</u>	<u>\$ 14,829,482</u>	<u>\$ 13,253,043</u>	<u>\$ 13,254,383</u>	<u>\$ 12,920,436</u>

Note: For 2011 data GASB54 has been implemented and fund balance has been reclassified. Data for all other years has not been reclassified.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ -	\$ 704	\$ 858	\$ -
825,066	819,912	664,076	657,762	584,000
1,122,589	1,132,514	1,127,830	3,111,494	-
184,972	92,126	-	-	-
<u>15,513,001</u>	<u>13,886,509</u>	<u>11,832,605</u>	<u>8,897,900</u>	<u>9,996,046</u>
<u>\$ 17,645,628</u>	<u>\$ 15,931,061</u>	<u>\$ 13,625,215</u>	<u>\$ 12,668,014</u>	<u>\$ 10,580,046</u>
\$ 91,688	\$ 85,744	\$ 98,318	\$ 113,694	\$ -
9,403,157	8,493,991	7,198,167	6,693,338	3,356,561
4,195,561	3,766,506	3,336,227	2,912,385	-
-	-	-	-	-
-	-	(23,006)	-	5,926,330
<u>\$ 13,690,406</u>	<u>\$ 12,346,241</u>	<u>\$ 10,609,706</u>	<u>\$ 9,719,417</u>	<u>\$ 9,282,891</u>

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

	2019	2018	2017	2016	2015
Revenues					
Taxes	\$ 17,948,291	\$ 17,937,109	\$ 17,073,196	\$ 16,820,824	\$ 15,411,200
Intergovernmental	8,708,522	8,484,048	7,936,012	7,328,010	7,566,786
Licenses and permits	102,577	97,822	88,659	96,926	84,958
Fines and forfeiture	2,265	2,757	3,892	4,091	4,641
Fee accounts	1,444,735	1,461,626	1,410,411	1,388,951	1,293,167
Charges for material/service	306,584	539,664	290,535	311,443	326,123
Interest	1,283,355	857,258	434,313	244,482	190,551
Miscellaneous	416,975	478,636	486,916	357,539	360,283
Total revenues	<u>30,213,304</u>	<u>29,858,920</u>	<u>27,723,934</u>	<u>26,552,266</u>	<u>25,237,709</u>
Expenditures					
Current:					
General government	5,456,344	5,579,881	5,011,770	4,459,590	4,261,742
Judicial and public safety	6,011,334	5,577,035	5,157,630	5,022,918	5,103,613
Public health	-	-	-	-	465,300
Auxiliary services	515,069	465,373	501,347	441,072	3,944,569
Road and bridge	5,163,442	5,104,051	5,563,489	4,166,484	4,462,082
Public welfare	5,030,790	5,059,410	4,797,258	4,710,757	1,120,295
Intergovernmental cooperation outlay	1,134,694	1,144,153	1,120,429	1,119,295	4,750,739
Capital outlay	2,810,923	3,427,560	2,704,491	3,220,323	-
Debt service				-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other charges	-	-	-	-	-
Total expenditures	<u>26,122,596</u>	<u>26,357,463</u>	<u>24,856,414</u>	<u>23,140,439</u>	<u>24,108,340</u>
Excess of revenues over (under) expenditures	4,090,708	3,501,456	2,867,520	3,411,827	1,129,369
Other financing sources (uses)					
Transfers in	120,000	120,000	120,000	120,000	120,000
Transfers out	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
Proceeds of participation certificates	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	14,340	20
Certificate issuance costs	-	-	-	-	-
Original discount fee	-	-	-	-	-
Benefit payments refunded	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,340</u>	<u>20</u>
Net change in fund balances	<u>\$ 4,090,708</u>	<u>\$ 3,501,456</u>	<u>\$ 2,867,520</u>	<u>\$ 3,426,167</u>	<u>\$ 1,129,389</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

2014	2013	2012	2011	2010
\$ 14,727,668	\$ 14,009,967	\$ 13,340,918	\$ 13,286,816	\$ 12,936,635
7,548,824	7,521,826	6,750,821	6,947,565	7,238,446
78,523	61,868	59,632	52,120	73,838
13,930	20,654	22,702	26,595	39,544
1,307,332	1,296,819	1,321,583	1,288,057	1,278,889
394,221	267,804	248,638	249,260	247,659
191,692	116,984	86,927	47,991	66,135
392,434	353,929	612,748	609,628	647,428
<u>24,654,624</u>	<u>23,649,851</u>	<u>22,443,969</u>	<u>22,508,032</u>	<u>22,528,574</u>
4,268,427	4,698,979	4,637,684	4,860,363	5,008,267
4,606,906	3,903,282	3,822,837	3,797,740	3,624,146
-	-	-	-	-
489,239	440,435	425,573	443,138	429,247
5,262,251	4,981,971	4,359,311	4,857,738	5,298,525
4,455,679	4,406,656	3,953,014	4,646,370	4,868,800
1,109,401	1,098,383	1,060,089	1,035,273	1,043,133
1,375,681	77,784	472,555	19,481	1,113,158
-	-	1,855,000	220,000	210,000
-	-	9,733	102,435	112,095
-	-	683	-	1,247
<u>21,567,584</u>	<u>19,607,490</u>	<u>20,596,479</u>	<u>19,982,538</u>	<u>21,708,618</u>
3,087,040	4,042,361	1,847,490	2,525,494	819,956
310,000	200,000	1,514,690	-	177,402
(338,308)	(200,000)	(1,514,690)	-	(177,402)
-	20	-	-	-
-	20	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(28,308)</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,058,732</u>	<u>\$ 4,042,401</u>	<u>\$ 1,847,490</u>	<u>\$ 2,525,494</u>	<u>\$ 819,956</u>
0.00%	0.00%	9.27%	1.70%	1.64%

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

	2019	2018	2017	2016
Function/Program				
General government	\$ 2,778,622	\$ 2,184,081	\$ 1,650,225	\$ 973,245
Judicial and public safety	639,147	688,914	637,763	647,872
Roads and bridges	3,961,236	3,825,694	3,370,854	3,187,142
Public welfare	<u>4,008,613</u>	<u>4,029,122</u>	<u>3,782,366</u>	<u>3,667,247</u>
Total governmental activities	<u>11,387,618</u>	<u>10,727,811</u>	<u>9,441,208</u>	<u>8,475,506</u>
Business-type activities				
Ambulance services	1,639,750	1,519,902	1,549,462	1,205,051
Solid waste services	<u>1,210,304</u>	<u>1,174,866</u>	<u>1,062,122</u>	<u>1,030,125</u>
Total business-type activities net position	<u>2,850,054</u>	<u>2,694,768</u>	<u>2,611,584</u>	<u>2,235,176</u>
Total primary government	<u>\$ 14,237,672</u>	<u>\$ 13,422,579</u>	<u>\$ 12,052,792</u>	<u>\$ 10,710,682</u>

2015	2014	2013	2012	2011	2010
\$ 989,455	\$ 1,859,970	\$ 1,797,172	\$ 1,830,401	\$ 2,034,116	\$ 2,567,299
595,599	1,059,218	759,544	697,234	794,707	720,076
3,529,603	3,153,758	3,722,515	2,924,551	2,900,596	3,189,584
<u>3,487,582</u>	<u>3,362,490</u>	<u>3,267,287</u>	<u>3,264,993</u>	<u>3,330,630</u>	<u>3,536,119</u>
<u>8,602,239</u>	<u>9,435,436</u>	<u>9,546,518</u>	<u>8,717,179</u>	<u>9,060,049</u>	<u>10,013,078</u>
1,187,544	1,096,210	1,097,849	1,156,823	1,258,226	1,103,837
<u>860,302</u>	<u>814,740</u>	<u>799,465</u>	<u>769,998</u>	<u>702,568</u>	<u>768,521</u>
<u>2,047,846</u>	<u>1,910,950</u>	<u>1,897,314</u>	<u>1,926,821</u>	<u>1,960,794</u>	<u>1,872,358</u>
<u>\$ 10,650,085</u>	<u>\$ 11,346,386</u>	<u>\$ 11,443,832</u>	<u>\$ 10,644,000</u>	<u>\$ 11,020,843</u>	<u>\$ 11,885,436</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
2019	15,881,611	1,758,505	10,387	297,788	17,948,291
2018	15,993,175	1,644,309	8,437	216,031	17,861,952
2017	15,119,847	1,641,603	6,866	223,174	16,991,490
2016	15,047,692	1,506,682	9,077	257,373	16,820,824
2015	13,579,680	1,538,445	9,235	283,840	15,411,200
2014	12,984,216	1,560,360	6,404	269,168	14,820,148
2013	12,409,909	1,456,984	7,320	170,987	14,045,200
2012	11,887,184	1,273,495	7,910	203,527	13,372,116
2011	11,982,812	1,178,748	6,718	118,539	13,286,817
2010	11,768,430	1,058,212	7,467	102,526	12,936,635
Change					
2010-2019	0.48%	8.22%	-32.20%	-15.32%	1.00%



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
2019	108,717,860	66,135,180	21,348,010	56,813,590	6,567,670	27,800,230
2018	106,873,320	63,202,210	20,762,120	55,696,820	6,581,730	2,535,220
2017	99,827,560	53,836,470	19,108,820	50,090,040	5,078,680	3,498,090
2016	98,757,180	52,012,320	18,886,900	48,894,750	5,203,140	9,827,170
2015	89,526,130	48,428,340	17,466,450	41,139,250	4,800,170	10,886,750
2014	89,526,130	48,428,340	61,529,073	41,139,250	4,800,170	10,886,750
2013	88,806,920	46,514,960	16,403,930	40,438,820	5,020,550	11,295,580
2012	87,502,260	48,001,890	14,677,380	37,213,540	4,918,310	32,083,560
2011	86,908,580	48,371,180	14,635,240	36,738,150	4,959,260	26,856,640
2010	94,447,660	50,736,520	16,428,250	35,286,290	5,884,600	23,348,420

From 2010 to 2019 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
2019	7.20%	2019 appraised value
2018	7.20%	2017 appraised value
2017	7.20%	2017 appraised value
2016	7.96%	2015 appraised value
2015	7.96%	2015 appraised value
2014	7.96%	2013 appraised value
2013	7.96%	2013 appraised value
2012	7.96%	2011 appraised value
2011	7.96%	2011 appraised value
2010	7.96%	2009 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
260,588,560	601,683,980	268,412,190	28.961	3,543,909,210	16.98%
270,489,180	552,170,540	237,390,850	28.970	3,018,294,850	18.29%
265,521,470	521,172,180	236,862,350	28.970	3,013,820,350	17.29%
278,353,330	511,934,790	191,181,280	28.128	2,697,685,720	18.98%
289,591,670	470,619,610	176,332,860	28.948	2,728,398,820	17.25%
233,591,670	470,916,610	157,851,940	28.948	2,414,135,330	19.51%
212,940,880	445,723,250	154,546,270	28.948	2,320,211,520	19.21%
203,020,040	427,416,980	152,947,180	28.948	2,252,146,830	18.98%
191,854,300	410,323,350	145,278,970	28.948	2,193,670,110	18.70%
187,134,450	413,266,190	144,363,230	28.948	2,187,979,320	18.89%

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

	2019	2018	2017	2016	2015
County direct rates					
General Fund	19.461	19.470	19.470	19.628	19.448
Road and Bridge	7.500	7.500	7.500	6.500	6.500
Human Services	2.000	2.000	2.000	2.000	3.000
Total Direct Rate	28.961	28.970	28.970	28.128	28.948
City and town rates					
Brush	15.671	15.683	15.752	15.660	15.660
Fort Morgan	13.254	13.254	13.254	13.254	13.254
Hillrose	17.890	17.585	17.890	17.773	17.890
Log Lane	34.267	27.413	34.267	34.267	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	2.991-7.719
School districts	19.298 - 52.728	15.219 - 52.360	19.500 - 45.285	17.105 - 42.449	17.128-43.801
Other special districts	0.000 - 9.001	.021 - 9.010	.026 - 10.958	.027 - 10.947	.027-11.902

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

2014	2013	2012	2011	2010
19.448	19.448	21.048	21.048	21.048
6.500	6.500	5.400	5.400	5.400
3.000	3.000	2.500	2.500	2.500
28.948	28.948	28.948	28.948	28.948
15.660	15.660	15.660	15.660	15.660
13.254	13.254	13.254	13.254	13.254
17.890	17.718	17.890	17.890	15.627
34.267	34.267	34.267	34.267	34.267
32.212	32.212	32.212	32.212	32.212
2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719
17.128 - 43.801	17.815 - 41.252	22.305 - 39.174	21.418 - 40.218	31.592 - 39.440
.027 - 11.902	.027 - 11.902	.30 - 10.720	.30 - 10.364	.030 - 10.345

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

Taxpayer	Type of Business	2019			2010		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Public Service Co. of Colorado	Utility	\$ 141,251,600	1	25.78%	71,327,820	1	17.26%
Leprino Foods Company	Cheese Processing	20,097,410	2	3.67%	9,822,560	7	2.38%
BNSF Railway Company	Transportation	15,712,200	3	2.87%	8,584,500	8	2.08%
Manchief Power Company LLC	Utility	13,440,300	4	2.45%	20,006,500	2	4.84%
Colorado Interstate Gas Co.	Utility	12,630,300	5	2.30%	16,658,200	4	4.03%
Cargill Meat Solutions Corporation	Meat Processing	12,460,720	6	2.27%	19,661,770	3	4.76%
Western Sugar Cooperative	Sugar Processing	9,256,940	7	1.69%	4,856,640	10	1.18%
Brush Power LLC	Utility	7,563,800	8	1.38%	-		
Wildcat Dairy LLC	Dairy	7,563,740	9	1.38%	9,888,600	6	2.39%
Morgan County REA Association	Utility	7,339,600	10	1.34%	-		
Tri-State Generation & Transmission Assoc.	Utility	6,272,000	11	1.14%	-		0.00%
Cargill Meat Solutions Corp (Lagoon)	Utility	5,957,640	12	1.09%	-		
Young Gas Storage Company Ltd	Utility	4,160,320	13	0.76%	-		0.00%
Cheyenne Plains Gas Pipeline Co	Utility	-		0.00%	9,981,700	5	
Empire Dairy	Dairy	-		0.00%	-		
Total		<u>\$ 263,706,570</u>		<u>48.12%</u>	<u>\$ 170,788,290</u>		<u>38.91%</u>
Total assessed valuation		<u>\$ 547,971,100</u>			<u>\$ 413,266,190</u>		

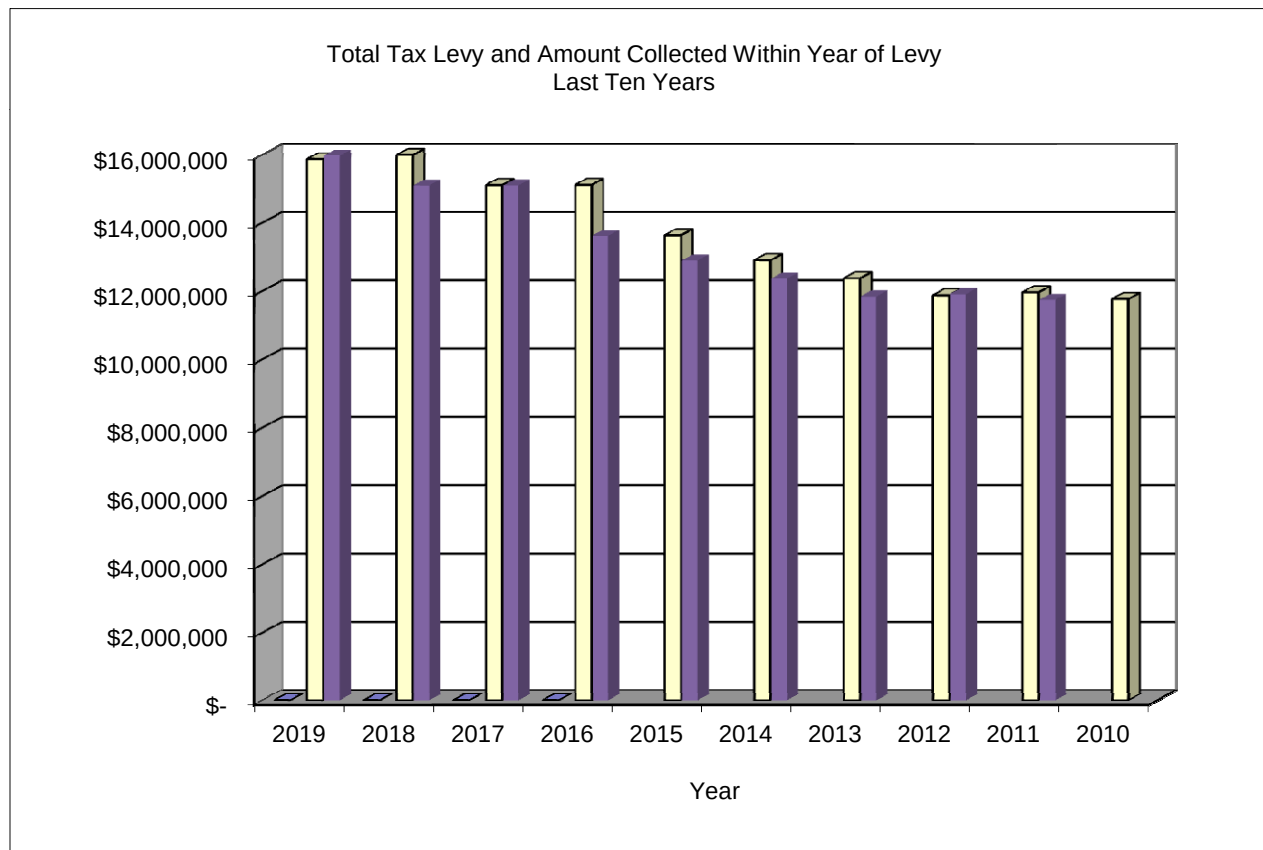
Source: Morgan County Assessor's office

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
2019	15,869,791	15,853,062	99.89%	29,752	15,853,062	99.89%
2018	15,994,172	15,973,358	99.87%	7,759	15,981,117	99.92%
2017	15,098,358	15,084,332	99.91%	6,504	15,090,836	99.95%
2016	15,104,969	15,087,467	99.88%	2,274	15,089,741	99.90%
2015	13,632,094	13,613,041	99.86%	10,941	13,613,041	99.86%
2014	12,902,797	12,890,946	99.91%	15,628	12,890,946	99.91%
2013	12,372,867	12,361,451	99.91%	0	12,361,451	99.91%
2012	11,878,040	11,839,593	99.68%	0	11,839,593	99.68%
2011	11,963,229	11,906,323	99.52%	3,356	11,909,679	99.55%
2010	11,765,282	11,736,642	99.76%	4,563	11,741,205	99.80%

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		Percentage of Personal Income (1)	Per Capita (1)
	Certificates of Participation	Total Primary Government		
2019	-	-	0.000%	-
2018	-	-	0.000%	-
2017	-	-	0.000%	-
2016	-	-	0.000%	-
2015	-	-	0.000%	-
2014	-	-	0.000%	-
2013	-	-	0.000%	-
(2) 2012	-	-	0.000%	-
2011	1,855,000	1,855,000	0.220%	66
2010	2,075,000	2,075,000	0.246%	74

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

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

Morgan County, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019
(unaudited)

Taxing Jurisdiction	General Obligation Long-Term Debt Outstanding	Estimated Percentage Applicable (1)	Overlapping Debt
School Districts			
Brush RE-2(J) School District	\$ 36,762,891	99.20%	\$ 36,468,788
Fort Morgan RE-3 School District	\$ 18,060,000	100.00%	\$ 18,060,000
Wiggins RE-50(J) School District	\$ 27,400,000	27.00%	\$ 7,398,000
Briggsdale RE-10 School District	\$ 1,945,000	99.00%	\$ 1,925,550
Weldon Valley School District RE-20(J)	\$ 301,060	99.97%	\$ 300,970
Other			
Well Augmentation Subdistrict	\$ 15,144,136	14.00%	\$ 2,120,179
Groundwater Management Subdistrict	\$ 23,184,527	14.00%	\$ 3,245,834
Central Colorado Water Conservancy District	\$ 46,728,463	14.00%	\$ 6,541,985
Total Overlapping Debt			<u><u>\$ 76,061,305</u></u>

Sources: 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	\$ 547,971,100
Add back: exempt real property	-
Total assessed value	<u>\$ 547,971,100</u>

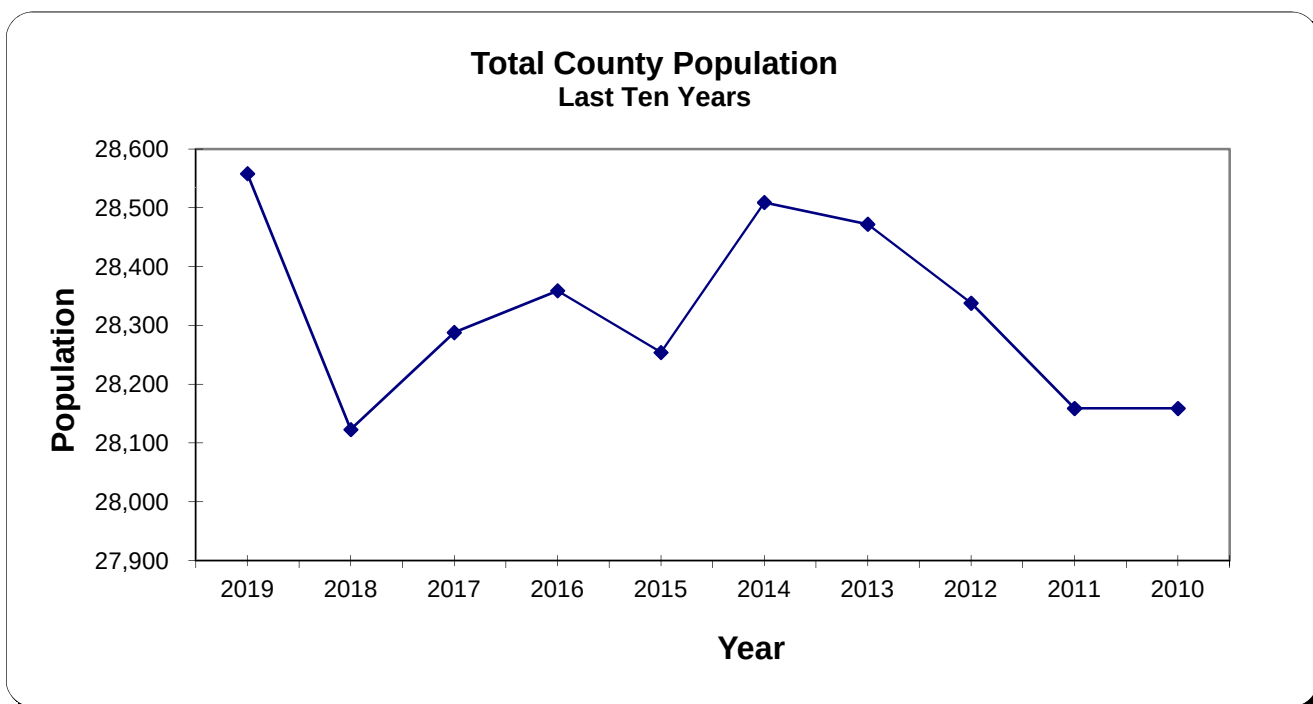
Legal debt margin:

Debt limitation - 3% of assessed value	\$ 16,439,133
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
2019	16,439,133	-0-	16,439,133	0.00%
2018	16,565,116	-0-	16,565,116	0.00%
2017	15,635,165	-0-	15,635,165	0.00%
2016	16,110,248	-0-	16,110,248	0.00%
2015	14,127,498	-0-	14,127,498	0.00%
2014	13,371,698	-0-	13,371,698	0.00%
2013	12,890,759	-0-	12,890,759	0.00%
2012	13,619,326	-0-	13,619,326	0.00%
2011	12,397,986	-0-	12,397,986	0.00%
2010	12,192,845	-0-	12,192,845	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
2019	28,558	1,474,335,308	51,626	36.3	5,831	2.70%
2018	28,123	1,447,097,088	51,456	36.6	5,734	3.30%
2017	28,288	1,400,114,560	49,495	36.6	5,559	2.90%
2016	28,359	1,209,227,760	42,640	36.4	6,551	2.70%
2015	28,254	1,153,889,324	39,956	36.5	5,431	3.60%
2014	28,509	1,120,745,808	39,312	36.4	5,714	3.20%
2013	28,472	989,458,944	34,752	36.4	5,553	5.20%
2012	28,338	949,011,282	33,489	34.5	5,460	6.10%
2011	28,159	879,996,909	31,251	35.5	5,444	6.20%
2010	28,159	843,587,322	29,958	35.5	5,483	7.20%



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)

		2019			2010		
Taxpayer	Type of Business	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Cargill Meat Solutions Corporation	Beef Processing	2,000	1	11.82%	2,100	1	15.67%
Leprino Foods Company	Cheese Processing	375	2	2.22%	272	3	2.03%
Colorado Plains Medical Center	Hospital	361	3	2.13%	227	5	1.69%
Viaero Wireless	Cellular Provider	300	4	1.77%	250	4	1.87%
Wal-Mart Super Center	Retail/Grocery	300	5	1.77%	325	2	0.78%
Eben Ezer Lutheran Care Center	Nursing Home	260	6	1.54%	220	6	1.64%
East Morgan County Hospital	Hospital	245	7	1.45%	118	9	0.88%
Western Sugar (Includes Seasonal)	Sugar Processing	200	8	1.18%	200	7	1.49%
Valley View Villa	Nursing Home	119	9	0.70%	135	8	1.01%
Basic Energy Services - Pumping Div	Oil/Gas Services	99	10	0.58%			-
Kaiser Premier LLC Equip Mfg	Equipment Manufacturer	95	11	0.56%			-
Xcel Energy	Utility	83	12	0.49%	105		0.78%
Total		<u>4,437</u>		<u>26.22%</u>	<u>3,952</u>		<u>27.85%</u>
Total Morgan County Labor Force		<u>16,924</u>			<u>13,398</u>		

Source: Morgan County Economic Development

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

Function/Program	2019	2018	2017	2016	2015
General Government					
Assessor	11	9	9	9	9
Board of County Commissioners	3	3	3	3	3
Building Maintenance	7	7	8	7	7
Clerk and Recorder	12	12	12	11	11
Courier	1	1	1	1	1
Finance	5	5	5	5	5
Fleet	7	7	7	7	6
Human Resources	1	1	1	1	1
Information Management Services	4	4	4	4	4
Planning and Building	4	4	4	3	4
Purchasing and Support Staff for BCC	1	1	1	1	2
Treasurer	3	3	3	3	2
Judicial and Public Safety					
Communications Center	14	14	14	11	14
Coroner	3	3	3	3	3
Corrections (Jail)	28	26	26	32	28
County Attorney	1	1	1	1	1
Emergency Management	1	1	1	1	1
Sheriff	23	30	30	24	27
Streets and Highways					
Road and Bridge	41	39	39	36	36
Auxiliary Services					
Extension	2	3	3	2	3
Fairgrounds	1	1	1	0	0
Veterans Officer	1	1	1	1	1
Health and Human Services					
Human Services	67	67	67	63	63
Business-type Services					
Ambulance Service	26	19	23	19	23
Solid Waste Management	6	7	7	7	7
Total	273	269	274	255	262

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, nor do they include vacancies at year end.

2014	2013	2012	2011	2010
9	9	10	10	10
3	3	3	3	3
8	8	8	9	8
11	12	12	12	12
1	1	1	1	1
5	5	5	5	7
7	7	7	7	6
1	1	1	1	1
4	4	4	4	4
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
14	13	11	11	12
3	3	4	3	3
32	31	30	28	30
1	1	1	1	2
1	1	1	1	1
23	23	22	22	22
36	36	37	36	39
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
62	60	64	65	64
21	22	21	21	17
6	6	6	7	6
259	257	259	258	259

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

	2019	2018	2017	2016
<u>Function/Program</u>				
General Government				
Assessor				
Property transfers	1,666	1,904	2,050	839
Public Trustee				
Number of foreclosures	40	40	48	70
Clerk				
Motor Vehicle transactions	53,743	66,877	86,014	71,389
Registered Voters	16,778	16,868	15,941	16,194
Planning and Building				
Number of building permits issued	142	411	301	355
Number of parcels created	24	26	15	22
Judicial and Public Safety				
Communications Center				
Non-emergency calls	73,985	79,078	64,349	77,123
9-1-1 calls	11,537	10,671	9,806	10,746
District Attorney				
Number of felony cases	356	436	460	344
Number of juvenile cases	34	47	40	30
Sheriff				
Detention Center average daily population	79	93	90	85
Incidents handled by patrol and investigations	19,654	19,572	20,146	17,515
Streets and Highways				
Road and Bridge				
Bridges	173	173	173	173
County maintained roads (miles)	1,031	1,035	1,034	1,036
County roads maintained by others (miles)	61	61	61	61
County roads not maintained (miles)	145	142	143	143
Health and Human Services				
Human Services				
Families receiving food assistance	2,645	2,710	2,717	2,818
Seniors receiving assistance	2,359	2,668	2,745	2,634
Children receiving subsidized day care	***	90	78	68
Child Abuse or neglect cases reported	65	67	52	59
Auxiliary Services				
Extension				
4-H youth development program participants	392	415	368	378
Fairgrounds				
County fair attendance	4,700	4,650	4,200	4,300
Total Complex attendance	33,200	33,185	31,730	32,060
Business-type Services				
Ambulance Service				
Number of calls	3,073	2,831	2,726	2,526
Solid Waste Management				
Recycled tons processed	234	348	566	318

*** Department of Human services records not available for 2010-2012

Source: Information provided by individual Morgan County departments

2015	2014	2013	2012	2011	2010
1,755	1,549	1,804	683	595	516
60	53	74	123	115	202
68,755	58,312	63,473	63,682	59,932	58,686
14,477	15,067	15,378	15,400	14,500	14,366
103	81	100	79	64	95
25	38	19	17	28	13
68,807	66,672	74,884	97,501	61,796	87,346
10,514	9,910	8,344	10,674	9,776	9,589
279	280	261	304	308	295
59	35	38	68	63	65
77	61	95	90	91	93
15,404	15,808	18,244	15,880	14,961	16,405
173	173	173	173	173	173
1,036	1,056	1,056	1,057	1,057	1,057
61	54	54	54	54	55
143	128	128	128	132	133
2,819	2,747	3,016	2,985	2,910	2,720
2,617	1,800	2,186	2,154	2,091	2,540
56	64	55	55	***	49
51	48	46	44	46	46
397	397	401	374	369	451
4,100	4,000	4,000	4,000	4,000	4,000
30,950	30,570	30,570	37,750	37,620	37,420
2,444	2,355	2,181	2,125	2,452	2,075
349	417	356	300	324	122

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

	2019	2018	2017	2016	2015
Function/Program					
Judicial and Public Safety					
Communications Center console positions	5	3	4	4	4
Communications Center vehicles	1	1	1	1	1
911 Emergency Telephone towers	3	3	3	3	3
Emergency Management vehicles	1	1	1	1	1
Courtrooms - district and county	3	3	3	3	3
Jail	1	1	1	1	1
Jail vehicles	3	3	3	3	3
Patrol vehicles	14	14	14	14	14
Sheriff Investigation & Administrative vehicles	13	13	13	13	13
Streets and Highways					
Graders	15	15	15	15	15
Grader sheds	6	6	6	6	6
Trucks	24	24	24	24	24
Heavy equipment	10	10	10	10	10
Other equipment	56	54	55	48	44
Vehicles	21	20	20	20	22
Health and Human Services					
Building	1	1	1	1	1
Vehicles	9	9	9	9	9
Auxiliary Services					
Extension Office	1	1	1	1	1
Event Center	1	1	1	1	1
Fairgrounds	1	1	1	1	1
Fairground heavy equipment	3	3	3	3	3
Fairground vehicles	1	1	1	1	1
Ambulance Service					
Buildings	2	2	3	2	2
Ambulance vehicles	7	7	7	8	7
Administrative vehicles	1	1	1	1	1
Solid Waste Management					
Landfill site	1	1	1	1	1
Transfer sites	0	0	0	0	0
Equipment	5	5	5	5	5
Vehicles	2	2	3	3	3

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

Source: Information provided by individual Morgan County departments

2014	2013	2012	2011	2010
4	4	4	4	4
1	1	2	2	2
3	3	3	3	3
1	4	4	4	4
3	3	3	3	3
1	1	1	1	1
3	3	3	3	3
14	13	12	11	11
13	13	12	12	11
15	15	15	15	15
6	6	6	6	6
24	24	24	23	23
10	10	10	10	10
39	37	36	36	36
19	6	20	19	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	4
1	1	1	1	1
2	3	2	2	3
8	8	8	8	8
1	1	1	1	1
1	1	1	1	1
0	6	0	0	0
5	4	4	4	4
3	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 (County) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 17, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Watson Coon Ryan, LLC

GREENWOOD VILLAGE, COLORADO
July 17, 2020

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

We have audited Morgan County's compliance with the types of compliance requirements described 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, 2019. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Morgan County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program occurred. An audit includes examining, on a test basis, evidence about Morgan County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However our audit does not provide a legal determination of Morgan County's compliance.

Opinion on Compliance for each major federal program

In our opinion, Morgan County complied, in all material respects, with the types of 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, 2019.

Report on Internal Control over Compliance

Management of Morgan County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Morgan County's internal control over compliance with the types of requirements that could have a direct and material effect on its each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Morgan County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

GREENWOOD VILLAGE, COLORADO

July 17, 2020

MORGAN COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2019

Program	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture		
Passed through Colorado Department of Human Services		
Food Assistance Administration	10.561	189,330
Total Department of Agriculture		189,330
U.S. Department of Health and Human Services		
Passed through Colorado Department of Human Services		
Promoting Safe and Stable Families	93.556	142,551
TANF	93.558	986,414
Title IV-D	93.563	354,402
Title IV-B	93.645	26,971
Title IV-E	93.658	525,544
Adoption	93.659	187,233
Tile XX Block Grant	93.667	142,806
Low Income Home Energy Assistance Block Grant	93.568	4,143
Guardianship Assistance - ARRA	93.090	2,743
Child Care Cluster		
Child Care and Development Block Grant	93.575	211,260
Care and Development Fund	93.596	80,272
Total Child Care Cluster		291,532
Department of Health Care Policy and Financing		
Title XIX Medicaid Assistance Program	93.778	377,960
Total Department of Health and Human Services		3,231,629
U.S. Department of Justice		
Passed through State of Colorado		
Victims Assistance Program	16.575	27,260
State Criminal Alien Assistance Program	16.606	22,300
Total Department of Justice		49,560
U.S. Department of Homeland Security		
Passed through State of Colorado		
Emergency Management Performance Grant	97.042	48,048
Total Department of Homeland Security		48,048
Total Expenditures of Federal Awards		\$ 3,329,237

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 DECEMBER 31, 2019

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, 2019. 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, 2019.

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 \$3,323,973. 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, 2019

SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	☐ Yes	☒ No
Significant deficiencies identified?	☐ Yes	☒ 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	☒ No
Identification of major federal programs:	93.558 Temporary Assistance for Needy Families 10.561 Food Assistance Administration	
Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>	
Auditee qualified as a low-risk auditee?	☒ Yes	☐ No

**MORGAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 2018.