



MORGAN COUNTY, COLORADO

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2020





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For the fiscal year ended December 31, 2020

Board of County Commissioners

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Jon Becker
Jim Zwetzig

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, 2020

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July 31, 2021

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, 2020.

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

State statutes require an annual audit by independent certified public accountants. The accounting firm of Watson Coon Ryan, LLC was selected to perform the 2020 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, 2020. 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. The 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 policy making body. The County is also served by seven other elected officials: assessor, clerk and recorder, coroner, district attorney, sheriff, treasurer, and surveyor.

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

Morgan County Government employs 280 FTE's (full time equivalents). Full-time employees receive a comprehensive compensation package typical of county governments. Benefits include paid leave, medical insurance plans and a defined contribution retirement plan.

LOCAL ECONOMY

In 2020, the County assessed value certified by the County Assessor increased by 7%. This increase was due to new construction and an increase in the State assessed values. 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. The Cargill Meat Solutions Corporation is the largest employer in the county, employing 2,150 employees. The next largest employer is Leprino Foods with 350 employees followed by Colorado Plains Medical Center with 312 employees. The unemployment rate in Morgan County in 2020 was 11.9%. This is considerably higher than the 2019 rate of 2.6%. The County experienced many job losses from the impact of the Coronavirus. The County is slowly starting to open up the County and increase the number of jobs in 2021. 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 2020, the Commissioners reviewed the study that was completed for the Jail/Judicial Complex expansion. This study is helping 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 2020, funds from the Jail Capital Improvement Fund were used to upgrade the current video arraignment system at the Jail/Judicial facility. The Commissioners will continue to plan for expansion as well as upgrades to the facility to address the growing needs at the facility.

In 2020 the Ambulance Service purchased three new heart monitors that are housed in the County Ambulances. It is crucial for the Ambulance Service to maintain up to date equipment in the Ambulances. The cost of this project was \$90,000.

The County did receive funds from the Cares Act in 2020. These funds were used for equipment and supplies in the County buildings as well as supplies used by County employees. In addition, the County created a grant program for local businesses who were suffering due the Coronavirus pandemic. The grants were reviewed and funds were awarded to local Morgan County businesses.

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, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

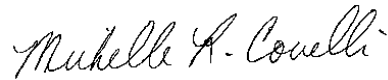
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable 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-seven consecutive years (fiscal years ended 1993-2019). 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

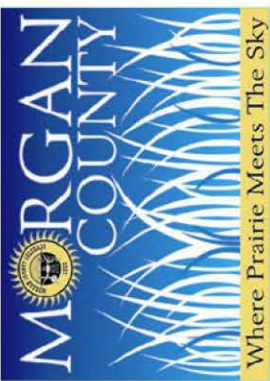
**Morgan County Government
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

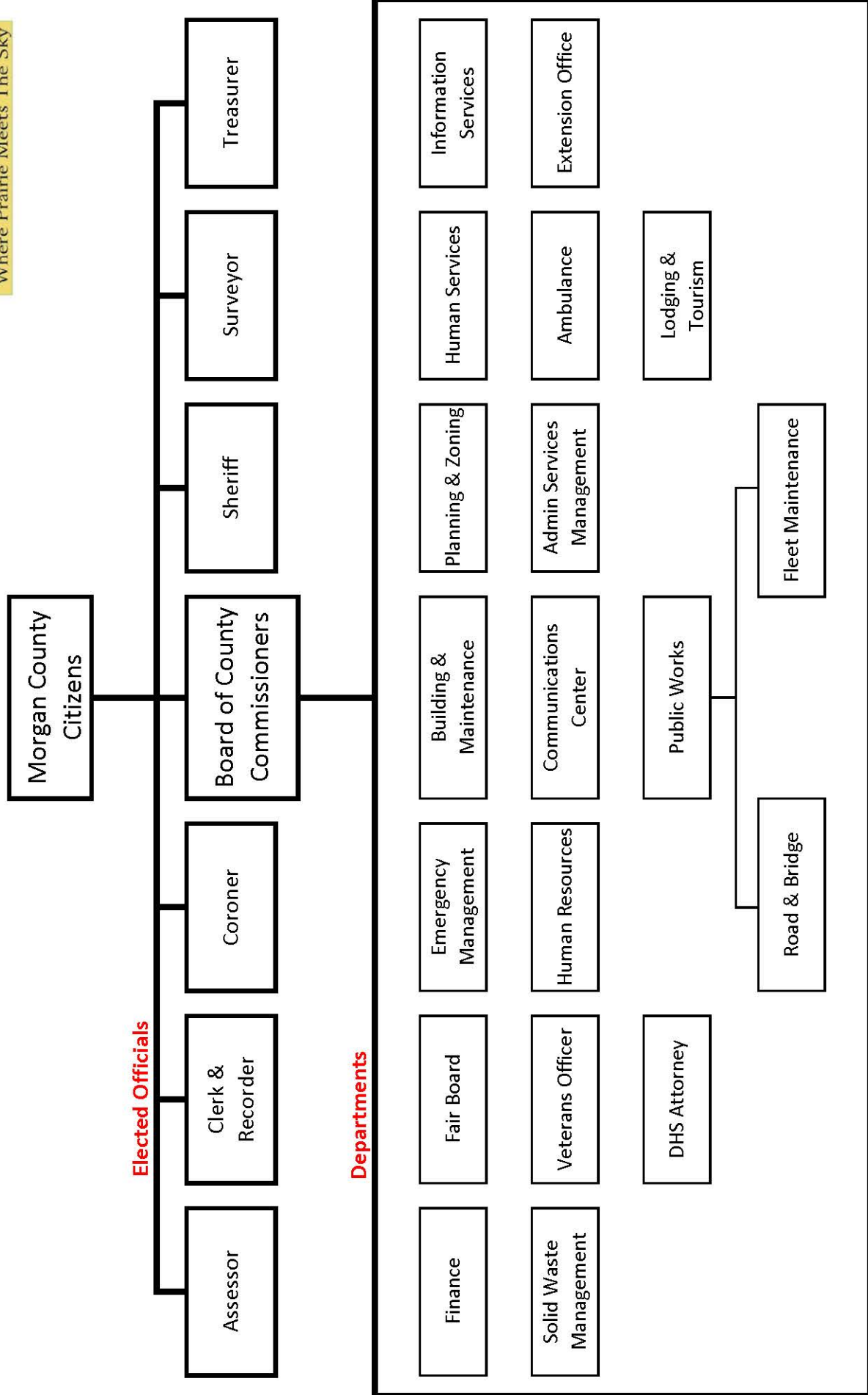
December 31, 2019

Christopher P. Morrell

Executive Director/CEO



Morgan County Organizational Chart



MORGAN COUNTY, COLORADO

List of Principal Officials

December 31, 2020

TITLE

NAME

ELECTED

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

Mark A. Arndt
Jon Becker
James P. Zwetzig
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
Karal Powell
Joe King
Jeff Parker
Danette Martin
Amy Kelley
Jacque Frenier
Roger Doll
Karol L. Kopetzky
James Rehn
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, 2020, 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, 2020, 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 68-72 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.

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 21, 2021 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

CENTENNIAL, COLORADO
July 21, 2021

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, 2020. 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 \$164.0 million (net position) at the end of 2020. Of this amount, \$49 million may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$115 million is invested in capital assets or restricted by law.
- The County's General Fund balance was \$32.7 million as of December 31, 2020. Of this amount, \$1,000,000 is restricted for emergencies, \$82,289 is restricted for Clerk E-filing, \$2,440 is committed for the Tri Centennial, \$776,270 is committed for the Human Services building, \$11 million is assigned for capital building projects, and \$163,572 is assigned for other agencies. The remaining \$19.7 million is unassigned fund balance. The 2019 fund balance was \$30.3 million.
- The total 2020 General Fund balance is \$32.7 million, which is \$2.4 million more than the 2019 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 68% of the General Fund revenue in 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Morgan County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Morgan County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

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

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

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

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

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

COUNTY-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2020, assets exceeded liabilities and deferred inflows of resources by \$164.0 million. The largest portion of Morgan County's net position (67%) is invested in capital assets. The net investment in capital assets is \$103.1 million. These assets include land, buildings, machinery, and equipment, as well as infrastructure. These capital assets are used to provide services to citizens and are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources as the assets themselves cannot be liquidated to repay the debt.

An additional \$12.1 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, \$8.1 million, is restricted for County roadways.

The County had an unrestricted net position of \$48.8 million, which may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2020, 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	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 75,064,852	\$ 69,702,549	\$ 7,957,304	\$ 7,603,254	\$ 83,022,156	\$ 77,305,803
Capital assets	101,452,886	110,920,860	1,676,338	1,725,262	103,129,224	112,646,122
Total assets	176,517,738	180,623,409	9,633,642	9,328,516	186,151,380	189,951,925
Liabilities						
Current liabilities	1,390,889	1,655,649	176,127	107,633	1,567,016	1,763,282
Long-term liabilities	936,252	865,221	1,062,895	1,011,434	1,999,147	1,876,655
Total liabilities	2,327,141	2,520,870	1,239,022	1,119,067	3,566,163	3,639,937
Deferred Property Tax Revenue	18,612,493	17,444,838	-	-	18,612,493	17,444,838
Total liabilities and deferred inflows of resources	20,939,634	19,965,708	1,239,022	1,119,067	22,178,656	21,084,775
Net position						
Net investment in capital assets	101,452,886	110,920,860	1,676,338	1,725,262	103,129,224	112,646,122
Restricted	12,059,538	11,208,218	-	-	12,059,538	11,208,218
Unrestricted	42,065,680	38,528,623	6,718,282	6,484,187	48,783,962	45,012,810
Total net position	\$ 155,578,104	\$ 160,657,701	\$ 8,394,620	\$ 8,209,449	\$ 163,972,724	\$ 168,867,150

The total net position decreased in 2020 by \$4.9 million. The decrease is due to the depreciation in the capital assets.

The total restricted net position increased by \$851,320. The largest increase in restricted funds was in Road and Bridge Fund which increased 11%. The increase was due to an increase in intergovernmental revenue.

Net investment in capital assets decreased \$9.5 million in 2020. The majority of the decline was from depreciation calculated on capital assets.

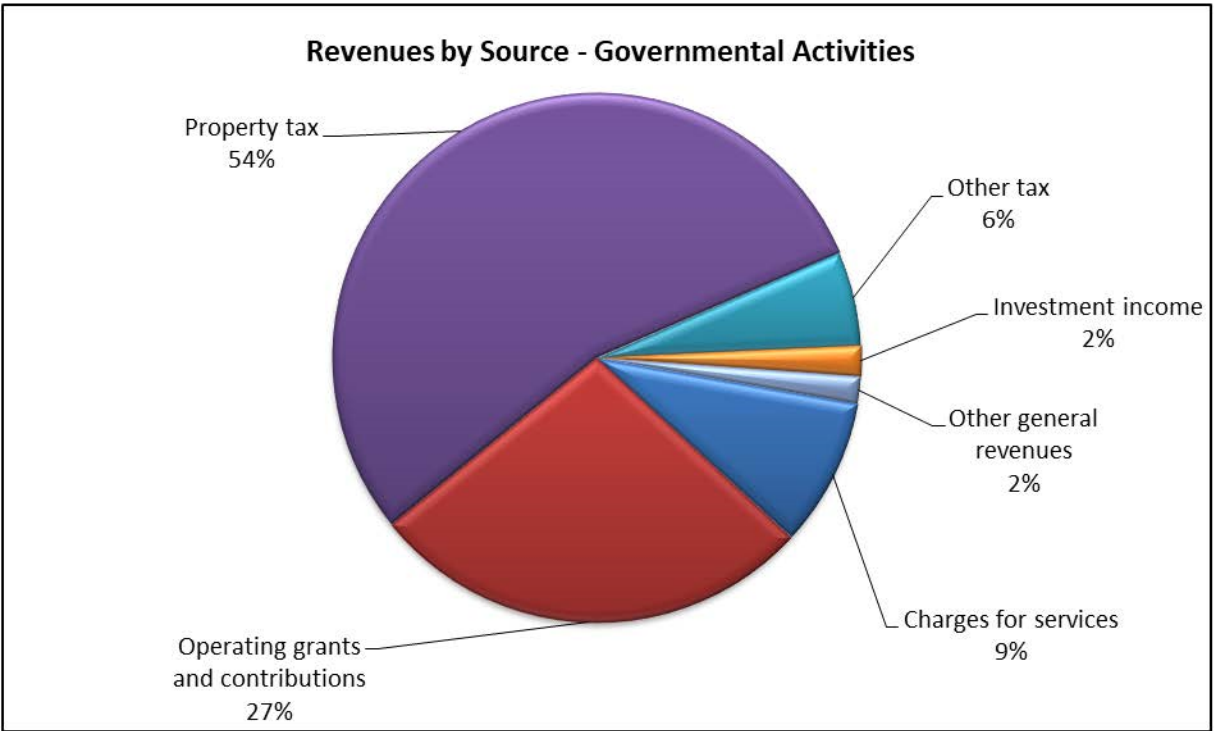
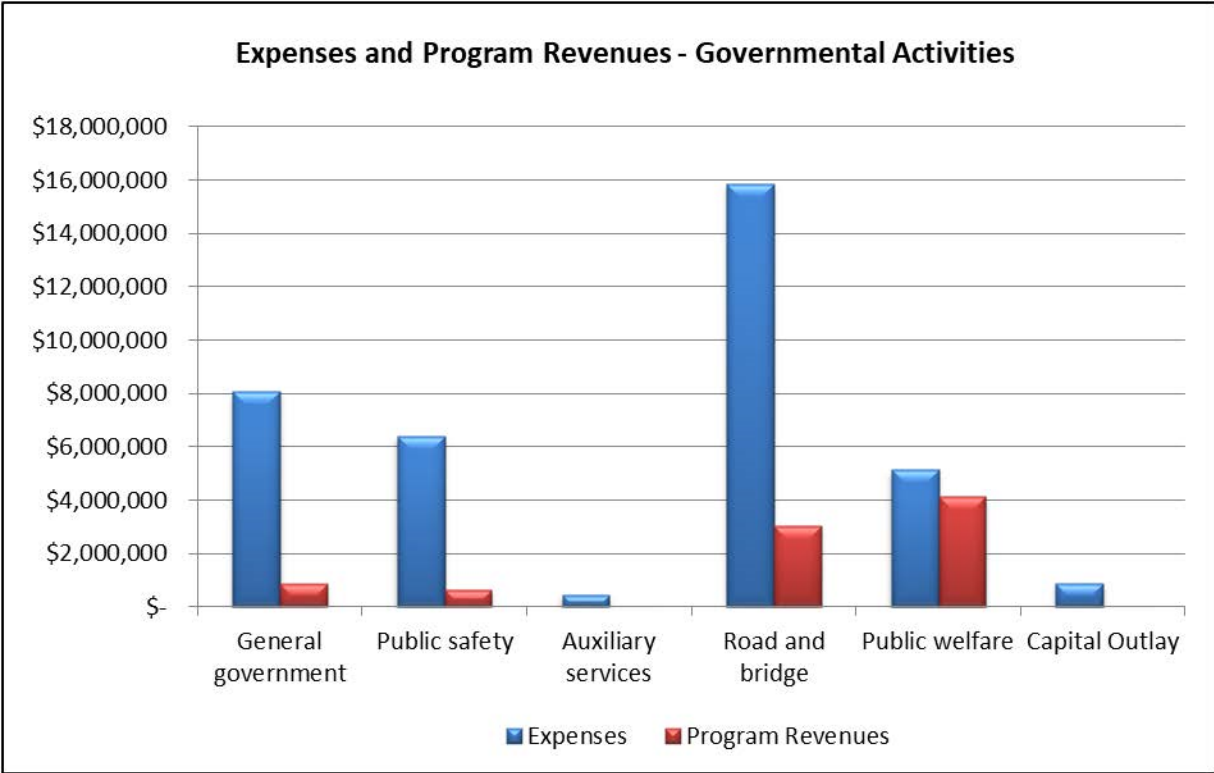
Governmental activities. Governmental activities decreased Morgan County's net position by \$5.1 million. The decrease in net position in the governmental funds is due to the depreciation expense in the Road and Bridge Fund.

Business type activities. Business type activities increased Morgan County's net position by \$185,171. There was no significant change in net assets in the business type activities in 2020.

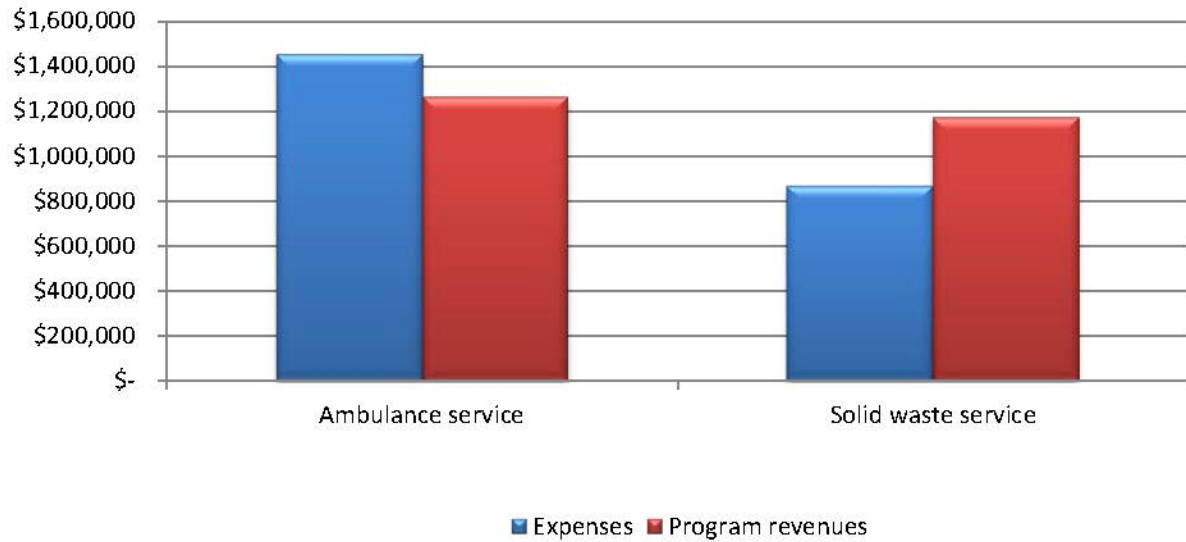
The following shows the elements of the County's decrease in net position:

**Morgan County Government
Changes in Net Position**

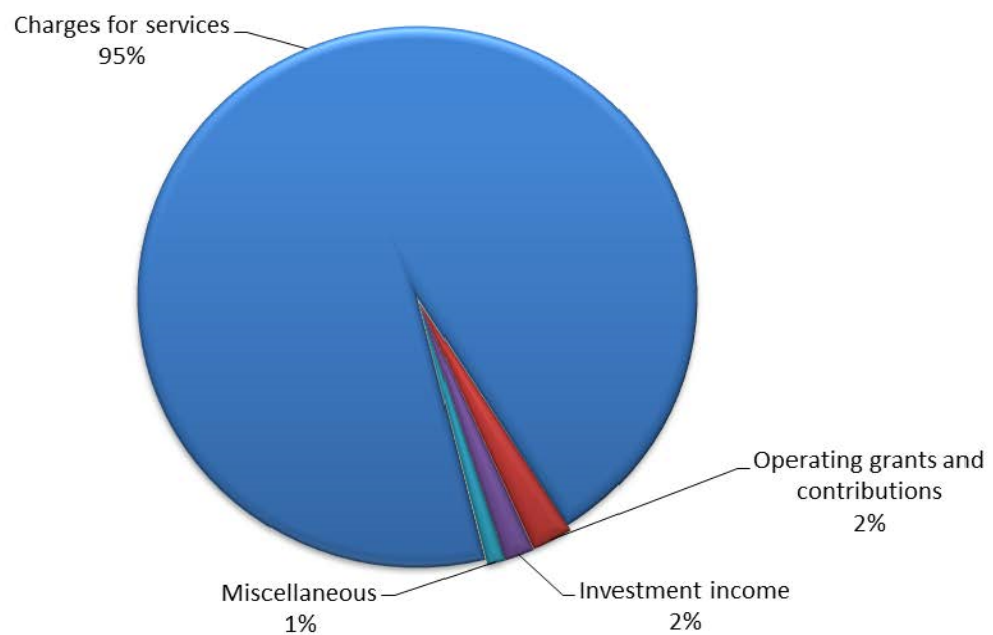
	Governmental activities		Business-type activities		Total Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 2,886,488	\$ 2,650,583	\$ 2,384,289	\$ 2,683,347	\$ 5,270,777	\$ 5,333,930
Operating grants and contributions	8,672,242	8,708,522	59,555	129,327	8,731,797	8,837,849
Capital grants and contributions	-	28,513	-	37,380	-	65,893
General revenues						
Property tax	17,276,977	15,881,611	-	-	17,276,977	15,881,611
Other tax	1,840,635	2,066,680	-	-	1,840,635	2,066,680
Interest	571,075	1,283,355	42,957	79,026	614,032	1,362,381
Other general revenues	531,287	562,701	26,353	6,748	557,640	569,449
Total revenues	<u>31,778,704</u>	<u>31,181,965</u>	<u>2,513,154</u>	<u>2,935,828</u>	<u>34,291,858</u>	<u>34,117,793</u>
Expenses						
General government	8,071,055	7,640,141	-	-	8,071,055	7,640,141
Public safety	6,418,615	6,160,079	-	-	6,418,615	6,160,079
Auxiliary services	452,772	514,335	-	-	452,772	514,335
Roads and bridges	15,881,428	14,396,716	-	-	15,881,428	14,396,716
Public welfare	5,137,371	5,039,466	-	-	5,137,371	5,039,466
Capital Outlay	897,060	-	-	-	-	-
Ambulance services			1,457,169	1,350,047	1,457,169	1,350,047
Solid waste services			870,814	836,632	-	836,632
Total expenses	<u>36,858,301</u>	<u>33,750,737</u>	<u>2,327,983</u>	<u>2,186,679</u>	<u>39,186,284</u>	<u>35,937,416</u>
Increase (decrease) in net position	(5,079,597)	(2,568,772)	185,171	749,149	(4,894,426)	(1,819,623)
Net position - January 1	<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>
Net position - December 31	<u>\$ 155,578,104</u>	<u>\$ 160,657,701</u>	<u>\$ 8,394,620</u>	<u>\$ 8,209,449</u>	<u>\$ 163,972,724</u>	<u>\$ 168,867,150</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 2020. The total fund balances in the governmental funds increased by \$3.7 million. As of the end of 2020 the combined ending fund balance of County governmental funds was \$50.1 million. Approximately 39% of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is restricted or committed for a specific purpose by the current County Commissioners. The County has restricted funds for the following purposes: 1) a state-constituted mandated emergency reserve \$1,000,000, 2) a state mandated clerk technology fund \$82,289, 3) a state statute for Social Services \$1,227,887, 4) a state statute for roadways \$8,053,832, 5) a state statute for the 911 emergency telephone services \$864,464, 6) a state statute to promote tourism in the County \$552,795, 7) a state statute to promote parks and recreation \$269,995 and 8) a state statute regulating law enforcement confiscation and seizure \$5,836.

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 \$5,160,176. This is an increase of \$418,763 from unrestricted net position at the end of 2019. The increase was due to a decrease in expenses. A capital infrastructure project was delayed until 2021.
- ❖ **Ambulance Service Fund.** Unrestricted net position of this fund at the end of 2020 amounted to \$1,558,106. This is a decrease of \$184,668 from unrestricted net position at the end of 2019. The decrease was due to a decrease in calls for service and revenue declined.

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 \$4.8 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, 2020, was \$32.7 million. This is an increase of \$2.4 million. Of this amount, \$13.0 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 2020 expenditures and transfers in the general fund. The increase in fund balance is due mainly to an increase in property tax collected.

- ❖ **Road and Bridge Fund.** The Road and Bridge Fund is mandated by state statutes. This fund accounts for costs related to County road and bridge construction and maintenance of same. The Road and Bridge Fund has \$13.2 million in fund balance at the end of 2020. Of this amount, \$8.1 million is restricted for future capital highway projects, \$79,180 is nonspendable for bridge inventory, and \$5.1 million is committed for future capital road and bridge projects. Total Road and Bridge fund balance increased by \$1.2 million in 2020. The increase in fund balance was due to a decrease in expenditures. Several Road and Bridge projects were delayed due to unavailability of supplies. Expenditures decrease by \$804,210.
- ❖ **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 2020 was \$1.2 million. This is an increase of \$29,516 from the 2019 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. In 2020, the County adopted a supplemental budget in General Fund due to unanticipated expenditures from the Coronavirus. The supplemental budget increased the total expenditure budget by \$1.3 million. The County did receive additional revenues from the Federal Government's Cares Relief Act to help alleviate these additional expenditures. The actual revenues were \$1.4 million more than the budgeted amount. This was due to the revenue from the Cares Relief Act as well as other fees collected other than property tax. 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.

The County does anticipate increased expenses in the 2021 budget due to the Coronavirus. The total impact is not known at this time

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, 2020 totals \$103.1 million (net of accumulated depreciation). This investment includes all land, buildings, machinery and equipment, as well as infrastructure constructed from 1980 through 2020.

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

	Governmental activities		Business-type activities		Total Government	
	2020	2019	2020	2019	2020	2019
Land and Water Rights	\$ 2,118,484	\$ 2,118,484	\$ 125,787	\$ 125,787	\$ 2,244,271	\$ 2,244,271
Building and Improvements	6,262,942	5,669,221	1,011,254	1,057,332	7,274,196	6,726,553
Machinery and Equipment	7,272,718	8,167,424	539,297	542,143	7,812,015	8,709,567
Infrastructure	85,798,743	94,965,731	-	-	85,798,743	94,965,731
Total capital assets	<u>\$ 101,452,887</u>	<u>\$ 110,920,860</u>	<u>\$ 1,676,338</u>	<u>\$ 1,725,262</u>	<u>\$ 103,129,225</u>	<u>\$ 112,646,122</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, 2020.

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 2021 budget:

- The County assessed value in 2020 increased by 7%. This amounts to an increase of \$1.2 million in property tax revenue. The increase in assessed value was due mainly to and increase is new construction and the State assessed values. Morgan County's assessed value is critical to revenues as there is no County sales tax levied. The County's agricultural industry has been the backbone of the area's economy for many years. The County continues to promote economic development in Morgan County.
- The County has historically, and continues to be, fiscally responsible. The fund balance for the County was carefully invested.
- Planning has begun on building expansion and updating of the existing County Jail/Judicial Complex.
- The County Social Services department continues to address increasing case loads and increasing costs to local government.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS



Morgan County, Colorado
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash (Note 3)	\$ 1,635	\$ 700	\$ 2,335
Cash held by county departments (Note 3)	227,873	-	227,873
Cash and investments held by County Treasurer (Note 3)	54,357,366	7,712,982	62,070,348
Receivables (net of allowance for uncollectibles) (Note 4):			
General property tax - net	18,612,493	-	18,612,493
Accounts	98,854	269,558	368,412
Intergovernmental	1,468,572	-	1,468,572
Internal balances (Note 8)	25,936	(25,936)	-
Inventory	272,123	-	272,123
Capital assets not being depreciated (Note 5)	2,118,484	125,787	2,244,271
Capital assets (net of accumulated depreciation) (Note 5)	99,334,402	1,550,551	100,884,953
Total assets	<u>176,517,738</u>	<u>9,633,642</u>	<u>186,151,380</u>
LIABILITIES			
Warrants payable	481,455	60,909	542,364
Vouchers payable	637,671	57,095	694,766
Accounts payable	102,559	12,032	114,591
Accrued wages	-	36,946	36,946
Intergovernmental payables	32,906	-	32,906
Unearned other revenue	136,298	9,145	145,443
Noncurrent liabilities:			
Due within one year (Note 7)	658,173	70,522	728,695
Due more than one year (Note 7)	278,079	992,373	1,270,452
Total liabilities	<u>2,327,141</u>	<u>1,239,022</u>	<u>3,566,163</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	<u>18,612,493</u>	<u>-</u>	<u>18,612,493</u>
NET POSITION:			
Net investment in capital assets	101,452,886	1,676,338	103,129,224
Restricted for:			
Clerk E-filing fees	82,289	-	82,289
Emergencies (Note 9)	1,000,000	-	1,000,000
Tri Centennial	2,440	-	2,440
Roadways	8,053,832	-	8,053,832
Social services	1,227,887	-	1,227,887
911 emergency	864,464	-	864,464
Tourism	552,795	-	552,795
Parks and recreation	269,995	-	269,995
Law enforcement	5,836	-	5,836
Unrestricted	42,065,680	6,718,282	48,783,962
Total net position	<u>\$ 155,578,104</u>	<u>\$ 8,394,620</u>	<u>\$ 163,972,724</u>

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

Morgan County, Colorado
Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
Governmental activities:				
General government	\$ 8,071,055	\$ 2,298,319	\$ 1,436,170	\$ (4,336,566)
Judicial and public safety	6,418,615	532,489	123,090	(5,763,036)
Auxiliary services	452,772	-	-	(452,772)
Roads and bridges	15,881,428	55,680	2,974,747	(12,851,001)
Public welfare	5,137,371	-	4,138,235	(999,136)
Capital outlay	897,060	-	-	(897,060)
Total governmental activities	36,858,301	2,886,488	8,672,242	(25,299,571)
Business-type activities:				
Ambulance services	1,457,169	1,207,499	59,555	-
Solid waste services	870,814	1,176,790	-	-
Total business-type activities	2,327,983	2,384,289	59,555	-
Total primary government	\$ 39,186,284	\$ 5,270,777	\$ 8,731,797	\$ (25,299,571)
General revenues:				
Taxes:				
Property				17,276,977
Specific ownership				1,623,075
Lodging				203,196
Other				14,364
Investment income				571,075
Miscellaneous				414,155
Gain/(Loss) sale of assets				117,132
Total general revenues				20,219,974
Changes in net position				(5,079,597)
Net position, January 1				160,657,701
Net position, December 31				\$ 155,578,104

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

Net (Expenses) Revenues and Changes in Net Position	
Primary Government	
Business-type Activities	Total
\$ -	\$ (4,336,566)
-	(5,763,036)
-	(452,772)
-	(12,851,001)
-	(999,136)
-	(897,060)
-	(25,299,571)
(190,115)	(190,115)
305,976	305,976
115,861	115,861
\$ 115,861	\$ (25,183,710)
-	17,276,977
-	1,623,075
-	203,196
-	14,364
42,957	614,032
26,353	440,508
-	117,132
69,310	20,289,284
185,171	(4,894,426)
8,209,449	168,867,150
\$ 8,394,620	\$ 163,972,724

Morgan County, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General	Road and Bridge	Social Services	Other Governmental Funds	Total
ASSETS:					
Cash	\$ 800	\$ -	\$ 400	\$ 85	\$ 1,285
Cash held by county departments	163,572	-	58,100	6,201	227,873
Cash and investments held by County Treasurer	32,376,394	13,277,671	1,125,661	2,833,387	49,613,113
Receivables (net of allowances for uncollectibles):					
General property tax - net	12,517,819	4,811,585	1,283,089	-	18,612,493
Accounts	16,833	466	32,906	41,846	92,051
Intergovernmental	786,839	236,241	416,554	28,937	1,468,571
Inventories	-	79,180	498	-	79,678
Total assets	\$ 45,862,257	\$ 18,405,143	\$ 2,917,208	\$ 2,910,456	\$ 70,095,064
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Warrants payable	\$ 288,801	\$ 40,662	\$ 83,379	\$ 29,976	\$ 442,818
Vouchers payable	154,715	74,859	68,324	10,220	308,118
Accounts payable	31,539	412	70,158	450	102,559
Intergovernmental payables	-	-	32,906	-	32,906
Interfund payables	139,061	229,794	15,167	503	384,525
Unearned other revenue	-	-	136,298	-	136,298
Total liabilities	614,116	345,727	406,232	41,149	1,407,224
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	12,517,819	4,811,585	1,283,089	-	18,612,493
FUND BALANCES:					
Fund balance:					
Nonspendable:					
Inventory	-	79,180	-	-	79,180
Restricted for:					
Clerk E-filing fees	82,289	-	-	-	82,289
Emergencies	1,000,000	-	-	-	1,000,000
Roadways	-	8,053,832	-	-	8,053,832
Social services	-	-	1,227,887	-	1,227,887
911 emergency	-	-	-	864,464	864,464
Tourism	-	-	-	552,795	552,795
Parks and recreation	-	-	-	269,995	269,995
Law enforcement	-	-	-	5,836	5,836
Committed to:					
Tri Centennial	2,440	-	-	-	2,440
Capital improvements	776,270	-	-	-	776,270
Bridge structures	-	3,210,209	-	-	3,210,209
Road projects	-	1,904,610	-	-	1,904,610
Jail expansion	-	-	-	1,176,217	1,176,217
Assigned to:					
Other capital projects	11,000,000	-	-	-	11,000,000
Other agencies	163,572	-	-	-	163,572
Unassigned:	19,705,751	-	-	-	19,705,751
Total fund balances	32,730,322	13,247,831	1,227,887	2,869,307	50,075,347
Total liabilities and fund balances	\$ 45,862,257	\$ 18,405,143	\$ 2,917,208	\$ 2,910,456	\$ 70,095,064

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



**Morgan County, Colorado
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2020**

Total governmental fund balances (page 30)	\$ 50,075,347
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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.	96,265,861
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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	(783,893)

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.	10,020,789
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Net position of governmental activities (page 27)	<u><u>\$ 155,578,104</u></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
Year ended December 31, 2020

	General	Road and Bridge	Social Services	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 12,924,806	\$ 4,878,801	\$ 1,191,063	\$ 122,944	\$ 19,117,614
Intergovernmental	1,430,217	2,974,747	4,138,235	124,993	8,668,192
Licenses and permits	77,017	41,526	-	-	118,543
Fines and forfeitures	2,055	-	-	-	2,055
Fee accounts	1,536,589	-	-	15,385	1,551,974
Charges for materials/service	-	714	-	268,539	269,253
Investment income	518,385	50,283	-	2,407	571,075
Miscellaneous	324,974	14,308	35,458	-	374,740
Total revenues	<u>16,814,043</u>	<u>7,960,379</u>	<u>5,364,756</u>	<u>534,268</u>	<u>30,673,446</u>
EXPENDITURES					
Current:					
General government	6,679,017	-	-	178,729	6,857,746
Judicial and public safety	5,853,853	-	-	437,769	6,291,622
Auxiliary services	452,772	-	-	-	452,772
Road and bridge	-	6,565,394	-	-	6,565,394
Public welfare	-	-	5,127,164	-	5,127,164
Intergovernmental cooperation outlay	1,128,848	-	-	-	1,128,848
Capital outlay	324,308	152,887	8,076	40,556	525,827
Total expenditures	<u>14,438,798</u>	<u>6,718,281</u>	<u>5,135,240</u>	<u>657,054</u>	<u>26,949,373</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,375,245</u>	<u>1,242,098</u>	<u>229,516</u>	<u>(122,786)</u>	<u>3,724,073</u>
Other financing sources (uses):					
Transfers in	200,000	-	-	120,000	320,000
Transfers out	(120,000)	-	(200,000)	-	(320,000)
Total other financing sources (uses)	<u>80,000</u>	<u>-</u>	<u>(200,000)</u>	<u>120,000</u>	<u>-</u>
Net change in fund balances	2,455,245	1,242,098	29,516	(2,786)	3,724,073
Fund Balances, January 1	30,275,077	12,005,733	1,198,371	2,872,093	46,351,274
Fund Balances, December 31	<u>\$ 32,730,322</u>	<u>\$ 13,247,831</u>	<u>\$ 1,227,887</u>	<u>\$ 2,869,307</u>	<u>\$ 50,075,347</u>

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

Morgan County, Colorado
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended December 31, 2020

Net change in fund balances – total governmental funds (page 33) **\$ 3,724,073**

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	\$	525,824	
Depreciation expense		(10,007,550)	
Excess of depreciation over capital outlay			(9,481,726)

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	(56,560)
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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.

	734,616
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Change in net position of governmental funds (page 28)	<u><u>\$ (5,079,597)</u></u>
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Morgan County, Colorado
Statement of Fund Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Ambulance Service	Solid Waste Management	Total	
ASSETS				
Current assets:				
Cash	\$ -	\$ 700	\$ 700	\$ 350
Cash and investments held by County Treasurer	1,545,577	6,167,405	7,712,982	4,744,253
Receivables (net of allowance uncollectibles):				
Accounts	176,609	90,227	266,836	6,802
Other	2,139	583	2,722	-
Interfund Receivables	-	54	54	410,461
Inventory	-	-	-	192,445
Total current assets	1,724,325	6,258,969	7,983,294	5,354,311
Long term assets:				
Capital assets (net of accumulated depreciation):				
Land and water rights	62,190	63,597	125,787	-
Buildings	527,875	483,379	1,011,254	3,051
General equipment	239,303	299,994	539,297	5,166,416
Infrastructure	-	-	-	17,561
Total long term assets	829,368	846,970	1,676,338	5,187,028
Total assets	2,553,693	7,105,939	9,659,632	10,541,339
LIABILITIES				
Current liabilities:				
Warrants payable	22,097	38,812	60,909	38,637
Vouchers payable	12,797	44,298	57,095	329,553
Accounts payable	-	12,032	12,032	-
Accrued wages	36,946	-	36,946	-
Compensated absences	54,308	16,214	70,522	100,545
Interfund payables	15,575	10,415	25,990	-
Unearned revenue	9,145	-	9,145	-
Total current liabilities	150,868	121,771	272,639	468,735
Long term liabilities:				
Compensated absences	15,351	8,179	23,530	51,815
Accrued landfill closure and post-closure care	-	968,843	968,843	-
Total long term liabilities	15,351	977,022	992,373	51,815
Total liabilities	166,219	1,098,793	1,265,012	520,550
NET POSITION				
Net investment in capital assets	829,368	846,970	1,676,338	5,187,028
Unrestricted	1,558,106	5,160,176	6,718,282	4,833,761
Total net position	\$ 2,387,474	\$ 6,007,146	\$ 8,394,620	\$ 10,020,789

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

Morgan County, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended December 31, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Ambulance Service	Solid Waste Management	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 1,207,499	\$ 1,176,790	\$ 2,384,289	\$ 4,634,353
Miscellaneous revenues	21,669	4,684	26,353	44,748
Total operating revenues	<u>1,229,168</u>	<u>1,181,474</u>	<u>2,410,642</u>	<u>4,679,101</u>
Operating expenses				
Compensation and benefits	979,298	353,934	1,333,232	1,505,429
Operating supplies	90,042	63,241	153,283	1,110,809
Purchased services	130,083	182,817	312,900	477,783
Fixed charges	178,872	154,573	333,445	74,281
Depreciation	69,641	69,273	138,914	904,096
Other expenses	9,233	46,976	56,209	1,522
Total operating expenses	<u>1,457,169</u>	<u>870,814</u>	<u>2,327,983</u>	<u>4,073,920</u>
Operating income (loss)	<u>(228,001)</u>	<u>310,660</u>	<u>82,659</u>	<u>605,181</u>
Nonoperating revenues				
State grant	12,008	-	12,008	4,050
Other grants and donations	47,547	-	47,547	-
Interest	4,128	38,829	42,957	-
Gain (loss) on disposal of assets	-	-	-	117,132
Insurance recovery	-	-	-	8,253
Total nonoperating revenues	<u>63,683</u>	<u>38,829</u>	<u>102,512</u>	<u>129,435</u>
Change in net position	<u>(164,318)</u>	<u>349,489</u>	<u>185,171</u>	<u>734,616</u>
Total net position, January 1	<u>2,551,792</u>	<u>5,657,657</u>	<u>8,209,449</u>	<u>9,286,173</u>
Total net position, December 31	<u>\$ 2,387,474</u>	<u>\$ 6,007,146</u>	<u>\$ 8,394,620</u>	<u>\$ 10,020,789</u>

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

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, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Ambulance Service Fund	Solid Waste Management	2020	Internal Services Fund
Cash flows from operating activities				
Receipts from customers and users	\$ 1,266,180	\$ 1,185,241	\$ 2,451,421	\$ 124,959
Receipts from interfund services	-	-	-	4,473,867
Payments to suppliers	(203,518)	(211,526)	(415,044)	(1,747,288)
Payments for interfund services	(193,853)	(147,473)	(341,326)	(37,416)
Payments to employees	(960,508)	(350,303)	(1,310,811)	(1,492,193)
Net cash provided by operating activities	(91,699)	475,939	384,240	1,321,929
Cash flows from noncapital financing activities				
Grants received	59,355	-	59,355	4,050
Donations received	200	-	200	-
Net cash provided by noncapital financing activities	59,555	-	59,555	4,050
Cash flows from capital and related financing activities				
Acquisition of capital assets	(89,990)	-	(89,990)	(897,053)
Proceeds from sale of capital assets	-	-	-	96,372
Insurance Recovery	-	-	-	8,252
Net cash used by capital and related financing activities	(89,990)	-	(89,990)	(792,429)
Cash flows from investing activities				
Interest received	4,128	38,828	42,956	-
Net cash provided by investing activities	4,128	38,828	42,956	-
Net Increase (decrease) in cash and cash equivalents	(118,006)	514,767	396,761	533,550
Cash and cash equivalents - January 1	1,663,583	5,653,338	7,316,921	4,211,053
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)	\$ 1,545,577	\$ 6,168,105	\$ 7,713,682	\$ 4,744,603
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (228,001)	\$ 310,660	82,659	\$ 605,181
Adjustment to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	69,641	69,273	138,914	904,096
(Increase) decrease in accounts receivable	37,012	3,787	40,799	13,359
(Increase) decrease in intergovernmental receivables	-	(18)	(18)	(81,287)
(Increase) decrease in inventory	-	-	-	(12,346)
Increase (decrease) in accounts payable	7,448	55,599	63,047	(121,509)
Increase (decrease) in intergovernmental payable	3,618	(1,686)	1,932	-
Increase (decrease) in accrued wages	5,653	-	5,653	-
Increase (decrease) in accrued compensated absences	13,136	3,629	16,765	14,435
Increase (decrease) in unearned revenue	(206)	-	(206)	-
Increase (decrease) in accrued landfill closure and postclosure	-	-	-	-
Total adjustments	136,302	165,279	301,581	716,748
Net cash provided by operating activities	\$ (91,699)	\$ 475,939	\$ 384,240	\$ 1,321,929

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

Morgan County, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	Total Custodial Funds
ASSETS	
Cash	\$ 2,263,271
Total assets	<u>\$ 2,263,271</u>
LIABILITIES	
Due to others	2,182,793
Payments to general fund	15,709
Total liabilities	<u>\$ 2,198,502</u>
NET POSITION	
Restricted for individuals	<u>64,769</u>

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

Morgan County, Colorado
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended December 31, 2020

	Total Custodial Funds
ADDITIONS	
Cash deposits	\$ 55,071,182
Total additions	<u>55,071,182</u>
DEDUCTIONS	
Paid to general fund	15,709
Due to others	55,079,016
Total deductions	<u>55,094,725</u>
Change in net position	(23,543)
Total net position, January 1	88,312
Total net position, December 31	<u><u>\$ 64,769</u></u>

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

MORGAN COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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 2020.

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

Treasurer Fund accounts for the receipt and disbursement of County revenues

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

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

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

E. Measurement Focus

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

Taxes levied in December 2020, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets

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

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

G. Cash and Investments

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

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

H. Short-term Interfund Receivables/Payables

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

I. Inventories

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items for enterprise and internal service funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

N. Long-Term Obligations

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

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

O. Fund Balance

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.
- 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 2020, the assigned fund balance in the general fund consists of \$11,000,000 assigned to capital projects and \$163,572 assigned to other agencies. The assigned to other agencies in general fund includes: 1) \$56,451 held by the Morgan County Director of Cooperative Extension, 2) \$57,671 held by the Morgan County Fair Board, 3) \$46,075 held by the Morgan County Sheriff and 4) \$3,375 held by the Morgan County Clerk.

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

P. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

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

R. Use of Estimates

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

Note 2: LEGAL COMPLIANCE - BUDGETS AND PROPERTY TAXES

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

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

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

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

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

Note 3: DEPOSITS AND INVESTMENTS**Cash and Investments**

At December 31, 2020, the County's deposits and investments were as follows:

Cash and Investments	
Cash	\$ 2,335
Cash held by County departments	227,873
Cash held by County Treasurer	62,070,348
Cash held in custodial funds	2,263,271
Total cash and investments	<u>\$ 64,563,827</u>

	<u>Total</u>
Cash	\$ 48,729
Cash Deposits	8,181,369
Certificates of Deposit	10,301,811
Local government investment pool - ColoTrust	16,118,317
Local government investment pool - CSafe	15,555,977
CSIP	13,357,774
Governmental Securities	<u>999,850</u>
	<u>\$ 64,563,827</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.

Cash held by County Departments includes \$52,276 held by the County Sheriff, \$3,375 held by the County Clerk, \$56,451 held by the Morgan County Director of Cooperative Extension, \$57,671 held by Morgan County Fair Board, and \$2,476 held for IOG and \$55,624 held for others held by the County Department of Human Services.

Note 3: DEPOSITS AND INVESTMENTS (continued)

Investments

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

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

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

Investments consist of United States treasury bills, notes, and obligations of United States agencies. Investments are made in accordance with State statutes for the investment of public funds, and are stated at fair value. ColoTrust and C-Safe are vehicles established for local government entities in Colorado to pool surplus funds. In accordance with state law, the County operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. All of these funds operate similarly to a money market fund and each share is equal in value to \$1.00. Investments of ColoTrust and C-Safe consist of various U.S. Government obligations. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more of a nationally recognized rating agency. The State Securities Commissioner administers and enforces all State statutes governing the trusts. These funds do not have any unfunded commitments, redemption restrictions or redemption notice periods.

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

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

Note 3: DEPOSITS AND INVESTMENTS (continued)

At December 31, 2020, unrealized gains were \$1,949, 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, 2020. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

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

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

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

Note 3: DEPOSITS AND INVESTMENTS (continued)

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

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

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

Securities classified as Level 2 are valued as follows:

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

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

The following table summarizes the County's investments within the fair value hierarchy at December 31, 2020.

	Fair Value as of 12/31/20	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	\$ 10,301,810	\$ -	\$ 10,301,810	\$ -
Government Securities	998,850	-	998,850	-
Total Investment by Fair Value Level	\$ 11,300,660	\$ -	\$ 11,300,660	\$ -

Additionally, at December 31, 2020, the County had \$16,118,317 in Colorado Local Government Liquid Asset Trust (ColoTrust), \$13,357,774 in Colorado Statewide Investment Program (CSIP), \$573,040 in Colorado Surplus Asset Fund Trust (CSAFE) cash account and \$14,982,937 in Colorado Surplus Asset Fund Trust (CSAFE) Core Account that are not valued at fair value.

Deposits

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

Note 4: RECEIVABLES

Receivables at December 31, 2020, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Total
Receivables:						
Taxes	\$ 12,517,819	\$ 6,094,674	\$ -	\$ -	\$ -	\$ 18,612,493
Accounts & other	\$ 16,833	\$ 75,219	\$ -	\$ 622,886	\$ 6,802	\$ 721,740
Intergovernmental	\$ 786,839	\$ 681,475	\$ 258	\$ -	\$ -	\$ 1,468,572
Gross Receivables	\$ 13,321,491	\$ 6,851,368	\$ 258	\$ 622,886	\$ 6,802	\$ 20,802,805
Less: allowance for Uncollectibles	\$ -	\$ -	\$ -	\$ (353,328)	\$ -	\$ (353,328)
Net total receivables	<u>\$ 13,321,491</u>	<u>\$ 6,851,368</u>	<u>\$ 258</u>	<u>\$ 269,558</u>	<u>\$ 6,802</u>	<u>\$ 20,449,477</u>

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

Note 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balances 1/1/2020	2020 Additions	2020 Deletions	Balances 12/31/2020
Governmental Activities:				
Capital assets not being depreciated:				
Land and Water Rights	\$ 2,118,484	\$ -	\$ -	\$ 2,118,484
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	\$ 2,118,484	\$ -	\$ -	\$ 2,118,484
Capital assets being depreciated:				
Buildings and improvements	\$ 19,905,177	\$ -	\$ -	\$ 19,905,177
Equipment	\$ 20,637,417	\$ 1,385,242	\$ (1,025,316)	\$ 20,997,343
Infrastructure	\$ 448,977,802	\$ 152,887	\$ -	\$ 449,130,689
Total capital assets being depreciated	\$ 489,520,396	\$ 1,538,129	\$ (1,025,316)	\$ 490,033,209
Less accumulated depreciation:				
Buildings and improvements	\$ (13,197,763)	\$ (444,472)	\$ -	\$ (13,642,235)
Equipment	\$ (13,508,186)	\$ (1,147,299)	\$ 930,859	\$ (13,724,626)
Infrastructure	\$ (354,012,071)	\$ (9,319,875)	\$ -	\$ (363,331,946)
Total accumulated depreciation	\$ (380,718,020)	\$ (10,911,646)	\$ 930,859	\$ (390,698,807)
Total capital assets being depreciated, net	\$ 108,802,376	\$ (9,373,517)	\$ -	\$ 99,428,859
Governmental activities capital assets, net	\$ 110,920,860	\$ (9,373,517)	\$ (94,457)	\$ 101,452,886
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	\$ 1,338,667	\$ 89,990	\$ (63,823)	\$ 1,364,834
Total capital assets being depreciated	\$ 3,059,133	\$ 89,990	\$ (63,823)	\$ 3,085,300
Less accumulated depreciation:				
Buildings and improvements	\$ (663,134)	\$ (46,078)	\$ -	\$ (709,212)
Equipment	\$ (796,524)	\$ (92,836)	\$ 63,823	\$ (825,537)
Total accumulated depreciation	\$ (1,459,658)	\$ (138,914)	\$ 63,823	\$ (1,534,749)
Total capital assets being depreciated, net	\$ 1,599,475	\$ (48,924)	\$ -	\$ 1,550,551
Business-type activities capital assets, net	\$ 1,725,262	\$ (48,924)	\$ -	\$ 1,676,338

Note 5: CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 481,030
Public safety	158,574
Auxiliary services	45,708
Roads and bridges	9,317,395
Public welfare	4,843
Capital assets held by Morgan County's internal service fund are charged to the various functions based on their usage of the assets	904,096
Total depreciation expense – government activities	<u>\$ 10,911,646</u>
Business-type activities:	
Ambulance service	\$ 69,641
Solid waste management fund	69,273
Total depreciation expense – business-type activities	<u>\$ 138,914</u>

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

The County is exposed to various risks of loss related to injuries of employees while on the job. In 1985, the County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. During 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage.

Note 6: RISK MANAGEMENT (continued)

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

County's Health and Life Insurance Pool

The County provides employee health and life insurance coverage for all full-time employees. Coverage in 2020 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, 2020, the following changes occurred in the County's long-term obligations:

	Balance 1/1/20	Additions	Deletions	Balance 12/31/20	One Year
Governmental Activities:					
Compensated absences	\$ 865,221	\$ 718,542	\$ (647,508)	\$ 936,255	\$ 658,173
Total Governmental	865,221	718,542	(647,508)	936,255	658,173
Business-Type Activities:					
Landfill closure and post closure care costs	934,148	34,695	-	968,843	-
Compensated absences	77,286	66,045	(49,279)	94,052	70,522
Total Business-Type	1,011,434	100,740	(49,279)	1,062,895	70,522
Total Long-term obligations	<u>\$ 1,876,655</u>	<u>\$ 819,282</u>	<u>\$ (696,787)</u>	<u>\$ 1,999,150</u>	<u>\$ 728,695</u>

At year-end, \$152,360 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:

\$	54	Solid Waste Management
	(15,575)	Ambulance Service
	(10,415)	Solid Waste Management
<u>\$</u>	<u>(25,936)</u>	Business Type Totals
\$	(139,061)	General Fund
	(229,794)	Road & Bridge Department
	(15,167)	Social Services
	(216)	Jail Capital Improvement
	(287)	Lodging and Tourism
<u>\$</u>	<u>(384,525)</u>	
\$	410,461	Central Services Fund
<u>\$</u>	<u>25,936</u>	Governmental Activities Totals

Note 9: INTERFUND TRANSFERS

In 2020 the County General Fund transferred \$120,000 to the County Jail Capital Improvement Fund. The transfer was budgeted and done to increase funds being accumulated in the Jail Capital Improvement Fund. This fund was created to account for money for future expansion of the County's Judicial Center building. The County also budgeted to transfer \$200,000 from the County Social Services Fund to the County General Fund. This transfer was budgeted to transfer excess property tax revenue that had accumulated in the Social Services Fund.

Note 10: TABOR COMPLIANCE

Emergency Reserve - Tax Spending and Debt Limitations

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

Note 10: TABOR COMPLIANCE (continued)

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

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

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

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

The Article requires an emergency restriction be set aside in the amount of 3% or more of its fiscal year spending. At December 31, 2020, the County has restricted \$1,000,000 in the General Fund for this purpose, which is in excess of the required 3%.

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

Note 11: CLOSURE AND POSTCLOSURE CARE COSTS

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

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

Note 11: CLOSURE AND POSTCLOSURE CARE COSTS (continued)

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

In 2009, the County engaged Paragon Consulting Group to prepare a new Design and Operations Plan (D&O) for the Morgan County Solid Waste Landfill facility. With the implementation of the new baler system constructed in 2009, there have been considerable changes in operations from the last D&O updated in 2003. According to the new D&O submitted to the Colorado Department of Public Health Hazardous Materials and Waste Management Division, the life of the County Landfill will be extended to 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, 2020, the closure cost for the Morgan County landfill was \$2,239,721 and estimated postclosure care cost was \$503,763. The \$968,843 reported as landfill closure and postclosure care liability at December 31, 2020, represents the cumulative amount reported to date based on a 35.31 percent capacity usage of the estimated total cost of closure and postclosure care of \$2,743,484. This is an increase of \$35,695 from the closure and postclosure liability reported in 2019.

The County will recognize the remaining estimated cost of closure and postclosure care of \$1,774,641 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. The remaining life of the landfill is 62 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 2020 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	Solid Waste Management Fund
Net Income (Loss)			
GAAP Basis	\$ 734,616	\$ (164,318)	\$ 349,489
Increase (Decrease) Due To:			
Depreciation	904,096	69,641	69,273
Capital Outlay	(897,056)	(89,990)	
Net Income (Loss)			
Budgetary Basis	<u>\$ 741,656</u>	<u>\$ (184,667)</u>	<u>\$ 418,762</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 2020, the County paid \$42,703 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 2020, 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 2020, the County did not make any contributions to Centennial Mental Health Center.

Note 14: RETIREMENT PLAN

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

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

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

Note 14: RETIREMENT PLAN (continued)

earnings which have not vested to an employee terminating activity in the plan are returned to the County to use in meeting current and future funding requirements. Total retirement forfeiture was \$27,391.

Both the County and the covered employees made the required 4.00% contributions, amounting to \$434,861 from the County and \$622,851 from the employees (including voluntary contributions) for a total contribution of \$1,057,712.

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

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

Note 15: CONTINGENT LIABILITIES

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

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

At the time these financial statements were issued, the world economy continues to respond to the novel COVID-19 pandemic. 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
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original Budget Amount	Final Budget Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Property taxes - current	\$ 11,722,896	\$ 11,722,896	\$ 11,587,169	\$ (135,727)
Property taxes - abatements	(1,000)	(1,000)	(3,709)	(2,709)
Property taxes - delinquent	15,000	15,000	22,137	7,137
Proceeds of tax sale	5,000	5,000	5,854	854
Specific ownership taxes	1,165,000	1,165,000	1,218,737	53,737
Cigarette tax	9,000	9,000	14,364	5,364
Sales tax commissions	80,000	80,000	80,254	254
Intergovernmental	381,544	381,544	1,412,373	1,030,829
Administration	20,000	20,000	17,844	(2,156)
Licenses and permits	96,000	96,000	77,017	(18,983)
Fines and forfeitures	3,000	3,000	2,055	(945)
Fee accounts	1,354,050	1,354,050	1,536,589	182,539
Investment income	610,000	610,000	518,385	(91,615)
Miscellaneous	179,900	179,900	324,974	145,074
Total revenues	<u>\$ 15,640,390</u>	<u>\$ 15,640,390</u>	<u>\$ 16,814,043</u>	<u>\$ 1,173,653</u>

See the accompanying independent auditors' report.

Morgan County, Colorado
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original Budget Amount	Final Budget Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Current:				
General government:				
Commissioners	\$ 304,787	\$ 304,787	\$ 285,120	\$ 19,667
Planning and zoning	375,465	375,465	366,504	8,961
Administration	2,316,551	3,616,551	3,060,832	555,719
Clerk	968,829	968,829	846,087	122,742
Treasurer	232,627	232,627	224,683	7,944
Public trustee	12,700	12,700	12,700	-
Assessor	762,773	762,773	656,729	106,044
Maintenance	1,294,186	1,294,186	1,226,362	67,824
Total general government	<u>6,267,918</u>	<u>7,567,918</u>	<u>6,679,017</u>	<u>888,901</u>
Judicial and public safety:				
Sheriff	2,491,185	2,491,185	2,482,828	8,357
Jail	2,568,848	2,568,848	2,252,245	316,603
Communications center	1,175,478	1,175,478	785,920	389,558
Coroner	225,259	225,259	187,050	38,209
Emergency management	119,839	119,839	145,810	(25,971)
Total judicial and public safety	<u>6,580,609</u>	<u>6,580,609</u>	<u>5,853,853</u>	<u>726,756</u>
Auxiliary services:				
Extension service	371,795	371,795	291,090	80,705
Veterans' officer	27,084	27,084	29,442	(2,358)
Parks and recreation	191,521	191,521	127,338	64,183
Engineer	5,004	5,004	4,902	102
Total auxiliary services	<u>595,404</u>	<u>595,404</u>	<u>452,772</u>	<u>142,632</u>
Intergovernmental cooperation outlay	<u>1,128,847</u>	<u>1,128,847</u>	<u>1,128,848</u>	<u>(1)</u>
Capital outlay	<u>862,500</u>	<u>862,500</u>	<u>324,308</u>	<u>538,192</u>
Total expenditures	<u>15,435,278</u>	<u>16,735,278</u>	<u>14,438,798</u>	<u>2,296,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>205,112</u>	<u>(1,094,888)</u>	<u>2,375,245</u>	<u>3,470,133</u>
Other financing sources (uses):				
Transfers in:				
Social services fund	200,000	200,000	200,000	-
Transfers out:				
Jail capital improvement fund	(120,000)	(120,000)	(120,000)	-
Total other financing sources (uses)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balances	285,112	(1,014,888)	2,455,245	3,470,133
Fund Balances, January 1	30,275,077	30,275,077	30,275,077	-
Fund Balances, December 31	<u><u>\$ 30,560,189</u></u>	<u><u>\$ 29,260,189</u></u>	<u><u>\$ 32,730,322</u></u>	<u><u>\$ 3,470,133</u></u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes - current	\$ 4,519,700	\$ 4,467,370	\$ (52,330)
Property taxes - abatements	(500)	(1,430)	(930)
Property taxes - delinquent	4,000	8,523	4,523
Specific ownership taxes	365,000	404,338	39,338
Intergovernmental	3,288,891	2,974,747	(314,144)
Charges for materials/service	36,000	42,240	6,240
Investment income	70,000	50,283	(19,717)
Miscellaneous	2,600	14,308	11,708
Total revenues	<u>8,285,691</u>	<u>7,960,379</u>	<u>(325,312)</u>
EXPENDITURES			
Current:			
Maintenance - routine	3,310,334	2,888,715	421,619
Maintenance - asphalt	1,314,950	1,116,158	198,792
Snow and ice removal	107,000	111,855	(4,855)
Structural construction	668,624	474,991	193,633
Administration	1,835,130	1,181,956	653,174
Remittance to municipalities	824,450	791,719	32,731
Capital outlay	390,287	152,887	237,400
Total expenditures	<u>8,450,775</u>	<u>6,718,281</u>	<u>1,732,494</u>
Excess (deficiency) of revenues over (under) expenditures	(165,084)	1,242,098	1,407,182
Fund Balances, January 1	12,005,733	12,005,733	-
Fund Balances, December 31	<u><u>\$ 11,840,649</u></u>	<u><u>\$ 13,247,831</u></u>	<u><u>\$ 1,407,182</u></u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Social Services Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes - current	\$ 1,205,253	\$ 1,191,299	\$ (13,954)
Property taxes - abatements	(500)	(381)	119
Property taxes - delinquent	700	145	(555)
Intergovernmental	21	20	(1)
Intergovernmental:			
Colorado state allocation:			
Administration	2,289,846	2,166,947	(122,899)
JOBS/WORKS/TANF block grant	552,250	496,819	(55,431)
Child welfare block grant	1,394,204	1,346,574	(47,630)
Child care block grant	105,091	97,198	(7,893)
Medicaid transportation	35,428	30,677	(4,751)
Miscellaneous	29,000	35,458	6,458
Total revenues	<u>5,611,293</u>	<u>5,364,756</u>	<u>(246,537)</u>
EXPENDITURES			
Current:			
Administration	2,659,586	2,274,533	385,053
Adult Protective Services	286,029	244,860	41,169
JOBS/WORKS/TANF block grant	735,377	634,648	100,729
Aid to needy disabled	5,000	13,065	(8,065)
Child welfare block grant	1,675,842	1,772,289	(96,447)
Child care block grant	178,782	167,755	11,027
General Assistance	18,450	5,672	12,778
OAP 5% HCA	13,500	15,688	(2,188)
Capital outlay	3,667	6,730	(3,063)
Total expenditures	<u>5,576,233</u>	<u>5,135,240</u>	<u>440,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,060</u>	<u>229,516</u>	<u>194,456</u>
Other Financing Sources (Uses)			
Transfers out	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(164,940)	29,516	194,456
Fund Balances, January 1	1,198,371	1,198,371	-
Fund Balances, December 31	<u>\$ 1,033,431</u>	<u>\$ 1,227,887</u>	<u>\$ 194,456</u>

See the accompanying independent auditors' report.

MORGAN COUNTY, COLORADO

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION December 31, 2020

Note 1: BUDGETARY DATA

The County annually adopts the Budget Resolution for all operating funds of the County. Prior to October 15, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1 for all funds, except 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, 2020

	Special Revenue			
	911 Emergency Telephone	Lodging Tax Tourism	Conservation Trust	Sheriff's Confiscation/ Seizure
ASSETS:				
Cash	\$ -	\$ -	\$ -	\$ 85
Cash held by county departments	-	-	-	6,201
Cash and investments held by County Treasurer	824,341	532,823	269,995	-
Accounts	41,846	-	-	-
Intergovernmental	-	28,679	-	-
Total assets	<u>\$ 866,187</u>	<u>\$ 561,502</u>	<u>\$ 269,995</u>	<u>\$ 6,286</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants payable	\$ 125	\$ 8,337	\$ -	\$ -
Vouchers payable	1,598	83	-	-
Accounts payable	-	-	-	450
Interfund payables	-	287	-	-
Total liabilities	<u>1,723</u>	<u>8,707</u>	<u>-</u>	<u>450</u>
Fund balances:				
Restricted for:				
911 emergency	864,464	-	-	-
Tourism	-	552,795	-	-
Parks and recreation	-	-	269,995	-
Law enforcement	-	-	-	5,836
Committed to:				
Jail expansion	-	-	-	-
Total fund balances	<u>864,464</u>	<u>552,795</u>	<u>269,995</u>	<u>5,836</u>
Total liabilities and fund balances	<u>\$ 866,187</u>	<u>\$ 561,502</u>	<u>\$ 269,995</u>	<u>\$ 6,286</u>

See the accompanying independent auditors' report.

	Capital Projects	
Total	Jail Capital Improvement	Total Nonmajor Governmental Funds
\$ 85	\$ -	\$ 85
6,201	-	6,201
1,627,159	1,206,228	2,833,387
41,846	-	41,846
28,679	258	28,937
<u>\$ 1,703,970</u>	<u>\$ 1,206,486</u>	<u>\$ 2,910,456</u>

\$ 8,462	\$ 21,514	\$ 29,976
1,681	8,539	10,220
450	-	450
287	216	503
<u>10,880</u>	<u>30,269</u>	<u>41,149</u>

864,464	-	864,464
552,795	-	552,795
269,995	-	269,995
5,836	-	5,836
-	1,176,217	1,176,217
<u>1,693,090</u>	<u>1,176,217</u>	<u>2,869,307</u>
<u>\$ 1,703,970</u>	<u>\$ 1,206,486</u>	<u>\$ 2,910,456</u>

Morgan County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue			
	911 Emergency Telephone	Lodging Tax Tourism	Conservation Trust	Sheriff's Confiscation/ Seizure
REVENUES				
Taxes	\$ -	\$ 122,944	\$ -	\$ -
Intergovernmental	24,159	-	100,834	-
Fee accounts	-	-	-	936
Charges for materials/service	268,539	-	-	-
Investment income	-	-	2,407	-
Total revenues	292,698	122,944	103,241	936
EXPENDITURES				
Current:				
General government	-	127,852	50,877	-
Judicial and public safety	437,769	-	-	-
Capital outlay	-	-	-	-
Total expenditures	437,769	127,852	50,877	-
Excess (deficiency) of revenues over (under) expenditures	(145,071)	(4,908)	52,364	936
Other financing sources:				
Operating transfers in:				
Transfers in	-	-	-	-
Net change in fund balances	(145,071)	(4,908)	52,364	936
Fund Balances, January 1	1,009,535	557,703	217,631	4,900
Fund Balances, December 31	\$ 864,464	\$ 552,795	\$ 269,995	\$ 5,836

See the accompanying independent auditors' report.

	Capital Projects	
Total	Jail Capital Improvement	Total Nonmajor Governmental Funds
\$ 122,944	\$ -	\$ 122,944
124,993	-	124,993
936	14,449	15,385
268,539	-	268,539
2,407	-	2,407
<u>519,819</u>	<u>14,449</u>	<u>534,268</u>
178,729	-	178,729
437,769	-	437,769
-	40,556	40,556
<u>616,498</u>	<u>40,556</u>	<u>657,054</u>
(96,679)	(26,107)	(122,786)
-	120,000	120,000
(96,679)	93,893	(2,786)
1,789,769	1,082,324	2,872,093
<u>\$ 1,693,090</u>	<u>\$ 1,176,217</u>	<u>\$ 2,869,307</u>

Morgan County, Colorado
911 Emergency Telephone Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ 24,159	\$ 24,159
Emergency telephone service surcharges	285,000	268,539	(16,461)
Miscellaneous	100	-	(100)
Total revenues	<u>285,100</u>	<u>292,698</u>	<u>7,598</u>
EXPENDITURES			
Current:			
Compensation and benefits	300,000	300,000	-
Operating supplies	23,500	9,399	14,101
Purchased services	160,100	102,605	57,495
Fixed charges	-	23,083	(23,083)
Miscellaneous	553,500	2,682	550,818
Capital outlay	50,000	-	50,000
Total expenditures	<u>1,087,100</u>	<u>437,769</u>	<u>649,331</u>
Excess (deficiency) of revenues over (under) expenditures	(802,000)	(145,071)	656,929
Fund Balances, January 1	1,009,535	1,009,535	-
Fund Balances, December 31	<u><u>\$ 207,535</u></u>	<u><u>\$ 864,464</u></u>	<u><u>\$ 656,929</u></u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Lodging Tax Tourism Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Lodging tax	\$ 250,000	\$ 122,944	\$ (127,056)
EXPENDITURES			
Current:			
Compensation and benefits	47,292	35,237	12,055
Operating supplies	6,200	3,296	2,904
Purchased services	156,900	77,695	79,205
Fixed charges	2,500	300	2,200
Contributions	12,500	10,000	2,500
Miscellaneous	2,000	1,324	676
Total expenditures	227,392	127,852	99,540
Excess (deficiency) of revenues over (under) expenditures	22,608	(4,908)	(27,516)
Fund Balances, January 1	557,703	557,703	-
Fund Balances, December 31	<u>\$ 580,311</u>	<u>\$ 552,795</u>	<u>\$ (27,516)</u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 90,000	\$ 100,834	\$ 10,834
Interest	2,500	2,407	(93)
Total revenues	<u>92,500</u>	<u>103,241</u>	<u>10,741</u>
EXPENDITURES			
Current:			
Compensation and benefits	48,000	39,501	8,499
Operating supplies	-	11,376	(11,376)
Capital outlay	100,000	-	100,000
Total expenditures	<u>148,000</u>	<u>50,877</u>	<u>97,123</u>
Excess (deficiency) of revenues over (under) expenditures	(55,500)	52,364	107,864
Fund Balances, January 1	217,631	217,631	-
Fund Balances, December 31	<u><u>\$ 162,131</u></u>	<u><u>\$ 269,995</u></u>	<u><u>\$ 107,864</u></u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Sheriff's Confiscation/Seizure Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fee accounts	\$ 10,000	\$ 936	\$ (9,064)
EXPENDITURES			
Current:			
Operating supplies	10,000	-	10,000
Total expenditures	10,000	-	10,000
Excess (deficiency) of revenues over (under) expenditures	-	936	936
Fund Balances, January 1	4,900	4,900	-
Fund Balances, December 31	<u>\$ 4,900</u>	<u>\$ 5,836</u>	<u>\$ 936</u>

See the accompanying independent auditors' report.

Morgan County, Colorado
Jail Capital Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fee accounts	\$ 30,000	\$ 14,449	\$ (15,551)
Total revenues	<u>30,000</u>	<u>14,449</u>	<u>(15,551)</u>
EXPENDITURES			
Current:			
Capital outlay	100,000	40,556	59,444
Total expenditures	<u>100,000</u>	<u>40,556</u>	<u>59,444</u>
Excess (deficiency) of revenues over (under) expenditures	(70,000)	(26,107)	43,893
Other financing sources:			
Transfers in:			
General fund	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	50,000	93,893	43,893
Fund Balances, January 1	1,082,324	1,082,324	-
Fund Balances, December 31	<u><u>\$ 1,132,324</u></u>	<u><u>\$ 1,176,217</u></u>	<u><u>\$ 43,893</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
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 1,391,000	\$ 1,207,499	\$ (183,501)
Miscellaneous revenues	24,000	21,669	(2,331)
Total operating revenues	<u>1,415,000</u>	<u>1,229,168</u>	<u>(185,832)</u>
Operating expenses			
Compensation and benefits	1,079,874	979,298	100,576
Operating supplies	49,400	90,042	(40,642)
Purchased services	174,504	130,083	44,421
Fixed charges	188,500	178,872	9,628
Other expenses	70,100	9,233	60,867
Capital outlay	265,000	89,990	175,010
Total operating expenses	<u>1,827,378</u>	<u>1,477,518</u>	<u>349,860</u>
Operating income (loss)	<u>(412,378)</u>	<u>(248,350)</u>	<u>164,028</u>
Nonoperating revenues (expenses)			
State grant	97,000	12,008	(84,992)
Other grants and donations	-	47,547	47,547
Interest	4,700	4,128	(572)
Total nonoperating revenues (expenses)	<u>101,700</u>	<u>63,683</u>	<u>(38,017)</u>
Net income (loss) - budget basis	<u>\$ (310,678)</u>	<u>(184,667)</u>	<u>\$ 126,011</u>
Adjustments for GAAP Basis			
Capital outlay		89,990	
Depreciation		(69,641)	
Total Adjustments for GAAP Basis		<u>20,349</u>	
Change in net position (GAAP Basis)		(164,318)	
Total net position, January 1		<u>2,551,792</u>	
Total net position, December 31		<u><u>\$ 2,387,474</u></u>	

Morgan County, Colorado
Solid Waste Management
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
Year ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 1,117,980	\$ 1,176,790	\$ 58,810
Miscellaneous revenues	4,000	4,684	684
Total operating revenues	<u>1,121,980</u>	<u>1,181,474</u>	<u>59,494</u>
Operating expenses			
Compensation and benefits	371,928	353,934	17,994
Operating supplies	60,500	63,241	(2,741)
Purchased services	242,100	182,817	59,283
Fixed charges	204,500	154,573	49,927
Landfill operation	2,026,000	-	2,026,000
Other expenses	239,500	46,976	192,524
Capital outlay	15,000	-	15,000
Total operating expenses	<u>3,159,528</u>	<u>801,541</u>	<u>2,357,987</u>
Operating income (loss)	<u>(2,037,548)</u>	<u>379,933</u>	<u>2,417,481</u>
Nonoperating revenues (expenses)			
Interest	<u>22,246</u>	<u>38,829</u>	<u>16,583</u>
Total nonoperating revenues (expenses)	<u>22,246</u>	<u>38,829</u>	<u>16,583</u>
Net income (loss) - budget basis	<u>\$ (2,015,302)</u>	<u>418,762</u>	<u>\$ 2,434,064</u>
Adjustments for GAAP Basis			
Capital outlay		-	
Depreciation		<u>(69,273)</u>	
Total Adjustments for GAAP Basis		<u>(69,273)</u>	
Change in net position (GAAP Basis)		349,489	
Total net position, January 1		<u>5,657,657</u>	
Total net position, December 31		<u><u>\$ 6,007,146</u></u>	



INTERNAL SERVICE FUND

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

**Morgan County, Colorado
Central Services Fund
Schedule of Net Position
December 31, 2020**

	Central Services Fund
ASSETS	
Current assets:	
Cash	\$ 350
Cash and investments held by County Treasurer	4,744,253
Receivable (net of allowance uncollectibles:	
Accounts	6,802
Interfund Receivables	410,461
Inventory	192,445
Total current assets	<u>5,354,311</u>
Long term assets:	
Capital assets (net of accumulated depreciation):	
Buildings	3,051
General equipment	5,166,416
Infrastructure	17,561
Total long term assets	<u>5,187,028</u>
Total assets	<u>10,541,339</u>
LIABILITIES	
Current liabilities:	
Warrants payable	38,637
Vouchers payable	329,553
Compensated absences	100,545
Total current liabilities	<u>468,735</u>
Long term liabilities:	
Compensated absences	51,815
Total long term liabilities	<u>51,815</u>
Total liabilities	<u>520,550</u>
NET ASSETS	
Net investment in capital assets	5,187,028
Unrestricted	4,833,761
Total net position	<u>\$ 10,020,789</u>

Morgan County, Colorado
Central Services Fund
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
Year ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 4,543,650	\$ 4,634,353	\$ 90,703
Miscellaneous revenues	-	44,748	44,748
Total operating revenues	<u>4,543,650</u>	<u>4,679,101</u>	<u>135,451</u>
Operating expenses			
Compensation and benefits	1,545,604	1,505,429	40,175
Operating supplies	1,527,270	1,110,809	416,461
Purchased services	559,700	477,783	81,917
Fixed charges	69,383	74,281	(4,898)
Other expenses	10,700	1,522	9,178
Capital outlay	2,665,100	897,056	1,768,044
Total operating expenses	<u>6,377,757</u>	<u>4,066,880</u>	<u>2,310,877</u>
Operating loss	<u>(1,834,107)</u>	<u>612,221</u>	<u>2,446,328</u>
Nonoperating revenues (expenses)			
State grant	3,000	4,050	1,050
Gain (loss) on disposal of assets	-	117,132	117,132
Insurance recovery	-	8,253	8,253
Total nonoperating revenues (expenses)	<u>3,000</u>	<u>129,435</u>	<u>126,435</u>
Net income (loss) - budget basis	<u>\$ (1,831,107)</u>	<u>741,656</u>	<u>\$ 2,572,763</u>
Adjustments for GAAP Basis			
Capital outlay		897,056	
Depreciation		(904,096)	
Total Adjustments for GAAP Basis		<u>(7,040)</u>	
Change in net position (GAAP Basis)		734,616	
Total net position, January 1		9,286,173	
Total net position, December 31		<u><u>\$ 10,020,789</u></u>	

CUSTODIAL FUNDS

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

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

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

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

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

Morgan County, Colorado
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2020

	County Clerk Fund	County Sheriff Fund	County Treasurer Fund	Public Trustee Fund	Total
ASSETS					
Cash	\$ 880,088	\$ 64,769	\$ 1,287,929	\$ 30,485	\$ 2,263,271
Total assets	<u>880,088</u>	<u>64,769</u>	<u>1,287,929</u>	<u>30,485</u>	<u>2,263,271</u>
LIABILITIES					
Payments to others	880,088	-	1,287,929	14,776	2,182,793
Payments to general fund	-	-	-	15,709	15,709
Total liabilities	<u>880,088</u>	<u>-</u>	<u>1,287,929</u>	<u>30,485</u>	<u>2,198,502</u>
NET POSITION					
Restricted for individuals	-	64,769	-	-	64,769
Total net position	<u>\$ -</u>	<u>\$ 64,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,769</u>

Morgan County, Colorado
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended December 31, 2020

	County Clerk Fund	County Sheriff Fund	County Treasurer Fund	Public Trustee Fund	Total
Additions					
Cash deposits	\$ 12,101,993	\$ 180,059	\$ 42,728,980	\$ 60,150	\$ 55,071,182
Total additions	<u>12,101,993</u>	<u>180,059</u>	<u>42,728,980</u>	<u>60,150</u>	<u>55,071,182</u>
Deductions					
Paid to general fund	-	-	-	15,709	15,709
Paid to others	12,101,993	203,602	42,728,980	44,441	55,079,016
Total deductions	<u>12,101,993</u>	<u>203,602</u>	<u>42,728,980</u>	<u>60,150</u>	<u>55,094,725</u>
Change in net position	-	(23,543)	-	-	(23,543)
Total net position, January 1	-	88,312	-	-	88,312
Total net position, December 31	<u>\$ -</u>	<u>\$ 64,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,769</u>

See Notes to Financial Statements



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			
This Information From The Records Of (example - City of _ or County of _):		YEAR ENDING : December 2020			
		Prepared By: Michelle R. Covelli Phone: 970-542-3506			
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES			
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from local sources:		A. Local highway disbursements:			
1. Local highway-user taxes		1. Capital outlay (from page 2)	152,887		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,858,368		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations			
2. General fund appropriations		b. Snow and ice removal	137,441		
3. Other local imposts (from page 2)	4,879,856	c. Other	38,588		
4. Miscellaneous local receipts (from page 2)	105,776	d. Total (a. through c.)	176,029		
5. Transfers from toll facilities		4. General administration & miscellaneous	2,530,996		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	6,718,280		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest			
7. Total (1 through 6)	4,985,632	b. Redemption			
B. Private Contributions		c. Total (a. + b.)	0		
C. Receipts from State government (from page 2)	2,913,474	2. Notes:			
D. Receipts from Federal Government (from page 2)	61,272	a. Interest			
E. Total receipts (A.7 + B + C + D)	7,960,378	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	0		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	6,718,280		
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
	12,005,732	7,960,378	6,718,280	13,247,830	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2020	
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	4,474,463	a. Interest on investments	50,283
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	1,055	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	14,697
4. Licenses	0	f. Charges for Services	171
5. Specific Ownership &/or Other	404,338	g. Other Misc. Receipts	154
6. Total (1. through 5.)	405,393	h. Other	40,471
c. Total (a. + b.)	4,879,856	i. Total (a. through h.)	105,776
	(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	2,828,723	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	84,678	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify) - PILT	73	f. Other Federal	61,272
f. Total (a. through e.)	84,751	g. Total (a. through f.)	61,272
4. Total (1. + 2. + 3.f)	2,913,474	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		152,887	152,887
(3). System Preservation		0	0
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	152,887	152,887
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	152,887	152,887
			(Carry forward to page 1)
Notes and Comments:			

Morgan County, Colorado
Schedule of Federal Financial Assistance Reconciliation
December 31, 2020

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, 2020

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%	-	-	1,600,271	1,600,271	1,600,271
RES MENTAL HEALTH	30,793	6,392	-	30,793	6,392
CASE SERVICES	2,320	2,443	-	2,320	2,443
OOH	418,514	120,601	-	418,514	120,601
SPECIAL CIRCUM CC	-	1,807	-	-	1,807
SUBADOPT	380,327	42,122	-	380,327	42,122
TOTAL CW	831,954	173,365	1,600,271	2,432,225	1,773,636
COUNTY ADMINISTRATION	-	-	981,504	981,504	981,504
FS FRAUD ADMIN	-	-	55,512	55,512	55,512
STAFF DEVELOPMENT	-	-	1,004	1,004	1,004
CORE SERVICES	217,659	5,773	444,000	661,659	449,773
CHAFEE	-	-	9,997	9,997	9,997
LEAP & ADMIN	418,300	-	5,135	423,435	5,135
AND & HCA - AND	78,651	13,065	-	78,651	13,065
IV-D ADMINISTRATION (CSE)	-	-	694,499	694,499	694,499
EMPLOYMENT 1ST	310	240	75,978	76,288	76,218
TANF & WORKS ADMIN	555,408	113,842	522,152	1,077,560	635,994
CHILD CARE & ADMIN	281,263	71,138	96,616	377,879	167,754
OLD AGE PEN & ADMIN	361,581	-	13,723	375,304	13,723
HCA - OAP	39,505	1,965	-	39,505	1,965
FC PARENTAL FEE	-	-	23,708	23,708	23,708
TITLE IV-B (PSSF)	-	-	97,738	97,738	97,738
HB1451 CARE MGT GRANT	-	-	41,122	41,122	41,122
FC RETENTION GRANT	-	-	5,255	5,255	5,255
COACT	-	-	37,106	37,106	37,106
GENERAL ASSISTANCE	-	-	5,672	5,672	5,672
ADULT PROTECTION	-	-	244,860	244,860	244,860
	1,952,677	206,023	3,355,581	5,308,258	3,561,604
FOOD ASSISTANCE	6,369,031	-	-	6,369,031	-
GRAND TOTAL	9,153,662	379,388	4,955,852	14,109,514	5,335,240

- 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.	106 - 115
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	116 - 125
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.	126 - 128
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.	129 - 131
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.	132 - 137

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)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities			
Net investment in capital assets	\$ 101,452,886	\$ 110,920,860	\$ 117,813,966
Restricted	12,059,538	11,208,218	10,560,743
Unrestricted	42,065,680	38,528,623	34,851,764
Total governmental activities net position	<u>\$ 155,578,104</u>	<u>\$ 160,657,701</u>	<u>\$ 163,226,473</u>
Business-type activities			
Net investment in capital assets	\$ 1,676,338	\$ 1,725,262	\$ 1,769,212
Unrestricted	6,718,282	6,484,187	5,691,088
Total business-type activities net position	<u>\$ 8,394,620</u>	<u>\$ 8,209,449</u>	<u>\$ 7,460,300</u>
Primary government			
Net investment in capital assets	\$ 103,129,224	\$ 112,646,122	\$ 119,583,178
Restricted	12,059,538	11,208,218	10,560,743
Unrestricted	48,783,962	45,012,810	40,542,852
Total primary government activities net position	<u>\$ 163,972,724</u>	<u>\$ 168,867,150</u>	<u>\$ 170,686,773</u>

2017	2016	2015	2014	2013	2012	2011
\$ 124,241,092	\$ 131,089,740	\$ 136,884,869	\$ 141,166,518	\$ 147,045,403	\$ 155,638,332	\$ 163,075,950
9,040,123	9,647,561	9,911,448	10,228,223	9,313,903	7,862,243	7,351,100
32,163,842	28,709,841	25,300,016	24,257,515	23,125,677	20,949,060	19,723,021
<u>\$ 165,445,057</u>	<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>
\$ 1,782,910	\$ 1,339,384	\$ 1,353,897	\$ 1,411,672	\$ 1,504,703	\$ 1,624,577	\$ 1,685,171
4,890,803	4,620,083	4,168,253	3,872,134	3,480,904	3,516,382	3,023,063
<u>\$ 6,673,713</u>	<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>
\$ 126,024,002	\$ 132,429,124	\$ 138,238,766	\$ 142,578,190	\$ 148,550,106	\$ 157,262,909	\$ 164,761,121
9,040,123	9,647,561	9,911,448	10,228,223	9,313,903	7,862,243	7,351,100
37,054,645	33,329,924	29,468,269	28,129,649	26,606,581	24,465,442	22,746,084
<u>\$ 172,118,770</u>	<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>

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

	2020	2019	2018	2017
Expenses				
Governmental activities:				
General government	\$ 8,071,055	\$ 7,640,141	\$ 6,996,471	\$ 6,353,665
Judicial and public safety	6,418,615	6,160,079	5,766,384	5,248,513
Public health	-	-	-	-
Auxiliary services	452,772	514,335	464,661	500,709
Roads and bridges	15,881,428	14,396,716	14,167,484	14,695,292
Public welfare	5,137,371	5,039,466	5,055,167	4,794,943
Interest on long-term debt	897,060	-	-	-
Total governmental activities expenses	<u>36,858,301</u>	<u>33,750,737</u>	<u>32,450,167</u>	<u>31,593,122</u>
Business-type activities:				
Ambulance services	\$ 1,457,169	\$ 1,350,047	\$ 1,234,911	\$ 1,145,209
Solid waste services	870,814	836,632	733,357	793,476
Total business-type activities expenses	<u>2,327,983</u>	<u>2,186,679</u>	<u>1,968,268</u>	<u>1,938,685</u>
Total primary government expenses	<u>\$ 39,186,284</u>	<u>\$ 35,937,416</u>	<u>\$ 34,418,435</u>	<u>\$ 33,531,807</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,298,319	\$ 2,133,254	\$ 1,436,068	\$ 893,981
Judicial and public safety	532,489	482,306	501,705	541,926
Road and bridges	55,680	35,023	202,352	18,132
Operating grants and contributions	8,672,242	8,708,522	8,484,048	7,936,012
Capital grants and contributions	-	28,513	103,638	51,157
Total governmental activities program revenues	<u>11,558,730</u>	<u>11,387,618</u>	<u>10,727,811</u>	<u>9,441,208</u>
Business-type activities:				
Charges for services:				
Ambulance services	\$ 1,207,499	\$ 1,473,043	\$ 1,421,886	\$ 1,351,772
Solid waste services	1,176,790	1,210,304	1,174,866	1,062,122
Operating grants and contributions	59,555	129,327	64,865	170,419
Capital grants and contributions	-	37,380	33,151	27,271
Total business-type activities program revenues	<u>2,443,844</u>	<u>2,850,054</u>	<u>2,694,768</u>	<u>2,611,584</u>
Total primary government program revenues	<u>\$ 14,002,574</u>	<u>\$ 14,237,672</u>	<u>\$ 13,422,579</u>	<u>\$ 12,052,792</u>
Net (expense)/revenue				
Governmental activities	\$ (25,299,571)	\$ (22,363,119)	\$ (21,722,358)	\$ (22,151,914)
Business-type activities	115,861	663,375	726,500	672,899
Total primary government net expense	<u>\$ (25,183,710)</u>	<u>\$ (21,699,744)</u>	<u>\$ (20,995,858)</u>	<u>\$ (21,479,015)</u>

2016	2015	2014	2013	2012	2011
\$ 5,520,906	\$ 5,613,406	\$ 6,485,480	\$ 6,845,246	\$ 6,957,045	\$ 7,127,536
5,078,786	5,219,708	4,694,742	3,981,293	3,902,451	3,883,935
-	-	-	-	-	-
440,388	464,619	488,566	440,435	425,573	443,138
13,072,223	12,667,839	12,806,499	13,798,554	12,816,909	12,693,242
4,713,540	4,454,833	4,464,512	4,418,503	4,386,731	4,658,233
-	-	-	-	10,416	107,469
<u>28,825,843</u>	<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>
\$ 1,070,858	\$ 1,126,716	\$ 1,036,578	\$ 1,089,211	\$ 903,002	\$ 1,069,405
763,632	707,029	631,224	973,948	593,057	560,750
<u>1,834,490</u>	<u>1,833,745</u>	<u>1,667,802</u>	<u>2,063,159</u>	<u>1,496,059</u>	<u>1,630,155</u>
<u>\$ 30,660,333</u>	<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>
\$ 594,119	\$ 537,680	\$ 1,221,787	\$ 1,215,473	\$ 1,380,278	\$ 1,603,765
528,016	503,902	517,131	530,147	520,332	493,905
25,361	8,047	88,274	22,021	11,925	14,814
7,328,010	7,566,786	7,138,055	6,987,625	6,750,821	6,859,757
-	44,654	470,189	791,252	53,823	87,808
<u>8,475,506</u>	<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>
\$ 1,205,051	\$ 1,157,045	\$ 1,054,961	\$ 1,016,461	\$ 1,067,020	\$ 1,230,285
1,030,125	860,302	814,740	799,465	769,998	702,568
3,505	24,165	35,141	34,487	32,123	16,515
-	6,334	6,108	46,901	57,680	11,426
<u>2,238,681</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>\$ 10,714,187</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>
\$ (20,350,337)	\$ (19,759,336)	\$ (19,504,363)	\$ (19,937,513)	\$ (19,781,946)	\$ (19,853,504)
404,191	214,101	243,148	(165,845)	430,762	330,639
<u>\$ (19,946,146)</u>	<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>

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

	2020	2019	2018	2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	\$ 17,276,977	\$ 15,881,611	\$ 15,118,777	\$ 15,047,692
Specific ownership	1,623,075	1,758,505	1,642,242	1,506,682
Sales - Lodging	203,196	218,131	223,174	186,372
Other	14,364	90,044	89,003	80,078
Interest earnings	571,075	1,283,355	434,313	244,482
Miscellaneous	414,155	418,600	487,320	373,685
Gain (loss) on sale of capital assets	117,132	144,101	155,000	262,155
Transfers	-	-	-	-
Total governmental activities	<u>20,219,974</u>	<u>19,794,347</u>	<u>18,149,829</u>	<u>17,701,146</u>
Business-type activities:				
Interest earnings	42,957	79,026	37,928	30,169
Miscellaneous	26,353	6,748	3,419	2,984
Loss on sale of assets				(27)
Transfers	-	-	-	-
Total business-type activities	<u>69,310</u>	<u>85,774</u>	<u>41,347</u>	<u>33,153</u>
Total primary government	<u>\$ 20,289,284</u>	<u>\$ 19,880,121</u>	<u>\$ 18,191,176</u>	<u>\$ 17,734,299</u>
Change in Net Position				
Governmental activities	\$ (5,079,597)	\$ (2,568,772)	\$ (4,002,085)	\$ (2,649,191)
Business-type activities	185,171	749,149	714,246	437,317
Total primary government	<u>\$ (4,894,426)</u>	<u>\$ (1,819,623)</u>	<u>\$ (3,287,839)</u>	<u>\$ (2,211,874)</u>

2016	2015	2014	2013	2012	2011
\$ 13,579,680	\$ 12,889,251	\$ 12,374,675	\$ 11,855,985	\$ 11,982,812	\$ 11,768,430
1,538,445	1,560,361	1,456,985	1,273,495	1,178,748	1,058,212
221,834	207,040	122,188	101,439	81,300	75,972
71,241	71,016	56,119	109,999	43,956	34,021
190,551	191,692	116,984	86,927	47,991	66,940
360,891	428,055	358,223	666,890	563,613	645,187
240,771	352,529	487,687	23,235	68,953	6,258
-	(28,308)	-	(36,460)	-	-
16,203,413	15,671,636	14,972,861	14,081,510	13,967,373	13,655,020
18,847	13,955	5,630	2,729	1,551	2,194
5,396	12,788	4,863	3,347	4,094	803
-	-	-	(4,113)	-	-
-	28,308	-	-	-	-
24,243	55,051	10,493	6,076	5,645	2,997
\$ 16,227,656	\$ 15,726,687	\$ 14,983,354	\$ 14,087,586	\$ 13,973,018	\$ 13,658,017
\$ (3,555,923)	\$ (3,832,727)	\$ (4,964,652)	\$ (5,700,436)	\$ (5,886,131)	\$ (11,644,551)
238,344	298,199	(155,352)	432,725	336,284	118,858
\$ (3,317,579)	\$ (3,534,528)	\$ (5,120,004)	\$ (5,267,711)	\$ (5,549,847)	\$ (11,525,693)

Morgan County, Colorado
Last Ten Years
(modified accrual accounting)
(unaudited)

	2020	2019	2018	2017	2016
General fund					
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,082,289	946,337	948,480	842,327	836,428
Assigned	11,163,572	11,157,713	11,220,486	11,186,134	10,143,470
Committed	778,710	679,089	574,041	473,437	376,393
Unassigned	19,705,751	17,491,938	14,688,077	13,004,169	11,280,916
Total general fund	<u>\$ 32,730,322</u>	<u>\$ 30,275,077</u>	<u>\$ 27,431,084</u>	<u>\$ 25,506,067</u>	<u>\$ 22,637,207</u>
All other governmental funds					
Non Spendable	\$ 79,180	\$ 69,872	\$ 89,303	\$ 102,970	\$ 93,361
Restricted	10,974,809	10,259,465	9,609,894	8,197,796	8,811,133
Committed	6,291,036	5,746,860	5,130,285	4,952,277	4,349,889
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 17,345,025</u>	<u>\$ 16,076,197</u>	<u>\$ 14,829,482</u>	<u>\$ 13,253,043</u>	<u>\$ 13,254,383</u>

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

2015	2014	2013	2012	2011
\$ -	\$ -	\$ -	\$ 704	\$ 858
830,922	825,066	819,912	664,076	657,762
8,131,456	1,122,589	1,132,514	1,127,830	3,111,494
278,660	184,972	92,126	-	-
10,303,949	15,513,001	13,886,509	11,832,605	8,897,900
<u>\$ 19,544,987</u>	<u>\$ 17,645,628</u>	<u>\$ 15,931,061</u>	<u>\$ 13,625,215</u>	<u>\$ 12,668,014</u>
\$ 78,817	\$ 91,688	\$ 85,744	\$ 98,318	\$ 113,694
9,080,526	9,403,157	8,493,991	7,198,167	6,693,338
3,761,093	4,195,561	3,766,506	3,336,227	2,912,385
-	-	-	-	-
-	-	-	(23,006)	-
<u>\$ 12,920,436</u>	<u>\$ 13,690,406</u>	<u>\$ 12,346,241</u>	<u>\$ 10,609,706</u>	<u>\$ 9,719,417</u>

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

	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 19,117,614	\$ 17,948,291	\$ 17,937,109	\$ 17,073,196	\$ 16,820,824
Intergovernmental	8,668,192	8,708,522	8,484,048	7,936,012	7,328,010
Licenses and permits	118,543	102,577	97,822	88,659	96,926
Fines and forfeiture	2,055	2,265	2,757	3,892	4,091
Fee accounts	1,551,974	1,444,735	1,461,626	1,410,411	1,388,951
Charges for material/service	269,253	306,584	539,664	290,535	311,443
Interest	571,075	1,283,355	857,258	434,313	244,482
Miscellaneous	374,740	416,975	478,636	486,916	357,539
Total revenues	<u>30,673,446</u>	<u>30,213,304</u>	<u>29,858,920</u>	<u>27,723,934</u>	<u>26,552,266</u>
Expenditures					
Current:					
General government	6,857,746	5,456,344	5,579,881	5,011,770	4,459,590
Judicial and public safety	6,291,622	6,011,334	5,577,035	5,157,630	5,022,918
Public health	-	-	-	-	-
Auxiliary services	452,772	515,069	465,373	501,347	441,072
Road and bridge	6,565,394	5,163,442	5,104,051	5,563,489	4,166,484
Public welfare	5,327,164	5,030,790	5,059,410	4,797,258	4,710,757
Intergovernmental cooperation					
outlay	1,128,848	1,134,694	1,144,153	1,120,429	1,119,295
Capital outlay	525,827	2,810,923	3,427,560	2,704,491	3,220,323
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Other charges	-	-	-	-	-
Total expenditures	<u>27,149,373</u>	<u>26,122,596</u>	<u>26,357,463</u>	<u>24,856,414</u>	<u>23,140,439</u>
Excess of revenues					
over (under) expenditures	3,524,073	4,090,708	3,501,456	2,867,520	3,411,827
Other financing sources (uses)					
Transfers in	320,000	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
Certificate issuance costs	-	-	-	-	-
Original discount fee	-	-	-	-	-
Benefit payments refunded	-	-	-	-	-
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,340</u>
Net change in fund balances	<u>\$ 3,724,073</u>	<u>\$ 4,090,708</u>	<u>\$ 3,501,456</u>	<u>\$ 2,867,520</u>	<u>\$ 3,426,167</u>
Debt service as a percentage of					
noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

2015	2014	2013	2012	2011
\$ 15,411,200	\$ 14,727,668	\$ 14,009,967	\$ 13,340,918	\$ 13,286,816
7,566,786	7,548,824	7,521,826	6,750,821	6,947,565
84,958	78,523	61,868	59,632	52,120
4,641	13,930	20,654	22,702	26,595
1,293,167	1,307,332	1,296,819	1,321,583	1,288,057
326,123	394,221	267,804	248,638	249,260
190,551	191,692	116,984	86,927	47,991
360,283	392,434	353,929	612,748	609,628
25,237,709	24,654,624	23,649,851	22,443,969	22,508,032
4,261,742	4,268,427	4,698,979	4,637,684	4,860,363
5,103,613	4,606,906	3,903,282	3,822,837	3,797,740
465,300	-	-	-	-
3,944,569	489,239	440,435	425,573	443,138
4,462,082	5,262,251	4,981,971	4,359,311	4,857,738
1,120,295	4,455,679	4,406,656	3,953,014	4,646,370
4,750,739	1,109,401	1,098,383	1,060,089	1,035,273
-	1,375,681	77,784	472,555	19,481
-	-	-	1,855,000	220,000
-	-	-	9,733	102,435
-	-	-	683	-
24,108,340	21,567,584	19,607,490	20,596,479	19,982,538
1,129,369	3,087,040	4,042,361	1,847,490	2,525,494
120,000	310,000	200,000	1,514,690	-
(120,000)	(338,308)	(200,000)	(1,514,690)	-
-	-	20	-	-
20	-	20	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20	(28,308)	40	-	-
\$ 1,129,389	\$ 3,058,732	\$ 4,042,401	\$ 1,847,490	\$ 2,525,494
0.00%	0.00%	0.00%	9.27%	1.70%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Function/Program				
General government	\$ 3,734,489	\$ 2,778,622	\$ 2,184,081	\$ 1,650,225
Judicial and public safety	655,579	639,147	688,914	637,763
Roads and bridges	3,030,427	3,961,236	3,825,694	3,370,854
Public welfare	<u>4,138,235</u>	<u>4,008,613</u>	<u>4,029,122</u>	<u>3,782,366</u>
Total governmental activities	<u>11,558,730</u>	<u>11,387,618</u>	<u>10,727,811</u>	<u>9,441,208</u>
Business-type activities				
Ambulance services	1,267,054	1,639,750	1,519,902	1,549,462
Solid waste services	<u>1,176,790</u>	<u>1,210,304</u>	<u>1,174,866</u>	<u>1,062,122</u>
Total business-type activities net position	<u>2,443,844</u>	<u>2,850,054</u>	<u>2,694,768</u>	<u>2,611,584</u>
Total primary government	<u>\$ 14,002,574</u>	<u>\$ 14,237,672</u>	<u>\$ 13,422,579</u>	<u>\$ 12,052,792</u>

2016	2015	2014	2013	2012	2011
\$ 973,245	\$ 989,455	\$ 1,859,970	\$ 1,797,172	\$ 1,830,401	\$ 2,034,116
647,872	595,599	1,059,218	759,544	697,234	794,707
3,187,142	3,529,603	3,153,758	3,722,515	2,924,551	2,900,596
3,667,247	3,487,582	3,362,490	3,267,287	3,264,993	3,330,630
8,475,506	8,602,239	9,435,436	9,546,518	8,717,179	9,060,049
1,205,051	1,187,544	1,096,210	1,097,849	1,156,823	1,258,226
1,030,125	860,302	814,740	799,465	769,998	702,568
2,235,176	2,047,846	1,910,950	1,897,314	1,926,821	1,960,794
<u>\$ 10,710,682</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>

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
2020	17,276,976	1,623,075	14,364	203,199	19,117,614
2019	15,881,611	1,758,505	10,387	297,788	17,948,291
2018	15,993,175	1,644,309	8,437	216,031	17,861,952
2017	15,119,847	1,641,603	6,866	223,174	16,991,490
2016	15,047,692	1,506,682	9,077	257,373	16,820,824
2015	13,579,680	1,538,445	9,235	283,840	15,411,200
2014	12,984,216	1,560,360	6,404	269,168	14,820,148
2013	12,409,909	1,456,984	7,320	170,987	14,045,200
2012	11,887,184	1,273,495	7,910	203,527	13,372,116
2011	11,982,812	1,178,748	6,718	118,539	13,286,817
Change					
2011-2020	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
2020	141,416,800	72,559,840	22,321,220	60,832,160	9,046,880	3,488,060
2019	108,717,860	66,135,180	21,348,010	56,813,590	6,567,670	27,800,230
2018	106,873,320	63,202,210	20,762,120	55,696,820	6,581,730	2,535,220
2017	99,827,560	53,836,470	19,108,820	50,090,040	5,078,680	3,498,090
2016	98,757,180	52,012,320	18,886,900	48,894,750	5,203,140	9,827,170
2015	89,526,130	48,428,340	17,466,450	41,139,250	4,800,170	10,886,750
2014	89,526,130	48,428,340	61,529,073	41,139,250	4,800,170	10,886,750
2013	88,806,920	46,514,960	16,403,930	40,438,820	5,020,550	11,295,580
2012	87,502,260	48,001,890	14,677,380	37,213,540	4,918,310	32,083,560
2011	86,908,580	48,371,180	14,635,240	36,738,150	4,959,260	26,856,640

From 2011 to 2020 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
2020	7.20%	2019 appraised value
2019	7.20%	2019 appraised value
2018	7.20%	2017 appraised value
2017	7.20%	2017 appraised value
2016	7.96%	2015 appraised value
2015	7.96%	2015 appraised value
2014	7.96%	2013 appraised value
2013	7.96%	2013 appraised value
2012	7.96%	2011 appraised value
2011	7.96%	2011 appraised value

Source: Morgan County Assessor's office

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

Personal Property	Total Taxable Assesed Value	Tax Exempt Property	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
267,282,610	641,544,610	144,363,230	28.953	3,729,474,710	17.20%
260,588,560	601,683,980	268,412,190	28.961	3,543,909,210	16.98%
270,489,180	552,170,540	237,390,850	28.970	3,018,294,850	18.29%
265,521,470	521,172,180	236,862,350	28.970	3,013,820,350	17.29%
278,353,330	511,934,790	191,181,280	28.128	2,697,685,720	18.98%
289,591,670	470,619,610	176,332,860	28.948	2,728,398,820	17.25%
233,591,670	470,916,610	157,851,940	28.948	2,414,135,330	19.51%
212,940,880	445,723,250	154,546,270	28.948	2,320,211,520	19.21%
203,020,040	427,416,980	152,947,180	28.948	2,252,146,830	18.98%
191,854,300	410,323,350	145,278,970	28.948	2,193,670,110	18.70%

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

	2020	2019	2018	2017	2016
County direct rates					
General Fund	19.453	19.461	19.470	19.470	19.628
Road and Bridge	7.500	7.500	7.500	7.500	6.500
Human Services	2.000	2.000	2.000	2.000	2.000
Total Direct Rate	28.953	28.961	28.970	28.970	28.128
City and town rates					
Brush	15.660	15.671	15.683	15.752	15.660
Fort Morgan	13.254	13.254	13.254	13.254	13.254
Hillrose	16.515	17.890	17.585	17.890	17.773
Log Lane	12.635	34.267	27.413	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	2.588 - 7.719
School districts	19.855 - 50.861	19.298 - 52.728	15.219 - 52.360	19.500 - 45.285	17.105 - 42.449
Other special districts	0.000 - 25.00	0.000 - 9.001	.021 - 9.010	.026 - 10.958	.027 - 10.947

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

2015	2014	2013	2012	2011
19.448	19.448	19.448	21.048	21.048
6.500	6.500	6.500	5.400	5.400
3.000	3.000	3.000	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	17.890	17.718	17.890	17.890
34.267	34.267	34.267	34.267	34.267
32.212	32.212	32.212	32.212	32.212
2.991-7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719
17.128-43.801	17.128 - 43.801	17.815 - 41.252	22.305 - 39.174	21.418 - 40.218
.027-11.902	.027 - 11.902	.027 - 11.902	.30 - 10.720	.30 - 10.364

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

Taxpayer	Type of Business	2020			2011		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Public Service Co. of Colorado	Utility	\$ 151,569,200	1	27.66%	\$ 79,727,320	1	19.29%
Leprino Foods Company	Cheese Process	18,825,200	2	3.44%	8,443,790	8	2.04%
BNSF Railway Company	Transportation	17,532,600	3	3.20%	9,142,600	7	2.21%
Cargill Meat Solutions Corporation	Meat Process	14,594,090	4	2.66%	19,245,470	4	4.66%
Colorado Interstate Gas Co.	Utility	14,472,400	5	2.64%	16,204,000	3	3.92%
Manchief Power Company LLC	Utility	13,504,600	6	2.46%	20,006,500	2	4.84%
Sterling Energy Investments LLC	Utility	11,748,190	7	2.14%			
Western Sugar Cooperative	Sugar Process	10,300,030	8	1.88%	4,832,100	9	1.17%
Morgan County REA Association	Utility	8,518,700	9	1.55%	-		
Wildcat Dairy LLC	Dairy	7,563,270	10	1.38%	-		0.00%
Brush Power LLC	Utility	7,485,400	11	1.37%	10,094,500	5	
Tri-State Generation & Transmission Assoc.	Utility	7,423,400	12	1.35%	-		0.00%
Cargill Meat Solutions Corp (Lagoon)	Utility	5,969,930	13	1.09%	-		
Spectrum Pacific West LLC	Utility	4,776,650	14	0.87%			
Young Gas Storage Company Ltd	Utility	3,416,340	15	0.62%	-		0.00%
Cheyenne Plains Gas Pipeline Co	Utility	-		0.00%	10,009,200	6	
Total		<u>\$ 297,700,000</u>		<u>54.33%</u>	<u>\$ 177,705,480</u>		<u>38.14%</u>
Total assessed valuation		<u>\$ 547,971,100</u>			<u>\$ 413,266,190</u>		

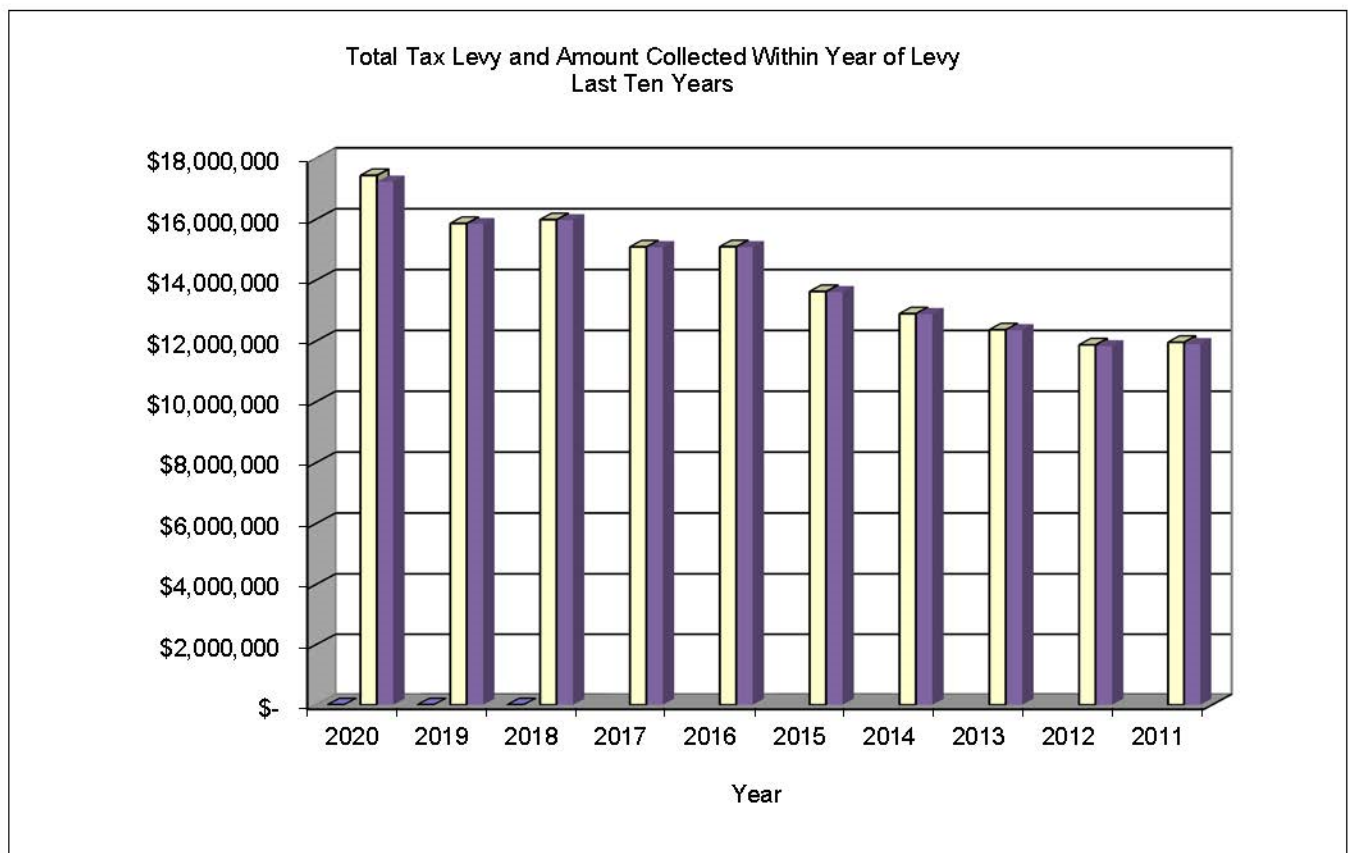
Source: Morgan County Assessor's office

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
2020	17,447,852	17,241,747	98.82%	0	17,241,747	98.82%
2019	15,869,790	15,847,377	99.86%	(304)	15,847,073	99.86%
2018	15,994,171	15,972,255	99.86%	8,996	15,981,251	100.00%
2017	15,098,358	15,087,091	99.93%	166	15,084,258	100.00%
2016	15,104,971	15,087,298	99.88%	6,602	15,093,901	100.00%
2015	13,632,095	13,609,422	99.83%	(197)	13,609,225	100.00%
2014	12,902,798	12,890,894	99.91%	2,014	12,892,907	100.00%
2013	12,372,865	12,361,150	99.91%	7,806	12,368,956	100.00%
2012	11,878,040	11,831,192	99.61%	4,279	11,835,472	100.00%
2011	11,963,228	11,902,959	99.50%	2,662	11,905,621	100.00%

Notes:

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



Source: Morgan County Treasurer

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

Year	Governmental Activities		Percentage of Personal Income (1)	Per Capita (1)
	Certificates of Participation	Total Primary Government		
2020	-	-	0.000%	-
2019	-	-	0.000%	-
2018	-	-	0.000%	-
2017	-	-	0.000%	-
2016	-	-	0.000%	-
2015	-	-	0.000%	-
2014	-	-	0.000%	-
2013	-	-	0.000%	-
(2) 2012	-	-	0.000%	-
2011	1,855,000	1,855,000	0.220%	66

(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	\$ 34,883,278	99.27%	\$ 34,628,630
Fort Morgan RE-3 School District	\$ 15,725,000	100.00%	\$ 15,725,000
Wiggins RE-50(J) School District	\$ 26,280,000	27.00%	\$ 7,095,600
Briggsdale RE-10 School District	\$ 1,645,000	99.00%	\$ 1,628,550
Weldon Valley School District RE-20(J)	\$ 215,000	99.97%	\$ 214,936
Other			
Well Augmentation Subdistrict	\$ 22,405,671	14.00%	\$ 3,136,794
Groundwater Management Subdistrict	\$ 27,223,613	14.00%	\$ 3,811,306
Central Colorado Water Conservancy District	\$ 52,429,030	14.00%	\$ 7,340,064
Morgan County Quality Water District	\$ 30,000,000	99.78%	\$ 29,934,000
Total Overlapping Debt			<u>\$ 73,580,880</u>

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

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

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

Assessed Valuation:

Assessed value	\$ 601,683,980
Add back: exempt real property	<u>71,929,280</u>
Total assessed value	\$ 673,613,260

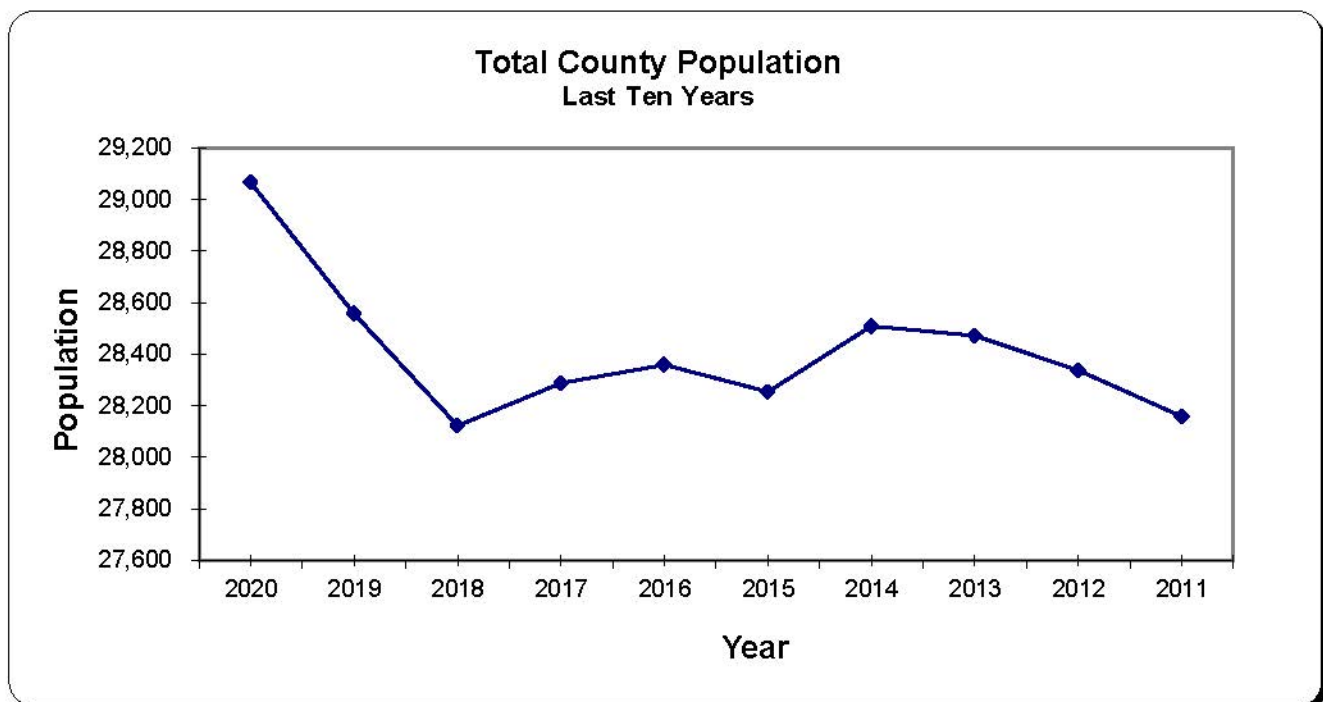
Legal debt margin:

Debt limitation - 3% of assessed value	\$ 20,208,398
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
2020	20,208,398	-0-	20,208,398	0.00%
2019	16,439,133	-0-	16,439,133	0.00%
2018	16,565,116	-0-	16,565,116	0.00%
2017	15,635,165	-0-	15,635,165	0.00%
2016	16,110,248	-0-	16,110,248	0.00%
2015	14,127,498	-0-	14,127,498	0.00%
2014	13,371,698	-0-	13,371,698	0.00%
2013	12,890,759	-0-	12,890,759	0.00%
2012	13,619,326	-0-	13,619,326	0.00%
2011	12,397,986	-0-	12,397,986	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
2020	29,068	728,560,352	25,064	35.5	5,625	11.90%
2019	28,558	1,474,335,308	51,626	36.3	5,831	2.70%
2018	28,123	1,447,097,088	51,456	36.6	5,734	3.30%
2017	28,288	1,400,114,560	49,495	36.6	5,559	2.90%
2016	28,359	1,209,227,760	42,640	36.4	6,551	2.70%
2015	28,254	1,153,889,324	39,956	36.5	5,431	3.60%
2014	28,509	1,120,745,808	39,312	36.4	5,714	3.20%
2013	28,472	989,458,944	34,752	36.4	5,553	5.20%
2012	28,338	949,011,282	33,489	34.5	5,460	6.10%
2011	28,159	879,996,909	31,251	35.5	5,444	6.20%



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

Source:

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



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

Taxpayer	Type of Business	2020			2011		
		Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Cargill Meat Solutions Corporation	Beef Processing	2,150	1	12.70%	2,100	1	15.67%
Leprino Foods Company	Cheese Processing Plant	350	2	2.07%	272	3	2.03%
Colorado Plains Medical Center	Hospital	312	3	1.84%	227	5	1.69%
Western Sugar (Includes Seasonal)	Sugar Processing	282	4	1.67%	250	4	1.87%
Morgan County	Government	263	5	1.55%			
Eben Ezer Lutheran Care Center	Nursing Home	225	6	1.33%	220	6	1.64%
Viaero Wireless	Cellular Provider	155	7	0.92%	325	2	0.78%
East Morgan County Hospital	Hospital	192	8	1.13%	118	9	0.88%
Valley View Villa	Nursing Home	74	9	0.44%	135	8	1.01%
Basic Energy Services - Pumping Div	Oil/Gas Services	17	10	0.10%			-
Xcel Energy	Utility	83	11	0.49%	105		0.78%
Total		<u>4,103</u>		<u>24.24%</u>	<u>3,752</u>		<u>26.36%</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)

<u>Function/Program</u>	2020	2019	2018	2017	2016
General Government					
Assessor	11	11	9	9	9
Board of County Commissioners	3	3	3	3	3
Building Maintenance	7	7	7	8	7
Clerk and Recorder	12	12	12	12	11
Courier	1	1	1	1	1
Finance	5	5	5	5	5
Fleet	7	7	7	7	7
Human Resources	1	1	1	1	1
Information Management Services	4	4	4	4	4
Planning and Building	4	4	4	4	3
Purchasing and Support Staff for BCC	1	1	1	1	1
Treasurer	3	3	3	3	3
Judicial and Public Safety					
Communications Center	16	14	14	14	11
Coroner	3	3	3	3	3
Corrections (Jail)	30	28	26	26	32
County Attorney	2	1	1	1	1
Emergency Management	1	1	1	1	1
Sheriff	24	23	30	30	24
Streets and Highways					
Road and Bridge	41	41	39	39	36
Auxiliary Services					
Extension	2	2	3	3	2
Fairgrounds	1	1	1	1	0
Veterans Officer	1	1	1	1	1
Health and Human Services					
Human Services	68	67	67	67	63
Business-type Services					
Ambulance Service	26	26	19	23	19
Solid Waste Management	6	6	7	7	7
Total	280	273	269	274	255

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 variances at year end.

2015	2014	2013	2012	2011
9	9	9	10	10
3	3	3	3	3
7	8	8	8	9
11	11	12	12	12
1	1	1	1	1
5	5	5	5	5
6	7	7	7	7
1	1	1	1	1
4	4	4	4	4
4	3	3	3	3
2	1	1	1	1
2	2	2	2	2
14	14	13	11	11
3	3	3	4	3
28	32	31	30	28
1	1	1	1	1
1	1	1	1	1
27	23	23	22	22
36	36	36	37	36
3	3	3	3	3
-	1	1	1	1
1	1	1	1	1
63	62	60	64	65
23	21	22	21	21
7	6	6	6	7
262	259	257	259	258

	2020	2019	2018	2017
Function/Program				
General Government				
Assessor				
Property transfers	1,072	1,666	1,904	2,050
Public Trustee				
Number of foreclosures	12	40	40	48
Clerk				
Motor Vehicle transactions	52,225	53,743	66,877	86,014
Registered Voters	17,663	16,778	16,868	15,941
Planning and Building				
Number of building permits issued	119	142	411	301
Number of parcels created	21	24	26	15
Judicial and Public Safety				
Communications Center				
Non-emergency calls	62,355	73,985	79,078	64,349
9-1-1 calls	12,086	11,537	10,671	9,806
District Attorney				
Number of felony cases	405	356	436	460
Number of juvenile cases	19	34	47	40
Sheriff				
Detention Center average daily population	73	79	93	90
Incidents handled by patrol and investigations	21,765	19,654	19,572	20,146
Streets and Highways				
Road and Bridge				
Bridges	173	173	173	173
County maintained roads (miles)	1,030	1,031	1,035	1,034
County roads maintained by others (miles)	61	61	61	61
County roads not maintained (miles)	146	145	142	143
Health and Human Services				
Human Services				
Families receiving food assistance	1,311	2,645	2,710	2,717
Seniors receiving assistance	2,636	2,359	2,668	2,745
Children receiving subsidized day care	0	***	90	78
Child Abuse or neglect cases reported	63	65	67	52
Auxiliary Services				
Extension				
4-H youth development program participants	392	392	415	368
Fairgrounds				
County fair attendance	**	4,700	4,650	4,200
Total Complex attendance	**	33,200	33,185	31,730
Business-type Services				
Ambulance Service				
Number of calls	3,050	3,073	2,831	2,726
Solid Waste Management				
Recycled tons processed	264	234	348	566

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

**Due to Covid-19 no one able to attend

Source: Information provided by individual Morgan County departments.

2016	2015	2014	2013	2012	2011
839	1,755	1,549	1,804	683	595
70	60	53	74	123	115
71,389	68,755	58,312	63,473	63,682	59,932
16,194	14,477	15,067	15,378	15,400	14,500
355	103	81	100	79	64
22	25	38	19	17	28
77,123	68,807	66,672	74,884	97,501	61,796
10,746	10,514	9,910	8,344	10,674	9,776
344	279	280	261	304	308
30	59	35	38	68	63
85	77	61	95	90	91
17,515	15,404	15,808	18,244	15,880	14,961
173	173	173	173	173	173
1,036	1,036	1,056	1,056	1,057	1,057
61	61	54	54	54	54
143	143	128	128	128	132
2,818	2,819	2,747	3,016	2,985	2,910
2,634	2,617	1,800	2,186	2,154	2,091
68	56	64	55	55	***
59	51	48	46	44	46
378	397	397	401	374	369
4,300	4,100	4,000	4,000	4,000	4,000
32,060	30,950	30,570	30,570	37,750	37,620
2,526	2,444	2,355	2,181	2,125	2,452
318	349	417	356	300	324

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

	2020	2019	2018	2017	2016
Function/Program					
Judicial and Public Safety					
Communications Center console positions	5	5	3	4	4
Communications Center vehicles	3	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	15	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	55	56	54	55	48
Vehicles	21	21	20	20	20
Health and Human Services					
Building	1	1	1	1	1
Vehicles	9	9	9	9	9
Auxiliary Services					
Extension Office	1	1	1	1	1
Event Center	1	1	1	1	1
Fairgrounds	1	1	1	1	1
Fairground heavy equipment	3	3	3	3	3
Fairground vehicles	1	1	1	1	1
Ambulance Service					
Buildings	2	2	2	3	2
Ambulance vehicles	7	7	7	7	8
Administrative vehicles	1	1	1	1	1
Solid Waste Management					
Landfill site	1	1	1	1	1
Transfer sites	0	0	0	0	0
Equipment	5	5	5	5	5
Vehicles	2	2	2	3	3

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

Source: Information provided by individual Morgan County departments

2015	2014	2013	2012	2011
4	4	4	4	4
1	1	1	2	2
3	3	3	3	3
1	1	4	4	4
3	3	3	3	3
1	1	1	1	1
3	3	3	3	3
14	14	13	12	11
13	13	13	12	12
15	15	15	15	15
6	6	6	6	6
24	24	24	24	23
10	10	10	10	10
44	39	37	36	36
22	19	6	20	19
1	1	1	1	1
9	9	9	9	9
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
1	1	1	1	1
2	2	3	2	2
7	8	8	8	8
1	1	1	1	1
1	1	1	1	1
0	0	6	0	0
5	5	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, 2020, 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 21, 2021.

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

CENTENNIAL, COLORADO
July 21, 2021

**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, 2020. 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, 2020.

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

CENTENNIAL, COLORADO
July 21, 2021

MORGAN COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture			
Passed through Colorado Department of Human Services			
Food Assistance Administration	10.561		\$ 171,484
Total Department of Agriculture			<u>\$ 171,484</u>
U.S. Department of Health and Human Services			
Passed through Colorado Department of Human Services			
Child Care Cluster			
Child Care and Development Block Grant	93.575		\$ 241,220
Care and Development Fund	93.596		\$ 61,582
Total Child Care Cluster			<u>\$ 302,802</u>
Promoting Safe and Stable Families	93.556		\$ 150,835
TANF	93.558		\$ 1,113,562
Child Enforcement Support	93.563		\$ 389,058
Stephanie Tubbs Jones Child Welfare Services Program	93.645		\$ 27,057
Foster Care - Title IV-E	93.666		\$ 363,391
Adoption	93.659		\$ 214,827
Title XX Block Grant	93.667		\$ 166,564
Low Income Home Energy Assistance Block Grant	93.568		\$ 5,135
Guardianship Assistance - ARRA	93.090		\$ 3,208
Provider Relief Fund	93.498		\$ 47,347
Injury Prevention	93.136		\$ 3,394
Department of Health Care Policy and Financing			
Title XIX Medicaid Assistance Program	93.778		\$ 378,167
Total Department of Health and Human Services			<u>\$ 3,336,831</u>
U.S. Department of Justice			
Passed through State of Colorado			
Victims Assistance Program	16.575		\$ 27,184
Bulletproof Vest Program	16.607		\$ 2,460
Total Department of Justice			<u>\$ 29,644</u>
U.S. Department of Homeland Security			
Passed through State of Colorado			
Emergency Management Performance Grant	97.042		\$ 58,555
Total Department of Homeland Security			<u>\$ 58,555</u>
U.S. Department of Treasury			
Passed through State of Colorado			
Coronavirus Relief Fund	21.019	\$ 697,683	\$ 967,182
Total U.S. Department of Treasury		<u>\$ 697,683</u>	<u>\$ 967,182</u>
Total Expenditures of Federal Awards		<u>\$ 697,683</u>	<u>\$ 4,392,212</u>

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



MORGAN COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMEBER 31, 2020

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, 2020. 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

Morgan County had \$697,683 of federal awards passed through to subrecipients for the year-ended December 31, 2020.

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 \$9,153,662. 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, 2020

SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	<u> </u> Yes	<u> x </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> x </u> None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> x </u> No
Identification of major federal programs:	21.019 Coronavirus Relief Fund 93.563 Child Enforcement Support	
Dollar threshold used to distinguish between type A and type B programs:	<u> \$ 750,000 </u>	
Auditee qualified as a low-risk auditee?	<u> x </u> Yes	<u> </u> No

**MORGAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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, 2019.

