MORGAN COUNTY, COLORADO

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2025

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For the fiscal year ended December 31, 2025

Board of County Commissioners
Jon Becker, Chairman
Kelvin Bernhardt
Tim Malone

Director of Finance
Jessica Trusty

Director of Information Systems
Karol Kopetzky

Information Systems Specialist
Vicki Jump

Accounting Specialists
Lily Lopez
Raina Hallahan

Accounts Payable Manager
MJ Rhoades

Payroll Manager
Lori Crispin

Prepared by:
Finance and Information Systems Departments

MORGAN COUNTY

Where Prairie Meets The Sky

MORGAN COUNTY, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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MORGAN COUNTY

Where Prairie Meets The Sky

INTRODUCTORY SECTION

MORGAN COUNTY
ADMINISTRATION

July 29, 2026

To the Citizens of Morgan County, Colorado:

State law requires that every government publish at the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for Morgan County Government for the fiscal year ended December 31, 2025.

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 Liittjohann, Kauffman and Pederson, CPAs was selected to perform the 2025 audit. Liittjohann, Kauffman and Pederson, CPAs have issued an unmodified ("clean") opinion on Morgan County Government's financial statements for the year ended December 31, 2025. The independent auditors' report on the basic financial statements is located at the front of the financial section of this report.
Management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction overview and an analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

This report includes activities for which the Board of County Commissioners is accountable to the citizens of Morgan County, financially, or by state statute. All applicable funds, departments, and offices are included in these financial statements as part of the primary government of Morgan County.

Morgan County Government offers a full range of services. These services include police protection; human services; ambulance services; solid waste management services; maintenance and construction of roadways, bridges, and infrastructure to support these activities; recreational and cultural facilities and events; 911 emergency telephone and other public safety telephone services; and land use planning services.

PROFILE OF MORGAN COUNTY

Morgan County is located on the High Plains of Northeastern Colorado, well-situated on Interstate Highway 76 and U.S. Highway 34. The County is only 79 miles from Metro Denver and major U.S. trade corridors. The Denver International Airport is within an hour's drive. The population of Morgan County is 30,306. Morgan County encompasses five incorporated cities and towns as well as a large unincorporated area. The largest city is Fort Morgan with a population of 11,453. Morgan County offers several community and recreational facilities. Jackson Lake is a popular recreational area in Morgan County that attracts weekend visitors as well as year-round residents wanting to retire to a rural area. The area offers fishing and boating while the climate allows year-round residence. Some of the finest hunting in North America is found in the area, including pheasant, turkey, grouse, quail, geese, duck, deer, and antelope. Morgan County has moderate summers, crisp falls, cool winters, and warm springs. There are 330 days of sunshine annually, 14.9 inches annual precipitation, and 29.7 inches average snowfall. Annual average temperature is 64 degrees F.

PROFILE OF MORGAN COUNTY GOVERNMENT

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

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

Morgan County Government employs 260 FTE's (full time equivalents). Full-time employees receive a comprehensive compensation package typical of county governments. Benefits include paid leave, medical insurance plans and a defined contribution retirement plan.

LOCAL ECONOMY

Agriculture is the primary industry in Morgan County with retailers, other locally focused businesses, and government operations supporting area farming and ranching communities. The major crops grown in the County include corn, sugar beets, hay, silage, wheat, potatoes, onions, alfalfa, and turf. The dairy industry also continues to have a strong presence. Cargill Meat Solutions Corporation is the largest employer in the county, employing 2,100 employees. The next largest employer is Viaero Wireless with 501 employees followed by Leprino Foods with 350 employees. The unemployment rate in Morgan County in 2025 was 4.2%. Morgan County's unemployment rate of 4.2% is slightly higher than the State rate of 3.2%. Morgan County's location near the Front Range allows easy access for the opportunities of the big cities while maintaining the benefits of a rural lifestyle – with a large residential growth in Wiggins, the most western community in Morgan County. The County prides itself on maintaining tradition while looking to the future.

MAJOR INITIATIVES AND COUNTY LONG-TERM FINANCIAL PLANNING

Facilities planning and maintenance continue to be a major area of emphasis for the County. The County is in the process of reviewing the capital improvement plan. The County Commissioners targeted an expansion project to increase space at the County Jail facility. The County experienced problems segregating inmates during the COVID pandemic. The County did create the Jail Capital Improvement Fund in 2008 to accumulate monies for the future expansion of the facility. The County received an Energy Impact Assistance Fund grant to help fund the Jail project. The County may also have to look to the other municipalities to help fund the jail. The current complex was built in 1985.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Morgan County for its annual comprehensive financial report for the fiscal year ended December 31, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

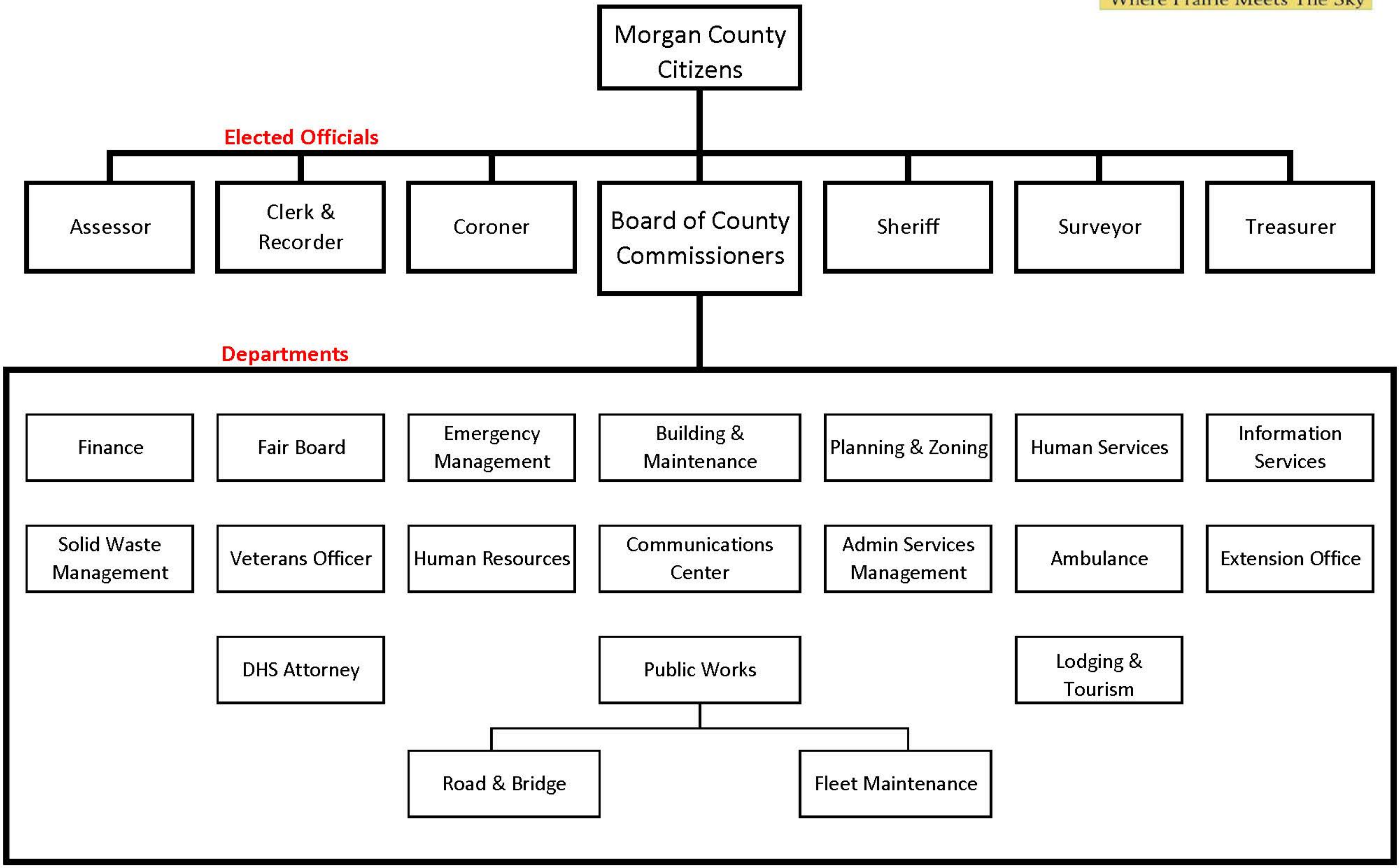
ACKNOWLEDGEMENTS

The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance and Accounting department and Information Systems department. Each member of the departments has our sincere appreciation for the contributions made in the preparation of this report. These people work together as a highly effective team to promote the excellence we strive for. Appreciation is also expressed to the Board of County Commissioners who establishes the policies which provide for sound financial management and to all the other elected officials, department heads, and County employees for their cooperation in matters pertaining to the financial affairs of the County.

Respectfully submitted,

Jessica Trusty
Director of Finance and Accounting

Morgan County Organizational Chart



MORGAN COUNTY, COLORADO

List of Principal Officials
As of December 31, 2025

TITLE	NAME
ELECTED	
Chairman, Board of County Commissioners	Jon Becker
Commissioner	Kelvin Bernhardt
Commissioner	Tim Malone
Assessor	Tim M. Amen
Clerk & Recorder	Kevin Strauch
Coroner	Michael Dahl
Sheriff	David D. Martin
Surveyor	Nichole F. Hay
Treasurer	Robert A. Sagel
APPOINTED	
Accounting & Finance Director, Interim	Jessica Trusty
Administrative Services Manager	Mariah Garcia
Building Maintenance Director	Michael Cox
County Attorney	Kathryn Sellars
Emergency Managment Director	Roger Doll
Environmental Director	Cass Yearous
Human Services Attorney	David Bute
Human Services Director	Jaque Frenier
Information Systems Director	Karol L. Kopetzky
Planning & Zoning Director	Nicole F. Hay
Public Service Director	Travis Freeman
Public Works Director	John Goodman
Veterans Officer	Brian Uhrich

MORGAN COUNTY

Where Prairie Meets The Sky

FINANCIAL SECTION

LIITTJOHANN, KAUFFMAN, and PEDERSON
Certified Public Accountants

David A. Kauffman, C.P.A., P.C. Daniel M. Pederson, C.P.A.'s, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Morgan County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Morgan County, Colorado (the County), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component unites, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Morgan County, Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including and currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing and audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

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106 East First Street
Julesburg, CO 80737
(970) 474-3326

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Fort Morgan, Colorado
July 29, 2026

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, 2025. 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 $158 million (net position) at the end of 2025. Of this amount, $78 million may be used to meet the government's ongoing obligations to citizens and creditors. The remaining $80 million is invested in capital assets or restricted by law.

- The County's General Fund balance was $48.6 million as of December 31, 2025. Of this amount, $12 million is assigned for capital building projects, $1 million is restricted for emergencies, $49,201 is restricted for Clerk E-filing, and $2,847 is committed for the Tri centennial. The remaining $35.2 million is unassigned fund balance. The 2024 fund balance was $51.2 million.

- The total 2025 General Fund expenditures are $20.4 million, which is $1.2 million more than the 2024 General Fund operating expenditures plus transfers out of $19.2 million. Morgan County does not have a county sales tax and relies heavily on property tax collections as a main revenue source. Current property taxes represent 70% of the General Fund revenue in 2025.

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

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

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

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

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

Morgan County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, and the social services fund, all of which are considered to be major funds. Morgan County adopts an annual appropriated budget for all major funds. The budgetary comparison statements can be found in this report in the table of contents 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 in this report. Governmental funds budgets for the non-major funds are also provided in the table of contents.

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 function. 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, Internal Service Fund schedule, Budget to actual comparisons for the Enterprise Funds and Budget to actual comparison for the Internal Services Fund are all listed in the table of contents.

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 and a Combining Statement of changes in Fiduciary net Position – Custodial Funds can be found on the table of contents.

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 located after the basic financial statement reports.

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, 2025, assets exceeded liabilities and deferred inflows of resources by $158 million. The largest portion of Morgan County's net position (48%) is invested in capital assets. The net investment in capital assets is $75.3 million. 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 $4.1 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, $11.9 million, is restricted for the Roadways.

The County had an unrestricted net position of $67 million, which may be used to meet the County's ongoing obligations to citizens and creditors.

The three categories of net position are: net investment in capital assets, assets subject to certain restrictions, and unrestricted assets. At the end of 2025, Morgan County had positive balances in all three categories of net position both for governmental activities and business type activities.

Morgan County Government
Net Position

	Governmental activities		Business-type activities		Total Government	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$104,820,039	$101,000,137	$8,800,078	8,245,739	$113,620,117	$109,245,876
Capital assets	72,194,714	77,941,570	3,166,169	2,934,702	75,360,883	80,876,272
Total Assets	177,014,753	178,941,707	11,966,247	11,180,441	188,981,000	190,122,148
Liabilities						
Current liabilities	5,492,344	2,523,073	305,604	190,287	5,797,948	2,713,360
Long-term liabilities	1,139,983	1,044,601	1,883,840	1,547,183	3,023,823	2,591,784
Total liabilities	7,282,274	3,567,674	2,189,444	1,737,470	9,471,718	5,305,144
Deferred Property Tax Revenue	21,009,484	21,609,164	-	-	21,009,484	21,609,164
Total liabilities and deferred inflows of resources	28,291,758	25,176,838	2,189,444	1,737,470	30,481,202	26,914,308
Net position						
Net investment in capital assets	72,194,714	77,235,314	3,166,169	2,934,702	75,360,883	80,170,016
Restricted	16,089,127	14,754,697	-	-	16,089,127	15,754,697
Unrestricted	60,439,154	60,774,858	6,610,634	6,508,269	67,049,788	67,283,127
Total net position	148,722,995	$153,764,869	9,776,803	$9,442,971	158,499,798	$163,207,840

The total net position decreased in 2025 by $4.7 million. The decrease in the 2025 net position can be seen by the increase in total liabilities and deferred inflows of resources. The increase of total liabilities and deferred inflows of resources in 2025 is $3.5 million.

The total restricted net position increased by $334,430. The increase in restricted funds was mainly in the Road and Bridge fund due to a decrease in capital projects completed.

Net investment in capital assets decreased $4.7million in 2025. The majority of the decline was from depreciation calculated on capital assets exceeding the new capital outlay.

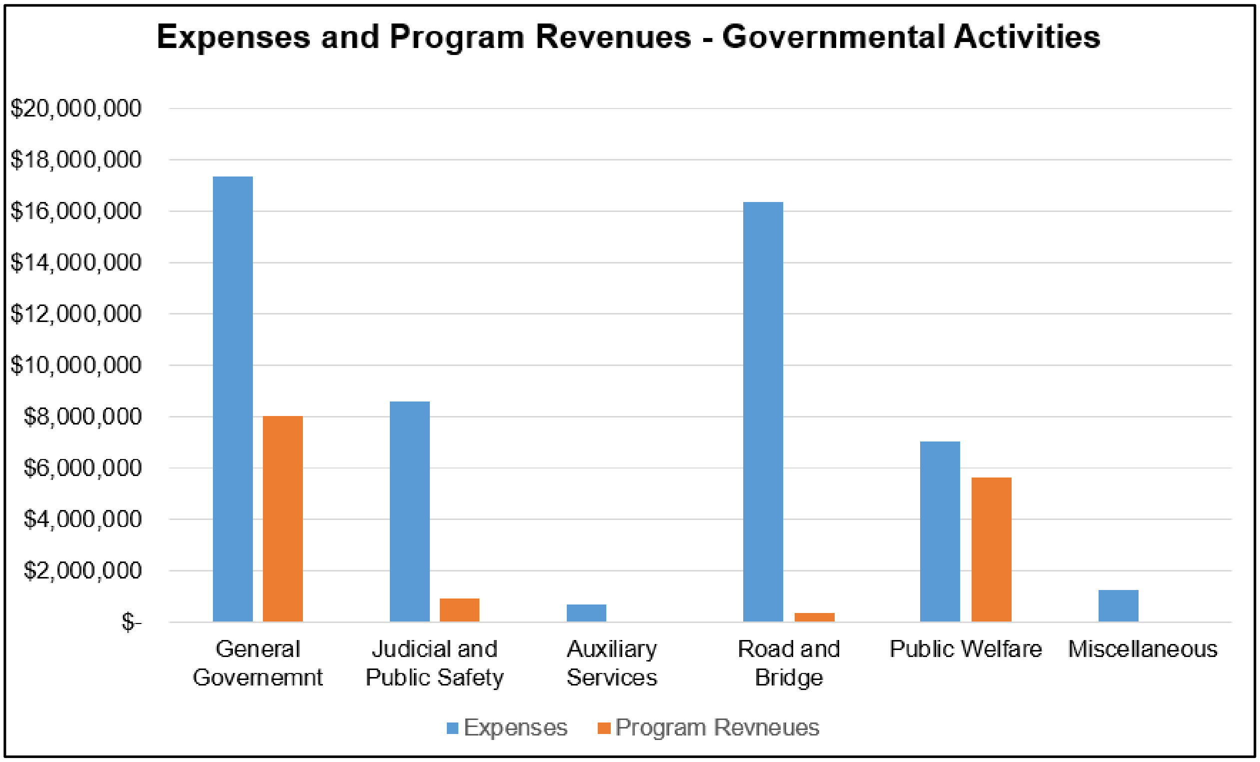
Governmental activities. Governmental activities decreased Morgan County's net position by $5 million. The decrease in net position in the governmental funds is due mainly to the increase in current liability reported and increase in revenue. The County's investment income decreased by $534,394 in the governmental activities in 2025.

Business-type activities. Business-type activities increased Morgan County's net position by $333,832.

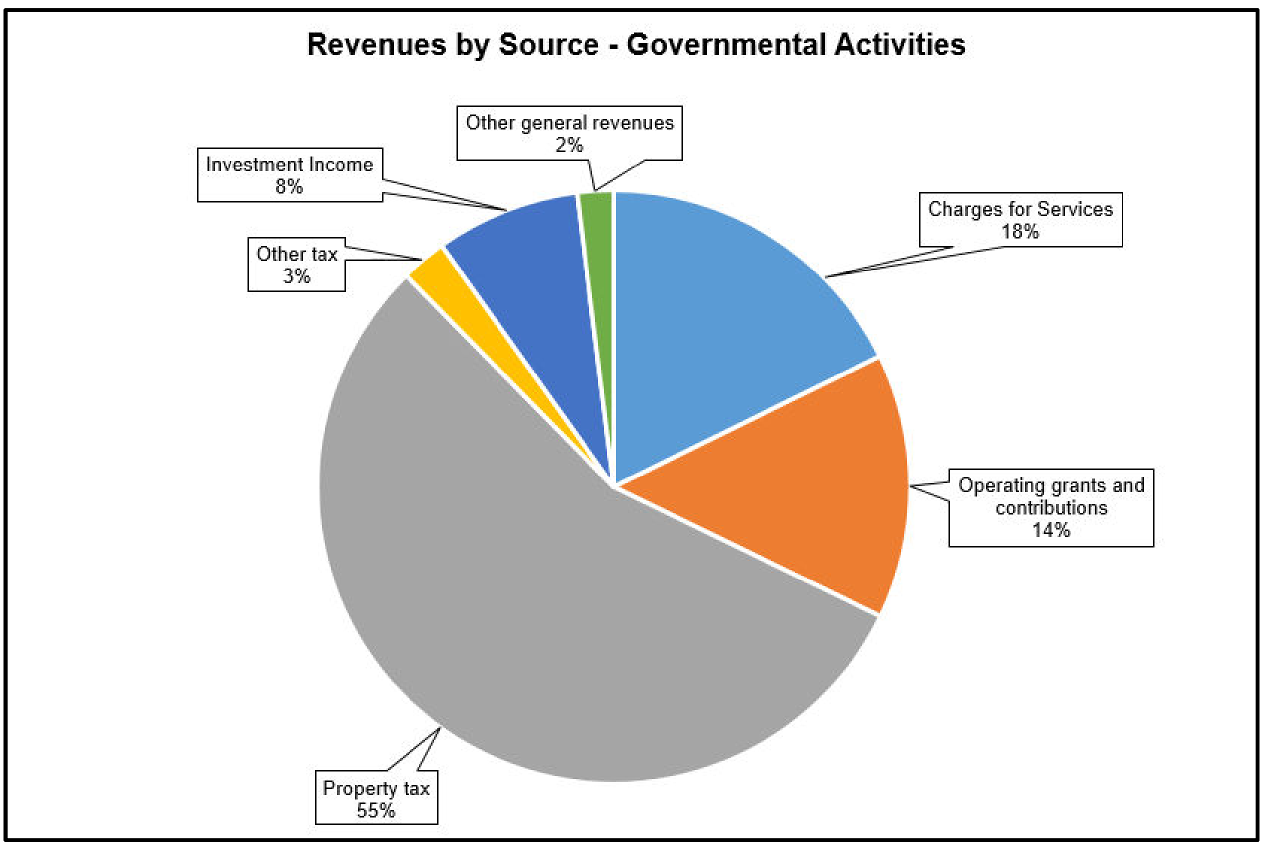
The following shows the elements of the County's change in net position:

Morgan County Government
Changes in Net Position

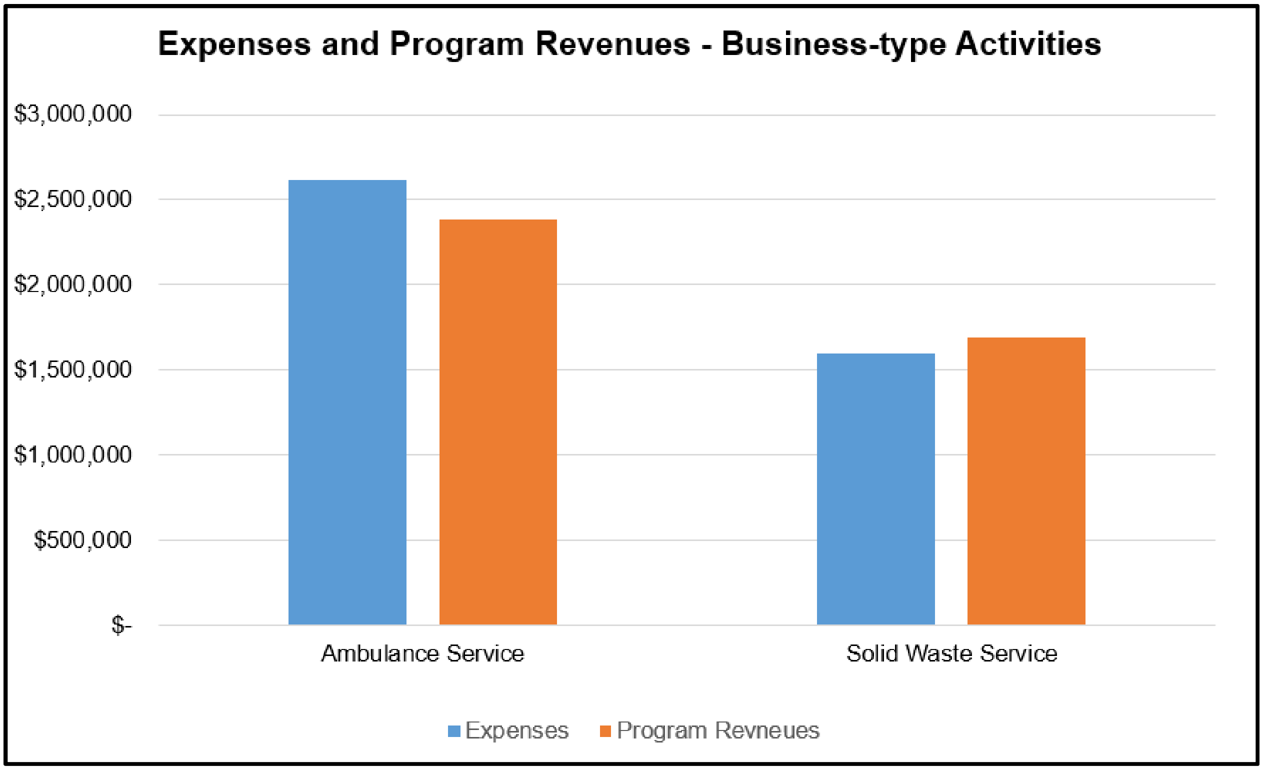
	Governmental activities		Business-type activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$8,240,777	$7,757,346	$3,937,824	$3,114,549	12,178,601	$10,871,895
Operating grants and contributions	6,713,556	11,527,316	134,733	177,862	6,848,289	11,705,178
General revenues						
Property tax	25,768,752	22,681,704	-	-	25,768,752	22,681,704
Other tax	1,158,413	2,153,853	-	-	1,158,413	2,153,853
Investment Income	3,659,247	4,193,641	275,246	284,502	3,934,493	4,478,143
Other general revenues	922,804	994,993	-	92,718	922,804	1,087,711
Total revenues	46,263,549	49,308,853		3,669,631	50,811,352	52,978,484
Expenses						
General government	17,388,021	15,788,777	-	-	17,388,021	15,788,777
Judicial and Public safety	8,596,242	8,203,023	-	-	8,596,242	8,203,023
Auxiliary services	686,418	559,974	-	-	686,418	559,974
Roads and bridges	16,380,515	14,708,251	-	-	16,380,515	14,708,251
Public welfare	7,008,234	6,526,888	-	-	7,008,234	6,526,888
Miscellaneous	1,245,993	-	-	-	1,245,993	-
Ambulance services	-	-	2,612,229	2,707,360	2,612,229	2,707,360
Solid waste services	-	-	1,601,742	1,612,743	1,601,742	1,612,743
Total expenses	51,305,423	45,786,913	4,213,971	4,320,103	54,078,394	50,107,016
Increase (decrease) in net position	(4,841,874)	3,521,940	133,832	(650,472)	(4,708,042)	2,871,468
Transfers	(200,000)	(200,000)	200,000	200,000	-	-
Net position – January 1	153,764,869	150,442,929	9,442,971	9,893,443	163,207,840	160,336,372
Net position – December 31	$148,722,995	$153,764,869	$9,776,803	$9,442,971	$158,499,798	$163,207,840

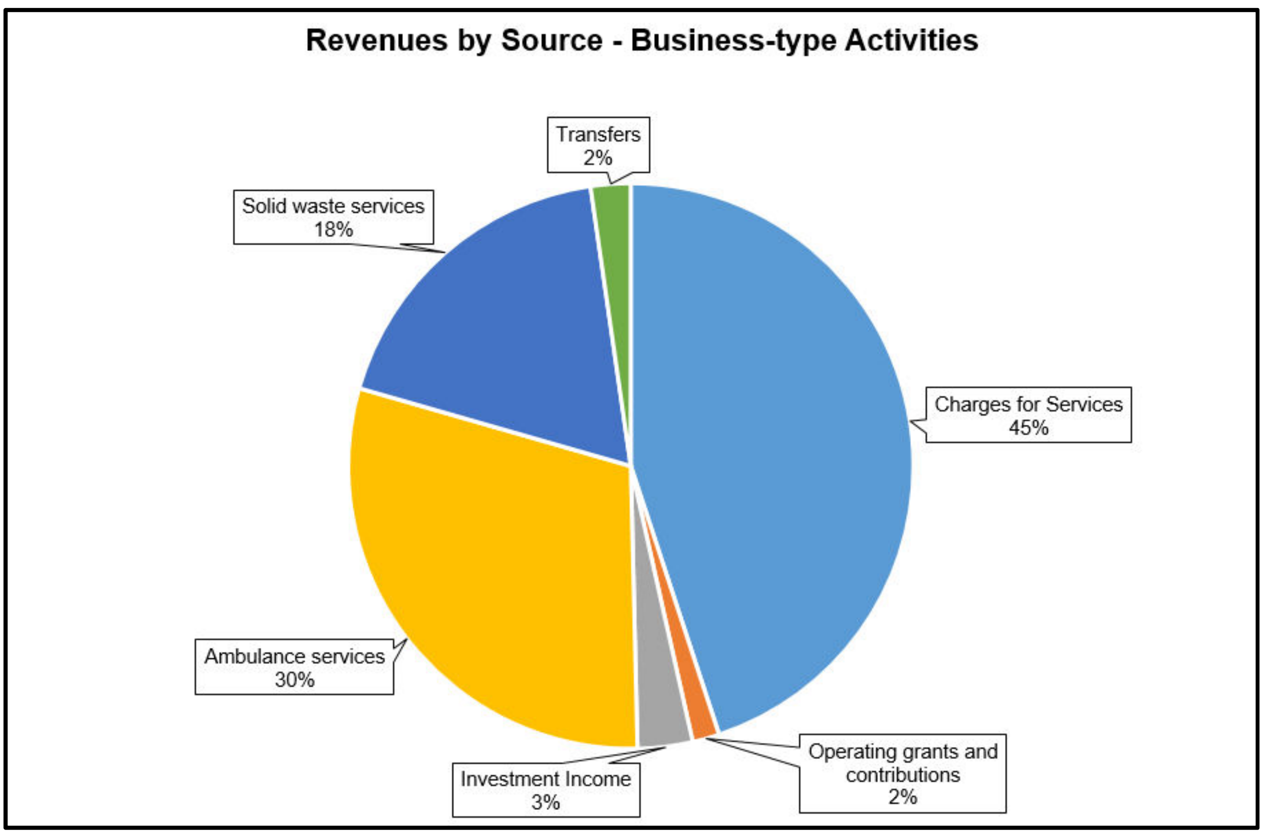


Expenses and Program Revenues - Governmental Activities
$20,000,000
$18,000,000
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
General Governemnt
Judicial and Public Safety
Auxiliary Services
Road and Bridge
Public Welfare
Miscellaneous
Expenses
Program Revneues



Revenues by Source - Governmental Activities
Other general revenues 2%
Investment Income 8%
Charges for Services 18%
Other tax 3%
Operating grants and contributions 14%
Property tax 55%


Expenses and Program Revenues - Business-type Activities
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$-
Ambulance Service
Solid Waste Service
Expenses
Program Revneues


Revenues by Source - Business-type Activities
Transfers 2%
Solid waste services 18%
Charges for Services 45%
Ambulance services 30%
Investment Income 3%
Operating grants and contributions 2%

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Morgan County uses fund accounting to ensure and demonstrate compliance with finance-regulated 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 decreased during the year 2025. The total fund balances in the governmental funds decreased by $2.6 million or 5%. As of the end of 2025 the combined ending fund balance of County governmental funds was $77.6 million. Approximately 45% 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 includes restricted or committed fund balance 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 of $1,000,000, 2) a state mandated clerk technology fund of $49,201, 3) a state stature for Social Services $1,657,939, 4) a state statute for roadways $6,572,747, 5) a state statute for the 911 emergency telephone services $1,369,976, 6) a state statute to promote tourism in the County $609,944, 7) a state statute for bridge structures $4,294,491, and 8) a state statute regulating law enforcement confiscation and seizure $7,514.

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

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

- **Solid Waste Management Fund.** Total net position of this fund at the end of 2025 amounted to $8.4 million. This is an increase of $333,832 or 4% from net position at the end of 2024. The increase in net position was mainly due to an annual increase in fees and an increase in customer volume with minimal change in expenses year over year.
- **Ambulance Service Fund.** Total net position of this fund at the end of 2025 amounted to $1.4 million. This is flat year-over-year from net position at the end of 2024. Net position remained stable due to continuing struggles with decreasing revenues offset by the sale of equipment along with stable costs year-over-year.

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

The County has one Internal Service Fund type Proprietary Fund. The Internal Service Fund is a governmental activity fund in the Proprietary Fund financial statements. The County's Internal Service Fund, the Central Services Fund, has a total net position of $8.4 million. This is a decrease of $1,133,218 from 2024 total net position. The decrease in net position was due mainly to the overall increase of expenses, specifically in the County's operating supplies and purchased services.

Governmental Funds Overview

The County has three major governmental funds. These are the General Fund, Road and Bridge Fund, and Social Services Fund.

- **General Fund.** This is the primary operating fund of the Morgan County Government. It accounts for many of the County's core services such as law enforcement, the County Assessor, County Clerk and Recorder and planning and zoning. The general fund's fund balance as of December 31, 2025, was $48.6 million. This is a decrease of $2.6 million. Of this amount, $13.4 million is restricted or assigned for a specific purpose. As a measure of the general fund's liquidity, it may be useful to compare the fund balance and total fund balance to total fund expenditures. Unassigned fund balance is 58% of total 2025 expenditures and transfers in the general fund. The decrease in fund balance is due to the decrease in general fund tax revenues and intergovernmental revenues.
- **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 $19.3 million in fund balance at the end of 2025. Of this amount, $18.9 million is restricted for future capital road and bridge projects. Total Road and Bridge fund balance increased by $1.3 million in 2025. The increase in fund balance was due to an increase in tax revenues.
- **Social Services Fund.** This fund is also State mandated. It accounts for the local share of many Federal and State public welfare programs. The Social Services fund balance at the end of 2025 was $1.1 million. This is a slight decrease of $138,582 from the 2024 fund balance which was mainly due to a decrease in funding. The $1.1 million fund balance is restricted for public welfare programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund. The actual expenditures is the County's General Fund did not reach the budgeted amount. This was due to capital projects that were rescheduled for future years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. Morgan County's net investment in capital assets for its governmental and business type activities as a December 31, 2025 totals $75.4 million (net of accumulated depreciation). This investment includes all land, buildings, machinery and equipment, as well as infrastructure constructed from 1980 through 2025.

Morgan County Government
Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land and Water Rights	$2,118,484	$ 2,118,484	$125,787	$ 125,787	$2,244,271	$ 2,244,271
Buildings and Improvements	9,985,412	8,911,017	822,575	835,005	10,807,987	10,379,286
Machinery and Equipment	7,403,309	9,170,853	936,780	567,277	8,340,089	8,629,669
Infrastructure	50,906,040	55,959,748	1,281,027	1,406,633	52,187,067	63,210,957
Construction in Progress	1,781,469	1,781,469	-	-	1,781,469	1,781,469
Total capital assets	$72,194,714	$ 77,941,571	$3,166,169	$ 2,934,702	$75,360,883	$ 86,246,652

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, 2025.

Other Matters. The following factors are expected to have a significant effect on the County's financial position or results of operation and were taken into account in developing the 2025 budget:

- The County has historically, and continues to be fiscally responsible. The fund balance for that County was carefully invested.
- Building renovation and updating of the existing County Jail/Judicial Complex began in 2024 and continued in 2025
- The County purchased land near Snyder and built a shed to house a road grader.
- The County tore down the hog and sheep barn at the County Fairgrounds. A new barn was started in 2025 and finished in 2026.
- The County Social Services Department continues to address increasing caseloads and increasing costs to local government
- The County's Ambulance Service Fund expenses continue to increase. Fees the County collects for the ambulance services has increased but not at a level to meet current expenses. In 2025, the County approved a transfer of funds from the Morgan County General Fund to help meet the increasing cost of ambulance operations.

REQUESTS FOR INFORMATION

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

MORGAN COUNTY

Where Prairie Meets The Sky

BASIC FINANCIAL STATEMENTS

MORGAN COUNTY, COLORADO
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash investments	$ 78,784,520	$ 8,228,367	$ 87,012,887
Property taxes receivable	20,722,317	556,260	21,278,577
Due from other funds	1,145,732	6,435	1,152,167
Other receivables	3,681,658	9,016	3,690,674
Inventories	485,812	-	485,812
Capital assets, not being depreciated	3,899,953	125,787	4,025,740
Capital assets, net of depreciation	68,294,761	3,040,382	71,335,143
Total Assets	$ 177,014,753	$ 11,966,247	$ 188,981,000
Liabilities			
Warrants payable	$ 407,271	$ 112,334	$ 519,605
Vouchers payable	1,226,116	61,362	1,287,478
Accounts payable	2,915,854	10,497	2,926,351
Accrued slaaries and benefits	-	77,435	77,435
Intergovernmental payables	655,936	43,976	699,912
Unearned other revenue	287,167		287,167
Noncurrent liabilities			
Due within on year	732,819	95,733	828,552
Due more than one year	407,164	1,788,107	2,195,271
Total liabilities	7,282,274	2,189,444	9,471,718
Deferred inflows of resources			
Deferred property tax revenues	20,722,317	-	20,722,317
Other deferred revenues	287,167	-	287,167
Total deferred inflows of resources	21,009,484	-	21,009,484
Net Position			
Net investment in capital assets	72,194,714	3,166,169	75,360,883
Restricted for:			
Clerk E-filing fees	49,201	-	49,201
Emergencies	2,369,976	-	2,369,976
Roadways	11,963,451	-	11,963,451
Social services	1,089,041	-	1,089,041
Tourism	609,944	-	609,944
Law enforcement	4,667	-	4,667
Tri Centennial	2,847		2,847
Unrestricted net positon	60,439,154	6,610,634	67,049,788
Total Net Position	148,722,995	9,776,803	158,499,798
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 177,014,753	$ 11,966,247	$ 188,981,000

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
STATEMENT OF ACTVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	$ 17,388,021	$ 7,011,713	$ 1,008,994		$ (9,367,314)	$ -	$ (9,367,314)
Judicial and public safety	8,596,242	933,075			(7,663,167)	-	(7,663,167)
Auxiliary services	686,418	-			(686,418)	-	(686,418)
Road and bridge	16,380,515	295,989	75,020		(16,009,506)	-	(16,009,506)
Public welfare	7,008,234	-	5,629,542		(1,378,692)	-	(1,378,692)
Miscellaneous	1,245,993	-			(1,245,993)	-	(1,245,993)
Total Governmental activites	51,305,423	8,240,777	6,713,556	-	(36,351,090)	-	(36,351,090)
Business-type activities							
Ambulance services	$ 2,612,229	$ 2,247,154	$ 134,733	$ -		$ (230,342)	$ (230,342)
Solid waste services	1,601,742	1,690,670	-	-		88,928	88,928
Total business-type activities	$ 4,213,971	3,937,824	134,733	-	-	(141,414)	(141,414)
Total Primary Government	$ 55,519,394	$ 12,178,601	$ 6,848,289	$ -	$ (36,351,090)	$ (141,414)	$ (36,492,504)
		General Revenues					
		Taxes					
		Property taxes, levied for general purposes			25,768,752		25,768,752
		Specific ownership taxes			1,132,032		1,132,032
		Lodging			258,720		258,720
		Other taxes			26,381		26,381
		Unrestricted earnings on investments			3,659,247	275,246	3,934,493
		Miscellaneous			664,084		664,084
		Transfers			(200,000)	200,000	-
		Total general revenues			31,309,216	475,246	31,784,462
		Change in net position			(5,041,874)	333,832	(4,708,042)
		Net position at beginning of year			153,764,869	9,442,971	163,207,840
		Net position at end of year			$ 148,722,995	$ 9,776,803	$ 158,499,798

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2025

	General Fund	Road and Bridge Fund	Social Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash investments	$49,257,052	$19,209,227	$1,104,301	$ 8,571,459	$ 78,142,039
Property taxes receivable	14,909,066	5,764,494	48,757	-	20,722,317
Due from other funds	15,756	290,126	458,072	-	763,954
Other receivables	559,135	56,078	2,919,851	110,621	3,645,685
Inventories	-	189,359	1,048	-	190,407
Total Assets	$ 64,741,009	$ 25,509,284	$ 4,532,029	$ 8,682,080	$ 103,464,402
Liabilities					
Warrants payable	-	177,949	-	20,621	198,570
Vouchers payable	769,383	57,217	144,132	11,345	982,077
Accounts payable	795	328	2,914,731	-	2,915,854
Cash held for others	33,094	-	27,994	450	61,538
Due to other funds	403,216	226,151	20,207	373	649,947
Total liabilities	1,206,488	461,645	3,107,064	32,789	4,807,986
Deferred inflows of resources					
Deferred property tax revenues	14,909,066	5,764,494	48,757	-	20,722,317
Other deferred revenues	-	-	287,167	-	287,167
Total Deferred inflows of resources	14,909,066	5,764,494	335,924	-	21,009,484
Fund balance					
Nonspendable for:					
Inventories	-	189,359	-	-	189,359
Restricted for:					
Clerk E-filing fees	49,201	-	-	-	49,201
Emergencies (911)	1,000,000	-	-	1,369,976	2,369,976
Roadways	-	11,963,451	-	-	11,963,451
Social services	-	-	1,089,041	-	1,089,041
Tourism	-	-	-	609,944	609,944
Law enforcement	-	-	-	4,667	4,667
Tri Centennial	2,847	-	-	-	2,847
Assigned to:					
Capital projects	12,320,370	-	-	-	12,320,370
Bridge structures	-	4,294,491	-	-	4,294,491
Road projects	-	2,835,844	-	-	2,835,844
Jail expansion	-	-	-	6,572,747	6,572,747
Unassigned	35,253,037	-	-	91,957	35,344,994
Total fund balance	48,625,455	19,283,145	1,089,041	8,649,291	77,646,932
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 64,741,009	$ 25,509,284	$ 4,532,029	$ 8,682,080	$ 103,464,402

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance - governmental funds	$	77,646,932
Capital assets used in governmental actvities are not financial resources and therefore are not reported as assets in governmental funds.		63,721,648
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(1,085,180)
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.		8,439,595
Net position of the governmental activities	$	148,722,995

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Road and Bridge Fund	Social Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 16,118,951	$ 9,359,902	$ 1,481,309	$ 225,723	$ 27,185,885
Intergovenmental	926,379	75,020	5,629,542	82,615	6,713,556
Fee accounts	1,758,873	-	-	15,149	1,774,022
Licenses and permits	243,519	295,989	-	-	539,508
Investment income	3,320,681	315,286	-	23,280	3,659,247
Charges for services	-	-	-	933,075	933,075
Miscellaneous	499,940	26,883	5,760	-	532,583
Total revenues	22,868,343	10,073,080	7,116,611	1,279,842	41,337,876
Expenditures					
Current					
General government	7,702,669	-	-	253,629	7,956,298
Judicial and public safety	8,204,380	-	-	194,052	8,398,432
Auxiliary services	686,418	-	-	-	686,418
Road and bridge	-	7,242,320	-	-	7,242,320
Public welfare	-	-	7,005,193	-	7,005,193
Miscellaneous	1,237,374	-	-	8,619	1,245,993
Capital outlay	2,585,633	1,563,266	-	1,542,282	5,691,181
Total Expenditures	20,416,474	8,805,586	7,005,193	1,998,582	38,225,835
Other Financing Sources (Uses)					
Transfers in	250,000	-	-	5,120,000	5,370,000
Transfers out	(5,320,000)	-	(250,000)	-	(5,570,000)
Total other financing sources	(5,070,000)	-	(250,000)	5,120,000	(200,000)
Net change in fund balance	(2,618,131)	1,267,494	(138,582)	4,401,260	2,912,041
Fund balance at beginning of year	51,243,586	18,015,651	1,227,623	4,248,031	74,734,891
Fund balance at end of year	$ 48,625,455	$ 19,283,145	$ 1,089,041	$ 8,649,291	$ 77,646,932

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
RECONCILATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTVITIES
FOR THE YEAR ENDED 31, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - governmental funds	$	2,912,041
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental actvities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of actvities. This is the amount by which depreciation exceeded capital outlays in the current period.		(6,725,315)
In the statement of activities, certain operating expenses are measured by the amounts incurred or earned during the year, In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(95,382)
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.		(1,133,218)
Change in net position of governmental activities	$	(5,041,874)
		-

MORGAN COUNTY, COLORADO
BALANCE SHEET
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2025

	Business-type Activities - Enterprise Funds			Activities
	Ambulance Service	Solid Waste Management	Total	Internal Service Fund
Assets:				
Current assets:				
Cash and cash investments	$756,130	$7,472,237	$ 8,228,367	$642,481
Accounts Receivables	447,495	108,765	556,260	-
Due from other funds	6,385	50	6,435	381,778
Other receivables	-	9,016	9,016	35,973
Inventories	-	-	-	295,385
Total current assets	1,210,010	7,590,068	8,800,078	1,355,617
Fixed Assets				
Land and water rights	62,190	63,597	125,787	-
Buildings	374,607	417,453	792,060	-
General equipment	51,409	839,556	890,965	7,624,648
Infrastructure	-	1,357,357	1,357,357	7,851
Total Fixed Assets	488,206	2,677,963	3,166,169	7,632,499
Total Assets	$ 1,698,216	$ 10,268,031	$ 11,966,247	$ 8,988,116
Liabilities				
Current liabilities:				
Warrants payable	82,589	29,745	112,334	147,163
Vouchers payable	16,919	44,443	61,362	244,039
Accounts payable	1,273	9,224	10,497	-
Accrued salaries and benefits	77,435	-	77,435	-
Compensated absences (current)	64,428	31,305	95,733	96,527
Due to other funds	33,155	10,821	43,976	5,989
Total current liabilites	275,799	125,538	401,337	493,718
Long term liabilities				
Compensated absences (noncurrent)	32,916	19,409	52,325	54,803
Accrued landfill closure and post-closure care	-	1,735,782	1,735,782	-
Total long-term liabilities	32,916	1,755,191	1,788,107	54,803
Total Liabilities	$ 308,715	$ 1,880,729	$ 2,189,444	$ 548,521
Net Position				
Investment in capital assets	488,206	2,677,963	3,166,169	7,632,499
Unrestricted	901,295	5,709,339	6,610,634	807,096
	$ 1,389,501	$ 8,387,302	$ 9,776,803	$ 8,439,595

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Ambulance Service	Solid Waste Management	Total	Central Services Fund
Operating Revenues				
Charges for services	$2,215,480	$1,690,656	$ 3,906,136	$4,994,172
Miscellaneous	31,674	14	31,688	-
Total operating revenues	2,247,154	1,690,670	3,937,824	4,994,172
Operating Expenses				
Compensation and benefits	1,925,226	544,279	2,469,505	1,839,875
Operating supplies	93,806	100,494	194,300	2,030,398
Purchased services	108,276	212,134	320,410	1,140,692
Fixed charges	285,084	209,001	494,085	75,297
Depreciation	81,270	165,513	246,783	1,169,478
Other expenses	118,567	370,321	488,888	3,151
Total operating expenses	2,612,229	1,601,742	4,213,971	6,258,891
Operating income (loss)	(365,075)	88,928	(276,147)	(1,264,719)
Nonoperating Revenues				
State grant	134,733	-	134,733	-
Interest	30,342	244,904	275,246	-
Gain (loss) on disposal of assets	-	-	-	131,501
Total nonoperating revenues	165,075	244,904	409,979	131,501
Other Financing Sources (Uses)				
Transfers:				
General Fund	200,000	-	200,000	-
Total other financing sources (uses)	200,000	-	200,000	-
Net change in fund balance	0	333,832	333,832	(1,133,218)
Fund balance at beginning of year	1,389,501	8,053,470	333,832	9,572,813
Fund balance at end of year	$ 1,389,501	$ 8,387,302	$ 667,664	$ 8,439,595

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Ambulance Service	Solid Waste Management	Total	Internal Service Fund
Cash flows from operating activities				
Receipts from customers and users	$ 1,880,763	$ 1,681,889	$ 3,562,652	$ 4,725,016
Grants and miscellaneous revenue received	147,239	14	147,253	-
Payments to suppliers	(466,145)	(505,632)	(971,777)	(2,934,242)
Payments to employees	(1,947,790)	(560,437)	(2,508,227)	(1,840,984)
Net cash provided (used) by operating activities	(385,932)	615,834	229,902	(50,210)
Cash flows from noncapital financing activities				
Transfer from General Fund	200,000	-	200,000	-
Net cash provided by noncapital financing activities	200,000	-	200,000	-
Cash flows from capital and related financing activities				
Acquisition of capital assets	(16,338)	(541,464)	-	(1,391,958)
Proceeds from sale of capital assets	-	-	(557,802)	-
Net cash used by capital and related financing activities	(16,338)	(541,464)	(557,802)	(1,391,958)
Cash flows from investing activities				
Interest received	30,342	244,904	-	-
Net cash provided by investing activities	30,342	244,904	-	-
Net increase/decrease in cash and cash equivalents	(171,929)	319,274	(127,901)	(1,442,168)
Cash and cash equivalents - January 1	928,058	7,152,963	8,081,021	2,084,649
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)	$ 756,130	$ 7,472,237	$ 7,953,120	$ 642,481
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	-	$ 333,832	$ 333,832	$ (896,206)
Adjustment to reconcile operating income to net cash provided (used) by operating activities: provided (used) by operating activities:				
Depreciation expense	81,270	165,513	246,783	1,243,508
(increase) decrease in accounts receivable	(512,662)	(8,781)	(521,443)	8,112
Increase (decrease) in accounts payable	62,441	11,454	73,895	(275,697)
Increase in accrued wages	(6,219)	-	(6,219)	-
Increase in accrued compensated absences	(10,762)	(16,158)	(26,920)	(1,109)
Increase in accrued landfill closure and postclosure	-	129,974	129,974	-
Total adjustments	(385,932)	282,002	(103,930)	974,814
Net cash provided by operating activities	$ (385,932)	$ 615,834	$ 229,902	$ 78,608

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2025

	Custodial Funds Total Governmental Funds
Assets:	
Cash and cash investments	$ 2,824,654
Total Assets	2,824,654
Liabilities	
Due to others	2,756,996
Total liabilities	2,756,996
Net position	
Restricted for:	
Individuals and other	67,658
Total Liabilities and Net Position	$ 2,824,654

MORGAN COUNTY, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Funds
	Total Governmental Funds
Additions	
Inmate deposits and other	$ 272,513
Foreclosure escrow amounts received	257
Collections for other governments	58,376,748
Total additions	58,649,518
Deductions	
Commissary sales and services and other	283,883
Foreclosure escrow amounts disbursed	257
Disbursements to other governments	58,376,748
Total deductions	58,660,888
Change in net position	(11,370)
Net position at beginning of year	79,028
Net position at end of year	$ 67,658

The accompanying notes and independent auditors' report should be read with these financial statements.

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 statement.

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 2025.

B. Basis of Presentation

Morgan County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the County as an entity and the Change in aggregate net position resulting from activities of the fiscal period.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide statement of activities reflects both the direct expenses and net cost of each function of the County's governmental activities and business-like activity. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the County.

The County does not currently employ an indirect cost allocation system. An internal service fund is utilized to account for its fleet of vehicles, county attorney and human resources, accounting, and its management information systems. Fees for these services are charged to other operating funds. The interfund services provided and used by the County are not eliminated in the consolidation process.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Fund Financial Statements

The financial transactions of the County are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred inflows and outflows of resources, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as non-major 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. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County reports the following major enterprise funds:

The *Ambulance Service Fund* accounts for the activities of the County owned and operated ambulance service.

The *Solid Waste Management Fund* accounts for the solid waste management activities of the County including the operation of the County's only municipal solid waste landfill.

The County reports the following fund types:

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

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 2024, are recorded in governmental funds as taxes receivable and a deferred inflow of resources. Since property taxes are levied in December for the next calendar year's operations, the total levy is reported as taxes receivable and a deferred inflow of resources in the government-wide financial statements.

An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 use the economic resources measurement focus.

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

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

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

F. Budgets

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

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

The Ambulance Service Fund 2025 the final approved budget amount exceeded expenses by $165,555.

The Social Services Fund 2025 the final approved budget amount exceeded expenditures by $607,438.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2025, are recorded as prepaid items for enterprise and internal service funds.

K. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (i.e. roads, bridges, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than $5,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Deferred outflows/inflows of resources

In addition to assets, statement of net position and fund balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows.

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

M. Compensated Absences

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

- Non-spendable fund balance – amounts that are not in spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the County itself, using its highest level of decision making authority which is the Board of County Commissioners, by resolution. Committed funds cannot be used for other purposes unless the Board of County Commissioners approve a resolution to remove or change the constraint. The Board establishes, modifies, or rescinds fund balance commitments by passage of a resolution.
- Assigned fund balance – amounts the County intends to use for a specific purpose. Intent can be expressed by the Board of County Commissioners or by an official to which the Board delegates authority. The Board has given authority to the County Finance Director.
- 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 2025, the assigned fund balance in the general fund consists of $12,320,370 assigned to capital projects and $1,052,048 assigned to other agencies. The assigned to other agencies in general fund includes: 1) $1,000,000 held by the 911 Emergency Telephone Fund, 2) $49,201 held by the Morgan County Clerk and 3) $2,847 held by the Tri Centennial.

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)

The County does maintain restricted fund balance in several funds. The restricted funds are constrained to specific purposes legally required through legislation or other constitutional provisions.

The County also maintains funds that are committed for a specific purpose. These funds have been committed by the County Commissioners to fund specific projects by a County resolution.

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.

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, 2025, the County's deposits and investments were as follows:

Cash and Investments	
Cash	$ 2,250
Cash held by County departments	231,748
Cash held by County Treasurer	86,778,889
Cash held in custodial funds	2,824,654
Total cash and investments	$ 89,837,541

Investments in local government investment pools are rated AAAm by Standard & Poor's. Certificates of deposit have maturities ranging from 1/27/26 to 11/18/27. The investments in U.S. Treasury Bills have a maturity of less than three years.

Cash held by County Departments includes $74,310 held by the County Sheriff, $72,192 held by the Morgan County Fair Board, $52,702 held by the County Clerk, and $1,703 held for others held by the County Department of Human Services.

Investments

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

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NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

At December 31, 2025, unrealized gains were $21,153 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.

NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurements. To the extent available, the County's investments are recorded at fair value as of December 31, 2025. 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.

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

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

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

Securities classified as Level 2 are valued as follows:

Government Securities: quoted prices for similar securities in active markets

Certificate of Deposit: matrix pricing based on securities' relationship to benchmark quoted prices

The following table summarizes the County's investments within the fair value hierarchy at December 31, 2025.

		Fair Value Measurement Using		
	Fair Value as of 12/31/2025	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	$ 28,000,000	$ -	$ 28,000,000	$ -
Government Securities	33,000,000	-	33,000,000	-
Total Investment by Fair Value Level	$ 61,000,000	$ -	$ 61,000,000	$ -

NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

Deposits

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is $250,000 per official custodian. Of the bank balance, $750,000 was covered by federal depository insurance. The remainder of the bank balance was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by the PDPA.

NOTE 4 – RECEIVABLES

Receivables at December 31, 2025, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Total
Receivables:						
Taxes	$ 14,909,066	$ 5,813,251	$ -	$ -	$ -	$ 20,722,317
Accounts & other	-	166,699	-	3,108,113	35,973	3,310,785
Intergovernmental	559,135	2,919,851	-	-	-	3,478,986
Gross Receivables	15,468,201	8,899,801	-	3,108,113	35,973	27,512,088
Less: allowance for Uncollectibles	-	-	-	(2,542,837)	-	(2,542,837)
Net total receivables	$ 15,468,201	$ 8,899,801	$ -	$ 565,276	$ 35,973	$ 24,969,251

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, 2025, was as follows:

	Balances 1/1/25	2025 Additions	2025 Deletions	Balances 12/31/25
Governmental Activities:				
Capital assets not being depreciated				
Land and Water Rights	$ 2,118,484	$ -	$ -	$ 2,118,484
Construction in progress	1,781,469	-	-	1,781,469
Total capital assets not being depreciated	3,899,953	-	-	3,899,953
Capital assets being depreciated:				
Buildings and improvements	24,426,045	1,726,676	(157,456)	25,995,265
Equipment	25,829,704	5,590	(931,439)	24,903,855
Infrastructure	455,350,922	1,711,057	-	457,061,979
Total capital assets being depreciated	505,606,671	3,443,323	(1,088,895)	507,961,099
Less accumulated depreciation:				
Buildings and improvements	(15,515,028)	(652,281)	157,456	(16,009,853)
Equipment	(16,658,851)	(1,601,449)	759,754	(17,500,546)
Infrastructure	(399,391,174)	(6,764,765)	-	(406,155,939)
Total accumulated depreciation	(431,565,053)	(9,018,495)	917,210	(439,666,338)
Total capital assets being depreciated, net	74,041,618	(5,575,172)	(171,685)	68,294,761
Governmental activities capital assets, net	$ 77,941,571	$ (5,575,172)	$ (171,685)	$ 72,194,714
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	158,787	-	-	125,787
Capital assets being depreciated:				
Buildings and improvements	1,720,466	-	-	1,720,466
Equipment	1,737,372	554,580	-	2,291,952
Infrastructure	1,606,228	-	-	1,606,228
Total capital assets being depreciated	5,064,066	554,580	-	5,618,646
Less accumulated depreciation:				
Buildings and improvements	(885,461)	(12,430)	-	(897,891)
Equipment	(1,170,095)	(185,077)	-	(1,355,172)
Infrastructure	(199,595)	(125,606)	-	(325,201)
Total accumulated depreciation	(2,255,151)	(323,113)	-	(2,578,264)
Total capital assets being depreciated, net	2,808,915	231,467	-	3,040,382
Business-type activities capital assets, net	$ 2,967,702	$ 231,467	$ -	$ 3,199,1,69

NOTE 5 – CAPITAL ASSETS (continued)

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

Governmental activities:		
General government	$	878,259
Public safety		115,438
Auxiliary services		82,372
Roads and bridges		6,695,877
Public welfare		3,041
Capital assets held by Morgan County's internal services funds are charged to the various functions based on their usage of the assets		1,243,508
Total depreciation expense – government activities	$	9,018,495

Business-type activities:		
Ambulance service	$	81,270
Solid waste management fund		291,119
Total depreciation expense – business-type activities	$	372,389

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.

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.

NOTE 6 – RISK MANAGEMENT (continued)

County's Health and Life Insurance Pool

The County provides employee health and life insurance coverage for all full-time employees. Coverage in 2024 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, 2025, the following changes occurred in the County's long-term obligations:

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25	One Year
Governmental Activities:					
Compensated absences	$ 1,044,601	$ 855,372	$ (759,989)	$ 1,139,983	$ 732,819
Total Governmental	1,044,601	855,372	(759,989)	1,139,983	732,819
Business-Type Activities:					
Landfill closure and post closure care costs	1,382,774	622,790	-	2,005,564	-
Compensated absences	164,407	126,329	(142,679)	148,058	407,164
Total Business-Type	1,547,181	749,119	(142,679)	2,153,622	407,164
Total Long-term obligations	$ 2,591,782	$1,604,491	$ (902,668)	$ 3,293,605	$ 1,139,983

At year-end, $151,330 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 post-closure 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 interfund assets agrees with the sum of all interfund presented in the balance sheets for governmental and proprietary funds as of December 31, 2025.

NOTE 9 – INTERFUND TRANSFERS

In 2025 the County General Fund transferred $5,120,000 to the County Jail Capital Improvement Fund. The transfer was budgeted and done to increase funds being accumulated in the Jail Capital Improvement Fund. This fund was created to account for money for future expansion of the County’s Judicial Center building. The County General Fund transferred $200,000 to the Ambulance Service Fund in 2025. This transfer was budgeted and done to cover increased costs in the Ambulance Service Fund. The Social Services Fund transferred $250,000 to the County General 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.

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, 2025, 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 closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Closure and postclosure care cost are calculated annually to allow for inflation.

In 2009, the County engaged Paragon Consulting Group to prepare a new Design and Operations Plan (D&O) for the Morgan County Solid Waste Landfill facility. With the implementation of the new baler system constructed in 2009, there have been considerable changes in operations from the last D&O updated in 2003. According to the new D&O submitted to the Colorado Department of Public Health Hazardous Materials and Waste Management Division, the life of the County Landfill will be extended to 2082. The previous landfill life estimate was 2051. In 2019 the County engaged AEC (American Environmental Consultants) to revise the total landfill capacity. A new cell was constructed and the new capacity was calculated at 9,303,112 cubic yards.

In compliance with Section 1.8 of the Colorado Regulations Pertaining to Solid Waste Sites and Facilities (Regulations), a revised calculation of costs for closure and postclosure was completed in 2025 by American Environmental Consulting, LLC.

At December 31, 2025, the closure cost for the Morgan County landfill was $2,768,915 and estimated postclosure care cost was $622,790. The $1,481,326 reported as landfill closure and postclosure care liability at December 31, 2025, represents the cumulative amount reported to date based on a 29.29 percent capacity usage of the estimated total cost of closure and postclosure care of $4,385,277. This is an decrease of $464,937 from the closure and postclosure liability reported in 2024.

The County will recognize the remaining estimated cost of closure and postclosure care of $3,391,705 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2025. The remaining life of the landfill is 57 years. The County expects to close the landfill in the year 2082. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The County will be required by state and federal laws and regulations to provide certain financial assurances, which might include making annual contributions to a trust, to finance these closure and postclosure care costs. The County does not expect to pay any postclosure costs within the next year.

NOTE 12 – BUDGETARY DATA

The actual results of operations are presented in accordance with generally accepted accounting principles which differ in certain respects from those practices used in the preparations of the 2024 budget. For purposes of preparing the Statements of Revenues, Expenditures and Changes in Fund 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	$ (1,207,248)	$ 64,932	$ 333,832
Increase (Decrease) Due To:			
Depreciation	1,243,508	81,270	165,513
Capital Outlay	(1,169,478)	(16,338)	(541,464)
Net Income (Loss)			
Budgetary Basis	$ (1,133,218)	$ (64,932)	$ (42,119)

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.

<u>Northeastern Colorado Association of Local Governments</u>

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 2025, the County paid $118,976 to Northeastern Colorado Association of Local Governments.

<u>Northeast Colorado Health Department</u>

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 2025, the County paid $277,362 to Northeast Colorado Health Department

NOTE 14 – RETIREMENT PLAN

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

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

Participants vest in employer contributions and in the earnings, losses and changes in fair value of the plan assets on a 6-year vesting schedule Participants are immediately vested 100% in their own contributions and earnings. County contributions and those earnings which have not vested to an employee terminating activity in the plan are returned to the County to use in meeting current and future funding requirements. Total retirement forfeiture was $23,408.

Both the County and the covered employees made the required 4.00% contributions, amounting to $947,761 from the County and $938,990 from the employees (including voluntary contributions) for a total contribution of $1,886,751.

NOTE 14 – RETIREMENT PLAN (continued)

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

NOTE 16 – TAX CREDIT INCENTIVES

The County may enter into property tax agreements with local business facilities as an economic incentive. The Board of County Commissioners are authorized to grant such a refund pursuant to the authority in Section 30-11-123 C.R.S The purpose for the property tax refund is to benefit Morgan County by providing new employment opportunities, increasing the tax base of the County and overcoming conditions of unemployment and economic distress.

Under this program, the County will refund a percentage of the property taxes paid by the business for a fixed number of years as long as the criteria are met according to a County resolution.

For the year ending December 31, 2025, the County rebated 50% of the personal property taxes attributable to one Morgan County business in the amount of $67,923.

MORGAN COUNTY

Where Prairie Meets The Sky

REQUIRED SUPPLEMENTARY INFORMATION

MORGAN COUNTY, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Taxes			
General property	$ 15,083,599	$ 14,574,426	$ (509,173)
Delinquent taxes and interest	10,000	127,392	117,392
Sales taxes	(10,000)	258,720	268,720
Cigarette taxes	6,000	14,591	8,591
Tax sale	5,000	11,790	6,790
Specific Ownership	985,000	1,132,032	147,032
Total taxes	16,079,599	16,118,951	39,352
Intergovernmental			
Federal and state grants	2,871,920	926,379	(1,945,541)
State veterans affairs	-	-	-
Total intergovernmental	2,871,920	926,379	(1,945,541)
Licenses and permits	198,000	243,519	45,519
Charges for services			
Public trustee's fees	21,000	51,385	30,385
County admin fees	150,000	172,500	22,500
County clerk's fees	594,000	628,716	34,716
County treasurer's fees	1,000,900	744,770	(256,130)
Sheriff's fees	100,000	161,502	61,502
Rents	334,380	353,269	18,889
Law enforcement contracts	10,000	27,472	17,472
Total charges for services	2,210,280	2,139,615	(70,665)
Miscellaneous			
County fair	52,000	72,398	20,398
Earnings on investments	2,000,000	3,320,681	1,320,681
Insurance proceeds	-	11,628	11,628
Other revenues	7,500	35,174	27,674
Total Miscellaneous	2,059,500	3,439,880	1,380,380
Total revenues	23,419,299	22,868,343	(550,956)

MORGAN COUNTY, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures			
General Government			
Commissioners	$ 365,038	$ 361,867	$ 3,171
Planning and zoning	722,528	628,912	93,616
Building inspections	104,500	157,080	(52,580)
Administration	5,364,135	2,787,803	2,576,332
Clerk	1,036,563	1,025,330	11,233
Treasurer	251,256	262,549	(11,293)
Public trustee	12,500	12,500	(0)
Assessor	908,753	1,065,016	(156,263)
Maintenance	1,821,146	1,401,613	419,533
Total General Government	10,586,419	7,702,669	2,883,750
Judicial and Public Safety			
Sheriff	3,209,836	3,307,798	(97,962)
Jail	3,801,634	3,137,514	664,120
Communications center	1,042,392	1,235,842	(193,450)
Coroner	418,703	390,427	28,276
Emergency management	160,563	132,799	27,764
Total Judicial and public safety	8,633,128	8,204,380	428,748
Auxillary Services			
Extension service	404,336	429,793	(25,457)
Veterans' officer	23,280	37,894	(14,614)
Parks and recreation	248,186	213,753	34,433
Engineer	6,028	4,978	1,050
Total Auxillary services	681,830	686,418	(4,588)
Due to other funds	1,307,374	1,237,374	70,000
Capital outlay	4,579,500	2,585,633	1,993,867
Total Expenditures	25,788,251	20,416,474	5,371,777

MORGAN COUNTY, COLORADO
ROAD AND BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Taxes	$ 9,638,306	$ 9,359,902	$ (278,404)
Intergovernmental	50,100	75,020	24,920
Licenses and permits	25,700	295,989	270,289
Charges for services	-	-	-
Investment income	300,000	315,286	15,286
Miscellaneous	20,700	26,883	6,183
Total revenues	10,034,806	10,073,080	38,274
Expenditures			
Bridge Construction	1,293,877	608,934	684,943
Road Maintenance	3,863,125	3,663,948	199,177
Asphalt Maintenance	668,903	283,529	385,374
Snow Removal	221,000	99,456	121,544
Administration	2,080,514	1,557,951	522,563
Intergovernmental Cooperation	1,059,638	1,028,502	31,136
Capital Outlay	1,876,000	1,563,266	312,734
Total expenditures	11,063,057	8,805,586	2,257,471
Excess (deficiency) of revenues over (under) expenses	(1,028,251)	1,267,494	(2,219,197)
Other Financing Sources			
Transfers:			
Central services fund	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	$ (1,028,251)	$ 1,267,494	$ (2,219,197)
Fund balance at beginning of year	11,333,636	18,015,651	6,682,015
Fund balance at end of year	$ 10,305,385	$ 19,283,145	$ 4,462,818

MORGAN COUNTY, COLORADO
SOCIAL SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Taxes	$ 1,488,581	$ 1,481,309	$ (7,272)
Intergovernmental	5,234,900	5,629,542	394,642
Miscellaneous	2,500	5,760	3,260
Total revenues	6,725,981	7,116,611	390,630
Expenditures			
Administration	3,082,376	2,290,037	792,339
Adult Protective Services	307,602	412,301	(104,699)
JOBS/WORKS/TANF block grant	868,440	880,604	(12,164)
Aid to needy disabled	9,000	22,967	(13,967)
Child welfare block grant	3,127,654	3,163,308	(35,654)
Child care block grant	183,909	215,857	(31,948)
General Assistance	17,150	1,500	15,650
OAP 5% HCA	16,500	18,619	(2,119)
Total expenditures	7,612,631	7,005,193	607,438
Excess (deficiency) of revenues over (under) expenses	(886,650)	111,418	(216,808)
Other Financing Sources (Uses)			
Transfers:			
General Fund	-	(250,000)	(250,000)
Total other financing sources (uses)	-	(250,000)	(250,000)
Net change in fund balance	(886,650)	361,418	33,192
Fund balance at beginning of year	564,043	1,227,623	663,580
Fund balance at end of year	$ (322,607)	$ 1,589,041	$ 696,772

MORGAN COUNTY, COLORADO

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

Note 1: BUDGETARY DATA

The County annually adopts the Budget Resolution for all operating funds of the County. Prior to October 15, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1 for all funds, except custodial funds. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and the means of financing them. Prior to December 31, the budget is legally adopted through the passage of adoption and appropriation resolutions. All annual appropriations lapse at year end. Budgets are adopted on a basis consistent with generally accepted accounting principles.

MORGAN COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2025

	Special Revenue Funds					Capital Projects	
	911 Emergency Telephone Fund	Lodging Tax Tourism Fund	Conservation Trust Fund	Sheriff's Confiscation/Seizure Fund	Total	Jail Capital Improvement Fund	Total Nonmajor Governmental Funds
Assets:							
Cash and cash investments	$1,270,337	$631,139	$91,957	$5,117	$1,998,550	$6,572,909	$ 8,571,459
Other receivables	110,621	-	-	-	110,621	-	110,621
Total Assets	1,380,958	631,139	91,957	5,117	2,109,171	6,572,909	8,682,080
Liabilities							
Warrants payable	360	20,261	-	-	20,621	-	20,621
Vouchers payable	10,622	723	-	-	11,345	-	11,345
Cash held for others	-		-	450	450	-	450
Due to other funds	-	211	-	-	211	162	373
Total liabilities	10,982	21,195	-	450	32,627	162	32,789
Fund balance							
Emergencies (911)	1,369,976	-	-	-	1,369,976	-	1,369,976
Tourism	-	609,944	-	-	609,944	-	609,944
Law enforcement	-	-	-	4,667	4,667	-	4,667
Assigned to:				-			
Jail expansion	-	-	-	-	-	6,572,747	6,572,747
Unassigned	-	-	91,957	-	91,957	-	91,957
Total fund balance	1,369,976	609,944	91,957	4,667	2,076,544	6,572,747	8,649,291
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,380,958	$ 631,139	$ 91,957	$ 5,117	$ 2,109,171	$ 6,572,909	$ 8,682,080

MORGAN COUNTY, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds					Capital Projects	
	911 Emergency Telephone Fund	Lodging Tax Tourism Fund	Conservation Trust Fund	Sheriff's Confiscation/Seizure Fund	Total	Jail Capital Improvement	Total Nonmajor Governmental Funds
Revenues							
Taxes	$ -	$ 225,723	$ -	$ -	$ 225,723	$ -	$ 225,723
Intergovenmental	-	-	82,615	-	82,615	-	82,615
Fee accounts	-	-	-	-	-	15,149	15,149
Charges for materials/service	933,075	-	-	-	933,075	-	933,075
Investment income	-	-	23,280	-	23,280	-	23,280
Total revenues	933,075	225,723	105,895	-	1,264,693	15,149	1,279,842
Expenditures							
Current							
General government	-	253,629	-	-	253,629	-	253,629
Judicial and public safety	194,052	-	-	-	194,052	-	194,052
Miscellaneous	8,619	-	-	-	8,619	-	8,619
Capital outlay	664,527	-	789,232	-	1,453,759	88,523	1,542,282
Total Expenditures	867,198	253,629	789,232	-	1,910,059	88,523	1,998,582
Other Fianancing Sources (Uses)							
Transfers:							
General fund	-	-	-	-	-	5,120,000	5,120,000
Total Other Financing Sources (Uses)	-	-	-	-	-	5,120,000	5,120,000
Net change in fund balance	65,877	(27,906)	(683,337)	-	(645,366)	5,046,626	4,401,260
Fund balance at beginning of year	1,304,099	637,850	775,294	4,667	2,721,910	1,526,121	4,248,031
Fund balance at end of year	$ 1,369,976	$ 609,944	$ 91,957	$ 4,667	$ 2,076,544	$ 6,572,747	$ 8,649,291

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
911 EMERGENCY TELEPHONE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Emergency telephone service surcharges	$ 881,000	$ 933,075	$ 52,075
Miscellaneous	145,498	-	(145,498)
Total revenues	1,026,498	933,075	(93,423)
Expenditures			
Compensation and benefits	550,000	-	550,000
Operating supplies	23,000	39,281	(16,281)
Purchased services	381,000	154,771	226,229
Fixed charges	11,000	-	11,000
Miscellaneous	9,500	8,619	881
Capital outlay	1,005,000	664,527	340,473
Total expenditures	1,979,500	867,198	1,112,302
Excess (deficiency) of revenues over (under) expenses	(953,002)	65,877	(1,205,725)
Other Financing Sources			
Transfers:			
General fund	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	(953,002)	65,877	(1,205,725)
Fund balance at beginning of year	10,964	1,304,099	1,293,135
Fund balance at end of year	$ (942,038)	$ 1,369,976	$ 87,410

MORGAN COUNTY, COLORADO
LODGING TAX TOURISM FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Lodging tax	$ 170,000	$ 225,723	$ 55,723
Total revenues	170,000	225,723	55,723
Expenditures			
Compensation and benefits	35,000	35,000	-
Operating supplies	2,000	-	2,000
Purchased services	187,000	182,767	4,233
Fixed charges	6,000	(300)	6,300
Contributions	42,000	36,162	5,838
Total expenditures	272,000	253,629	18,371
Net change in fund balance	$ (102,000)	$ (27,906)	$ 37,352
Fund balance at beginning of year	443,695	637,850	194,155
Fund balance at end of year	$ 341,695	$ 609,944	$ 231,507

MORGAN COUNTY, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Intergovernmental	140,000	82,615	(57,385)
Investment income	20,000	23,280	3,280
Total revenues	160,000	105,895	(54,105)
Expenditures			
Capital outlay	944,904	789,232	155,672
Total expenditures	944,904	789,232	155,672
Excess (deficiency) of revenues over (under) expenses	(784,904)	(683,337)	(209,777)
Other Financing Sources			
Transfers:			
General fund	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	$ (784,904)	$ (683,337)	$ (209,777)
Fund balance at beginning of year	(350,733)	775,294	1,126,027
Fund balance at end of year	$ (1,135,637)	$ 91,957	$ 916,250

MORGAN COUNTY, COLORADO
SHERIFF'S CONFISCATION/SEIZURE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Fee accounts	$ 100	$ -	$ (100)
Total revenues	100	-	(100)
Expenditures			
Operating supplies	3,867	-	3,867
Total expenditures	3,867	-	3,867
Net change in fund balance	$ (3,767)	$ -	$ (3,967)
Fund balance at beginning of year	5,836	4,667	(1,169)
Fund balance at end of year	$ 2,069	$ 4,667	$ (5,136)

MORGAN COUNTY, COLORADO
JAIL CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Fee accounts	$ 15,000	$ 15,149	$ 149
Total revenues	15,000	15,149	149
Expenditures			
Capital outlay	86,900	88,523	(1,623)
Total expenditures	86,900	88,523	(1,623)
Excess (deficiency) of revenues over (under) expenses	(71,900)	(73,374)	1,772
Other Financing Sources			
Transfers:			
General Fund	5,120,000	5,120,000	-
Total other financing sources	5,120,000	5,120,000	-
Net change in fund balance	$ 5,048,100	$ 5,046,626	$ (1,474)
Fund balance at beginning of year	311,217	1,526,121	1,214,904
Fund balance at end of year	$ 5,359,317	$ 6,572,747	$ 1,213,430

MORGAN COUNTY, COLORADO
AMBULANCE SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Operating Revenues			
Charges for services	$ 2,257,000	$ 2,215,480	$ (41,520)
Miscellaneous	45,000	31,674	(13,326)
Total operating revenues	2,302,000	2,247,154	(54,846)
Operating Expenses			
Compensation and benefits	1,972,402	1,925,226	47,176
Operating supplies	92,150	93,806	(1,656)
Purchased services	206,800	108,276	98,524
Fixed charges	317,000	285,084	31,916
Capital outlay	102,500	16,338	86,162
Other expenses	22,000	118,567	(96,567)
Total operating expenses	2,712,852	2,547,297	165,555
Operating income (loss)	(410,852)	(300,143)	(220,401)
Nonoperating revenues (expenses)			
State grant	222,000	134,733	(87,267)
Interest	32,000	30,342	(1,658)
(Gain) loss on disposal of assets	-	-	-
Total nonoperating revenues	254,000	165,075	(88,925)
Other Financing Sources			
Transfers:			
General fund	200,000	200,000	-
Total other financing sources	200,000	200,000	-
Net income (loss) - budget basis	43,148	64,932	(309,326)
Adjustments for GAAP Basis			
Capital outlay		16,338	
Depreciation		(81,270)	
Total adjustments for GAAP Basis		(64,932)	
Change in net position		0	
Net position at beginning of year		1,389,501	
Net position at end of year		$ 1,389,501	

MORGAN COUNTY, COLORADO
SOLID WASTE MANAGEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Operating Revenues			
Charges for services	$ 1,900,000	$ 1,690,656	$ (209,344)
Miscellaneous	-	14	14
Total operating revenues	1,900,000	1,690,670	(209,330)
Operating Expenses			
Compensation and benefits	580,348	544,279	36,069
Operating supplies	102,000	100,494	1,506
Purchased services	257,900	212,134	45,766
Fixed charges	280,500	209,001	71,499
Capital outlay	3,738,400	541,464	3,196,936
Other expenses	59,000	370,321	(311,321)
Total operating expenses	5,018,148	1,977,693	3,040,455
Operating income (loss)	(3,118,148)	(287,023)	(3,249,785)
Nonoperating revenues (expenses)			
Interest	150,000	244,904	94,904
Total nonoperating revenues	150,000	244,904	94,904
Other Financing Sources			
Transfers:			
Total other financing sources	-	-	-
Net income (loss) - budget basis	-	(42,119)	42,119
Adjustments for GAAP Basis			
Capital outlay		541,464	
Depreciation		(165,513)	
Total adjustments for GAAP Basis		375,951	
Change in net position		333,832	
Fund balance at beginning of year	(161,762)	8,053,470	310,344
Fund balance at end of year	$ (3,129,910)	$ 8,387,302	$ (2,844,537)

MORGAN COUNTY, COLORADO
CENTRAL SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Operating Revenues			
Charges for services	5,795,100	4,994,172	(800,928)
Total operating revenues	5,795,100	4,994,172	(800,928)
Operating Expenses			
Compensation and benefits	2,010,588	1,839,875	170,713
Operating supplies	1,921,500	2,030,398	(108,898)
Purchased services	856,155	1,140,692	(284,537)
Fixed charges	96,700	75,297	21,403
Capital outlay	2,915,486	1,169,478	1,746,008
Other expenses	5,000	3,151	1,849
Total operating expenses	7,805,429	6,258,891	1,546,538
Excess (deficiency) of revenues over (under) expenses	(2,010,329)	(1,264,719)	(2,347,466)
Nonoperating revenues (expenses)			
State grant	110,000	-	(110,000)
(Gain) loss on disposal of assets	-	131,501	131,501
Total nonoperating revenues	110,000	131,501	21,501
Other Financing Sources			
Transfers:			
Total other financing sources	-	-	-
Fund balance at beginning of year	(1,719,856)	9,572,813	1,437,467
Fund balance at end of year	$ (3,620,185)	$ 8,439,595	$ (888,498)

MORGAN COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2025

	County Clerk Fund	County Sheriff Fund	County Treasurer Fund	Public Trustee Fund	Total Custodial Funds
Assets					
Cash and cash investments	$ 738,981	$ 67,658	$ 2,002,967	$ 15,048	$ 2,824,654
Total Assets	738,981	67,658	2,002,967	15,048	2,824,654
Liabilities					
Due to others	738,981	-	2,002,967	15,048	2,756,996
Total Liabilities	738,981	-	2,002,967	15,048	2,756,996
Net Position					
Restricted for individuals and other	-	67,658	-	-	67,658
Total net position	$ -	$ 67,658	$ -	$ -	$ -

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	County Clerk Fund	County Sheriff Fund	County Treasurer Fund	Public Trustee Fund	Total Custodial Funds
Additions					
Inmate deposits and other		$ 272,513			$ 272,513
Foreclosure escrow amounts received				257	257
Collections for other governments	10,776,541		47,600,207		58,376,748
Total additions	10,776,541	272,513	47,600,207	257	58,649,518
Deductions					
Commissary sales and services and other		283,883			283,883
Foreclosure escrow amounts disbursed				257	257
Disbursements to other governments	10,776,541		47,600,207		58,376,748
Total deductions	10,776,541	283,883	47,600,207	257	58,660,888
Change in net position	-	(11,370)	-	-	(11,370)
Net position at beginning of year	-	79,028	-	-	79,028
Net position at end of year	$ -	$ 67,658	$ -	$ -	$ 67,658

The accompanying notes and independent auditors' report should be read with these financial statements.

MORGAN COUNTY

Where Prairie Meets The Sky

SUPPLEMENTAL SCHEDULES

Form Approved
The public report burden for this information collection is estimated to average 380 hours annually. OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2025
This Information From The Records Of: Morgan County (MUNICIPALITY OR COUNTY NAME)	Prepared By: Lori Crispin lcrispin@co.morgan.co.us (STAFF PERSON'S NAME & EMAIL ADDRESS)

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. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		**A. Local highway expenditures:**	
1. Local highway-user taxes		1. Capital outlay (from page 2)	$ 1,544,665.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	$ 3,859,969.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	$ 99,686.00
3. Other local imposts (from page 2)	$ 6,017,023.00	c. Other	$ 48,208.00
4. Miscellaneous local receipts (from page 2)	$ 637,042.00	d. Total (a. through c.)	$ 147,894.00
5. Transfers from toll facilities		4. General administration & miscellaneous	$ 3,253,057.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	$ 8,805,585.00
b. Bonds - Refunding Issues		**B. Debt service on local obligations:**	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	$ -	a. Interest	
7. Total (1 through 6)	$ 6,654,065.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	$ -
C. Receipts from State government		2. Notes:	
(from page 2)	$ 3,343,430.00	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	$ 75,585.00	c. Total (a. + b.)	$ -
E. Total receipts (A.7 + B + C + D)	$ 10,073,080.00	3. Total (1.c + 2.c)	$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	$ 8,805,585.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
$ 17,845,185.00	$ 10,073,080.00	$ 8,805,585.00	$ 19,112,680.00	$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2025

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 Assesments	$ 5,573,858.00	a. Interest on investments	315,286.00
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	$ 479.00	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	$ 26,245.00
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 442,686.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 443,165.00	h. Other	$ 295,511.00
c. Total (a. + b.)	$ 6,017,023.00	i. Total (a. through h.)	$ 637,042.00
(Carry forward to page 1)		*(Carry forward to page 1)*	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes (from Item I.C.5.)	$ 3,271,575.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 71,783.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other PILT	$ 72.00	f. Other Federal	$ 75,585.00
f. Total (a. through e.)	$ 71,855.00	g. Total (a. through f.)	$ 75,585.00
4. Total (1. + 2. + 3.f)	$ 3,343,430.00	3. Total (1. + 2.g)	$ 75,585.00
(Carry forward to page 1)		*(Carry forward to page 1)*	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements		$ 132,586.00	$ 132,586.00
(3). System Preservation		$ 1,412,079.00	$ 1,412,079.00
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 1,544,665.00	$ 1,544,665.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 1,544,665.00	$ 1,544,665.00
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536

MORGAN COUNTY, COLORADO
HUMAN SERVICES FUND
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures
For the Year Ended December 31**, 2025**

				formula	formula
	A	B	C	D	E
PROGRAM	**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%			2,158,746.00	2,158,746.00	2,158,746.00
CHRP	-			-	-
RES MENTAL HEALTH	-				-
CASE SERVICES	2,755.00	2,346.00		2,755.00	2,346.00
OOH	476,777.00	123,197.00		476,777.00	123,197.00
SPECIAL CIRCUM CC			4,429.00	4,429.00	4,429.00
SUBADOPT	407,749.00	40,649.00		407,749.00	40,649.00
TOTAL CW	887,281.00	166,192.00	2,163,175.00	3,050,456.00	2,329,367.00
COUNTY ADMINISTRATION	-	-	1,552,926.00	1,552,926.00	1,552,926.00
CORE SERVICES	158,326.00		587,830.00	746,156.00	587,830.00
CHAFEE	-		182,089.00	182,089.00	182,089.00
LEAP & ADMIN	353,929.00	-	25,466.00	379,395.00	25,466.00
AND & HCA - AND	101,804.00	22,967.00		101,804.00	22,967.00
IV-D ADMINISTRATION (CSE)			961,644.00	961,644.00	961,644.00
EMPLOYMENT 1ST	21,084.00		86,232.00	107,316.00	86,232.00
TANF & WORKS ADMIN	626,679.00	177,718.00	616,654.00	1,243,333.00	794,372.00
CHILD CARE & ADMIN	864,524.00	87,384.00	128,473.00	992,997.00	215,857.00
OLD AGE PEN & ADMIN	325,902.00	-	18,619.00	344,521.00	18,619.00
HCA - OAP	-		-	-	-
FC PARENTAL FEE	-	-	720.00	720.00	720.00
HB1451 CARE MGT GRANT	-	-	42,184.00	42,184.00	42,184.00
GENERAL ASSISTANCE	-	-	1,500.00	-	1,500.00
ADULT PROTECTION			412,301.00	412,301.00	412,301.00
FAMILY VOICE GRANT			21,118.00	21,118.00	21,118.00
AUDIT ADJUSTMENT					-
				7,088,504.00	4,925,825.00
FOOD ASSISTANCE	7,368,660.00			7,368,660.00	-
GRAND TOTAL				**17,507,620.00**	**7,255,192.00**

A. Welfare payments authorized by the Morgan County Department of Human Services. These county authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).

B. County share of EBT authorizations. These amounts are settled monthly by a reduction of State cash advances to the county.

C. Expenditures made by county warrants or other county payment methods.

D. This represents the total cost of the welfare programs that are administered by Morgan County.

E. This total matches the expenditures on the Social Services Fund - Statement of Revenues & Expenditures.

MORGAN COUNTY

Where Prairie Meets The Sky

STATISTICAL SECTION

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

	2025	2024	2023	2022
Governmental activities				
Net investment in capital assets	$ 72,194,714	$ 76,988,689	$ 82,201,560	$ 85,897,227
Restricted	4,694,574	15,925,163	15,479,238	20,288,938
Unrestricted	71,833,707	60,980,293	52,762,131	41,312,384
Total governmental activities net position	$ 148,722,995	$ 153,894,145	$ 150,442,929	$ 147,498,549
Business-type activities				
Net investment in capital assets	$ 3,166,169	$ 2,934,702	$ 2,905,737	$ 3,020,720
Unrestricted	6,610,634	7,066,775	6,987,706	6,163,191
Total business-type activities	$ 9,776,803	$ 10,001,477	$ 9,893,443	$ 9,183,911
Primary government				
Net investment in capital assets	$ 75,360,883	$ 79,923,391	$ 85,107,297	$ 88,917,947
Restricted	4,694,574	15,925,163	15,479,238	20,288,938
Unrestricted	78,444,341	68,047,068	59,749,837	47,475,575
Total primary government activities net position	$ 158,499,798	$ 163,895,622	$ 160,336,372	$ 156,682,460

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

2021	2020	2019	2018	2017	2016
$ 93,185,674	$ 101,452,886	$ 110,920,860	$ 117,813,966	$ 124,241,092	$ 131,089,740
17,460,049	12,059,538	11,208,218	10,560,743	9,040,123	9,647,561
41,558,071	42,065,680	38,528,623	34,851,764	32,163,842	28,709,841
$ 152,203,794	$ 155,578,104	$ 160,657,701	$ 163,226,473	$ 165,445,057	$ 169,447,142
$ 2,288,318	$ 1,676,338	$ 1,725,262	$ 1,769,212	$ 1,782,910	$ 1,339,384
6,824,063	6,718,282	6,484,187	5,691,088	4,890,803	4,620,083
$ 9,112,381	$ 8,394,620	$ 8,209,449	$ 7,460,300	$ 6,673,713	$ 5,959,467
$ 95,473,992	$ 103,129,224	$ 112,646,122	$ 119,583,178	$ 126,024,002	$ 132,429,124
17,460,049	12,059,538	11,208,218	10,560,743	9,040,123	9,647,561
48,382,134	48,783,962	45,012,810	40,542,852	37,054,645	33,329,924
$ 161,316,175	$ 163,972,724	$ 168,867,150	$ 170,686,773	$ 172,118,770	$ 175,406,609

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

	2025	2024	2023	2022
Expenses				
Governmental activities:				
General government		$ 14,025,625	$ 9,576,800	$ 8,675,798
Judicial and public safety		8,203,023	7,977,817	7,797,655
Auxilary services		559,974	576,967	536,990
Roads and bridges		14,708,251	15,616,577	16,256,356
Public welfare		6,526,888	6,040,895	5,533,334
Capital Outlay		1,798,833	-	-
Total governmental activities expenses	-	45,822,594	39,789,056	38,800,133
Business-type activities:				
Ambulance services		$ 2,707,360	$ 2,203,137	$ 1,836,227
Solid waste services		1,501,765	1,116,187	977,596
Total business-type activities expenses	-	4,209,125	3,319,324	2,813,823
Total primary government expenses	$ -	$ 50,031,719	$ 43,108,380	$ 41,613,956
Program Revenues				
Governmental activities:				
Charges for services:				
General government		$ 6,666,433	$ 1,480,706	$ 1,331,750
Judicial and public safety		1,038,027	1,046,576	929,473
Road and bridges		37,372	49,279	38,540
Public Welfare		15,514	21,067	20,189
Operating grants and contributions		11,625,109	13,532,804	8,937,915
Capital grants and contributions		-	-	-
Total governmental activities program revenues	$ -	$ 19,382,455	$ 16,130,432	$ 11,257,867
Business-type activities:				
Charges for services:				
Ambulance services		$ 1,634,201	$ 1,829,101	$ 1,365,394
Solid waste services		1,637,376	1,567,570	1,285,268
Operating grants and contributions		177,862	162,062	112,219
Capital grants and contributions		-	-	18,361
Total business-type activities program revenues	-	3,449,439	3,558,733	2,781,242
Total primary government program revenues	$ -	$ 22,831,894	$ 19,689,165	$ 14,039,109
Net (expense)/revenue				
Governmental activities		$ (26,440,139)	$ (23,658,624)	$ (27,542,266)
Business-type activities		(759,685)	(32,581)	665,087
Total primary governement net expense	$ -	$ (27,199,824)	$ (23,691,205)	$ (26,877,179)

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

	2025	2024	2023	2022
General Revenues and Other Changes in Net Posiiton				
Governmental activities:				
Taxes				
Property	$ 25,768,752	$ 22,681,704	$ 19,300,192	$ 19,854,404
Specific ownership	1,132,032	1,881,989	1,883,847	1,695,279
Sales - Lodging	258,720	328,312	262,022	287,297
Other	26,381	10,716	11,524	8,202
Interest earnings	3,659,247	4,193,641	3,737,698	443,769
Miscellaneous	664,084	670,947	1,184,496	375,421
Gain (loss) on sale of capital assets	-	324,046	423,225	172,649
Transfers	(200,000)	(200,000)	(200,000)	-
Total governmental activities	31,309,216	29,891,355	26,603,004	22,837,021
Business-type activities:				
Interest earnings	275,246	284,502	224,284	83,105
Miscellaneous	-	383,218	44,464	21,006
Gain/(Loss) on sale of assets	-	-	1,375	-
Transfers	200,000	200,000	200,000	-
Total business-type activities	475,246	867,720	470,123	104,111
Total primary government	$ 31,784,462	$ 30,759,075	$ 27,073,127	$ 22,941,132
Change in Net Position				
Governmental activities	$ (5,041,874)	$ 3,451,216	$ 2,944,380	$ (4,705,245)
Business-type activities	333,832	108,034	709,532	71,530
Total primary government	$ (4,708,042)	$ 3,559,250	$ 3,653,912	$ (4,633,715)

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

2021	2020	2019	2018	2017	2016
$ 8,258,422	$ 8,071,055	$ 7,640,141	$ 6,996,471	$ 6,353,665	$ 5,520,906
6,631,128	6,418,615	6,160,079	5,766,384	5,248,513	5,078,786
470,294	452,772	514,335	464,661	500,709	440,388
15,179,406	15,881,428	14,396,716	14,167,484	14,695,292	13,072,223
5,288,182	5,137,371	5,039,466	5,055,167	4,794,943	4,713,540
-	897,060	-	-	-	-
35,827,432	36,858,301	33,750,737	32,450,167	31,593,122	28,825,843
$ 1,603,042	$ 1,457,169	$ 1,350,047	$ 1,234,911	$ 1,145,209	$ 1,070,858
541,134	870,814	836,632	733,357	793,476	763,632
2,144,176	2,327,983	2,186,679	1,968,268	1,938,685	1,834,490
$ 37,971,608	$ 39,186,284	$ 35,937,416	$ 34,418,435	$ 33,531,807	$ 30,660,333
$ 1,782,426	$ 2,298,319	$ 2,133,254	$ 1,436,068	$ 893,981	$ 594,119
800,488	532,489	482,306	501,705	541,926	528,016
24,126	55,680	35,023	202,352	18,132	25,361
-	-	-	-	-	-
8,523,470	8,672,242	8,708,522	8,484,048	7,936,012	7,328,010
-	-	28,513	103,638	51,157	-
$ 11,130,510	$ 11,558,730	$ 11,387,618	$ 10,727,811	$ 9,441,208	$ 8,475,506
$ 1,459,072	$ 1,207,499	$ 1,473,043	$ 1,421,886	$ 1,351,772	$ 1,205,051
1,284,894	1,176,790	1,210,304	1,174,866	1,062,122	1,030,125
3,462	59,555	129,327	64,865	170,419	3,505
61,835	-	37,380	33,151	27,271	-
2,809,263	2,443,844	2,850,054	2,694,768	2,611,584	2,238,681
$ 13,939,773	$ 14,002,574	$ 14,237,672	$ 13,422,579	$ 12,052,792	$ 10,714,187
$ (24,696,922)	$ (25,299,571)	$ (22,363,119)	$ (21,722,358)	$ (22,151,914)	$ (20,350,337)
115,861	663,375	726,500	672,899	404,191	214,101
$ (24,581,061)	$ (24,636,196)	$ (21,636,619)	$ (21,049,459)	$ (21,747,723)	$ (20,136,236)

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

2021	2020	2019	2018	2017	2016
$ 18,481,069	$ 17,276,977	$ 15,881,611	$ 15,118,777	$ 15,047,692	$ 13,579,680
1,669,662	1,623,075	1,758,505	1,642,242	1,506,682	1,538,445
305,824	203,196	218,131	223,174	186,372	221,834
10,965	14,364	90,044	89,003	80,078	71,241
158,831	571,075	1,283,355	434,313	244,482	190,551
458,257	414,155	418,600	487,320	373,685	360,891
238,004	117,132	144,101	155,000	262,155	240,771
-	-	-	-	-	-
21,322,612	20,219,974	19,794,347	18,149,829	17,701,146	16,203,413
13,693	42,957	79,026	37,928	30,169	18,847
29,750	26,353	6,748	3,419	2,984	5,396
9,231	-	-	-	(27)	-
-	-	-	-	-	-
52,674	69,310	85,774	41,347	33,126	24,243
$ 21,375,286	$ 20,289,284	$ 19,880,121	$ 18,191,176	$ 17,734,272	$ 16,227,656
$ (3,374,310)	$ (5,079,597)	$ (2,568,772)	$ (4,002,085)	$ (2,649,191)	$ (3,555,923)
717,761	185,171	749,149	714,246	437,317	238,344
$ (2,656,549)	$ (4,894,426)	$ (1,819,623)	$ (3,287,839)	$ (2,211,874)	$ (3,317,579)

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

	2025	2024	2023	2022
General fund				
Non Spendable	$ -	$ -	$ -	$ -
Restricted	1,052,048	1,046,154	1,043,054	6,702,829
Assigned	12,320,370	12,397,910	11,107,283	11,110,863
Committed	-	-	1,117,550	981,420
Unassigned	35,253,037	37,799,522	30,508,632	19,644,595
Total general fund	$ 48,625,455	$ 51,243,586	$ 43,776,519	$ 38,439,707
All other governmental funds				
Non Spendable	$ 189,359	$ 133,295	$ 134,114	$ 115,523
Restricted	15,037,079	14,701,554	14,872,020	13,599,161
Committed	-	-	8,276,653	7,470,649
Assigned	13,703,082	8,656,456	-	-
Unassigned	91,957	-	-	-
Total all other governmental funds	$ 29,021,477	$ 23,491,305	$ 23,282,787	$ 21,185,333

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

2021	2020	2019	2018	2017	2016
$ -	$ -	$ -	$ -	$ -	$ -
3,893,074	1,082,289	946,337	948,480	842,327	836,428
11,166,492	11,163,572	11,157,713	11,220,486	11,186,134	10,143,470
873,074	778,710	679,089	574,041	473,437	376,393
19,807,304	19,705,751	17,491,938	14,688,077	13,004,169	11,280,916
$ 35,739,944	$ 32,730,322	$ 30,275,077	$ 27,431,084	$ 25,506,067	$ 22,637,207
$ 96,378	$ 79,180	$ 69,872	$ 89,303	$ 102,970	$ 93,361
13,594,528	10,974,809	10,259,465	9,609,894	8,197,796	8,811,133
6,836,194	6,291,036	5,746,860	5,130,285	4,952,277	4,349,889
-	-	-	-	-	-
-	-	-	-	-	-
$ 20,527,100	$ 17,345,025	$ 16,076,197	$ 14,829,482	$ 13,253,043	$ 13,254,383

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

	2025	2024	2023	2022
Revenues				
Taxes	$ 27,185,885	$ 24,835,557	$ 21,457,585	$ 21,845,182
Intergovernmental	6,713,556	11,542,830	13,521,439	8,843,569
Licenses and permits	539,508	233,942	288,714	125,880
Fines and forfeiture	-	746	1,164	2,243
Fee accounts	1,774,022	1,615,272	1,581,477	1,550,421
Charges for material/service	933,075	887,630	833,463	776,928
Interest	3,659,247	4,193,641	3,737,698	363,182
Miscellaneous	532,583	679,313	475,452	464,104
Total revenues	41,337,876	43,988,931	41,896,992	33,971,509
Expenditures				
Current:				
General government	7,956,298	8,550,389	6,908,712	6,270,012
Judicial and public safety	8,398,432	8,117,354	7,844,001	7,675,527
Public health	-	-	-	-
Auxilary services	686,418	559,974	576,967	536,989
Road and bridge	7,242,320	6,355,589	6,409,422	7,025,699
Public welfare	7,005,193	6,522,702	6,034,996	5,520,282
Intergovernmenal cooperation outlay	1,245,993	1,307,843	1,264,704	1,083,991
Capital outlay	5,691,181	3,875,852	6,321,638	2,526,014
Total expenditures	38,225,835	35,289,703	35,360,440	30,638,514
Excess of revenues over (under) expenditures	3,112,041	8,699,228	6,536,552	3,332,995
Other financing sources (uses)				
Transfers in	5,370,000	745,000	120,000	120,000
Transfers out	(5,570,000)	(1,351,082)	(320,000)	(120,000)
Proceeds from insurance claims	-	-	680,153	-
Proceeds from sale of capital assets	-	-	-	25,001
Total other fiancing sources (uses)	(200,000)	(606,082)	480,153	25,001
Net change in fund balances	$ 2,912,041	$ 8,093,146	$ 7,016,705	$ 3,357,996

Schedule 04

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

2021	2020	2019	2018	2017	2016
$ 20,467,520	$ 19,117,614	$ 17,948,291	$ 17,937,109	$ 17,073,196	$ 16,820,824
8,523,470	8,668,192	8,708,522	8,484,048	7,936,012	7,328,010
113,989	118,543	102,577	97,822	88,659	96,926
2,160	2,055	2,265	2,757	3,892	4,091
1,595,083	1,551,974	1,444,735	1,461,626	1,410,411	1,388,951
600,385	269,253	306,584	539,664	290,535	311,443
158,831	571,075	1,283,355	857,258	434,313	244,482
424,994	374,740	416,975	478,636	486,916	357,539
31,886,432	30,673,446	30,213,304	29,858,920	27,723,934	26,552,266
6,100,074	6,857,746	5,456,344	5,579,881	5,011,770	4,459,590
6,509,001	6,291,622	6,011,334	5,577,035	5,157,630	5,022,918
-	-	-	-	-	-
470,294	452,772	515,069	465,373	501,347	441,072
5,874,547	6,565,394	5,163,442	5,104,051	5,563,489	4,166,484
5,282,426	5,127,164	5,030,790	5,059,410	4,797,258	4,710,757
1,131,727	1,128,848	1,134,694	1,144,153	1,120,429	1,119,295
526,538	525,827	2,810,923	3,427,560	2,704,491	3,220,323
25,894,607	26,949,373	26,122,596	26,357,463	24,856,414	23,140,439
5,991,825	3,724,073	4,090,708	3,501,456	2,867,520	3,411,827
120,000	320,000	120,000	120,000	120,000	120,000
(120,000)	(320,000)	(120,000)	(120,000)	(120,000)	(120,000)
-	-	-	-	-	-
199,872	-	-	-	-	14,340
199,872	-	-	-	-	14,340
$ 6,191,697	$ 3,724,073	$ 4,090,708	$ 3,501,456	$ 2,867,520	$ 3,426,167

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

	2025	2024	2023	2022
Function/Program				
General government	$ 8,020,707	$ 9,356,958	$ 6,762,633	$ 2,318,633
Judicial and public safety	933,075	1,175,311	1,232,128	1,172,535
Roads and bridges	371,009	3,629,360	3,449,496	3,346,242
Public welfare	5,629,542	5,123,033	4,686,175	4,420,457
Total governmental activities	14,954,333	19,284,662	16,130,432	11,257,867
Business-type activities				
Ambulance services	2,381,887	1,692,035	1,991,163	1,495,974
Solid waste services	1,690,670	1,600,376	1,567,570	1,285,268
Total business-type activities	4,072,557	3,292,411	3,558,733	2,781,242
Total primary governement	$ 19,026,890	$ 22,577,073	$ 19,689,165	$ 14,039,109

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

2021	2020	2019	2018	2017	2016
$ 2,566,448	$ 3,734,489	$ 2,778,622	$ 2,184,081	$ 1,650,225	$ 973,245
909,275	655,579	639,147	688,914	637,763	647,872
3,446,871	3,030,427	3,961,236	3,825,694	3,370,854	3,187,142
4,207,916	4,138,235	4,008,613	4,029,122	3,782,366	3,667,247
11,130,510	11,558,730	11,387,618	10,727,811	9,441,208	8,475,506
1,524,369	1,267,054	1,639,750	1,519,902	1,549,462	1,205,051
1,284,894	1,176,790	1,210,304	1,174,866	1,062,122	1,030,125
2,809,263	2,443,844	2,850,054	2,694,768	2,611,584	2,235,176
$ 13,939,773	$ 14,002,574	$ 14,237,672	$ 13,422,579	$ 12,052,792	$ 10,710,682

Morgan County, Colorado
Tax Revenues by Source, Governmental Funds
Last Ten Years
(modified accrual accounting)
(unaudited)

Schedule 06

Year	Property Taxes	SO Taxes	Cigarette Taxes	Sales Tax and Other	Total
2025	25,768,752	1,132,032	26,246	258,720	27,185,750
2024	22,681,704	1,881,989	10,716	328,313	24,902,722
2023	19,300,192	1,883,847	11,524	262,022	21,457,585
2022	19,854,404	1,695,279	8,202	287,297	21,845,182
2021	18,481,069	1,669,662	10,965	305,824	20,467,520
2020	17,276,976	1,623,075	14,364	203,199	19,117,614
2019	15,881,611	1,758,505	10,387	297,788	17,948,291
2018	15,993,175	1,644,309	8,437	216,031	17,861,952
2017	15,119,847	1,641,603	6,866	223,174	16,991,490
2016	15,047,692	1,506,682	9,077	257,373	16,820,824
Change 2016-2025	71.25%	-24.87%	189.15%	0.52%	61.62%

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
2025	204,321,540	105,604,520	30,026,980	71,077,340	14,215,000	1,783,540
2024	190,364,520	94,233,870	30,733,850	68,140,000	13,729,550	1,903,790
2023	187,330,350	94,984,030	30,292,070	67,460,310	12,769,290	3,557,530
2022	164,482,180	76,248,770	27,619,380	67,671,420	11,399,860	2,567,510
2021	144,752,520	74,997,600	23,567,100	62,270,370	8,338,030	3,294,010
2020	141,416,800	72,559,840	22,321,220	60,832,160	9,046,880	3,488,060
2019	108,717,860	66,135,180	21,348,010	56,813,590	6,567,670	3,582,490
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

From 2016 to 2025 commercial real property, undeveloped land, personal property and utilities were assessed at 29% replacement cost calculated on the base year's appraised value

Residential real property was assessed as follows:

Year	Assessment Percentage	Base Year
2025	6.25%	2024 appraised value
2024	6.70%	2023 appraised value
2023	6.70%	2022 appraised value
2022	7.96%	2021 appraised value
2021	7.20%	2020 appraised value
2020	7.20%	2019 appraised value
2019	7.20%	2018 appraised value
2018	7.20%	2017 appraised value
2017	7.20%	2016 appraised value
2016	7.96%	2015 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.

Morgan County, Colorado
Assessed Value and Estimated Value of Taxable Property
Last Ten Years
(unaudited)

Personal Property	Total Taxable Assessed Value	Tax Exempt Property	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
314,209,300	768,599,180	112,587,210	29.236	5,352,925,640	14.36%
317,050,500	744,220,440	109,586,390	29.036	4,805,048,630	15.49%
300,419,340	694,332,025	152,947,180	29.012	4,099,783,010	16.94%
297,918,680	647,907,800	152,947,180	29.012	4,099,783,010	15.80%
297,168,010	675,874,830	290,803,490	29.012	4,344,739,270	15.56%
267,282,610	641,544,610	280,417,900	28.953	3,729,474,710	17.20%
260,588,560	601,683,980	268,412,190	28.961	3,543,909,210	16.98%
270,489,180	552,170,540	237,390,850	28.970	3,018,294,850	18.29%
265,521,470	521,172,180	236,862,350	28.970	3,013,820,350	17.29%
278,353,330	511,934,790	191,181,280	28.128	2,697,685,720	18.98%

of

Schedule 08

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

	2025	2024	2023	2022	2021
County direct rates					
General Fund	19.736	19.536	19.553	19.472	19.512
Road and Bridge	7.500	7.500	7.500	7.500	7.500
Human Services	2.000	2.000	2.000	2.000	2.000
Total Direct Rate	29.236	29.036	29.053	28.972	29.012
City and town rates					
Brush	15.660	15.660	15.660	15.660	15.660
Fort Morgan	13.254	13.254	13.254	13.254	13.254
Hillrose	13.339	16.793	16.380	15.357	17.073
Log Lane	17.784	17.784	17.784	11.094	11.094
Wiggins	24.159	32.212	32.212	32.212	32.212
Fire Districts	2.588 - 7.000	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719
School districts	16.616 - 48.354	14.289 - 49.015	14.226 - 48.940	21.152 - 47.771	19.69 - 47.939
Other special districts	0.000 - 77.267	0.000 - 72.765	.019 - 72.760	.022 - 9.034	0.000 - 25.00

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

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
19.453	19.461	19.470	19.470	19.628
7.500	7.500	7.500	7.500	6.500
2.000	2.000	2.000	2.000	2.000
28.953	28.961	28.970	28.970	28.128
15.660	15.671	15.683	15.752	15.660
13.254	13.254	13.254	13.254	13.254
16.515	17.890	17.585	17.890	17.773
12.635	34.267	27.413	34.267	34.267
32.212	32.212	32.212	32.212	32.212
2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719	2.588 - 7.719
19.855 - 50.861	19.298 - 52.728	15.219 - 52.360	19.500 - 45.285	17.105 - 42.449
0.000 - 25.00	0.000 - 9.001	.021 - 9.010	.026 - 10.958	.027 - 10.947

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

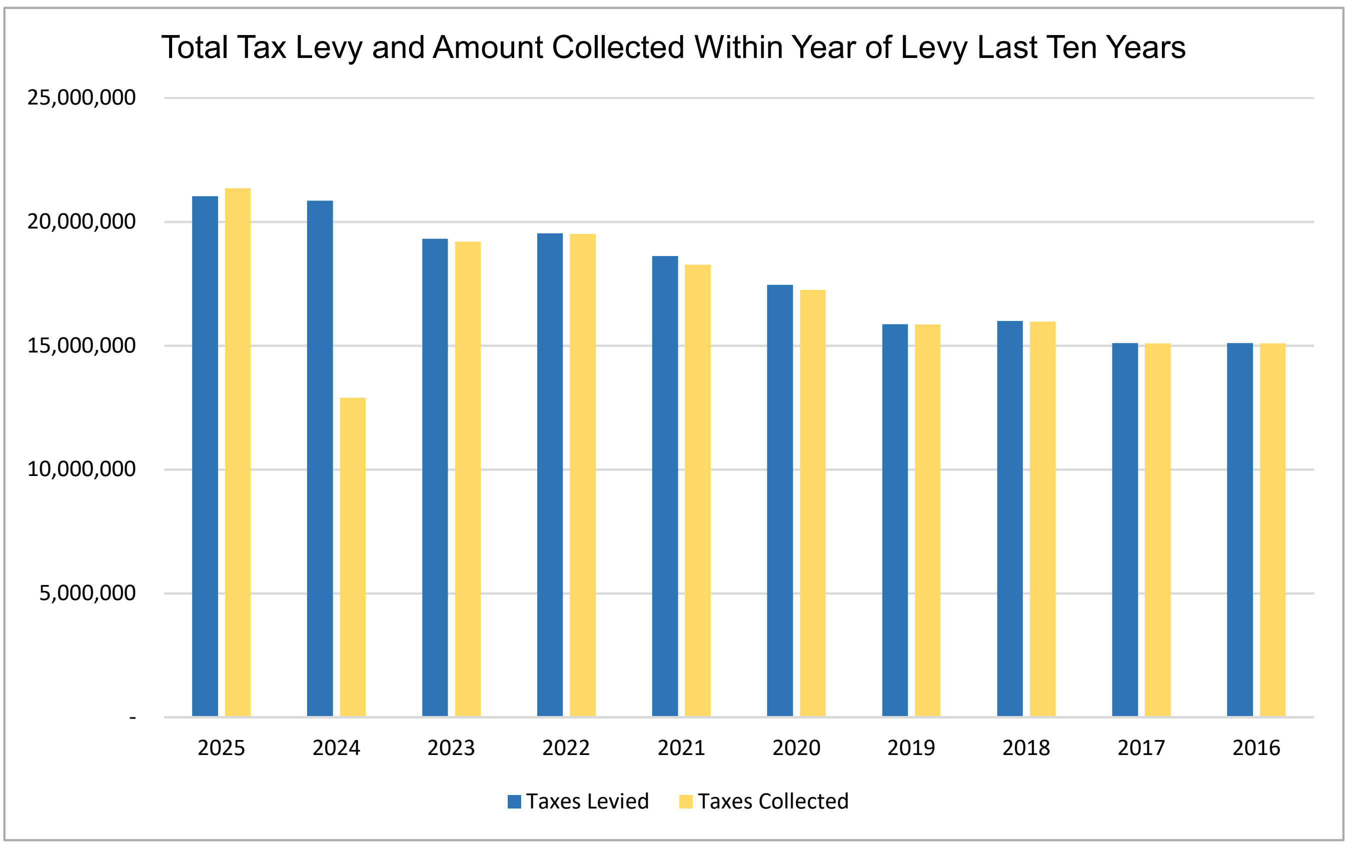
		2025			2016		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Public Service Co. of Colorado	Utility	$ 154,341,100	1	20.08%	$ 138,195,000	1	33.44%
Leprino Foods Company	Cheese Processing	20,021,070	2	2.60%	23,193,230	7	5.61%
BNSF Railway Company	Transportation	19,695,300	3	2.56%	13,264,100	5	3.21%
Cargill Meat Solutions	Meat Processing	19,688,340	4	2.56%	11,833,680	6	2.86%
Western Sugar Cooperative	Sugar Processing	17,914,840	5	2.33%	7,241,850	8	1.75%
CEA Dairy RNG Colorado LLC	Dairy	12,702,340	6	1.65%	-	-	0.00%
Colorado Interstate Gas Co.	Utility	12,636,400	7	1.64%	16,005,600	4	3.87%
Morgan County REA Assoc.	Utility	9,664,400	8	1.26%	4,175,500	13	1.01%
Summit DJ-S LLC	Utility	9,631,370	9	1.25%	-	-	0.00%
Wildcat Dairy LLC	Dairy	9,267,430	10	1.21%	3,289,230	14	0.80%
Cargill Meat Solutions Corp (Lagoon)	Utility	6,782,040	11	0.88%	5,351,500	11	1.29%
Altagas Brush Energy INC	Utility	6,180,200	12	0.80%	-	-	0.00%
Tri-State Generation & Transmission Assoc.	Utility	6,177,300	13	0.80%	6,488,900	9	1.57%
Spectrum Pacific West LLC	Utility	4,852,970	14	0.63%	-	-	0.00%
Brush IV Generation Company LLC	Utility	4,179,500	15	0.54%	7,995,000	14	1.93%
Total		$ 313,734,600		40.82%	$ 237,033,590		57.36%
Total assessed valuation		$ 768,599,180			$ 413,266,190		

Source: Morgan County Assesor'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	Collected Within the Year of the Levy	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	21,031,336	21,358,959	101.56%	-	21,358,958	101.56%
2024	20,845,239	12,890,894	61.84%	61,004	20,722,531	99.41%
2023	19,308,549	19,194,659	99.41%	6,242	12,368,956	64.06%
2022	19,537,164	19,503,252	99.83%	(21,052)	19,509,252	99.86%
2021	18,612,493	18,268,091	98.15%	262,502	18,268,091	98.15%
2020	17,447,852	17,241,747	98.82%	151,151	17,392,898	99.69%
2019	15,869,790	15,847,377	99.86%	7,385	15,847,073	99.86%
2018	15,994,171	15,972,255	99.86%	9,022	15,981,277	99.92%
2017	15,098,358	15,087,091	99.93%	166	15,084,258	99.91%
2016	15,104,971	15,087,298	99.88%	6,602	15,093,901	99.93%

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)

	Governmental Activities			
Year	Certificates of Participation	Total Primary Government	Percentage of Personal Income '(1)	Per Capita (1)
2025	-	-	0.000%	-
2024	-	-	0.000%	-
2023	-	-	0.000%	-
2022	-	-	0.000%	-
2021	-	-	0.000%	-
2020	-	-	0.000%	-
2019	-	-	0.000%	-
2018	-	-	0.000%	-
2017	-	-	0.000%	-
2016	-	-	0.000%	-

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

No outstanding debt.

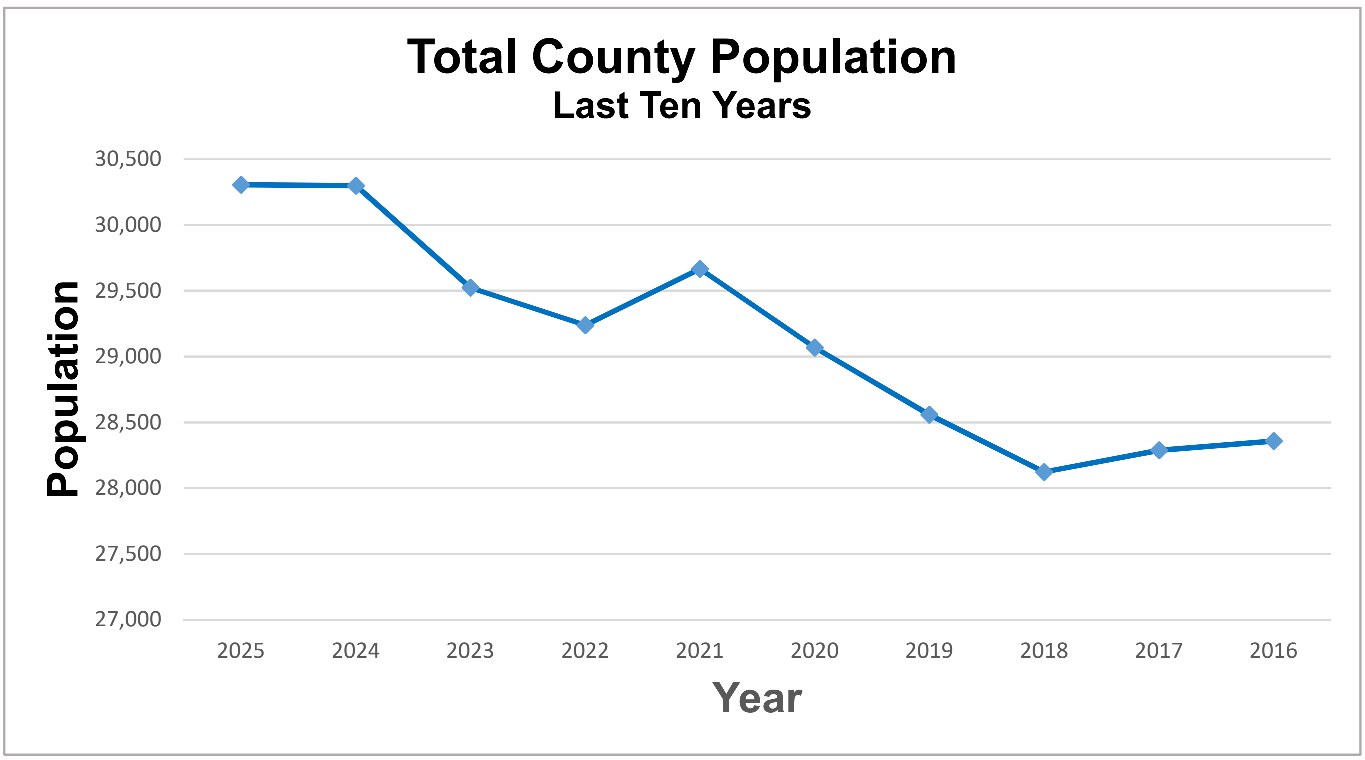
Morgan County, Colorado
Legal Debt Margin Informaiton
Last Ten Years
(unaudited)

Assessed Valuation		
Assessed value	$	768,599,180
Add back: exempt real property		112,587,210
Total assessed value	$	881,186,390
Legal debt margin:		
Debt limitation - 3% of assessed value	$	23,057,975
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
2025	23,057,975	-	23,057,975	0.00%
2024	21,716,866	-	21,716,866	0.00%
2023	23,174,292	-	23,174,292	0.00%
2022	22,434,123	-	22,434,123	0.00%
2021	22,602,983	-	22,602,983	0.00%
2020	20,208,398	-	20,208,398	0.00%
2019	16,439,133	-	16,439,133	0.00%
2018	16,565,116	-	16,565,116	0.00%
2017	15,635,165	-	15,635,165	0.00%
2016	16,110,248	-	16,110,248	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
2025	30,306	978,277,680	32,280	36.2	5,777	4.10%
2024	30,300	1,107,343,800	36,546	36.9	6,172	4.20%
2023	29,524	1,495,095,360	50,640	36.9	5,946	3.00%
2022	29,239	1,839,542,446	62,914	37.0	5,819	12.40%
2021	29,666	1,708,227,612	57,582	36.2	5,801	12.00%
2020	29,068	1,560,428,376	53,682	35.5	5,625	11.90%
2019	28,558	1,474,335,308	51,626	36.3	5,831	2.70%
2018	28,123	1,447,097,088	51,456	36.6	5,734	3.30%
2017	28,288	1,400,114,560	49,495	36.6	5,559	2.90%
2016	28,359	1,209,227,760	42,640	36.4	6,551	2.70%



(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)

		2025			2016		
Taxpayer	Type of Business	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Cargill Meat Solutions	Beef Processing	2,100	1	13.02%	2,100	1	13.86%
Viaero Wireless	Cellular Provider	501	2	3.11%	155	7	1.02%
Leprino Foods	Cheese Processing	350	3	2.17%	350	2	2.31%
Wal-Mart Super Center	Retail/Grocery	300	4	1.86%	111	9	0.73%
Centura St. Elizabeth Hospital	Hospital	260	5	1.61%	262	3	1.73%
East Morgan County Hospital	Hospital	250	6	1.55%	215	6	1.42%
Wester Sugar (Includes Seasonal)	Sugar Processing	195	7	1.21%	225	5	1.48%
Eben Ezer Lutheran Care Center	Nursing Home	155	8	0.96%	235	4	1.55%
Xcel Energy	Utility	83	9	0.51%	107	10	0.71%
Kaiser Premier LLC Equipment	Equipment Mfg.	75	10	0.46%	0	-	0.00%
Colorado Lamb Processors	Agriculture	280	11	1.74%	0	-	0.00%
Total		4,549		28.20%	3,760		24.81%
Total Morgan County Labor Force		16,132			15,154		

Source: Morgan County Economic Development

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

Function/Program	2025	2024	2023	2022
General Government				
Assessor	10	10	10	9
Board of County Commissioners	3	3	3	3
Building Inspections	2	1		
Building Maintenance	7	8	8	8
Clerk and Recorder	12	12	12	12
Courier	1	1	1	1
Finance	6	5	5	5
Fleet	6	5	5	7
Human Resources	1	1	1	1
Information Management Services	4	4	4	4
Planning and Building	3	5	5	5
Purchasing and Support Staff for BCC	0	1	1	1
Treasurer	3	3	3	3
Judicial and Public Safety				
Communications Center	11	9	9	16
Coroner	3	2	2	3
Corrections (Jail)	24	29	29	30
County Attorney	1	1	1	1
Emergency Management	1	1	1	1
Sheriff	25	21	21	25
Streets and Highways				
Road and Bridge	35	33	33	41
Auxiliary Services				
Extension	2	2	2	2
Fairgrounds	1	1	1	1
Veterans Officer	1	0	0	1
Health and Human Services				
Human Services	63	67	67	69
Business-type Services				
Ambulance Services	29	18	18	26
Solid Waste Management	6	6	6	6
Total	260	249	248	281

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.

Schedule 15

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

2021	2020	2019	2018	2017	2016
10	11	11	9	9	9
3	3	3	3	3	3
7	7	7	7	8	7
12	12	12	12	12	11
1	1	1	1	1	1
5	5	5	5	5	5
7	7	7	7	7	7
1	1	1	1	1	1
6	4	4	4	4	4
5	4	4	4	4	3
1	1	1	1	1	1
3	3	3	3	3	3
16	16	14	14	14	11
3	3	3	3	3	3
30	30	28	26	26	32
1	2	1	1	1	1
1	1	1	1	1	1
25	24	23	30	30	24
41	41	41	39	39	36
2	2	2	3	3	2
1	1	1	1	1	0
1	1	1	1	1	1
69	68	67	67	67	63
26	26	26	19	23	19
6	6	6	7	7	7
283	280	273	269	274	255

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

Function/Program	2025	2024	2023	2022
General Government				
Assessor				
Property transfers	1,082	1,100	1,432	683
Public Trustee				
Number of foreclosures	66	45	51	123
Clerk				
Motor Vehicle transactions	28,737	59,378	58,806	63,682
Registered Voters	20,189	20,348	20,013	15,400
Planning and Building				
Number of building permits issued	103	128	201	79
Number of parcels created	25	37	19	17
Judicial and Public Safety				
Communications Center				
Non-emergency calls	47,418	59,507	61,209	97,501
9-1-1 calls	10,514	11,241	12,718	10,674
District Attorney				
Number of felony cases	258	250	382	304
number of juvenile cases	33	32	24	68
Sheriff				
Detention Center average daily population	77	61	79	90
Incidents handled by patrol and investigations	15,404	15,185	16,758	15,880
Streets and Highways				
Road and Bridge				
Bridges	173	173	173	173
County maintained roads (miles)	1,030	1,030	1,057	1,057
County roads maintained by others (miles)	61	61	54	54
County roads not maintained (miles)	145	145	128	128
Health and Human Services				
Human Services				
Families receiving food assistance	2,819	2,914	2,985	2,985
Seniors receiving assistance	2,617	2,666	2,073	2,154
Children receiving subsidized day care	56	177	136	55
Child Abuse or neglect cases reported	51	68	44	44
Auxiliary Services				
Extension				
4-H youth development program participants	*397	363	325	374
Fairgrounds				
County fair attendance	*4,100	3,500	4,000	4,000
Total Complex attendance	*30,950	22,012	32,000	37,750
Business-type Services				
Ambulance Service				
Number of Calls	10,644	3,877	3,479	2,125
Solid Waste Management				
Recycled tons processed	394	308	316	300

*** Department of Human Services records not available for 2019-2021
** Due to Covid-19 no one able to attend
* No response from department heads

Source: Information provided by individual Morgan County departments.

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

2021	2020	2019	2018	2017	2016
1,219	1,072	1,666	1,904	2,050	839
12	12	40	40	48	70
53,735	52,225	53,743	66,877	86,014	71,389
18,591	17,663	16,778	16,868	15,941	16,194
498	119	142	411	301	355
26	21	24	26	15	22
51,003	62,355	73,985	79,078	64,349	77,123
12,667	12,086	11,537	10,671	9,806	10,746
459	405	356	436	460	344
32	19	34	47	40	30
60	73	79	93	90	85
19,776	21,765	19,654	19,572	20,146	17,515
173	173	173	173	173	173
1,030	1,030	1,031	1,035	1,034	1,036
61	61	61	61	61	61
146	146	145	142	143	143
1,655	1,311	2,645	2,710	2,717	2,818
3,293	2,636	2,359	22,668	2,745	2,634
***	***	***	90	78	68
81	63	65	67	52	59
339	392	392	415	368	378
2,550	**	4,700	4,650	4,200	4,300
3,000	**	33,200	33,185	31,730	32,060
3,345	3,050	3,073	2,831	2,726	2,526
638	264	234	348	566	318

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

Function/Program	2025	2024	2023	2022
Judicial and Public Safety				
Communications Center console positions	5	5	5	5
Communications Center vehicles	3	3	3	3
911 Emergency Telephone towers	3	3	3	3
Emergency Management vehicles	1	1	1	1
Courtrooms - district and county	3	3	3	3
Jail	1	1	1	1
Jail vehicles	3	3	3	3
Patrol vehicles	20	14	14	14
Sheriff Investigation & Administrative vehicles	13	13	13	13
Streets and Highways				
Graders	15	15	15	15
Grader sheds	6	6	6	6
Trucks	24	24	24	24
Heavy equipment	15	10	10	10
Other equipment	37	56	56	56
Vehicles	21	21	21	21
Health and Human Services				
Building	1	1	1	1
Vehicles	9	9	9	9
Auxiliary Services				
Extension Office	1	1	1	1
Event Center	1	1	1	1
Fairgrounds	1	1	1	1
Fairground heavy equipment	4	4	4	3
Fairground vehicles	1	1	1	1
Ambulance Service				
Buildings	3	3	3	3
Ambulance vehicles	8	7	7	8
Administrative vehicles	2	2	2	1
Solid Waste Management				
Landfill Site	1	1	1	1
Transfer Sites	0	0	0	0
Equipment	4	6	6	6
Vehicles	1	2	2	2

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

Source: Information provided by individual Morgan County departments

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

2021	2020	2019	2018	2017	2016
5	5	5	3	4	4
3	3	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
3	3	3	3	3	3
15	15	14	14	14	14
13	13	13	13	13	13
15	15	15	15	15	15
6	6	6	6	6	6
24	24	24	24	24	24
10	10	10	10	10	10
55	55	56	54	55	48
21	21	21	20	20	20
1	1	1	1	1	1
9	9	9	9	9	9
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
1	1	1	1	1	1
2	2	2	2	2	2
8	7	7	7	7	8
1	1	1	1	1	1
1	1	1	1	1	1
0	0	0	0	0	0
5	5	5	5	5	5
2	2	2	2	3	3

MORGAN COUNTY

Where Prairie Meets The Sky

OTHER REPORTING SECTION

MORGAN COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2025

Program	Assistance Listing Number (ALN)	Total Federal Expenditures
U.S. Department of Agriculture		
Passed through Colorado Department of Human Services		
SNAP Cluster		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	$ 337,901
Total Department of Agriculture/ SNAP Cluster		337,901
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	602,350
Child Care Mandatory and Matching Portion of the Child Care and Development Fund	93.596	95,577
Total Child Care Cluster		697,927
477 Cluster		
Temporary Assistance for Needy Families	93.558	1,042,832
Total 477 Cluster		1,042,832
Medicaid Cluster		
Medical Assistance Program	93.778	526,460
Total Medicaid Cluster		526,460
Child Support Services	93.563	567,199
Stephanie Tubbs Jones Child Welfare Services Program	93.645	22,911
Foster Care Title IV-E	93.658	306,524
Adoption Assistance	93.659	199,754
Social Services Block Grant	93.667	154,584
Low-Income Home Energy Assistance	93.568	18,048
Guardianship Assistance	93.090	7,695
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	16,828
Title IV-E Prevention Program	93.471	184,066
Title IV-E Prevention Program	93.472	86,059
Elder Abuse Prevention Intervention Program	93.747	470
Total Department of Health and Human Services		4,169,258
U.S. Department of Justice		
Passed through Colorado Department of Criminal Justice		
Crime Victim Assistance	16.575	33,673
State Criminal Alien Assistance Program	16.606	22,749
Total Department of Justice		56,422
U.S. Department of Homeland Security		
Passed through Colorado Division of Homeland Security and Emergency		
Emergency Management Performance Grant	97.042	59,573
Total Department of Homeland Security		59,573
U.S. Department of Treasury		
Local Assistance and Tribal Consistency Fund	21.032	-
Covid-19 Coronavirius State and Local Fiscal Recovery Funds	21.027	69,172
Total Department of Treasury		69,172
Total Expenditures of Federal Awards		$ 4,692,326

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

Note A – Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Morgan County, Colorado and is presented on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Grant and entitlement revenues are recognized to the extent of related expenditures or when compliance with matching requirements are met. A deferred revenue account is established when receipts exceed the related expenditures. The information in this schedule is presented in accordance with the requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Summary of significant accounting policies:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statement(s) of the federal program. 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.

Note C - Indirect cost rate:

Morgan County, Colorado has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D – Sub recipients:

Morgan County, Colorado did not pass through any federal grants to sub recipients.

Note E – State Information Technology System:

In 2004, the State of Colorado (the State) implemented the Colorado Benefits Management System (CBMS), which consolidated legacy systems into one system and also incorporated a rules engine for determining eligibility and calculated and issuing benefits payments. As a result, the county and the State split eligibility determination functions for certain federal Human Services programs under CBMS. The County is 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 determination become the State's responsibility utilizing CBMS.

Note F – Human Services Programs:

The County's Department of Human Services operates several federally funded human service 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 County's cash disbursements. The Colorado Department of Human Services provided total EBT authorizations to qualified citizens in the County, in the amount of $10,594,972 for the year ended December 31, 2025. The revenue and expenditures associated with these federal programs are not recognized in the County's basic financial statements.

LIITTJOHANN, KAUFFMAN, and PEDERSON
Certified Public Accountants

David A. Kauffman, C.P.A., P.C. Daniel M. Pederson, C.P.A.'s, P.C.

INDEPENDENT AUDITOR'S 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*

To the Board of Directors
Morgan County, Colorado
Fort Morgan, Colorado

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Morgan County, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Morgan County, Colorado's basic financial statements, and have issued our report thereon dated July 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morgan County, Colorado's internal control over financial reporting (internal control) as a basis for designing 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 Morgan County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan County, Colorado's internal control.

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

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

Report on Compliance and Other Matters

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

420 East Platte Avenue, Suite A
Ft. Morgan, CO 80701
(970) 867-4922

106 East First Street
Julesburg, CO 80737
(970) 474-3326

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.

Fort Morgan, Colorado
July 29, 2026

LIITTJOHANN, KAUFFMAN, and PEDERSON
Certified Public Accountants

David A. Kauffman, C.P.A., P.C. Daniel M. Pederson, C.P.A.'s, P.C.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Morgan County, Colorado
Fort Morgan, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Morgan County, Colorado's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Morgan County Colorado's major federal programs for the year ended December 31, 2025. Morgan County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Morgan County, Colorado 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Morgan County, Colorado and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Northeast Colorado Health Department's compliance with the compliance requirements referred to above

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Northeast Colorado Health Department's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Morgan County, Colorado's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

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control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Morgan County, Colorado's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Northeast Colorado Health Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Morgan County, Colorado's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Morgan County, Colorado's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Fort Morgan, Colorado
July 29, 2026

MORGAN COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2025

Summary of audit results

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Morgan County, Colorado.

2. No reportable conditions were disclosed during the audit of the basic financial statements as reported in the Independent Auditor's 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*.

3. No instances of noncompliance material to the basic financial statements of the County were disclosed during the audit.

4. No reportable conditions relating to the audit the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditors' report on compliance for the major federal award programs for Morgan County, Colorado expresses an unqualified opinion on all major federal programs.

6. The audit did not disclose any findings relative to the major federal award programs of the Association.

7. The program tested as major was:

Temporary Assistance for Needy Families	ALN No. 93.558
Medical Assistance Program	ALN No. 93.778
Child Care and Development Block Grant	ALN No. 93.575

8. The threshold for distinguishing Type A and B Programs was $1,000,000.

9. The County qualified as a high-risk auditee.

Findings- financial statement audit

We noted no reportable conditions during our audit that need to be reported per auditing standards generally accepted in the United States.

Findings and questioned costs – major federal award programs audit

We noted no findings or questioned costs that are required to be reported in accordance with OMB Uniform Guidance.

Findings- financial statement audit

2024-001: Lack of Timely Year End Reconciliations

During the 2024 audit, it was noted that the County did not perform timely year-end reconciliations of significant account balances. As a result, several material audit adjustments were required, and the completion of the audit was delayed. The lack of timely reconciliations increases the risk that material misstatements in the financial statements may not be prevented or detected on a timely basis.

Current Status: Management has implemented the corrective action plan as outlined in the 2024 audit report and the finding has been fully corrected. The County has hired a permanent Director of Finance and replaced the vacant staff positions. The County is now able to perform monthly reconciliations of all accounts.

2024-002: Ambulance Revenue Recording

During the 2024 audit, it was noted that management does not have a formal process in place to regularly review the collectability of ambulance service receivables. As a result, the allowance for doubtful accounts was not adequately assessed throughout the year, and a material adjustment was required at year-end to increase the allowance for uncollectible accounts. The absence of timely and effective review procedures for collectability increases the risk that receivables and related revenues may be misstated in the financial statements. Although compensating controls such as periodic reviews exist, these controls are not sufficient to detect misstatements that are less than material, and the deficiency is important enough to merit the attention of those charged with governance.

Current Status: Management has implemented the corrective action plan as outlined in the 2024 audit report and the finding has been fully corrected. The County has replaced staff in the billing department that would perform periodic reviews of the ambulance service receivable. Additionally, the County has engaged a third party service to assist in the monitoring of past due receivable balances for the ambulance service.

Findings and questioned costs – major federal award programs audit

2024-003: Inaccurate Reporting of SLFRF Expenditures and Fiscal Year End

The County's SLFRF compliance report for the year ended December 31, 2024 included several clerical errors including incorrectly reporting there were $0 in current period expenditures rather than the $1,660,202 included on the Schedule of Expenditures of Federal Awards as well as incorrectly listing the fiscal year end date as December 31, 2023.

Current Status: The finding has been fully corrected. Management has implemented a reconciliation and review process that reconciles the federal grant compliance reports to the Schedule of Expenditures of Federal Awards and the underlying accounting records. During the December 31, 2025 audit no adjustments were needed to the Schedule of Expenditures of Federal Awards.