



## **Basic Financial Statements**

**with Independent Auditor's Report thereon  
For the Year Ended December 31, 2024**

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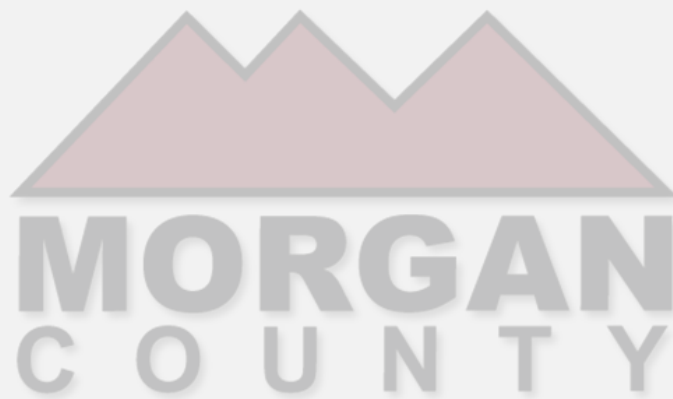
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## **INDEPENDENT AUDITOR'S REPORT**





COMMITTED. EXPERIENCED. TRUSTED.

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the County Commission  
Morgan County, Utah

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Morgan County, Utah (the County), as of and for the year ended December 31, 2024, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 on pages 5-12, budget and actual reports on pages 59-61, and pension schedules on pages 62-65 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 combining nonmajor fund financial statements, schedule of receipts and disbursements – treasurer's collection account, and statement of taxes charged, collected, and distributed are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, schedule of receipts and disbursements – treasurer's collections account, and statement of taxes charged, collected, and distributed 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, schedule of receipts and disbursements – treasurer's collection account, and statement of taxes charged, collected, and distributed is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

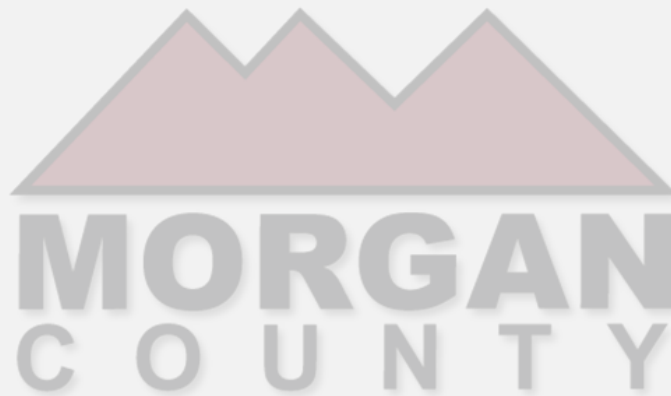
In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*HBME, LLC*

June 27, 2025  
Bountiful, Utah



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**MORGAN COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2024**

As management of Morgan County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2024.

**Financial Highlights**

Total net position of \$28,041,835 for governmental activities is made up of \$15,361,515 in capital assets less related debt of \$1,178,627, restricted net position of \$5,630,432, and unrestricted net position of \$8,228,515.

In the enterprise fund, operating revenues exceeded operating expenses by \$66,555.

Long-term liabilities of the County's governmental activities increased by \$422,286, not including any pension or compensated absences related liabilities, due to the amount of new leases of \$754,999 exceeded the payoff of older equipment leases of \$332,713.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to The County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains the required supplementary information, as well as additional supplementary information intended to furnish additional detail to support the basic financial statements themselves.

*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, liabilities, and deferred inflows and outflows of resources, with the difference between the two 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. However, you will also need to consider other nonfinancial factors.

The statement of activities presents information showing how the County's net position changed during the fiscal year reported. 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.

Both of the government-wide financial statements distinguish functions of Morgan 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).

**MORGAN COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended December 31, 2024**

The government-wide financial statements can be found on the pages directly following this report.

*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 also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation included with the fund financial statements.

For Morgan County, the only two major governmental funds (as determined by generally accepted accounting principles) are the general fund and fair fund. The non-major governmental funds include the additional transit tax – local fund, additional transit tax – county fund, county mass transit tax fund, road fund, flood disaster fund, health services fund, mineral lease fund, library fund, impact fees fund, park fund, RDA fund, corridor preservation fund, recreation fund, economic development fund, tourism fund, MBA fund, and capital projects fund.

*Proprietary funds* - Morgan County maintains one type of proprietary fund, the garbage services fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Morgan County uses an enterprise fund to account for its garbage department.

As determined by generally accepted accounting principles, the enterprise fund meets the criteria of major fund classification.

*Fiduciary Funds* - Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds use full-accrual accounting but are not included in the government-wide statements because the assets in those funds are not available to finance the County's own programs. The County's fiduciary funds include the Treasurer and Other Custodial Funds used to account for assets held by the County in a trustee capacity or as an agent.

**MORGAN COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended December 31, 2024**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Morgan County, assets exceed liabilities by \$28,651,481.

A substantial portion of the County's net position (50.5%) is in non-capital assets, which reflects the County's financial stability. The capital assets (e.g., land, buildings, machinery and equipment, infrastructure, and right to use assets), less any related debt still outstanding used to acquire those assets, is used to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. With almost half of the County's net position capable of being liquidated to meet these obligations, the County has sufficient resources to more than meet its routine operational needs.

The significant portion of net position that represents non-capital assets is comprised of various restricted and unrestricted amounts. The County holds restricted funds for use in developing tourism as a result of payments received from allocations of the transient room taxes and tourism taxes that are remitted by the State. Other restricted funds include the funds available in the General Fund for liquor law, restaurant, and flood. Furthermore, Class B road and impact fee restricted amounts are available in their respective funds.

The County's unrestricted net position is used primarily to fund cash flows during the year. As noted later in this report, property taxes represent the largest source of income for the County. These taxes are not collected until November, late in the County's fiscal year. Therefore, fund balances are used during the year until such time as the taxes are collected and held available for use in meeting expenditures of the subsequent year.

**MORGAN COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended December 31, 2024**

The following table presents summary information comparing the current year to the prior year from the Statement of Net Position (page 13) in the basic financial statements.

Morgan County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<u>Assets</u>						
Current and other assets	\$ 15,265,075	\$ 12,497,896	\$ 718,504	\$ 623,996	\$ 15,983,579	\$ 13,121,892
Capital and right to use assets	15,361,515	14,370,831	-	-	15,361,515	14,370,831
Total assets	30,626,590	26,868,727	718,504	623,996	31,345,094	27,492,723
<u>Deferred outflows of resources</u>						
Related to pensions	1,429,379	1,055,899	15,785	15,363	1,445,164	1,071,262
<u>Liabilities</u>						
Current liabilities	1,188,995	714,286	114,581	85,015	1,303,576	799,301
Noncurrent liabilities:						
Bonds, leases and compensated absences	1,289,994	847,733	-	-	1,289,994	847,733
Net pension liability	888,371	736,398	9,811	10,714	898,182	747,112
Total liabilities	3,367,360	2,298,417	124,392	95,729	3,491,752	2,394,146
<u>Deferred inflows of resources</u>						
Leases	624,027	708,632	-	-	624,027	708,632
Related to pensions	22,747	37,023	251	539	22,998	37,562
Total deferred inflows of resources	646,774	745,655	251	539	647,025	746,194
<u>Net Position</u>						
Net investment in capital assets	14,182,888	13,611,998	-	-	14,182,888	13,611,998
Restricted	5,630,432	3,465,844	-	-	5,630,432	3,465,844
Unrestricted	8,228,515	7,802,712	609,646	543,091	8,838,161	8,345,803
Total net position	\$ 28,041,835	\$ 24,880,554	\$ 609,646	\$ 543,091	\$ 28,651,481	\$ 25,423,645

**MORGAN COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended December 31, 2024**

As taken from the statement of activities in the basic financial statements, the following table depicts the changes in net position for 2024, with a comparison for the prior year.

**Morgan County's Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services	\$ 3,662,475	\$ 2,607,083	\$ 698,072	\$ 599,443	\$ 4,360,547	\$ 3,206,526
Operating grants & contributions	2,508,484	2,064,583	-	-	2,508,484	2,064,583
Capital grants & contributions	-	-	-	-	-	-
General revenues:						
Property taxes	5,387,763	4,880,189	-	-	5,387,763	4,880,189
Other taxes and miscellaneous	5,617,870	4,634,012	32,659	33,219	5,650,529	4,667,231
Interest and investment income	603,939	401,599	-	-	603,939	401,599
Total revenues	17,780,531	14,587,466	730,731	632,662	18,511,262	15,220,128
<b><u>Expenses</u></b>						
General government	6,083,172	4,206,623	-	-	6,083,172	4,206,623
Public safety	3,999,004	3,111,084	-	-	3,999,004	3,111,084
Public works	1,693,285	1,379,641	-	-	1,693,285	1,379,641
Parks, recreation, and culture	1,878,004	1,374,672	-	-	1,878,004	1,374,672
Fleet management	-	241,616	-	-	-	241,616
Public health and welfare	1,069,280	1,059,860	-	-	1,069,280	1,059,860
Economic development	63,681	211,083	-	-	63,681	211,083
Other	148,915	229,528	-	-	148,915	229,528
Interest expense	91,232	40,361	-	-	91,232	40,361
Garbage service	-	-	664,176	634,008	664,176	634,008
Total expenses	15,026,573	11,854,468	664,176	634,008	15,690,749	12,488,476
Increase (decrease) in net position	2,753,958	2,732,998	66,555	(1,346)	2,820,513	2,731,652
Net position, beginning of year	24,880,554	22,147,556	543,091	544,437	25,423,645	22,691,993
Beginning net position restatements, see Note 10	407,323	-	-	-	407,323	-
Net position, beginning of year, as restated	25,287,877	22,147,556	543,091	544,437	25,830,968	22,691,993
Net position, end of year	\$ 28,041,835	\$ 24,880,554	\$ 609,646	\$ 543,091	\$ 28,651,481	\$ 25,423,645

**MORGAN COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended December 31, 2024**

**Financial Analysis of Governmental Funds**

The focus of the County's 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.

As of December 31, 2024, the County's General Fund reported a fund balance of \$7,816,531. This represents an increase of \$760,973 from last year's ending balance (reflecting any prior period adjustments).

The General Fund is the chief operating fund of the County. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund.

Taxes continue to be the largest source of revenue in the General Fund and represent 61% of total General Fund revenues. The largest element of taxes is property tax, as has been the case for the last several years. It represents 68% of total tax revenues and represents 42% of total general fund revenues.

As stated earlier, the County maintains one enterprise fund to account for the business-type activities of the County. The separate fund statements included in this report, provides the same information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the fund statements provide more detail.

**General Fund Budgetary Highlights**

During the fiscal year, the General Fund original budget was amended from an original expenditures total of \$11,047,808 to a final expenditures total of \$13,318,446. These changes were due to the timing of grants, projects, and various purchases.

**MORGAN COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended December 31, 2024**

**Capital Asset and Debt Administration**

*Capital and Right to Use Assets*

The County's investment in capital assets for its governmental and business-type activities during the year ended December 31, 2024 consisted of purchases in the amounts of \$0 for buildings, \$1,413,972 for machinery and equipment, \$0 for improvements, \$0 for infrastructure, and \$1,166,568 for construction-in-progress, with no business-type capital asset purchases. The County did not acquire any new right-to-use equipment during the year. The overall increase of \$570,890 in the County's investment in capital assets was due to current year purchases of \$2,580,540, less current year depreciation/amortization, net disposals and adjustments of \$1,187,545, \$391,255 and \$3,615, respectively.

Major capital asset events during the current fiscal year included the following:

- \$1,413,972 on machinery and equipment;
- \$289,930 on Devils Slide Bridge project (completed in October 2024);
- \$308,183 on Peterson Bridge project (in process);
- \$170,689 on Old highway road project (in process);
- \$88,652 on the courthouse remodel project (completed in December 2024);
- \$95,795 on the airport asphalt project (completed in December 2024);
- \$81,724 on Enterprise walking path project (in process).

**Morgan County's Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b><u>Not being depreciated</u></b>						
Land	\$ 1,489,766	\$ 1,489,766	\$ -	\$ -	\$ 1,489,766	\$ 1,489,766
Water rights	7,000	7,000	-	-	7,000	7,000
Works of art	24,200	24,200	-	-	24,200	24,200
Construction-in-progress	665,366	542,283	-	-	665,366	542,283
Total not being depreciated	2,186,332	2,063,249	-	-	2,186,332	2,063,249
<b><u>Being depreciated</u></b>						
Buildings	5,919,798	5,816,076	-	-	5,919,798	5,816,076
Improvements	4,192,281	3,495,533	-	-	4,192,281	3,495,533
Machinery and equipment	7,185,139	6,563,390	-	-	7,185,139	6,563,390
Infrastructure	8,826,219	8,678,767	-	-	8,826,219	8,678,767
Less: Accumulated depreciation	(12,990,489)	(12,303,090)	-	-	(12,990,489)	(12,303,090)
Right to use assets	61,516	61,516	-	-	61,516	61,516
Less: Accumulated amortization	(19,281)	(4,610)	-	-	(19,281)	(4,610)
Total being depreciated	13,175,183	12,307,582	-	-	13,175,183	12,307,582
Total capital assets	\$ 15,361,515	\$ 14,370,831	\$ -	\$ -	\$ 15,361,515	\$ 14,370,831

Additional information on the County's capital assets can be found in the footnotes of this report.



**MORGAN COUNTY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended December 31, 2024**

**Long-term Debt**

At December 31, 2024, the County had various capital lease agreements secured by equipment, and one revenue bonds outstanding.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Leases	\$ 28,349	\$ 43,667	\$ -	\$ -	\$ 28,349	\$ 43,667
Financing lease-purchase agreements	1,102,904	651,300	-	-	1,102,904	651,300
Revenue bonds	44,000	58,000	-	-	44,000	58,000
Total long-term debt	<u>\$ 1,175,253</u>	<u>\$ 752,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,175,253</u>	<u>\$ 752,967</u>

The County's total debt increased by \$422,286 during the fiscal year.

Additional information on the outstanding debt obligations of the County can be found in the footnotes to this report.

**Economic Factors and Next Year's Budget**

The County's elected and appointed officials considered many factors when setting the fiscal year 2025 budget, tax rates, and fees that will be charged for governmental and business-type activities. The taxable value of property, on which the tax rate is applied, changed from a total of \$3,708,323 to \$3,973,457 for an increase of \$265,134.

**Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Clerk/Auditor Department.

## **BASIC FINANCIAL STATEMENTS**



**MORGAN COUNTY, UTAH**  
**STATEMENT OF NET POSITION**  
**December 31, 2024**

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b><u>ASSETS</u></b>			
Cash, cash equivalents, and investments	\$ 12,051,429	\$ 607,533	\$ 12,658,962
Accounts receivable, net of allowance	112,333	110,971	223,304
Taxes receivable	1,676,409	-	1,676,409
Due from other governments	386,571	-	386,571
Other receivables	97,238	-	97,238
Leases receivable	761,369	-	761,369
Prepaid and other assets	179,726	-	179,726
Capital assets, not being depreciated	2,186,332	-	2,186,332
Capital assets, net of accumulated depreciation	13,132,948	-	13,132,948
Right-to-use assets, net of accumulated amortization	42,235	-	42,235
Total assets	30,626,590	718,504	31,345,094
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Related to pensions	1,429,379	15,785	1,445,164
Total deferred outflows of resources	1,429,379	15,785	1,445,164
<b><u>LIABILITIES</u></b>			
Accounts payable	807,089	76,419	883,508
Accrued liabilities	276,402	1,880	278,282
Accrued interest payable	3,374	-	3,374
Unearned revenue	102,130	32,752	134,882
Noncurrent liabilities:			
Due within one year:			
Bonds, leases, compensated absences	343,677	3,530	347,207
Due in more than one year:			
Bonds, leases, compensated absences	946,317	-	946,317
Net pension liability - actuarially funded	888,371	9,811	898,182
Total liabilities	3,367,360	124,392	3,491,752
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Leases	624,027	-	624,027
Related to pensions	22,747	251	22,998
Total deferred inflows of resources	646,774	251	647,025
<b><u>NET POSITION</u></b>			
Net investment in capital assets	14,182,888	-	14,182,888
Restricted for:			
Liquor law tax	117,507	-	117,507
Roads	1,802,842	-	1,802,842
Impact fees	1,207,464	-	1,207,464
Public safety	152,600	-	152,600
Public health and welfare	153,214	-	153,214
Community development	725,889	-	725,889
Parks, recreation, and public property	1,470,916	-	1,470,916
Unrestricted	8,228,515	609,646	8,838,161
Total net position	\$ 28,041,835	\$ 609,646	\$ 28,651,481

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

**MORGAN COUNTY, UTAH**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024**

Function/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government	\$ 6,083,172	\$ 463,623	\$ 580,212	\$ -	\$ (5,039,337)		\$ (5,039,337)
Public safety	3,999,004	397,819	64,417	-	(3,536,768)		(3,536,768)
Public health and welfare	1,069,280	182,935	-	-	(886,345)		(886,345)
Public works	1,693,285	-	1,551,776	-	(141,509)		(141,509)
Parks, recreation, and culture	1,878,004	347,050	195,025	-	(1,335,929)		(1,335,929)
Economic development	63,681	2,271,048	117,054	-	2,324,421		2,324,421
Other	148,915	-	-	-	(148,915)		(148,915)
Interest	91,232	-	-	-	(91,232)		(91,232)
Total governmental activities	15,026,573	3,662,475	2,508,484	-	(8,855,614)		(8,855,614)
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Garbage services	664,176	698,072	-	-	-	\$ 33,896	33,896
Total business-type activities	664,176	698,072	-	-	-	33,896	33,896
Total primary government	\$ 15,690,749	\$ 4,360,547	\$ 2,508,484	\$ -	(8,855,614)	33,896	(8,821,718)
<b>GENERAL REVENUES:</b>							
Taxes:							
Property					5,387,763	-	5,387,763
General sales and use					4,416,890	-	4,416,890
Fee in lieu					383,608	-	383,608
Other					2,085	-	2,085
Impact fees					362,975	-	362,975
Interest and investment income					603,939	-	603,939
Proceeds from insurance					31,625	-	31,625
Gain (loss) on sale of capital assets					238,310	-	238,310
Miscellaneous					182,377	32,659	215,036
Total general revenues					11,609,572	32,659	11,642,231
Change in net position					2,753,958	66,555	2,820,513
Net position - beginning (restated - Note 10)					25,287,877	543,091	25,830,968
Net position - ending					\$ 28,041,835	\$ 609,646	\$ 28,651,481

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

**MORGAN COUNTY, UTAH**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2024**

	General Fund	Fair	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>				
Cash, cash equivalents, and investments	\$ 6,567,351	\$ 210,295	\$ 5,273,783	\$ 12,051,429
Accounts receivable, net of allowance	112,333	-	-	112,333
Taxes receivable	1,271,063	-	405,346	1,676,409
Due from other governments	-	-	386,571	386,571
Other receivables	97,238	-	-	97,238
Leases receivable	457,539	259,830	44,000	761,369
Due from other funds	75,192	-	-	75,192
Prepaid and other assets	179,726	-	-	179,726
Total assets	<u>\$ 8,760,442</u>	<u>\$ 470,125</u>	<u>\$ 6,109,700</u>	<u>\$ 15,340,267</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 173,584	\$ 5,173	\$ 628,332	\$ 807,089
Accrued liabilities	263,880	-	12,522	276,402
Due to other funds	-	-	75,192	75,192
Unearned revenue	4,979	-	97,151	102,130
Total liabilities	<u>442,443</u>	<u>5,173</u>	<u>813,197</u>	<u>1,260,813</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue - ambulance receivable	61,073	-	-	61,073
Unavailable revenue - property taxes	52,874	-	7,210	60,084
Leases	387,521	236,506	-	624,027
Lease related - MBA lease	-	-	44,000	44,000
Total deferred inflows of resources	<u>501,468</u>	<u>236,506</u>	<u>51,210</u>	<u>789,184</u>
<b><u>FUND BALANCES</u></b>				
Nonspendable:				
Prepaid and other assets	249,744	23,324	-	273,068
Restricted for:				
Liquor law tax	117,507	-	-	117,507
Roads	-	-	1,802,842	1,802,842
Impact fees	-	-	1,207,464	1,207,464
Public safety	9,503	-	143,097	152,600
Public health and welfare	-	-	153,214	153,214
Community development	-	-	725,889	725,889
Parks, recreation, and public property	-	205,122	1,265,794	1,470,916
Assigned for:				
Community development	16,662	-	-	16,662
Unassigned (deficits)	7,423,115	-	(53,007)	7,370,108
Total fund balances	<u>7,816,531</u>	<u>228,446</u>	<u>5,245,293</u>	<u>13,290,270</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,760,442</u>	<u>\$ 470,125</u>	<u>\$ 6,109,700</u>	<u>\$ 15,340,267</u>

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

**MORGAN COUNTY, UTAH**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**December 31, 2024**

Total fund balance per governmental funds balance sheet	\$	13,290,270
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Amounts reported for governmental activities in the statement  
of net position are different because:

Capital and right-to-use assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.

Capital assets at cost	\$ 28,309,769	
Accumulated depreciation	(12,990,489)	
Right-to-use assets	61,516	
Accumulated amortization	<u>(19,281)</u>	15,361,515

Other long-term assets (unearned revenue) that are not available soon enough to pay for current-period expenditures and therefore are deferred or not reported in the governmental funds.

Ambulance revenues	61,073	
Property tax revenues	60,084	
MBA lease revenue	<u>44,000</u>	165,157

Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (URS pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.

Deferred inflows related to pensions	(22,747)	
Deferred outflows related to pensions	<u>1,429,379</u>	1,406,632

Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the governmental funds.

MBA of Morgan County lease bonds payable	(44,000)	
Financing lease-purchase agreements	(1,102,904)	
Leases payable	(28,349)	
Accrued interest payable on long-term debt	(3,374)	
Compensated absences	(114,741)	
Net pension asset (liability)	<u>(888,371)</u>	<u>(2,181,739)</u>

Net position of governmental activities	\$	<u><u>28,041,835</u></u>
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The notes to the financial statements are an integral part of this statement

**MORGAN COUNTY, UTAH**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2024**

	General Fund	Fair	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>REVENUES</u></b>				
Taxes	\$ 7,840,134	\$ -	\$ 2,323,738	\$ 10,163,872
Licenses and permits	2,059,478	-	-	2,059,478
Intergovernmental	784,244	-	1,745,403	2,529,647
Charges for services	1,004,834	113,901	198,551	1,317,286
Fines and forfeitures	271,536	-	2,049	273,585
Impact fees	-	-	362,975	362,975
Lease and rental revenue	70,727	24,922	15,450	111,099
Contributions and donations	-	71,468	5,246	76,714
Other revenues	124,727	4,120	8,441	137,288
Interest and investment income	593,884	10,055	-	603,939
Total revenues	12,749,564	224,466	4,661,853	17,635,883
<b><u>EXPENDITURES</u></b>				
Current:				
General government	5,813,817	-	61,535	5,875,352
Public safety	3,801,481	-	-	3,801,481
Public health and welfare	752,169	-	251,817	1,003,986
Public works	623,061	-	717,188	1,340,249
Parks, recreation, and culture	226,513	120,839	1,272,226	1,619,578
Economic development	-	-	63,681	63,681
Other	152,656	-	-	152,656
Capital outlay:				
General government	72,359	-	380,226	452,585
Public safety	1,303,045	-	-	1,303,045
Public health and welfare	2,588	-	-	2,588
Public works	5,389	-	517,935	523,324
Parks, recreation, and culture	116,950	46,050	135,998	298,998
Other	-	-	-	-
Debt service:				
Principal	316,659	-	16,147	332,806
Interest and other financial	90,903	-	2,728	93,631
Total expenditures	13,277,590	166,889	3,419,481	16,863,960
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(528,026)</b>	<b>57,577</b>	<b>1,242,372</b>	<b>771,923</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Leases (as lessee)	754,999	-	-	754,999
Sale of general capital assets	534,000	-	-	534,000
Transfers in	-	-	200,000	200,000
Transfers out	-	-	(200,000)	(200,000)
Total other financing sources (uses)	1,288,999	-	-	1,288,999
Net change in fund balance	760,973	57,577	1,242,372	2,060,922
Fund balances - beginning (restated, Note 10)	7,055,558	170,869	4,002,921	11,229,348
Fund balances - ending	\$ 7,816,531	\$ 228,446	\$ 5,245,293	\$ 13,290,270

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

**MORGAN COUNTY, UTAH**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024**

Net change in fund balances - total governmental funds	\$ 2,060,922
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Amounts reported for governmental activities in the  
Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures.  
However, in the statement of activities, the cost of those assets is  
allocated over their estimated useful lives as depreciation expense:

Capital outlays	\$ 2,580,540	
Gain on disposal of assets and adjustments	(387,641)	
Depreciation and amortization expense	<u>(1,202,215)</u>	990,684

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the governmental  
funds.

Earned but unavailable charges for services and other	(106,136)	
Property taxes	26,474	
Lease revenue	<u>(14,000)</u>	(93,662)

Some expenses reported in the statement of activities do not require the  
use of current financial resources and, therefore, are not reported as  
expenditures in the governmental funds.

Accrued interest on long-term debt	2,399	
Compensated absences	(19,975)	
Changes in pension assets/liabilities and related deferred outflows and inflows of resources	<u>235,783</u>	218,207

Bond and other debt proceeds provide current financial resources to  
governmental funds, but issuing debt increases long-term liabilities in the  
Statement of Net Position. Repayment of bond and other debt principal is  
an expenditure in the governmental funds, but repayment reduces  
long-term liabilities in the Statement of Net Position.

Vehicle and equipment leases issued	(754,999)	
Principal paid on long-term obligations	<u>332,806</u>	<u>(422,193)</u>

Change in net position of governmental activities	<u><u>\$ 2,753,958</u></u>
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The notes to the financial statements are an integral part of this statement



**MORGAN COUNTY, UTAH**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**December 31, 2024**

	<b>Business-type Activities - Enterprise Fund Garbage</b>
<b><u>ASSETS</u></b>	
CURRENT ASSETS:	
Cash, cash equivalents, and investments	\$ 607,533
Accounts receivable, net of allowance	110,971
Total current assets	718,504
Total assets	718,504
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Related to pensions	15,785
Total deferred outflows of resources	15,785
<b><u>LIABILITIES</u></b>	
CURRENT LIABILITIES:	
Accounts payable	76,419
Accrued liabilities	1,880
Unearned revenue	32,752
Compensated absences	3,530
Total current liabilities	114,581
NONCURRENT LIABILITIES:	
Net pension liability	9,811
Total noncurrent liabilities	9,811
Total liabilities	124,392
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Related to pensions	251
Total deferred inflows of resources	251
<b><u>NET POSITION</u></b>	
Unrestricted	609,646
Total net position	\$ 609,646

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

**MORGAN COUNTY, UTAH**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2024**

	<b>Business-type Activities - Enterprise Fund Garbage</b>
<b><u>OPERATING REVENUES</u></b>	
Charges for services	\$ 698,072
Other	32,659
Total operating revenues	<u>730,731</u>
<b><u>OPERATING EXPENSES</u></b>	
Cost of services	590,325
Wages and benefits	49,728
Administrative, maintenance, and supplies	24,123
Total operating expenses	<u>664,176</u>
<b>Operating income (loss)</b>	66,555
Net position - beginning	543,091
Net position - ending	<u><u>\$ 609,646</u></u>

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

**MORGAN COUNTY, UTAH**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2024**

	<b>Business-type Activities - Enterprise Fund Garbage</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 724,005
Payments to suppliers	(582,325)
Payments to employees	(49,174)
Net cash provided (used) by operating activities	<u>92,506</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	-
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net change in investments	(91,186)
Net cash provided (used) by investing activities	<u>(91,186)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>1,320</u>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	86,075
End of year (see Note 3)	<u>\$ 87,395</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ 66,555
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) Decrease in receivables	(2,002)
Increase (Decrease) in accounts payable and accrued liabilities	32,123
Increase (Decrease) in unearned revenue	(4,724)
Increase (Decrease) in compensated absences	2,167
Increase (Decrease) in net pension resources	(1,613)
Net cash provided (used) by operating activities	<u>\$ 92,506</u>

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

**MORGAN COUNTY, UTAH**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2024**

	Custodial Funds	
	<b>Treasurer Fund</b>	<b>Other Funds</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 4,190,879	\$ 1,462,187
Taxes receivable	864,692	-
Other receivables	-	5,699
Total assets	<u>\$ 5,055,571</u>	<u>\$ 1,467,886</u>
<b><u>LIABILITIES</u></b>		
Taxes payable	\$ 5,055,571	\$ -
Subdivision bonds	-	1,296,816
Court trust payable	-	39,163
Due to other entities	-	131,907
Total liabilities	<u>\$ 5,055,571</u>	<u>\$ 1,467,886</u>
<b><u>NET POSITION</u></b>	<u>\$ -</u>	<u>\$ -</u>

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

**MORGAN COUNTY, UTAH**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2024**

	Custodial Funds	
	<b>Treasurer Fund</b>	<b>Other Funds</b>
<b><u>ADDITIONS</u></b>		
Tax collections for other governments	\$ 28,111,050	\$ -
Miscellaneous	-	518,449
Total additions	<u>28,111,050</u>	<u>518,449</u>
<b><u>DEDUCTIONS</u></b>		
Tax disbursements to other governments	28,111,050	-
Payments to beneficiaries	-	518,449
Total deductions	<u>28,111,050</u>	<u>518,449</u>
<b>Change in net position</b>	-	-
Net position - beginning	-	-
Net position - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Reporting Entity*

Morgan County, Utah (the County) is governed by a five-member elected body, one Commission member from each of the three districts and two members at large. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from these units are combined with data of the primary government.

**Blended component units** - The following are blended in the accompanying general-purpose financial statements:

- *Municipal Building Authority of Morgan County (MBA)* - purpose is to issue revenue bonds for construction of buildings which are leased by the County.
- *Redevelopment Agency of Morgan County (RDA)* - purpose is to account for corridor preservation taxes which are held to reimburse the Utah Department of Transportation for its purchases of land for future transportation corridors through the County.

Blending means that component unit balances and transactions are combined with balances and transactions of the primary government. Although legally separate from the County, the above component units are blended because they are governed by a board comprised of the County Commission. The County retains fiscal responsibility for these entities. These entities are reported as a debt service fund and special revenue fund, respectively.

*Description of government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of presentation - government-wide financial statements*

While separate government-wide and fund financial statements are presented, they are interrelated. In the government-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between governmental activities and business-type activities, which are presented as internal balances and are eliminated in the total primary government column.

*Basis of presentation - fund financial statements*

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each major fund being displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The *special revenue fair fund* is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The County utilizes this special revenue fund to account for County fair activities.

The County reports the following major proprietary fund:

- The *garbage services fund* accounts for the operations of the County's waste management system.

Additionally, the government reports the following fund types:

- *Fiduciary funds* include the District Court, Justice Court, the Treasurer Custodial Fund and Other Custodial Funds that are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds, as applicable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental and business-type activities are eliminated so that only the net amount between governmental and business type activities are included as internal balances on the government-wide statement of net position.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental and business-type activities are eliminated so that only the net amount is included as transfers on the government-wide statement of activities.

*Measurement focus and basis of accounting*

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.



**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The custodial fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

*Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance*

1. Cash, cash equivalents, and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Utah State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the County, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Certain resources of the County's governmental funds are set aside for the following: Class B roads, transient room tax, restaurant tax, liquor law tax, tourism tax, emergency 911 fees, and impact fees as required by applicable federal and state regulations.

2. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

3. Receivables and payables

All trade, property, sales, and franchise tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectible accounts.

Sales taxes are collected by the State Tax Commission and remitted to the County monthly.

Property taxes are collected by the County Treasurer and remitted to the County shortly after collection. Property taxes are levied based on property values as of January 1 of each year, with liens posted as of the same date. Taxes are due and payable on November 1 and delinquent after 12 o'clock noon on November 30 of each year.

4. Leases receivable

The County's leases receivable are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of individual leases.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, 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 an estimated useful life in excess of one year. Such assets are recorded at cost.

As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at cost. The reported value excludes normal maintenance and repairs which are costs related to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at estimated fair market value at the date of donation.

Land and construction in progress are not depreciated. Depreciable items of property, plant, equipment, and infrastructure of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset type</u>	<u>Years</u>
System Infrastructure	40
Buildings	30
Improvements other than buildings	10 - 20
Machinery and equipment	5 - 10
Vehicles	5

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

6. Right-to-use assets

The County has recorded right-to-use intangible assets as a result of implementing GASB 87 and 96. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to implementation of GASB 87 and 96 in the current year. The right-to-use asset is amortized on a straight-line basis over the life of the related lease.

The County recognizes a lease payable and an intangible right-to-use leased asset in the government-wide financial statements for individual values over \$5,000. At the commencement of a lease, the County measures the lease payable at the present value of payments expected to be made during the lease term. Subsequently, the lease payable is reduced by the principal amount of the lease payments.

7. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

8. 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.

In the governmental fund financial statements, 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 expenditures.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) including additions to and deductions from URS's fiduciary net position, have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

9. Net position flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

10. Fund balance flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Government-wide financial statements***

Net position represents the difference between assets and deferred outflows of resources, liabilities and deferred inflows of resources on the government-wide financial statements. Net position is classified in the following three categories:

*Net investment in capital assets* - Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* - Net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets"

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Governmental fund financial statements***

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned. Descriptions of each follow:

*Nonspendable fund balance* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact, such as, prepaids, inventories, and leases. Leases represent a portion of fund balance that is not an available resource because they represent the year-end balance of the leases receivable in excess of the deferred inflow of resources for the leases receivable, which is not a spendable resource.

*Restricted fund balance* - Amounts reported if, (a) externally imposed by creditors, grantors, contributors, laws, regulations, or other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision making authority, the County Commission. The commitment can only be removed through the same action.

*Assigned fund balance* - Amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. This intent is expressed by either the County Commission or delegated by the County Commission to the Auditor's office. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

*Unassigned fund balance* - Residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

***Revenues and expenditures/expenses***

**1. Program revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources, are reported as general revenues rather than as program revenues.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2. Property taxes

Property taxes attach as an enforceable lien on real property on January 1st of each year. Taxes are levied on property owners in July and are payable by November 30th. The County bills and collects property taxes for all taxing entities within the County through the Tax Collection Custodial Fund. Collections are periodically distributed to the taxing entities, with final settlement due March 31st of the subsequent year. The County records a receivable and deferred revenue for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

3. Compensated absences

The County's policy permits employees to accumulate earned but unused vacation and sick benefits. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The County's policy allows for a maximum of 100 hours carryover of vacation into the next year. Sick leave can accumulate to a maximum of 960 hours carryover. The County pays all unused vacation days upon separation but does not compensate for any unused sick leave upon separation.

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the garbage fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Budgetary information*

Budgets are prepared and adopted, in accordance with State law, by the Morgan County Commission. Annual appropriated budgets are adopted for the general and special revenue funds. Budgets must be adopted on or before December 31st for the following fiscal year, beginning January 1. Budgets may be increased by resolution of the Morgan County Commission at any time during the year. A public hearing must be held regarding any proposed increase in a fund's appropriations. Budgets are adopted at departmental levels. Budget amendments are required only when excess expenditures occur at the departmental level for the General Fund and at the fund level for all other funds. Appropriations lapse at December 31.

*Implementation of New Accounting Pronouncements*

The GASB issued Statement No. 101, *Compensated Absences*. The County implemented this statement effective for the year ended December 31, 2024. The implementation of this standard did not have an impact on the County's prior periods.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Utah State law states that expenditures being made in excess of those budgeted, is an illegally created debt in violation of the Utah Constitution. As such the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years. As of December 31, 2024, the road and economic development funds had deficit fund balances.

Excess of expenditures over appropriations

For the year ended December 31, 2024, expenditures exceeded appropriations in the following departments, which were caused from noncash transactions for the execution of new lease agreements and the write off of bad debts.

	<u>Variance</u>
<b><u>General fund</u></b>	
<i>General government:</i>	
Microfilming	\$ 1,749
Information technology	22,294
Buildings and grounds	6,609
Community development	19,296
 <i>Public Safety:</i>	
Records clerk	13,709
County fire department	837
County jail	98,166
Fleet management	1,294,307
 <i>Public works:</i>	
Weed department	1,500

Utah State law allows for any unassigned fund balance in excess of 5% of the total revenues of the General Fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the General Fund in an amount equal to 65% of the total estimated revenue of the General Fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the County has one year to determine an appropriate use and then the excess must be included as an available resource in the General Fund budget. For the year ending December 31, 2024, the County is not over 65% of the total estimated limit of revenue in the General Fund.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

*Cash and investments*

The County follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of Entity funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Commission.

The County maintains a cash and investment pool that is used by all funds. Each major fund's portion of this pool, and the aggregate portion of the pool relating to nonmajor funds and internal service funds, is displayed on the balance sheet for governmental funds and the statement of net position for proprietary funds, respectively, as "cash and investments." Total nonfiduciary cash and investments is also reflected on the government-wide statement of net position. As of December 31, 2024, cash and investments was comprised of the following:

	Primary Government			
	Governmental	Business-		Fiduciary
	Activities	type	Total	Funds
		Activities		
Cash and investments:				
Cash and cash equivalents	\$ 817,716	\$ 87,395	\$ 905,111	\$ 5,653,066
Restricted cash and cash equivalents	915,904	-	915,904	-
Investments	10,317,809	520,138	10,837,947	-
Total cash and investments	<u>\$ 12,051,429</u>	<u>\$ 607,533</u>	<u>\$ 12,658,962</u>	<u>\$ 5,653,066</u>

*Deposits*

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The County's policy for managing custodial credit risk is to adhere to the Money Management Act. As of December 31, 2024, \$6,974,081 of the local government's bank balances of \$7,474,081 were uninsured and uncollateralized. Of this amount, approximately \$5,653,066 were fiduciary funds.

*Investments*

The State of Utah Money Management Commission has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The Money Management Act defines the types of securities authorized as appropriate investments for the County's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.



**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

State statutes authorize the County to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers’ Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Commission which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments - The County measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices
- Level 3: Unobservable inputs

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Certificates of Deposit	\$ 98,519	\$ -	\$ 98,519	\$ -
Corporate Bonds	1,028,610	-	1,028,610	-
Utah State Treasurers' Investment Fund	8,072,125	-	8,072,125	-
U.S. Obligations	1,638,693	-	1,638,693	-
Total investments measured at fair value	<u>\$ 10,837,947</u>	<u>\$ -</u>	<u>\$ 10,837,947</u>	<u>\$ -</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each investment type;
- Utah Public Treasurers' Investment Fund: application of the December 31, 2024 fair value factor, as calculated by the Utah State Treasurer, to the Entity's average daily balance in the Fund.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of December 31, 2024, the County's investments had the following maturities:

	Investment Maturities (in years)			
	Total	Less than 1	1-5	6 or more
Certificates of Deposit	\$ 98,519	\$ 98,519	\$ -	\$ -
Corporate Bonds	1,028,610	501,036	527,574	-
Utah State Treasurers' Investment Fund	8,072,125	8,072,125	-	-
U.S. Obligations	1,638,693	298,885	1,339,808	-
Total investments measured at fair value	<u>\$ 10,837,947</u>	<u>\$ 8,970,565</u>	<u>\$ 1,867,382</u>	<u>\$ -</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

	Quality Ratings			
	Total	A - rated	B - rated	Unrated
Certificates of Deposit	\$ 98,519	\$ -	\$ -	\$ 98,519
Corporate Bonds	1,028,610	1,028,610		-
Utah State Treasurers' Investment Fund	8,072,125	-	-	8,072,125
U.S. Obligations	1,638,693	1,638,693	-	-
Total investments measured at fair value	<u>\$ 10,837,947</u>	<u>\$ 2,667,303</u>	<u>\$ -</u>	<u>\$ 8,170,644</u>

*Concentration of credit risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy for reducing this risk of loss is to comply with the Rules of the Money Management Commission. Rule 17 of the Money Management Commission limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

*Custodial Credit Risk - Investments* - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party. The County is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Commission requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 4 – RECEIVABLES**

Receivables as of December 31, 2024 for the County's governmental and enterprise funds are as follows:

	Governmental Activities General	Business-type Activities Garbage	Total
Accounts receivable:			
Ambulance	\$ 112,333	\$ -	\$ 112,333
Other	-	118,494	118,494
	112,333	118,494	230,827
Less: allowance for uncollectibles	-	(7,523)	(7,523)
Accounts, net of allowance	<u>\$ 112,333</u>	<u>\$ 110,971</u>	<u>\$ 223,304</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent ambulance receivable	\$ 61,073	\$ -
Property taxes	60,084	-
Intergovernmental revenue	-	74,373
MBA lease revenue	44,000	-
Other lease revenue	624,027	-
Recreation registration fees	-	27,757
	<u>\$ 789,184</u>	<u>\$ 102,130</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 4 – RECEIVABLES (Continued)**

*Leases receivable*

The County's Municipal Building Authority (MBA) constructed a fire station in Mountain Green, Utah in 2002. The County is leasing the fire station to the Mountain Green Fire Protection District under a lease contract between the MBA and the District. At the end of the lease, the title to the property will be transferred to the Mountain Green Fire Protection District. The future minimum lease payments receivable are as follows:

<u>For the year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 15,000	\$ 1,100	\$ 16,100
2026	15,000	725	15,725
2027	14,000	350	14,350
	<u>\$ 44,000</u>	<u>\$ 2,175</u>	<u>\$ 46,175</u>

The County leases land to various organizations and individuals at the County airport. The tenants have constructed hangers and pay a monthly lease that increases at 2 percent per annum. At different dates, agreements have been signed for 30-year terms, with current leases that extend through 2051. Monthly payments during 2024 ranged from approximately \$60 to \$1,800. Additionally, the County leases a hanger to Wasatch-Cache National Forest under a three-year lease that expired in February 2025. The lease requires monthly payments of \$3,960.

The County leases land (approximately 3600 square feet) for access and utility easements. The tenant has constructed a cell tower and pays a monthly lease that increases at 4 percent per annum. The agreement includes 5 additional successive terms of 5 years. Each renewal term shall be deemed extended unless tenants provide prior notification. The County expects the lease to be extended through at least the end of 2025.

Future minimum lease payments receivable are as follows:

<u>For the year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 31,195	\$ 28,711	\$ 59,906
2026	25,791	27,760	53,551
2027	28,422	26,747	55,169
2028	31,211	25,630	56,841
2029	34,167	24,403	58,570
2030 - 2034	221,772	99,235	321,007
2035 - 2039	89,900	67,816	157,716
2040 - 2044	108,073	47,071	155,144
2045 - 2049	113,557	22,958	136,515
2050 - 2051	33,281	2,146	35,427
	<u>\$ 717,369</u>	<u>\$ 372,477</u>	<u>\$ 1,089,846</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers and Adjustments	Ending Balance
<u>Governmental activities</u>					
Capital assets, not being depreciated:					
Land	\$ 1,489,766	\$ -	\$ -	\$ -	\$ 1,489,766
Water rights	7,000	-	-	-	7,000
Works of art	24,200	-	-	-	24,200
Construction-in-progress	542,283	1,166,568	(95,565)	(947,920)	665,366
Total capital assets, not being depreciated	2,063,249	1,166,568	(95,565)	(947,920)	2,186,332
Capital assets, being depreciated:					
Buildings	5,816,076	-	-	103,722	5,919,798
Improvements	3,495,533	-	-	696,748	4,192,281
Machinery and equipment	6,563,390	1,413,972	(800,822)	8,599	7,185,139
Infrastructure	8,678,767	-	-	147,452	8,826,219
Total capital assets, being depreciated	24,553,766	1,413,972	(800,822)	956,521	26,123,437
Accumulated depreciation:					
Buildings	(3,496,131)	(117,469)	-	-	(3,613,600)
Improvements	(2,066,325)	(152,960)	-	-	(2,219,285)
Machinery and equipment	(4,706,901)	(642,866)	505,132	(4,986)	(4,849,621)
Infrastructure	(2,033,733)	(274,250)	-	-	(2,307,983)
Total accumulated depreciation	(12,303,090)	(1,187,545)	505,132	(4,986)	(12,990,489)
Total capital assets, net of accumulated depreciation	12,250,676	226,427	(295,690)	951,535	13,132,948
Total governmental activities capital assets, net	<u>\$ 14,313,925</u>	<u>\$ 1,392,995</u>	<u>\$ (391,255)</u>	<u>\$ 3,615</u>	<u>\$ 15,319,280</u>

Right to use assets

Right to use asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Right-to-use assets, being amortized:				
Machinery and equipment	\$ 61,516	\$ -	\$ -	\$ 61,516
Less: accumulated amortization				
Machinery and equipment	(4,610)	(14,671)	-	(19,281)
Total right-to-use assets, net	<u>\$ 56,906</u>	<u>\$ (14,671)</u>	<u>\$ -</u>	<u>\$ 42,235</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 5 – CAPITAL ASSETS (Continued)**

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

<u>Governmental activities:</u>	
General government	\$ 287,594
Public safety	296,042
Public health and welfare	79,721
Public works	366,914
Parks, recreation, and culture	171,944
Total depreciation and amortization expense	<u>\$ 1,202,215</u>

There are no capital assets related to business-type activities as of December 31, 2024, as all garbage collection services are entirely outsourced.

**NOTE 6 – LONG-TERM OBLIGATIONS**

Leases Payable

During February 2023, the County entered into an agreement to lease a truck. The lease agreement qualifies as an operating lease under GASB 87 and therefore, has been recorded at the present value of the remaining future minimum lease payments. The lease requires monthly payments of \$1,370 and the lease liability is measured at a discount rate of 18.10 percent.

Consequently, the County also recorded right to use assets with a net book value of \$42,235 as of December 31, 2024, as described in Note 5.

The lease liability as of December 31, 2024, was as follows:

<u>Description</u>	<u>Discount rate</u>	<u>Amount</u>
2022 Ram 2500 Vin#5053	18.10%	\$ 28,349
		<u>\$ 28,349</u>

The future minimum lease obligations and net present value of these minimum lease payments as of December 31, 2024, were as follows:

<u>For the year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 12,290	\$ 4,146	\$ 16,436
2026	14,710	1,726	16,436
2027	1,349	-	1,349
	<u>\$ 28,349</u>	<u>\$ 5,872</u>	<u>\$ 34,221</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 6 – LONG-TERM OBLIGATIONS (Continued)**

Financing Lease-Purchase Agreements

The County has entered into financing lease-purchase agreements, as a lessee, to finance the acquisition of vehicles for the sheriff and public works departments for the year ended December 31, 2024. The lease arrangements for these vehicles are such that ownership transfers to the County immediately upon signing each purchase agreement. Thus, each purchase arrangement is treated as a financing mechanism, and is not deemed by management to be governed by GASB 87.

The balances remaining on assets acquired through these agreements are as follows:

<u>Description</u>	<u>Interest rate</u>	<u>Amount</u>
2020 Mack truck	2.99%	\$ 82,423
2020 Dump truck	2.99%	84,110
2022 Mack Truck	6.00%	146,331
2023 Ram 1500 Vin#1669	12.16%	5,521
2022 Dodge Durango Vin#2566	4.15%	12,327
2022 Dodge Durango Vin#2650	4.15%	12,439
John Deere Loader	3.87%	79,429
2023 F-150 VIN#9971	5.85%	10,611
2023 F-150 VIN#0706	5.85%	13,353
2023 F-150 VIN#9851	5.85%	14,028
2023 F-150 VIN#9804	5.85%	14,658
2023 Ram 1500 VIN#2226	5.85%	27,430
2024 Pierce Fire Truck VIN#6762	5.70%	600,244
		<u>\$ 1,102,904</u>

Debt service requirements as of December 31, 2024, were as follows:

<u>For the year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 247,542	\$ 58,319	\$ 305,861
2026	230,278	43,627	273,905
2027	109,618	33,389	143,007
2028	116,230	26,778	143,008
2029	99,331	20,207	119,538
2030 - 2033	299,905	38,951	338,856
	<u>\$ 1,102,904</u>	<u>\$ 221,271</u>	<u>\$ 1,324,175</u>



**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 6 – LONG-TERM OBLIGATIONS (Continued)**

Revenue Bonds

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The 2002 MBA Lease Revenue Bond with an original amount of \$289,795 matures in 2027 with annual installments of \$14,350 to \$16,100.

<u>Description</u>	<u>Interest rate</u>	<u>Amount</u>
Mountain Green Fire Station Lease Revenue , Series 2002	2.50%	\$ 44,000

Revenue bond annual debt service requirements to maturity are as follows:

<u>For the year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 15,000	\$ 1,100	\$ 16,100
2026	15,000	725	15,725
2027	14,000	350	14,350
	<u>\$ 44,000</u>	<u>\$ 2,175</u>	<u>\$ 46,175</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 6 – LONG-TERM OBLIGATIONS (Continued)**

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
<b><i>Governmental activities</i></b>					
Leases payable:					
2022 Fire department vehicles	\$ 5,049	\$ -	\$ (5,049)	\$ -	\$ -
2022 Ram 2500 Vin#5053	38,618	-	(10,269)	28,349	12,290
Total	43,667	-	(15,318)	28,349	12,290
Financing lease-purchase agreements:					
2018 Ambulance	63,441	-	(63,441)	-	-
2020 Mack truck	121,838	-	(39,415)	82,423	40,602
2020 Dump truck	124,312	-	(40,202)	84,110	41,413
2022 Sheriff vehicles	11,375	-	(11,375)	-	-
2022 Maverick	5,230	-	(5,230)	-	-
2022 Mack Truck	170,324	-	(23,993)	146,331	25,600
2023 Ram 1500 Vin#1669	10,443	-	(4,922)	5,521	5,521
2022 Dodge Durango Pursuit Vin#2566	24,162	-	(11,835)	12,327	12,327
2022 Dodge Durango Pursuit Vin#2656	24,383	-	(11,944)	12,439	12,439
John Deere Loader	95,792	-	(16,363)	79,429	17,655
2023 F-150 VIN#9971	-	15,792	(5,181)	10,611	4,910
2023 F-150 VIN#0706	-	19,889	(6,536)	13,353	6,278
2023 F-150 VIN#9851	-	20,889	(6,861)	14,028	6,561
2023 F-150 VIN#9804	-	21,833	(7,175)	14,658	6,891
2023 Ram 1500 VIN#2226	-	40,897	(13,467)	27,430	13,066
2024 Pierce Fire Truck VIN#6762	-	635,699	(35,455)	600,244	54,279
Total	651,300	754,999	(303,395)	1,102,904	247,542
Bonds payable:					
Mountain Green Fire Station	58,000	-	(14,000)	44,000	15,000
Other long-term liabilities:					
Net pension liability	736,398	151,973	-	888,371	-
Compensated absences	94,766	19,975	-	114,741	68,845
Governmental activities, long-term liabilities	<u>\$ 1,584,131</u>	<u>\$ 926,947</u>	<u>\$ (332,713)</u>	<u>\$ 2,178,365</u>	<u>\$ 343,677</u>
<b><i>Business-type activities</i></b>					
Other long-term liabilities:					
Net pension liability	\$ 10,714	\$ -	\$ (903)	\$ 9,811	\$ -
Compensated absences	1,363	2,167	-	3,530	3,530
Business-type activities, long-term liabilities	<u>\$ 12,077</u>	<u>\$ 2,167</u>	<u>\$ (903)</u>	<u>\$ 13,341</u>	<u>\$ 3,530</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS**

***General Information about the Pension Plan***

*Plan description*

Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System);
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: [www.urs.org/general/publications](http://www.urs.org/general/publications).

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Summary of Benefits by System***

*Benefits provided:* URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 2020; 2.00% per year July 2020 to present	Up to 2.50%

\*Actuarial reductions are applied.

\*\*All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Contribution Rate Summary***

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2024 are as follows:

	Tier 1 - DB System			Tier 2 - DB Hybrid System				Tier 2 - 401(k) Option			
	Employee	Employer	ER 401(k)	Fund	Employee	Employer	ER 401(k)	Fund	Employee	Employer	ER 401(k)
<b><u>Noncontributory System</u></b>											
15- Local Government	-	16.97	-	111	0.70	15.19	-	211	-	5.19	10.00
<b><u>Public Safety System Noncontributory</u></b>											
43- Other Div A with 2.5% COLA	-	33.54	-	122	4.73	25.33	-	222	-	11.33	14.00
<b><u>Firefighters Retirement System</u></b>											
31- Other Division A	15.05	1.61	-	132	4.73	14.08	-	232	-	0.08	14.00

\*\*\*Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended December 31, 2024, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 152,278	\$ -
Public Safety System	265,228	-
Tier 2 Public Employees System	206,951	4,004
Tier 2 Public Safety and Firefighter	86,651	13,445
Tier 2 DC Only System	23,697	-
Tier 2 DC Public Safety and Firefighter System	81	-
Total Contributions	<u>\$ 734,886</u>	<u>\$ 17,449</u>

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions***

At December 31, 2024, we reported a net pension liability of \$898,182 and a net pension asset of \$0.

	Measurement Date: December 31, 2023				
	Net Pension Liability	Net Pension Asset	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ 287,591	\$ -	0.1239850%	0.1180440%	0.0059410%
Public Safety System	510,820	-	0.3571755%	0.3852160%	-0.0280405%
Tier 2 Public Employees System	77,777	-	0.0399598%	0.0384424%	0.0015174%
Tier 2 Public Safety and Firefighter	21,994	-	0.0583881%	0.0594498%	-0.0010617%
Total Net Pension Asset / Liability	<u>\$ 898,182</u>	<u>\$ -</u>			

The net pension asset and liability were measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2024, we recognized pension expense of \$499,214.

At December 31, 2024 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 327,059	\$ 2,775
Changes in assumptions	191,731	512
Net difference between projected and actual earnings on pension plan investments	177,725	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,763	19,711
Contributions subsequent to the measurement date	734,886	-
Total	<u>\$ 1,445,164</u>	<u>\$ 22,998</u>

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

\$734,886 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 205,751
2025	143,711
2026	340,558
2027	(64,167)
2028	9,653
Thereafter	51,774

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended December 31, 2024, we recognized pension expense of \$177,023.

At December 31, 2024 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 201,375	\$ -
Changes in assumptions	86,300	-
Net difference between projected and actual earnings on pension plan investments	93,522	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,618	3,567
Contributions subsequent to the measurement date	152,278	-
Total	<u>\$ 535,093</u>	<u>\$ 3,567</u>

\$152,278 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 124,593
2025	118,106
2026	175,828
2027	(39,280)
2028	-
Thereafter	-



**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended December 31, 2024, we recognized pension expense of \$193,639.

At December 31, 2024 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 89,012	\$ -
Changes in assumptions	44,886	-
Net difference between projected and actual earnings on pension plan investments	73,119	-
Changes in proportion and differences between contributions and proportionate share of contributions	346	11,388
Contributions subsequent to the measurement date	265,228	-
Total	<u>\$ 472,591</u>	<u>\$ 11,388</u>

\$265,228 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 72,157
2025	12,818
2026	142,809
2027	(31,808)
2028	-
Thereafter	-

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended December 31, 2024, we recognized pension expense of (\$757).

At December 31, 2024 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	41	146
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 41</u>	<u>\$ 146</u>

\$0 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (102)
2025	(3)
2026	-
2027	-
2028	-
Thereafter	-

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended December 31, 2024, we recognized pension expense of \$101,332.

At December 31, 2024 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,911	\$ 1,274
Changes in assumptions	44,519	61
Net difference between projected and actual earnings on pension plan investments	8,783	-
Changes in proportion and differences between contributions and proportionate share of contributions	8,163	1,108
Contributions subsequent to the measurement date	230,648	-
Total	<u>\$ 317,024</u>	<u>\$ 2,443</u>

\$230,648 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 7,088
2025	10,186
2026	17,667
2027	5,595
2028	7,679
Thereafter	35,720

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended December 31, 2024, we recognized pension expense of \$27,976.

At December 31, 2024 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,761	\$ 1,501
Changes in assumptions	16,026	451
Net difference between projected and actual earnings on pension plan investments	2,301	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,595	3,502
Contributions subsequent to the measurement date	86,732	-
Total	<u>\$ 120,415</u>	<u>\$ 5,454</u>

\$86,732 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 2,015
2025	2,604
2026	4,254
2027	1,326
2028	1,974
Thereafter	16,054

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

***Actuarial Assumptions***

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 - 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35.00%	6.87%	2.40%
Debt securities	20.00%	1.54%	0.31%
Real assets	18.00%	5.43%	0.98%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	3.86%	0.58%
Cash and cash equivalents	0.00%	0.24%	0.00%
Totals	100.00%		5.45%
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.35% that is net of investment expense.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

*Discount rate:* The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

*Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:* The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease of 5.85%	Discount Rate of 6.85%	1% Increase of 7.85%
Noncontributory System	\$ 1,492,583	\$ 287,591	\$ (721,508)
Public Safety System	1,602,812	510,820	(379,087)
Tier 2 Public Employees System	267,231	77,777	(69,144)
Tier 2 Public Safety and Firefighter	70,866	21,994	(17,104)
Total	<u>\$ 3,433,492</u>	<u>\$ 898,182</u>	<u>\$ (1,186,843)</u>

\*\*\*Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

**Defined Contribution Savings Plan**

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Morgan County participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 7 - PENSION PLANS (Continued)**

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31, were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>401(k) Plan</b>			
Employer Contributions	\$ 63,866	\$ 45,195	\$ 34,335
Employee Contributions	95,297	92,468	84,170
<b>457(b) Plan</b>			
Employer Contributions	-	-	-
Employee Contributions	12,513	5,970	1,350
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	10,955	7,131	5,221
<b>Traditional IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,950	1,100	-

**NOTE 8 - OTHER INFORMATION**

*Risk management*

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance purchased from independent third parties. The County is a member of the Utah Counties Insurance Pool (UCIP), a public entity risk pool operating as a common risk management and insurance program for Utah Counties. The County pays an annual premium to UCIP for its general insurance coverage.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

**MORGAN COUNTY, UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2024**

**NOTE 9 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 27, 2025, the date that the financial statements were available to be issued. There have been no subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet.

**NOTE 10 – PRIOR PERIOD ADJUSTMENTS/RECLASSIFICATIONS**

Custodial Subdivision Bonds

Over the last few years, the County has been attempting to reconcile the custodial subdivision bonds. Consequently, the County has elected to record a prior period adjustment to account for the corrected balance in the general ledger.

Unrecorded Receivable

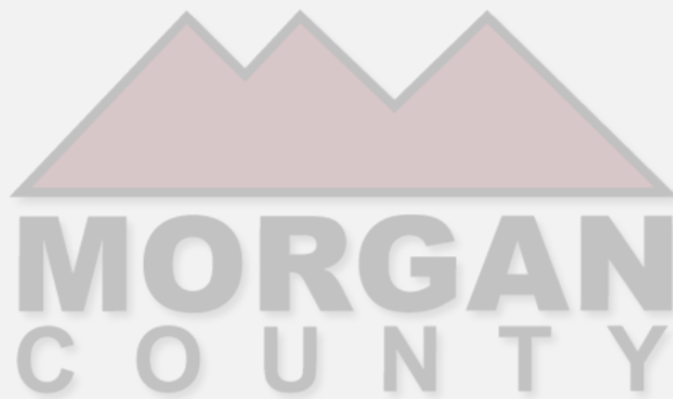
During the year ended December 31, 2024, the County received payment from the local school district for utilization of County sheriff services. Included in this amount was payment for services performed in the prior year. Therefore, the County has elected to record a prior period adjustment to account for the unrecorded receivable.

The following table represents the prior period adjustments as described above:

	<b>General Fund</b>	<b>Governmental Activities</b>
<b>Fund balance/Net position, as of</b>		
<b>December 31, 2023, as previously reported</b>	\$ 6,648,235	\$ 24,880,554
Error corrections:		
Custodial subdivision bonds	317,323	317,323
Unrecorded receivable	90,000	90,000
<b>Fund balance/Net position, as of</b>		
<b>December 31, 2023, as restated</b>	<u>\$ 7,055,558</u>	<u>\$ 25,287,877</u>



## **REQUIRED SUPPLEMENTAL INFORMATION**



**MORGAN COUNTY, UTAH**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property, current	\$ 3,747,594	\$ 3,708,323	\$ 3,693,235	\$ (15,088)
Property, delinquent	200,000	200,000	217,137	17,137
Fee in lieu	424,505	424,505	331,936	(92,569)
Assessing and collecting	675,000	647,344	730,424	83,080
Sales and use	2,711,822	2,711,822	2,831,313	119,491
Penalties and interest	75,000	75,000	36,089	(38,911)
Total taxes	7,833,921	7,766,994	7,840,134	73,140
Licenses and permits:				
Building permits	1,410,917	1,410,917	1,836,567	425,650
Business licenses	10,755	10,755	51,755	41,000
Conditional use licenses	6,834	6,834	167,241	160,407
Marriage licenses	665	665	690	25
Animal licenses	3,791	3,791	3,225	(566)
Total licenses and permits	1,432,962	1,432,962	2,059,478	626,516
Intergovernmental:				
Federal grants	61,158	88,325	81,160	(7,165)
State grants	197,412	347,994	328,090	(19,904)
State liquor allotment	22,000	22,000	33,279	11,279
Shared revenue from other governments	312,959	520,329	341,715	(178,614)
Total intergovernmental	593,529	978,648	784,244	(194,404)
Charges for services:				
Recording fees	163,000	163,000	169,128	6,128
Planning and zoning	41,325	42,205	438,174	395,969
Ambulance fees	315,807	371,307	342,065	(29,242)
Parks and recreation	17,000	17,000	18,651	1,651
Other fees	14,889	14,889	36,816	21,927
Total charges for services	552,021	608,401	1,004,834	396,433
Fines and forfeitures	152,000	152,000	271,536	119,536
Lease and rental revenue:				
Airport	64,597	64,597	59,763	(4,834)
Parks and recreation	1,200	1,200	7,627	6,427
Other	2,200	2,200	3,337	1,137
Total lease and rental revenue	67,997	67,997	70,727	2,730
Other revenue	117,300	113,775	124,727	10,952
Investment earnings	150,000	150,000	593,884	443,884
Total revenues	\$ 10,899,730	\$ 11,270,777	\$ 12,749,564	\$ 1,478,787

**MORGAN COUNTY, UTAH**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**For the Year Ended December 31, 2024**

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
<b>EXPENDITURES</b>				
General government:				
County council	\$ 235,287	\$ 197,317	\$ 192,096	\$ (5,221)
Justice of the peace	57,560	71,489	65,367	(6,122)
Attorney for the indigent	87,147	87,368	55,368	(32,000)
Microfilming	-	-	1,749	1,749
Clerk/Auditor	321,184	333,275	314,817	(18,458)
Treasurer	279,965	306,014	270,298	(35,716)
Recorder	582,726	583,994	442,400	(141,594)
Attorney	445,410	468,060	451,894	(16,166)
Assessor	420,497	453,192	411,674	(41,518)
Surveyor	10,600	23,086	22,682	(404)
Human resources	150,162	167,792	146,765	(21,027)
Information technology	441,830	454,485	476,779	22,294
Non-departmental	586,000	1,752,614	1,321,917	(430,697)
Buildings and grounds	299,447	362,059	368,668	6,609
Elections	50,000	80,000	50,631	(29,369)
Community development	751,765	1,044,636	1,063,932	19,296
GIS	48,391	44,245	36,542	(7,703)
Administrative manager	185,000	221,900	189,485	(32,415)
Fleet management	5,500	5,500	3,112	(2,388)
Total general government	4,958,471	6,657,026	5,886,176	(770,850)
Public safety:				
Sheriff's office	2,753,596	2,384,951	2,381,144	(3,807)
Records clerk	168,669	178,691	192,400	13,709
Dispatch services	312,000	312,000	303,405	(8,595)
Liquor law enforcement	20,000	100,000	84,141	(15,859)
County fire department	175,679	180,892	181,729	837
Cooperative fire department	118,000	314,970	302,915	(12,055)
County jail	-	-	98,166	98,166
Animal control	101,559	102,449	97,259	(5,190)
Emergency management	153,789	159,239	139,907	(19,332)
Fleet management	396,715	436,715	1,323,460	886,745
Fleet management - debt service	-	-	407,562	407,562
Total public safety	4,200,007	4,169,907	5,512,088	1,342,181
Public health and welfare:				
Ambulance	734,574	1,055,486	746,041	(309,445)
Fleet management	46,500	75,963	8,716	(67,247)
Total public health and welfare	781,074	1,131,449	754,757	(376,692)
Public works:				
Roads and highways	630,329	674,664	630,344	(44,320)
Weed department	-	-	1,500	1,500
Fleet management	153,000	153,000	(3,394)	(156,394)
Total public works	783,329	827,664	628,450	(199,214)
Parks, recreation, and culture:				
Parks	104,800	138,008	126,774	(11,234)
Airport	52,360	130,856	127,262	(3,594)
Recreation	-	83,769	77,188	(6,581)
Fair	-	15,000	12,239	(2,761)
Total parks, recreation, and culture	157,160	367,633	343,463	(24,170)
Other expenditures:				
Television tower	5,300	2,300	480	(1,820)
Extension service	162,467	162,467	152,176	(10,291)
Total other expenditures	167,767	164,767	152,656	(12,111)
Total expenditures	11,047,808	13,318,446	13,277,590	(40,856)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(148,078)	(2,047,669)	(528,026)	1,519,643
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases (as lessee)	-	-	754,999	754,999
Sale of general capital assets	-	175,000	534,000	359,000
Transfers out	-	(84,650)	-	84,650
<b>NET CHANGE IN FUND BALANCES</b>				
	\$ (148,078)	\$ (1,957,319)	\$ 760,973	\$ 2,718,292

**MORGAN COUNTY, UTAH**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - FAIR FUND**  
**For the Year Ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Charges for services	\$ 125,300	\$ 125,300	\$ 113,901	\$ (11,399)
Lease and rental revenue	24,310	24,310	24,922	612
Contributions and donations	88,000	88,000	71,468	(16,532)
Other revenues	-	-	4,120	4,120
Interest and investment income	-	-	10,055	10,055
Total revenues	<u>237,610</u>	<u>237,610</u>	<u>224,466</u>	<u>(13,144)</u>
<b><u>EXPENDITURES</u></b>				
Parks, recreation, and culture	-	237,610	166,889	(70,721)
Total expenditures	<u>-</u>	<u>237,610</u>	<u>166,889</u>	<u>(70,721)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 237,610</u>	<u>\$ -</u>	<u>\$ 57,577</u>	<u>\$ 57,577</u>

**MORGAN COUNTY, UTAH**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**UTAH RETIREMENT SYSTEMS**  
**Measurement Date of December 31, 2023**  
**December 31, 2024**  
**Last 10 Fiscal Years\***

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>Noncontributory System</u></b>										
Proportion of the net pension liability (asset)	0.1575510%	0.1555571%	0.1514487%	0.1532870%	0.1322064%	0.1351742%	0.1300322%	0.1133612%	0.1180440%	0.1239850%
Proportionate share of the net pension liability (asset)	\$ 684,141	\$ 880,218	\$ 972,486	\$ 671,596	\$ 973,531	\$ 509,454	\$ 66,699	\$ (649,232)	\$ 202,180	\$ 287,591
Covered employee payroll	\$ 1,348,228	\$ 1,328,919	\$ 1,317,581	\$ 1,309,939	\$ 1,133,895	\$ 1,169,966	\$ 1,120,784	\$ 914,264	\$ 930,606	\$ 983,076
Proportionate share of the net pension liability (asset) as a percentage of its covered employee	50.74%	66.24%	73.81%	51.27%	85.86%	43.54%	5.95%	-71.01%	21.73%	29.25%
Plan fiduciary net position as a percentage of the total pension liability	90.20%	87.80%	87.30%	91.90%	87.00%	93.70%	99.20%	108.70%	97.50%	96.90%
<b><u>Public Safety System</u></b>										
Proportion of the net pension liability (asset)	0.2978617%	0.2856158%	0.2454299%	0.2523327%	0.2390415%	0.2601665%	0.3811295%	0.3673976%	0.3852160%	0.3571755%
Proportionate share of the net pension liability (asset)	\$ 374,586	\$ 511,610	\$ 498,045	\$ 395,824	\$ 614,955	\$ 417,728	\$ 316,429	\$ (298,379)	\$ 498,113	\$ 510,820
Covered employee payroll	\$ 496,271	\$ 476,368	\$ 405,211	\$ 403,103	\$ 410,971	\$ 408,559	\$ 597,958	\$ 585,779	\$ 765,015	\$ 795,608
Proportionate share of the net pension liability (asset) as a percentage of its covered employee	75.50%	107.40%	122.91%	98.19%	149.63%	102.24%	52.92%	-50.94%	65.11%	64.20%
Plan fiduciary net position as a percentage of the total pension liability	90.50%	87.10%	86.50%	90.20%	84.70%	90.90%	95.50%	104.20%	93.60%	93.44%
<b><u>Firefighters Retirement System</u></b>										
Proportion of the net pension liability (asset)	0.0000000%	0.0000000%	0.0211007%	0.2403496%	0.2070631%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ (166)	\$ (15,011)	\$ 26,887	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ -	\$ -	\$ 6,002	\$ 70,317	\$ 64,767	\$ 55,617	\$ -	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered employee	0.00%	0.00%	-2.77%	-21.35%	41.51%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	100.40%	103.00%	94.30%	105.00%	0.00%	0.00%	0.00%	0.00%

**MORGAN COUNTY, UTAH**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (Continued)**  
**UTAH RETIREMENT SYSTEMS**  
**Measurement Date of December 31, 2023**  
**December 31, 2024**  
**Last 10 Fiscal Years\***

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>Tier 2 Public Employees System</u></b>										
Proportion of the net pension liability (asset)	0.0403316%	0.0355607%	0.0379475%	0.0313925%	0.0255248%	0.0233918%	0.0242042%	0.0275640%	0.0384424%	0.0399598%
Proportionate share of the net pension liability (asset)	\$ (1,222)	\$ (78)	\$ 4,233	\$ 2,768	\$ 10,932	\$ 5,261	\$ 3,482	\$ (11,666)	\$ 41,859	\$ 77,777
Covered employee payroll	\$ 198,034	\$ 229,771	\$ 311,200	\$ 307,337	\$ 298,682	\$ 325,260	\$ 386,812	\$ 512,060	\$ 836,525	\$ 1,033,099
Proportionate share of the net pension liability (asset) as a percentage of its covered employee	-0.60%	-0.03%	1.36%	0.90%	3.66%	1.62%	0.90%	-2.28%	5.00%	7.53%
Plan fiduciary net position as a percentage of the total pension liability	103.50%	100.20%	95.10%	97.40%	90.80%	96.50%	98.30%	103.80%	92.30%	89.58%
<b><u>Tier 2 Public Safety and Firefighters System</u></b>										
Proportion of the net pension liability (asset)	0.0885394%	0.0674993%	0.1508930%	0.1823062%	0.1138477%	0.1117770%	0.1163925%	0.0926828%	0.0594498%	0.0583881%
Proportionate share of the net pension liability (asset)	\$ (1,310)	\$ (986)	\$ (1,310)	\$ (2,109)	\$ 2,853	\$ 10,514	\$ 10,440	\$ (4,684)	\$ 4,960	\$ 21,994
Covered employee payroll	\$ 36,602	\$ 40,160	\$ 124,672	\$ 192,485	\$ 152,722	\$ 184,232	\$ 233,080	\$ 221,641	\$ 182,914	\$ 221,236
Proportionate share of the net pension liability (asset) as a percentage of its covered employee	-3.60%	-2.46%	-1.05%	-1.10%	1.87%	5.71%	4.48%	-2.11%	2.71%	9.94%
Plan fiduciary net position as a percentage of the total pension liability	120.50%	110.70%	103.60%	103.00%	95.60%	89.60%	93.10%	102.80%	96.40%	89.10%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the employer's fiscal year.

**MORGAN COUNTY, UTAH**  
**SCHEDULE OF CONTRIBUTIONS**  
**UTAH RETIREMENT SYSTEMS**  
**For the Year Ended December 31, 2024**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>Noncontributory Retirement System</u></b>										
Contractually required contribution	\$ 255,922	\$ 237,968	\$ 239,606	\$ 206,982	\$ 215,739	\$ 207,481	\$ 168,464	\$ 166,154	\$ 176,659	\$ 152,278
Contributions in relation to the contractually required contribution	(255,922)	(237,968)	(239,606)	(206,982)	(215,739)	(207,481)	(168,464)	(166,154)	(176,659)	(152,278)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	1,328,919	1,317,581	1,309,853	1,133,896	1,170,612	1,124,031	914,264	912,969	983,076	835,163
Contributions as a percentage of covered-employee payroll	19.26%	18.06%	18.29%	18.25%	18.43%	18.46%	18.43%	18.20%	17.97%	18.23%
<b><u>Public Safety Retirement System</u></b>										
Contractually required contribution	\$ 146,972	\$ 112,826	\$ 111,535	\$ 110,319	\$ 121,897	\$ 184,386	\$ 183,023	\$ 221,613	\$ 208,381	\$ 265,228
Contributions in relation to the contractually required contribution	(146,972)	(112,826)	(111,535)	(110,319)	(121,897)	(184,386)	(183,023)	(221,613)	(208,381)	(265,228)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	476,368	405,211	397,330	410,985	408,127	589,925	585,779	759,282	795,608	981,210
Contributions as a percentage of covered-employee payroll	30.85%	27.84%	28.07%	26.84%	29.87%	31.26%	31.24%	29.19%	26.19%	27.03%
<b><u>Firefighters System</u></b>										
Contractually required contribution	\$ -	\$ 233	\$ 2,750	\$ 2,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	(233)	(2,750)	(2,656)	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	-	6,002	70,317	62,854	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	0.00%	3.88%	3.91%	4.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b><u>Tier 2 Public Employees System</u></b>										
Contractually required contribution	\$ 19,101	\$ 46,400	\$ 46,406	\$ 46,620	\$ 50,633	\$ 60,614	\$ 82,644	\$ 136,406	\$ 167,009	\$ 206,951
Contributions in relation to the contractually required contribution	(19,101)	(46,400)	(46,406)	(46,620)	(50,633)	(60,614)	(82,644)	(136,406)	(167,009)	(206,951)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	229,771	311,200	309,377	304,453	324,610	385,476	519,044	850,664	1,043,153	1,326,700
Contributions as a percentage of covered-employee payroll	8.31%	14.91%	15.00%	15.31%	15.60%	15.72%	15.92%	16.04%	16.01%	15.60%

**MORGAN COUNTY, UTAH**  
**SCHEDULE OF CONTRIBUTIONS (Continued)**  
**UTAH RETIREMENT SYSTEMS**  
**For the Year Ended December 31, 2024**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>Tier 2 Public Safety and Firefighters System</u></b>										
Contractually required contribution	\$ 4,327	\$ 28,054	\$ 43,769	\$ 34,845	\$ 42,755	\$ 57,711	\$ 57,250	\$ 47,511	\$ 57,149	\$ 86,651
Contributions in relation to the contractually required contribution	(4,327)	(28,054)	(43,769)	(34,845)	(42,755)	(57,711)	(57,250)	(47,511)	(57,149)	(86,651)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	40,160	124,672	192,485	152,722	184,997	239,366	221,641	182,914	221,236	341,097
Contributions as a percentage of covered-employee payroll	10.77%	22.50%	22.74%	22.82%	23.11%	24.11%	25.83%	25.97%	25.83%	25.40%
<b><u>Tier 2 DC Public Employees System</u></b>										
Contractually required contribution	\$ 463	\$ -	\$ 2,731	\$ 4,351	\$ 6,378	\$ 6,636	\$ 10,643	\$ 10,156	\$ 16,313	\$ 23,697
Contributions in relation to the contractually required contribution	(463)	-	(2,731)	(4,351)	(6,378)	(6,636)	(10,643)	(10,156)	(16,313)	(23,697)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	6,209	-	40,815	65,030	75,026	79,815	159,088	156,775	263,528	427,009
Contributions as a percentage of covered-employee payroll	7.46%	0.00%	6.69%	6.69%	8.50%	8.31%	6.69%	6.48%	6.19%	5.55%
<b><u>Tier 2 DC Public Safety and Firefighters System</u></b>										
Contractually required contribution	\$ 1,831	\$ -	\$ -	\$ -	\$ -	\$ 59	\$ 63	\$ 67	\$ 75	\$ 81
Contributions in relation to the contractually required contribution	(1,831)	-	-	-	-	(59)	(63)	(67)	(75)	(81)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	15,477	-	-	-	-	73,301	78,998	83,405	93,205	101,491
Contributions as a percentage of covered-employee payroll	11.83%	0.00%	0.00%	0.00%	0.00%	0.08%	0.08%	0.08%	0.08%	0.08%

\*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011. Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.



**MORGAN COUNTY, UTAH**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**UTAH RETIREMENT SYSTEMS**  
**For the Year Ended December 31, 2024**

*Changes in Assumptions*

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

## **SUPPLEMENTAL INFORMATION**



## **Nonmajor Governmental Funds**

### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes. Morgan County has the following nonmajor special revenue funds:

RAMP Tax Fund - This fund is to account for restricted tax funds for recreation, Arts, Museums, and Parks (RAMP) initiatives.

Additional Transit Tax - Local Fund - This fund is to account for restricted tax funds.

Additional Transit Tax - County Fund - This fund is to account for restricted tax funds.

County Mass Transit Tax Fund - This fund is to account for restricted tax funds.

Road Fund - This fund is to account for the tax funds used to improve and maintain County B-Roads.

Flood Disaster Fund - This fund is to account for tax funds used to prevent, mitigate, and repair flood/disaster damaged public property.

Health Services Fund - This fund is used to account for taxes and activities related to the Weber-Morgan Health Department for public health services and to Weber Human Services for mental health, substance abuse, and aging services.

Mineral Lease Fund - This fund is used to account for mineral lease appropriations to expend on parks and recreation.

Library Fund - This fund is used to account for activities related to the library.

Impact Fees Fund – This fund is used to account for activities related to impact fees.

Park Fund - This fund is used to account for donations and activities related to developing the County owned parks.

Redevelopment Agency Fund (RDA) - This fund is used to account for redevelopment agency transactions conducted by the County, including property acquisition, site improvements, preparation costs, installation of public improvements, and administration costs.

Corridor Preservation Fund - This fund accounts for corridor preservation taxes, which are levied by the County and the held to reimburse the Utah Department of Transportation for its purchases of land for future transportation corridors through the County.

Recreation Fund – This fund is used for activities related to recreation programs.

Economic Development Fund - This fund is to account for activities associated with economic development funded primarily by intergovernmental grants.

Tourism Fund - This fund is to account for the tax funds from transient room, restaurant and tourism restricted for spending associated with tourism.

### Debt Service Fund

The debt service fund accounts for the resources accumulated and payments made for principal and interest on the long-term general obligation debt of the MBA fund.

### Capital Project Fund

The capital projects fund accounts for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary funds)

**MORGAN COUNTY, UTAH**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2024**

	Special Revenue															Debt Service			Total	
	RAMP Tax	Additional Transit Tax - Local	Additional Transit Tax - County	County Mass Transit Tax	Road	Flood Disaster	Health Services	Mineral Lease	Library	Impact Fees	Park	RDA	Corridor Preservation	Recreation	Economic Development	Tourism	MBA	Capital Projects	Nonmajor Governmental Funds	
ASSETS																				
Cash, cash equivalents, and investments	\$ 36,035	\$ 281,646	\$ 698,434	\$ 759,366	\$ -	\$ 160,862	\$ 119,591	\$ 30,623	\$ 431,165	\$ 1,272,504	\$ 9,449	\$ 375	\$ 382,362	\$ 446,789	\$ -	\$ 335,781	\$ 15,895	\$ 292,906	\$ 5,273,783	
Accounts receivable, net of allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Taxes receivable	46,214	31,236	68,967	114,985	-	4,315	35,916	-	49,121	-	-	-	-	-	-	31,207	-	23,385	405,346	
Due from other governments	-	-	-	-	139,177	247,394	-	-	-	-	-	-	-	-	-	-	-	-	386,571	
Leases receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,000	-	44,000	
Total assets	<u>\$ 82,249</u>	<u>\$ 312,882</u>	<u>\$ 767,401</u>	<u>\$ 874,351</u>	<u>\$ 139,177</u>	<u>\$ 412,571</u>	<u>\$ 155,507</u>	<u>\$ 30,623</u>	<u>\$ 480,286</u>	<u>\$ 1,272,504</u>	<u>\$ 9,449</u>	<u>\$ 375</u>	<u>\$ 382,362</u>	<u>\$ 446,789</u>	<u>\$ -</u>	<u>\$ 366,988</u>	<u>\$ 59,895</u>	<u>\$ 316,291</u>	<u>\$ 6,109,700</u>	
LIABILITIES																				
Accounts payable	\$ -	\$ -	\$ 151,792	\$ -	\$ 116,992	\$ 285,092	\$ -	\$ -	\$ 1,320	\$ 65,040	\$ -	\$ -	\$ -	\$ 2,653	\$ -	\$ 3,172	\$ -	\$ 2,271	\$ 628,332	
Accrued liabilities	-	-	-	-	-	-	-	-	9,883	-	-	-	-	2,639	-	-	-	-	12,522	
Due to other funds	-	-	-	-	30,428	-	-	-	-	-	-	-	-	-	44,764	-	-	-	75,192	
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	27,757	-	69,394	-	-	97,151	
Total liabilities	<u>-</u>	<u>-</u>	<u>151,792</u>	<u>-</u>	<u>147,420</u>	<u>285,092</u>	<u>-</u>	<u>-</u>	<u>11,203</u>	<u>65,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,049</u>	<u>44,764</u>	<u>72,566</u>	<u>-</u>	<u>2,271</u>	<u>813,197</u>	
DEFERRED INFLOWS OF RESOURCES																				
Unavailable revenue - property taxes	-	-	-	-	-	277	2,293	-	3,149	-	-	-	-	-	-	-	-	1,491	7,210	
Unavailable revenue - MBA lease revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,000	-	44,000	
Unavailable revenue - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277</u>	<u>2,293</u>	<u>-</u>	<u>3,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,000</u>	<u>1,491</u>	<u>51,210</u>	
FUND BALANCES																				
Nonspendable:																				
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restricted for:																				
Roads	-	312,882	615,609	874,351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,802,842	
Impact fees	-	-	-	-	-	-	-	-	-	1,207,464	-	-	-	-	-	-	-	-	1,207,464	
Public safety	-	-	-	-	-	127,202	-	-	-	-	-	-	-	-	-	-	15,895	-	143,097	
Public health and welfare	-	-	-	-	-	-	153,214	-	-	-	-	-	-	-	-	-	-	-	153,214	
Community development	-	-	-	-	-	-	-	30,623	-	-	-	375	382,362	-	-	-	-	312,529	725,889	
Parks, recreation, and culture	82,249	-	-	-	-	-	-	-	465,934	-	9,449	-	-	413,740	-	294,422	-	-	1,265,794	
Unassigned	-	-	-	-	(8,243)	-	-	-	-	-	-	-	-	-	(44,764)	-	-	-	(53,007)	
Total fund balances	<u>82,249</u>	<u>312,882</u>	<u>615,609</u>	<u>874,351</u>	<u>(8,243)</u>	<u>127,202</u>	<u>153,214</u>	<u>30,623</u>	<u>465,934</u>	<u>1,207,464</u>	<u>9,449</u>	<u>375</u>	<u>382,362</u>	<u>413,740</u>	<u>(44,764)</u>	<u>294,422</u>	<u>15,895</u>	<u>312,529</u>	<u>5,245,293</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 82,249</u>	<u>\$ 312,882</u>	<u>\$ 767,401</u>	<u>\$ 874,351</u>	<u>\$ 139,177</u>	<u>\$ 412,571</u>	<u>\$ 155,507</u>	<u>\$ 30,623</u>	<u>\$ 480,286</u>	<u>\$ 1,272,504</u>	<u>\$ 9,449</u>	<u>\$ 375</u>	<u>\$ 382,362</u>	<u>\$ 446,789</u>	<u>\$ -</u>	<u>\$ 366,988</u>	<u>\$ 59,895</u>	<u>\$ 316,291</u>	<u>\$ 6,109,700</u>	

**MORGAN COUNTY, UTAH**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2024**

	Special Revenue																Debt Service		Total	
	RAMP Tax	Additional Transit Tax - Local	Additional Transit Tax - County	County Mass Transit Tax	Road	Flood Disaster	Health Services	Mineral Lease	Library	Impact Fees	Park	RDA	Corridor Preservation	Recreation	Economic Development	Tourism	MBA	Capital Projects	Nonmajor Governmental Funds	
REVENUES																				
Taxes	\$ 240,511	\$ 171,496	\$ 359,367	\$ 599,218	\$ -	\$ 28,320	\$ 233,263	\$ 2,085	\$ 322,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,985	\$ -	\$ 152,367	\$ 2,323,738	
Intergovernmental	-	-	-	-	1,150,454	261,707	-	-	18,535	-	-	-	176,490	-	131,417	6,800	-	-	1,745,403	
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	198,551	-	-	-	-	198,551	
Fines and forfeitures	-	-	-	-	-	-	-	-	2,049	-	-	-	-	-	-	-	-	-	2,049	
Impact fees	-	-	-	-	-	-	-	-	-	362,975	-	-	-	-	-	-	-	-	362,975	
Lease and rental revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,450	-	15,450	
Other revenues	-	-	-	-	-	-	-	-	8,441	-	-	-	-	-	-	5,246	-	-	13,687	
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues	240,511	171,496	359,367	599,218	1,150,454	290,027	233,263	2,085	351,151	362,975	-	-	176,490	198,551	131,417	227,031	15,450	152,367	4,661,853	
EXPENDITURES																				
Current:																				
General government	-	-	-	-	-	30,252	-	-	-	-	-	-	-	-	-	-	-	31,283	61,535	
Public health and welfare	-	-	-	-	-	-	251,817	-	-	-	-	-	-	-	-	-	-	-	251,817	
Public works	-	-	-	151,793	565,395	-	-	-	-	-	-	-	-	-	-	-	-	-	717,188	
Parks, recreation, and culture	-	-	-	-	-	-	-	-	310,970	58,258	-	-	200,000	309,340	-	393,658	-	-	1,272,226	
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,681	-	-	-	63,681	
Capital outlay:																				
General government	-	-	-	-	-	277,152	-	-	-	-	-	-	-	-	-	-	-	103,074	380,226	
Public works	-	-	-	-	517,935	-	-	-	-	-	-	-	-	-	-	-	-	-	517,935	
Parks, recreation, and culture	-	-	-	-	-	-	-	-	19,052	107,946	-	-	-	9,000	-	-	-	-	135,998	
Debt service:																				
Principal	-	-	-	-	2,147	-	-	-	-	-	-	-	-	-	-	-	14,000	-	16,147	
Interest and other financial	-	-	-	-	1,278	-	-	-	-	-	-	-	-	-	-	-	1,450	-	2,728	
Total expenditures	-	-	-	151,793	1,086,755	307,404	251,817	-	330,022	166,204	-	-	200,000	318,340	63,681	393,658	15,450	134,357	3,419,481	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	240,511	171,496	359,367	447,425	63,699	(17,377)	(18,554)	2,085	21,129	196,771	-	-	(23,510)	(119,789)	67,736	(166,627)	-	18,010	1,242,372	
OTHER FINANCING SOURCES (USES)																				
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	-	-	-	-	200,000	
Transfers out	(200,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(200,000)	
Total other financing sources (uses)	(200,000)	-	-	-	-	-	-	-	-	-	-	-	-	200,000	-	-	-	-	-	
NET CHANGE IN FUND BALANCE	40,511	171,496	359,367	447,425	63,699	(17,377)	(18,554)	2,085	21,129	196,771	-	-	(23,510)	80,211	67,736	(166,627)	-	18,010	1,242,372	
FUND BALANCES																				
Beginning of year (restated, Note 10)	41,738	141,386	256,242	426,926	(71,942)	144,579	171,768	28,538	444,805	1,010,693	9,449	375	405,872	333,529	(112,500)	461,049	15,895	294,519	4,002,921	
End of year	\$ 82,249	\$ 312,882	\$ 615,609	\$ 874,351	\$ (8,243)	\$ 127,202	\$ 153,214	\$ 30,623	\$ 465,934	\$ 1,207,464	\$ 9,449	\$ 375	\$ 382,362	\$ 413,740	\$ (44,764)	\$ 294,422	\$ 15,895	\$ 312,529	\$ 5,245,293	

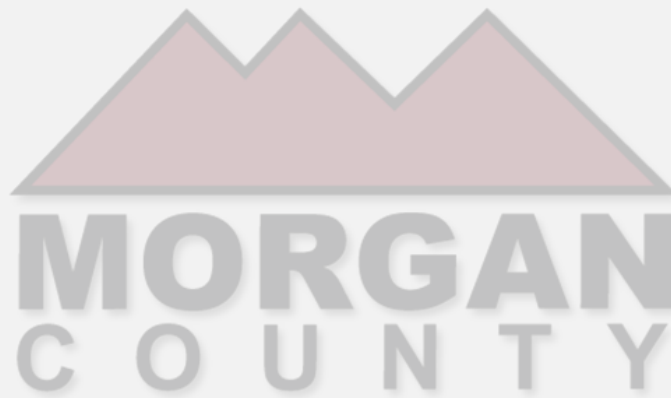
**MORGAN COUNTY, UTAH**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS -**  
**TREASURER'S COLLECTION ACCOUNT**  
**For the Year Ended December 31, 2024**

	Treasurer's Balance December 31, 2023	Collection Receipts	Amounts Apportioned	Distributions	Treasurer's Balance December 31, 2024
Tax Collection Accounts					
Current year taxes & assessments		\$ 25,884,482	\$ (25,884,482)		
Fee in lieu		1,308,074	(1,308,074)		
Redemptions of prior year tax		880,947	(880,947)		
Penalties, interest, and cost		54,666	(54,666)		
Other collections and refunds		(310,824)	310,824		
		<u>27,817,345</u>	<u>(27,817,345)</u>		
Non TC-750 collections		555,148	(555,148)		
Total Collections		<u>28,372,493</u>	<u>(28,372,493)</u>		
County General Fund	203,423		4,181,924	3,896,678	488,669
Library Fund	15,418		321,489	299,752	37,155
Health Services Fund	11,133		234,035	218,118	27,050
Capital improvements	7,328		152,297	142,025	17,600
Flood Disaster Fund	1,361		28,241	26,341	3,261
School District	792,494		14,917,793	13,970,999	1,739,288
Basic School Levy	175,624		3,918,442	3,635,506	458,560
Charter School Levy	-			(4,566)	4,566
Assessing and Collecting					
A/C State	2,400		42,571	39,898	5,073
A/C County	34,360		725,685	674,403	85,642
Cities and Towns					
Morgan City	39,149		755,177	598,183	196,143
Other Districts					
Weber Basin Water Conservancy District	38,664		555,148	527,515	66,297
Mountain Green Fire Protection District	23,883		410,588	380,885	53,586
Mountain Green Sewer Improvement District	4,595		116,880	104,724	16,751
WPR Utility District	25,564		235,283	218,434	42,413
WPR Road and Fire District	25,564		235,283	218,434	42,413
WPR Public Infrastructure District	-		617,536	486,861	130,675
ROAM District #1	54,893		280,837	254,083	81,647
ROAM District #2	1,392		20,268	8,329	13,331
Total Due to Taxing Districts	1,457,245		27,749,477	25,696,602	3,510,120
Other					
Weber Basin Water Special Assess	9,957		555,148	528,433	36,672
Rollback Special Assessment	249		-	(3,001)	3,250
Sewer Special Assessment	359		-	359	-
Total Other	10,565		555,148	525,791	39,922
Refunds/prepays	364,830		-	276,007	640,837
Outstanding checks & deposits	-		-	-	-
Grand Total	<u>\$ 1,832,640</u>		<u>\$ (67,868)</u>	<u>\$ 26,498,400</u>	<u>\$ 4,190,879</u>

**MORGAN COUNTY, UTAH**  
**SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED -**  
**TREASURER'S COLLECTION ACCOUNT**  
**For the Year Ended December 31, 2024**

Taxing Units	Tax		Total Taxes Charged	Treasurer's Relief				Net Taxes Collected and Apportioned		Other Collections					Tax Inc Paid	Refunds	Total Distributions
	Valuation in Dollars	Tax Percent		Unpaid Taxes	Abatements	Other	Total	Amount	Percent	Reallocation of Personal Prop.	Fee in Lieu	Misc. Collections	Delinquencies Tax	Int/Pen			
County:																	
General	\$ 2,468,999,214	0.001466	\$ 4,133,536	\$ 283,207	\$ 103,454	\$ (87,957)	\$ 298,704	\$ 3,834,833	92.77%	\$ 2,685	\$ 199,198	\$ 45,823	\$ 134,087	\$ 32,221	\$ (62,688)	\$ (4,235)	\$ 4,181,924
Library	2,468,999,214	0.000114	321,464	22,023	8,045	(6,840)	23,228	298,236	92.77%	209	15,490	3,563	10,427	2,506	(4,875)	(4,067)	321,489
Flood disaster	2,468,999,214	0.000010	28,254	1,932	706	(600)	2,038	26,217	92.79%	18	1,359	313	915	220	(428)	(373)	28,241
Capital improvements	2,468,999,214	0.000054	152,291	10,432	3,811	(3,240)	11,003	141,288	92.78%	99	7,337	1,688	4,939	1,187	(2,309)	(1,932)	152,297
Health services	2,468,999,214	0.000083	234,005	16,034	5,857	(4,980)	16,911	217,093	92.77%	152	11,278	2,594	7,592	1,824	(3,549)	(2,949)	234,035
Assessing & collecting	2,468,999,214	0.000253	713,504	49,103	17,854	(18,257)	48,700	664,804	93.17%	189	34,521	1,737	23,890	544	-	-	725,685
Total County			5,583,054	382,731	139,727	(121,874)	400,584	5,182,471		3,352	269,183	55,718	181,850	38,502	(73,849)	(13,556)	5,643,671
School district:																	
Morgan School District	2,468,999,214	0.005362	15,138,746	1,035,850	378,389	(168,898)	1,245,341	13,893,405	91.77%	(31,644)	750,274	36,809	490,433	11,535	(228,203)	(4,816)	14,917,793
Morgan School Basic Levy	2,468,999,214	0.001408	3,961,403	272,002	99,361	(93,756)	277,607	3,683,796	92.99%	20,804	181,783	9,666	128,782	3,029	(59,923)	(49,495)	3,918,442
Total School District			19,100,149	1,307,852	477,750	(262,654)	1,522,948	17,577,201		(10,840)	932,057	46,475	619,215	14,564	(288,126)	(54,311)	18,836,235
State Assessing & Collecting	2,468,999,214	0.000015	42,205	2,911	1,059	(629)	3,341	38,865	92.09%	216	1,939	103	1,416	32	-	-	42,571
City:																	
Morgan City	547,511,341	0.001345	781,515	46,512	21,568	(40,311)	27,769	753,747	96.45%	(1,819)	48,122	(2,141)	11,634	310	(54,676)	-	755,177
Other districts:																	
Weber Basin Water	2,468,999,214	0.000196	551,949	38,040	13,831	(7,099)	44,772	507,175	91.89%	1,839	25,858	1,346	18,508	422	-	-	555,148
Mountain Green Fire	888,860,273	0.000456	411,154	42,366	17,126	(13,352)	46,140	365,015	88.78%	1,357	21,608	3,066	19,097	445	-	-	410,588
Mountain Green Sewer	864,098,740	0.000138	120,631	12,376	4,840	157	17,373	103,259	85.60%	2,758	4,123	928	5,678	134	-	-	116,880
WPR Utility District	264,808,695	0.000800	240,654	14,283	-	4,441	18,724	221,930	92.22%	1,535	1,699	65	9,975	79	-	-	235,283
WPR Road and Fire District	264,808,695	0.000800	240,654	14,283	-	4,441	18,724	221,930	92.22%	1,535	1,699	65	9,975	79	-	-	235,283
ROAM District #1	52,431,952	0.006000	315,235	38,383	910	610	39,903	275,332	87.34%	64	1,743	-	3,599	99	-	-	280,837
ROAM District #2	5,313,608	0.004000	21,302	1,130	-	(51)	1,079	20,223	94.93%	2	43	-	-	-	-	-	20,268
WPR Infrastructure District	264,781,125	0.002500	661,953	44,540	-	79	44,619	617,334	93.26%	-	-	202	-	-	-	-	617,536
Total other districts			2,563,532	205,401	36,707	(10,774)	231,334	2,332,198		9,090	56,773	5,672	66,832	1,258	-	-	2,471,823
Total taxing units			\$ 28,070,455	\$ 1,945,407	\$ 676,811	\$ (436,242)	\$ 2,185,976	\$ 25,884,482		\$ (1)	\$ 1,308,074	\$ 105,827	\$ 880,947	\$ 54,666	\$ (416,651)	\$ (67,867)	\$ 27,749,477

## OTHER REPORTS







COMMITTED. EXPERIENCED. TRUSTED.

#### PARTNERS

MICHAEL L. SMITH, CPA  
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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

### *Independent Auditor's Report*

To the Members of the County Commission  
Morgan County, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Morgan County, Utah (the County) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 27, 2025.

### *Report on Internal Control over Financial Reporting*

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

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

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

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2024-001.

### ***Management's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### ***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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*HBME, LLC*

June 27, 2025  
Bountiful, Utah



COMMITTED. EXPERIENCED. TRUSTED.

**REPORT ON COMPLIANCE AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE  
UTAH STATE COMPLIANCE AUDIT GUIDE**

*Independent Auditor's Report*

To the Members of the County Commission  
Morgan County, Utah

***Report on Compliance***

We have audited Morgan County, Utah's (the County) compliance with the following applicable state requirements described in the *Utah State Compliance Audit Guide* (the Guide), issued by the Office of the Utah State Auditor, for the year ended December 31, 2024.

State compliance requirements were tested for the year ended December 31, 2024 in the following areas:

Budgetary Compliance	Fund Balance
Justice Courts	Fraud Risk Assessment
Restricted Taxes and Related Revenue	Government Fees
Utah Retirement Systems	Impact Fees
Open and Public Meetings Act	

***Opinion on Compliance***

In our opinion, Morgan County, Utah complied, in all material respects, with the state compliance requirements referred to above as of and for the year ended December 31, 2024.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the *Guide*. Our responsibilities under those standards and the *Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

**PARTNERS**

MICHAEL L. SMITH, CPA  
JASON L. TANNER, CPA  
ROBERT D. WOOD, CPA  
AARON R. HIXSON, CPA  
TED C. GARDINER, CPA  
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### ***Responsibilities of Management's for Compliance***

Management is responsible for compliance with the requirements referred to previously and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of Utah State laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's government 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 previously occurred, whether due to fraud or error, and express an opinion on the County's compliance with *Guide* based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to previously 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 the County's compliance with the requirements of the government program in the *Guide* as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Guide*, 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 County's compliance with the compliance requirements referred to previously and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance with the *Guide* 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 *Guide* but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Report on Internal Control over Compliance***

Our consideration of internal control over compliance with the *Guide* 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 or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

*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 general state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement 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 general state compliance requirement 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance with the *Guide*. Accordingly, no such opinion is expressed.

We noted an other matter involving internal control over compliance with the *Guide* which we are submitting for your consideration. The matter is described in the accompanying schedule of findings and responses as item 2024-001. *Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings with the *Guide* identified in our compliance audit described in the accompanying schedule of findings and responses. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance with the *Guide* and, accordingly, we express no opinion on the responses.

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

*HBME, LLC*

June 27, 2025  
Bountiful, Utah

**MORGAN COUNTY, UTAH**  
**Schedule of Findings and Responses (Continued)**  
**For the Year Ended December 31, 2024**

*Current Year Findings and Responses*

**2024-001: Impact Fees (this is a repeat finding from 2022 and 2023)**

*Condition:*

The County did not prepare or maintain an impact fee schedule detailing the amount of all money collected, earned, and received during the year, each expenditure from impact fee funds during the year, and impact fee funds on hand at year-end.

*Criteria:*

Utah State law, Utah Code 11-36a-601, requires that a local political subdivision that collects impact fees shall prepare a report at the end of each year which details the amount of all money collected, earned, and received during the year, each expenditure from impact fee funds during the year, and impact fee funds on hand at year-end.

*Cause:*

The County does not appear to have a process or procedure in place to track and report impact fees, in accordance with state law.

*Effect:*

By not adequately tracking and reporting all impact fees, the County is in violation with state law.

*Recommendation:*

The Clerk/Auditor's Office should establish policies and procedures to ensure all impact fees are properly tracked and reported, in accordance with state law.

*Views of responsible officials and planned corrective actions:*

The Clerk/Auditor and Treasurer is working with the external CPA firm and the Administrative Manager to implement a policy on tracking and reporting impact fees.

**MORGAN COUNTY, UTAH**  
**Schedule of Findings and Responses (Continued)**  
**For the Year Ended December 31, 2024**

*Prior Findings with Current Year Status*

**2023-001: Open and Public Meetings Act (this is a repeat finding from 2022, 2021, 2020, and 2019)**

*Condition:*

HBME noted that more than one meeting minutes and the corresponding public materials for meetings, held during 2023, were not posted to the Utah Public Notice website within three business days after their approval.

*Criteria:*

Utah State law, Utah Code 52-4-203(4)(f), requires that the County Commission make pending minutes available to the public within 30 days after holding the open meeting (specifically, the subject of the pending minutes) and are posted within three business days after approval to the Utah Public Notice website, including any public materials distributed at the meeting.

*Cause:*

The County has not implemented or followed procedures to ensure all County Commission approved meeting minutes and any public materials are posted to the Utah Public Notice website within three business days after approval by the County Commission.

*Effect:*

By not monitoring this requirement and ensuring all meeting minutes are posted within three days after approval, the County is in violation of state law.

*Recommendation:*

The Clerk/Auditor's Office or designee should ensure all minutes are completed and approved timely. Once approved, a procedure should be created to ensure all approved minutes are posted to the Utah Public Notice website within three days.

*Views of responsible officials and planned corrective actions:*

The County Commission will table minutes if there are changes to be made. When the minutes are approved, they will be signed that evening and given to the Deputy Clerk/Auditor, who now attends Commission meetings. She will then post the minutes first thing the next morning to the Utah Public Notice website.

*Current Year Status:*

It appears that the County has adequately satisfied the stated finding.

**MORGAN COUNTY, UTAH**  
**Schedule of Findings and Responses (Continued)**  
**For the Year Ended December 31, 2024**

**2023-002: Impact Fees (this is a repeat finding from 2022)**

*Condition:*

The County did not prepare or maintain an impact fee schedule detailing the amount of all money collected, earned, and received during the year, each expenditure from impact fee funds during the year, and impact fee funds on hand at year-end.

*Criteria:*

Utah State law, Utah Code 11-36a-601, requires that a local political subdivision that collects impact fees shall prepare a report at the end of each year which details the amount of all money collected, earned, and received during the year, each expenditure from impact fee funds during the year, and impact fee funds on hand at year-end.

*Cause:*

The County does not appear to have a process or procedure in place to track and report impact fees, in accordance with state law.

*Effect:*

By not adequately tracking and reporting all impact fees, the County is in violation with state law.

*Recommendation:*

The Clerk/Auditor's Office should establish policies and procedures to ensure all impact fees are properly tracked and reported, in accordance with state law.

*Views of responsible officials and planned corrective actions:*

The Clerk/Auditor and Treasurer will work with the external CPA firm and the Administrative Manager to implement a policy on tracking and reporting impact fees.

*Current Year Status:*

It appears that the County has not adequately satisfied the stated finding. See Finding 2024-001.



**MORGAN COUNTY, UTAH**  
**Schedule of Findings and Responses (Continued)**  
**For the Year Ended December 31, 2024**

**2023-003: Governmental Fees (this is a repeat finding from 2022 and 2021)**

*Condition:*

HBME noted that the County could not adequately provide revenue and expense tracking for some governmental fees.

*Criteria:*

The Utah State Compliance Audit Guide requires that the County maintains a schedule of all governmental fees, obtains approval for all fees by the County Commission, and tracks the revenue and expenses for each fee.

*Cause:*

Policies and procedures do not appear to be in place for the County to adequately track governmental fees revenues and expense, in accordance with the Utah State Compliance Audit Guide.

*Effect:*

By failing to adequately track all governmental fees revenue and expenses, the County is out of compliance with the requirements set forth by the Utah Office of the State Auditor.

*Recommendation:*

The Clerk/Auditor's Office should maintain a schedule of all governmental fees and have it approved annually by the County Commission. Revenues and expenses related to each fee should be tracked to ensure any excess revenues over expenses are restricted for the fee's purpose.

*Views of responsible officials and planned corrective actions:*

The Clerk/Auditor's office will ensure that a listing of all governmental fees is prepared and maintained. Furthermore, the County will work with the external CPA Firm to enhance the tracking of revenues and expenses relating to each fee.

*Current Year Status:*

It appears that the County has adequately satisfied the stated finding.

**MORGAN COUNTY, UTAH**  
**Schedule of Findings and Responses (Continued)**  
**For the Year Ended December 31, 2024**

**2023-004: Fund Balance (this is a repeat finding from 2022)**

*Condition:*

As of December 31, 2023, the County had deficit fund balances in its Economic Development Fund. The County did not appear to budget at least 5 percent of current year actual revenues in the subsequent year's budget to begin retiring these deficit fund balances.

*Criteria:*

Utah Code 17-36-17 states that there shall be included as an item of appropriation in the budget of each fund for any fiscal period any existing deficit as of the close of the last completed fiscal period to the extent of at least 5% of the total revenue of the fund in the last completed fiscal period or if the deficit is less than 5% of the total revenue, an amount equal to the deficit.

*Cause:*

Policies and procedures do not appear to be in place for the County to adequately track, and appropriately budget to retire, any deficit fund balances.

*Effect:*

By failing to monitor fund balances, and budget to retire any deficit fund balances, the County is not in compliance with state law.

*Recommendation:*

The Clerk/Auditor's Office should establish policies and procedures to monitor fund balances and ensure they remain positive. In cases where fund balances become negative, the County should budget to retire these deficits in accordance with state law.

*Views of responsible officials and planned corrective actions:*

We will budget at least 5% of current revenues in the Economic Development Fund each year to retire the deficit.

*Current Year Status:*

It appears that the County has adequately satisfied the stated finding.