



Park County, Colorado

Comprehensive Annual Financial Report Year Ended December 31, 2006

Salt Works Ranch

Photo by Gary Nichols

PARK COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2006

Prepared by the Finance Department
Kathy Boyce, Finance Director

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
Letter of Transmittal	1 – 3
County Organizational Chart	4
List of Elected and Appointed Officials	5
Prior Year GFOA Certificate	6
FINANCIAL SECTION	
Independent Auditors' Report	A1 – A2
Management's Discussion and Analysis	B1 – B7
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	C1
Statement of Activities	C2
Fund Financial Statements	
Balance Sheet - Governmental Funds	C3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	C4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	C5
Statement of Net Assets – Proprietary Fund Type	C6
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Fund Type	C7
Statement of Cash Flows – Proprietary Fund Type	C8
Statement of Fiduciary Net Assets – Fiduciary Fund	C9
Notes to Financial Statements	D1 – D14
Required Supplementary Information	
General Fund – Budgetary Comparison Schedule	E1

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
FINANCIAL SECTION (Continued)	
Road and Bridge Fund – Budgetary Comparison Schedule	E2
Human Services Fund – Budgetary Comparison Schedule	E3
Combining and Individual Fund Schedules	
Combined Balance Sheet – Non-major Governmental Funds	F1
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	F2
Conservation Trust Fund – Budgetary Comparison Schedule	F3
Grant Fund – Budgetary Comparison Schedule	F4
Employee Retirement Fund – Budgetary Comparison Schedule	F5
Sales Tax Trust Fund – Budgetary Comparison Schedule	F6
Library – Budgetary Comparison Schedule	F7
Sheriff’s Seizure and Program Fund – Budgetary Comparison Schedule	F8
E-911 Authority Fund – Budgetary Comparison Schedule	F9
1041 Fee Fund – Budgetary Comparison Schedule	F10
Debt Service Fund – Budgetary Comparison Schedule	F11
Capital Projects Fund – Budgetary Comparison Schedule	F12
Risk Management Internal Service Fund – Budgetary Comparison Schedule	F13
Recreation Fund – Budgetary Comparison Schedule	F14
Statement of Changes in Assets and Liabilities – Agency Fund	F15
COMPLIANCE SECTION	
Local Highway Finance Report	G1 – G2
Independent Auditors’ Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	G3 – G4
Independent Auditors’ Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance With OMB Circular A-133	G5 – G6

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
COMPLIANCE SECTION (Continued)	
Schedule of Findings and Questioned Costs	G7
Schedule of Expenditures of Federal Awards	G8
STATISTICAL SECTION	
Financial Trends	
Net Assets by Component	H1
Changes in Net Assts by Component	H2 – H3
Fund Balances – Governmental Funds	H4
Changes in Fund Balances of Governmental Funds	H5 – H6
Revenue Capacity	
Assessed and Estimated Actual Value of Taxable Property	H7
Property Tax Levies – Direct and Overlapping	H8
Principal Taxpayers	H9
Property Tax Levies and Collections	H10
Distribution of Property by Property Type Classification	H11
Schedule of Sales Tax Collection	H12
Debt Capacity	
Ratios of Outstanding Debt by Type	H13
Computation of Legal Debt Margin	H14
Demographic and Operating Information	
Demographic Information	H15
Employers by Category	H16
Recent History of Foreclosures	H17
Schedule of Indirect Costs, Fringe Benefits, and Allocation Base	H18
Miscellaneous Statistics	H19

INTRODUCTORY SECTION



Park County Budget and Finance Department

PO Box 1373
501 Main Street
Fairplay, CO 80440
(719) 836-4214
Fax (719) 836-3273
E-Mail: finance@parkco.us

Kathy Boyce, Director

June 8, 2007

Park County Board of County Commissioners:

The Comprehensive Annual Financial Report of Park County for the fiscal year ended December 31, 2006, is submitted herewith. This report was prepared by the County's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introduction, Financial and Statistical. The Introduction includes this transmittal letter. The Financial Section includes the auditor's report, the Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information and combining and individual fund financial statements. The Statistical Section includes selected financial and demographic information with a multiyear perspective.

This report includes all of the funds of the County. The County provides a full range of services including public safety, highways and streets, culture, library, planning and zoning, environmental health, public health, human services and general administrative services.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Park County's MD&A can be found immediately following the report of the independent auditors.

Economic Condition and Outlook

Established in 1861, Park County is approximately 45 miles wide from east to west, and 60 miles long, encompassing 2,166 square miles. Park County sits in the center of Colorado in the Rocky Mountains with elevations ranging from 7,000 to 14,000 feet. About 17,000 people reside in Park County with many second homeowners.

Location of property in the County determines the jurisdictions to which tax revenues are dispersed. 2006 Mill levy for Park County was 17.072 bringing in an estimated \$6 million in revenue to the County.

In addition to property tax assessments, the County collects a one-percent county sales tax. This tax is paid on all retail goods purchased in Park County, as well as lodging and restaurant purchases. Approved by the voters in 1997, revenues from the tax are used exclusively for the protection, enhancement and interpretation of water resources, as well as lands associated with water resources.

2006 sales tax collection showed a 6% increase over the previous year for a total collection of \$553,845.

Under Article X, Section 20 (2)(e) of the Colorado Constitution, the TABOR amendment (also known as Amendment I), the County is restricted as to the amount of annual revenues exceed allowances under the amendment, the amounts which exceed the limits must either be refunded to the taxpayers or the County must establish a ballot question asking taxpayers to allow the County to keep and utilize the excess revenue.

Major initiatives

Several major projects were either completed or undertaken in 2006. These included the following:

- Early pay-off of Debt Service on Bailey Administration Building
- Sheriff Sub-station in Lake George
- Remodel of the County Communications Department
- Replacement of Voting Equipment

2007 Budget Highlights

The 2007 budget as presented was balanced and financially conservative. It continues the County's commitment to providing the best services possible within the constraints of the budget. The budget addresses current and future community needs and service demands with prudent financial management. Specific items in the 2007 Budget include the following:

- Wireless Network for Lake George and Guffey Libraries
- Temporary position in Mapping developed into a full-time position
- Replacement of over 50 desktop computer systems
- Jail part-time cook to full-time
- Air Conditioning unit replaced at Jail

Financial Information

A great amount of consideration is given to the adequacy of internal controls of the County's accounting system. Internal accounting controls are implemented to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. This concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluations of costs and benefits require estimates and judgments by management.

Recognizing the above framework, we believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

Primary responsibility for fiscal analysis of budget to actual revenue and expenditure activity and overall program fiscal standing rests with the department operating the program. An expenditure budget is appropriated annually. Amounts are appropriated by resolution for each fund. The fund level serves as the limit at which appropriations may not be exceeded. The Finance Department also monitors financial activity and advises the other departments and the Board of Commissioners of concerns that come to its attention.

Debt Administration

Outstanding bond at December 31, 2006, totaled \$2,995,000 for the Construction of the Park County Jail. Standard & Poor's rates this revenue bond issue AAA.

Cash Management

Cash receipts are deposited daily. Excess cash is placed in temporary investments permitted by the State of Colorado. The County does not use derivative types of investments for any of its funds. Financial instruments that may be utilized are approved by resolution by the Board of Commissioners. Instruments used in 2006 were money markets, local government investments pools and authorized government securities. Length of investments varies from one day to five years. The amount of investment earnings in 2006 was \$554,644 as compared to \$306,511 in 2005. The average return on investment for the year 2006 was 4.9% as compared to 2.9% in 2005.

The County's investment policy is to minimize credit and market risk while maintaining a favorable yield on its portfolio. All deposits are either federally insured or collateralized per state statutes. The County's investments in federal securities are held at Park State Bank – Woodland Park, CO and through ADP Clearing and Outsourcing Services – New York, NY, under an agency agreement established pursuant to state statute. The majority of investments are classified in the lowest range of credit risk as defined by the Governmental Accounting Standards Board.

Risk Management

The County is insured under the Colorado Counties, Inc. Coverage's in this County Insurance pool include defined liability, property damage, and workers' compensation. Expenses for the amount paid to Colorado Counties are apportioned to General Fund, Human Services and Road and Bridge fund.

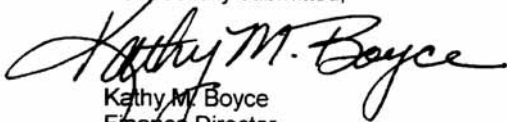
The County also provides coverage to employees for health, dental, life and disability insurance. Contributions come from both the County and employees. The County is partially self-insured with a \$100,000 stop loss policy per incident. Employee contributions pay for part of the administration costs and the County contributions go into a separate bank account to pay claims. Revenues and expenses for this activity are recorded in the Risk Management fund.

Other Information

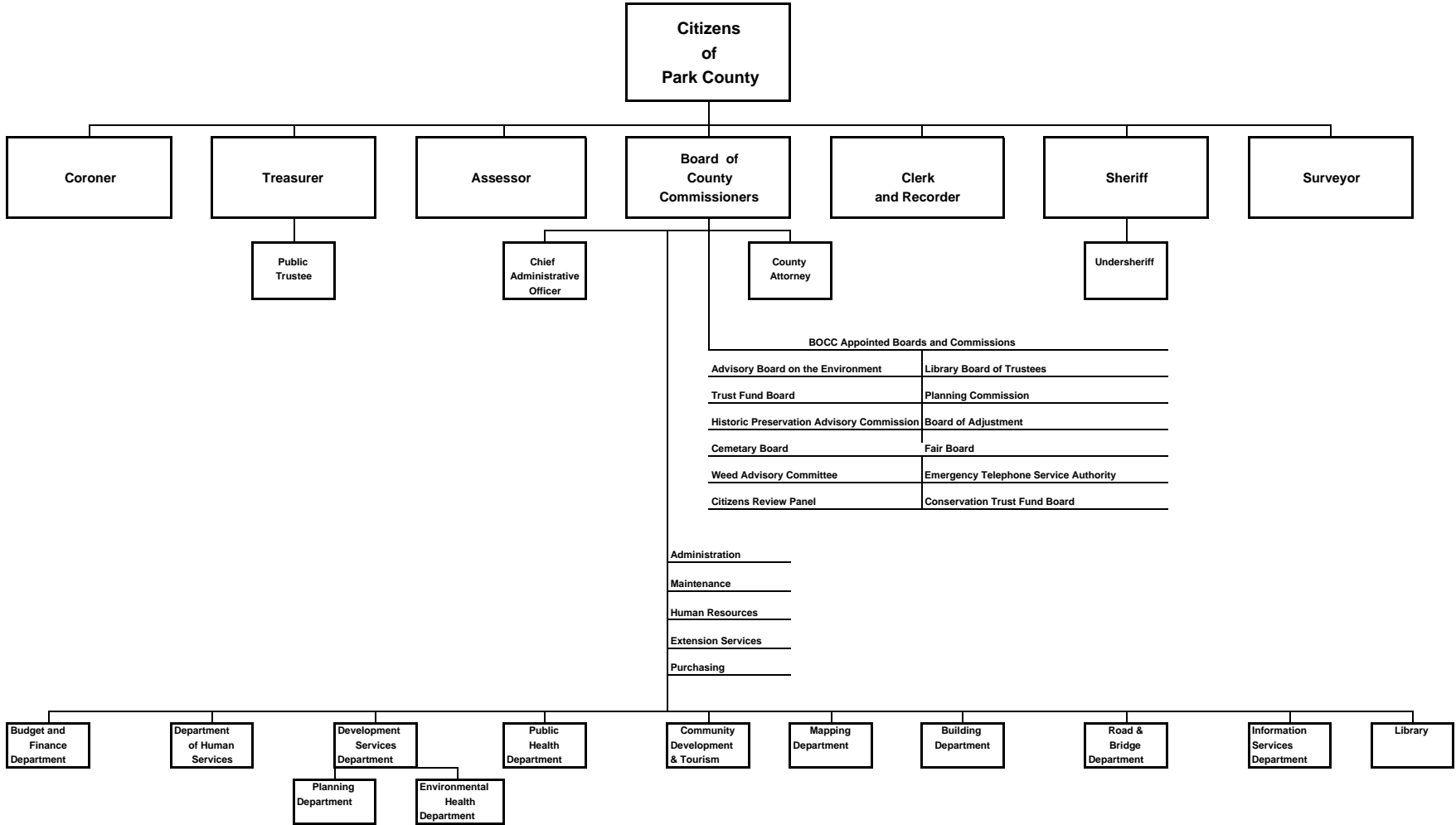
Independent Audit – State Law requires an annual audit of the County's financial statements by independent certified public accountants selected by the Board of Commissioners. This requirement has been complied with and the auditor's opinion has been included in this report.

Acknowledgements – The preparation and completion of this report on a timely basis could not have been accomplished without the dedication and efficiency of the Counties Finance department. Special thanks to the independent certified public accounting firm John Cutler & Associates for their assistance and the professional manner in which they performed there audit engagement. I would like to also thank the Board of County Commissioners for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,


Kathy M. Boyce
Finance Director

Park County Government Organizational Chart



PARK COUNTY, COLORADO

Listing of Elected and Appointed Officials As of December 31, 2006

ELECTED OFFICIALS:

BOARD OF COUNTY COMMISSIONERS

District I	John Tighe
District II	Leni Walker
District III	Lillian Wissel

ASSESSOR	David B. Wissel
CLERK - RECORDER	Debra Green
CORONER	Sharon R. Morris
DISTRICT ATTORNEY	Molly Chilsom
SHERIFF	Fred Wegener
SURVEYOR	Jack L. Kirby
TREASURER	Michelle Miller

APPOINTED OFFICIALS:

CHIEF ADMINISTRATIVE OFFICER	Sandy Berryman
CHIEF BUILDING INSPECTOR	Louis McKay
COUNTY ATTORNEY	Stephen Groome
DIRECTOR, INFORMATION SERVICES	Sylvia Liles
DIRECTOR, BUDGET AND FINANCE	Kathy Boyce
DIRECTOR, HUMAN SERVICES	Mary Baydarian
DIRECTOR, LIBRARIES	Patricia Chapman
DIRECTOR, DEVELOPMENT SERVICES	Tom Eisenman
DIRECTOR, PUBLIC HEALTH	Lynn Ramey
DIRECTOR, ROAD AND BRIDGE	David Kintz, Sr.
DIRECTOR, TOURISM AND COMMUNITY DEVELOPMENT	Gary E. Nichols

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Park County
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



To the Board of County Commissioners
Park County, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Park County, Colorado, as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements of the County, as listed in the table of contents. These financial statements are the responsibility of Park County, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Park County, Colorado, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2007 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and required supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Park County, Colorado's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying financial information presented and the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments and Non-Profit Organizations, and has been subject to the auditing procedures applied in the audit of the County's basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion.

John Cutler & Associates, LLC

April 13, 2007

Park County, Colorado

Management's Discussion and Analysis

December 31, 2006

As management of Park County, Colorado (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, 2006.

FINANCIAL HIGHLIGHTS

- The assets of Park County exceeded its liabilities at the close of the most recent fiscal year by \$17,665,684 (net assets). Of this amount, \$12,967,244 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by 1,807,832. A large portion of this is due to the General Fund's revenues being higher than anticipated and expenditures being lower than anticipated.
- As of the close of the current fiscal year, Park County governmental funds reported combined ending fund balances of \$10,928,309, an increase of \$1,378,321. Approximately \$9,282,930 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current year, unreserved fund balance for the General Fund was \$2,899,489, or 24% of total General Fund expenditures.
- Park County's total debt decreased by \$944,914 during the current fiscal year. The key factor in this decrease was the final payment on capital leases of vehicles and a building.

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 provides other supplementary information in addition to the financial statements themselves.

General Purpose 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 Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, judicial, public safety, health and human services, auxiliary services, road and bridge, and culture and recreation.

The government-wide financial statements can be found on pages C1 and C2 of this report.

OVERVIEW of the FINANCIAL STATEMENTS (continued)

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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds:

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The County's major governmental funds include the General Fund, Road and Bridge Fund, and Human Services Fund. The County also reports a number of minor governmental funds. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

General Fund:

Administration of general County operations is accomplished through various departments within the General Fund. At the beginning of 2006, the fund balance was \$3,256,533; and at the end of 2006, the fund balance increased by \$ 207,721, resulting in a fund balance of \$3,464,254. Following is a listing of the General Fund departments listed by function.

Administrative Operations:

- The Commissioners' Office coordinates County operations, financial reporting and accounting, and budget preparation.
- The Commissioners' Attorney works under direction of the Commissioners.
- The Planning and Building Office monitors the change of land use within the County.
- The Assessor's Office appraises and assesses taxes for all property within the County.
- The Treasurer's Office collects taxes, fees and handles all County banking needs.
- The Clerk & Recorder's Office operates motor vehicle, recordings, runs all elections, and operates the driver's license department.
- The Maintenance department oversees maintenance and cleaning of County buildings.
- Finance, Purchasing and Human Resource departments administer personnel, payroll and financial support functions.

Judicial:

- The District Attorney's Office provides judicial services jointly with other counties within the district.

Public Safety:

- The Sheriff's department, County Jail, Coroner's Office, Emergency Communication Center, Emergency Management and Animal Control provide public safety.

Health and Hospitals:

- The County's Public Health department provides services for pregnant mothers, newborn babies, and vaccinations for Park County residents.
- The Environmental Health department provides restaurant, groundwater and septic permits and inspections.
- Pikes Peak Mental Health provides mental health counseling and services to Park County and other counties.

OVERVIEW of the FINANCIAL STATEMENTS (continued)

Governmental Funds (continued):

General Fund (continued):

Community Auxiliary Services:

- The Park County Fair is held annually during the month of July, under direction of the Park County Commissioners through the Park County Fair Board.
- The County provides office space and funding to South Park Senior Coalition to assist seniors in the County.
- Economic Development provides assistance to retain current businesses and assists in attracting new business into the County. This department also handles tourism requests.
- The Veterans' Office assists veterans living in the County.
- The County provides the communications network and dispatch services for most County entities including fire, local police and ambulance communications.

Intergovernmental Co-operation:

- The County, in partnership with Teller County provides a Weed Management program.
- The County provided support for the Teller Park Soil Conservation District.

Special Revenue Funds:

The County's special revenue funds account for specific revenues that are legally restricted to expenditure for a particular purpose. The County's special revenue funds include the Road and Bridge Fund, Human Services Fund, Conservation Trust Fund, Capital Projects Fund, Grant Fund, Library Fund, E-911 Fund, 1041 Fee Fund, Employee Retirement Fund and Sales Tax Trust Fund.

At the beginning of 2006, the County's special revenue funds had aggregate fund balances of \$5,382,867 and ended the year with fund balances totaling \$6,410,189; an increase of \$1,027,322.

Fiduciary Funds:

Agency Funds:

The County Treasurer holds cash and investments as an agent for other governments, as well as for County funds. Agency funds held by the County Treasurer on behalf of other governments totaled \$552,653 at the end of 2006.

Schedules and Notes to the Financial Statements:

- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D14 of this report.
- The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages F1 through F14.
- The Local Highway Finance Report on pages G1 and G2 is submitted to the State of Colorado and reflects the County's receipts and disbursements for road and street purposes during the year.
- In connection with the receipt and expenditure of Federal-source funds, the County must comply with certain requirements detailed in Circular A-133 Compliance Supplement issued by the U.S. Office of Management and Budget. The auditor's reports on the County's internal controls over such monies and compliance with those requirements are included on pages G3 through G7, together with a summary of all Federal-source expenditures for 2006 on page G8.

FINANCIAL ANALYSIS

The County uses fund accounting to ensure compliance with finance-related legal requirements. The County adopts an annually appropriated budget for each of its funds. Budgetary comparison statements have been provided to demonstrate compliance.

Government-wide Financial Analysis:

As previously mentioned, the government-wide financial statements are designed to provide readers with a broad overview and long-term analysis of the County's finances, in a manner similar to a private-sector business.

The following schedule summarizes the County's net assets at the end of 2006:

Park County's Net Assets at December 31, 2006

	Governmental Activities		Business-type Activities	
	2006	2005	2006	2005
Assets:				
Current and other assets	\$19,205,671	\$17,190,710	\$ 69,790	\$ 44,884
Capital assets, net of accumulated depreciation	13,506,937	14,490,486	-	-
Total Assets	<u>32,712,608</u>	<u>31,681,196</u>	<u>69,790</u>	<u>44,884</u>
Liabilities:				
Current liabilities	7,729,550	7,548,500	3,915	-
Long-term debt	7,383,249	8,319,728	-	-
Total Liabilities	<u>15,112,799</u>	<u>15,868,228</u>	<u>3,915</u>	<u>-</u>
Net Assets (restated):				
Invested in capital assets, net of related debt	4,166,262	6,170,758	-	-
Restricted for emergencies	535,902	532,178	-	-
Unrestricted	12,897,645	9,110,032	65,875	44,884
Total Net Assets	<u>\$17,599,809</u>	<u>\$15,812,968</u>	<u>\$ 65,875</u>	<u>\$ 44,884</u>

Traditionally, a government's largest investment is in its capital assets: land, building, equipment, machinery, and specialized tools which are necessary to deliver and/or provide services to its residents and customers. Because capital assets may not be quickly converted to cash, these assets are not an available source of funding for future spending. Park County's capital assets account for 35% of its total assets at the end of 2006.

At the end of the 2006 fiscal year, the County's governmental net assets totaled \$17,599,809; an increase of \$1,786,841 over the prior year balance. This increase is partially attributable to equipment additions purchased in 2006 and overall expenses being less than anticipated. Restricted net assets totaling \$535,902, or approximately 3% of fiscal spending, has been reserved for emergencies in accordance with the Taxpayer's Bill of Rights ("TABOR") requirements for local governments. \$4,166,262 or 23% of total net assets represents the County's "equity" in capital assets (i.e., cost of capital assets, less accumulated depreciation and debt incurred to acquire those capital assets). 73% of the County's net assets are unrestricted and available to fund future government operations.

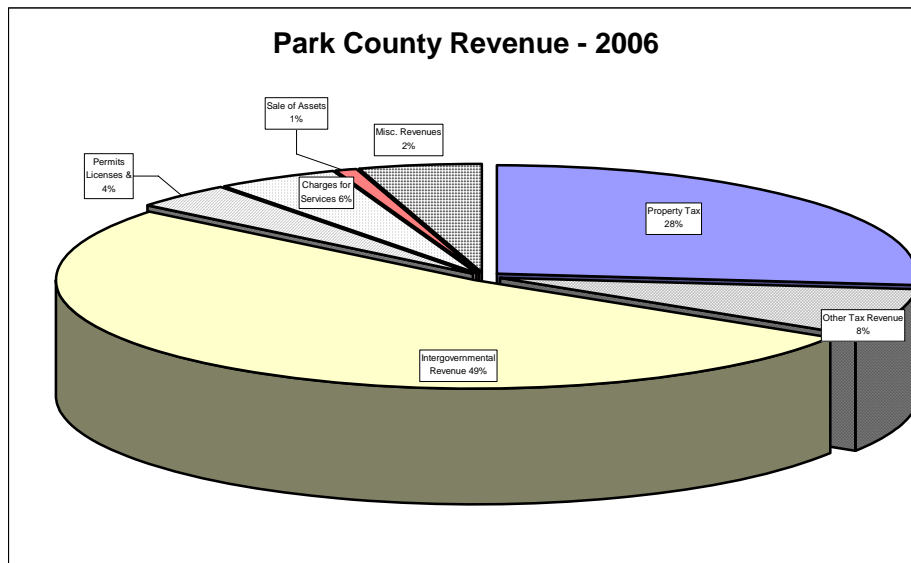
FINANCIAL ANALYSIS (continued)

Government-wide Financial Analysis (continued):

The following schedule summarizes the changes in the County's net assets during 2006:

Park County's Change in Net Assets

	Governmental Activities		Business-type Activities	
	2006	2005	2006	2005
Revenues:				
Program revenues:				
Charges for services	\$ 5,002,643	\$ 4,517,448	\$ 27,979	\$ 22,078
Operating grants and contributions	8,501,411	8,453,903	-	-
Capital grants and contributions	305,503	130,780	-	-
General revenues:				
Property taxes	5,996,015	5,768,466	-	-
Other taxes, interest and other revenue	2,521,554	2,062,423	-	22,806
Total Revenues	22,327,126	20,933,020	27,979	44,884
Expenses:				
General government	5,127,655	5,051,259	-	-
Health and welfare	3,386,282	3,154,045	-	-
Public safety	6,376,205	5,837,046	-	-
Culture and recreation	660,923	765,044	6,988	-
Judicial	260,781	242,637	-	-
Public works	4,421,922	4,749,936	-	-
Interest on long-term debt	306,517	391,905	-	-
Total Expenses	20,540,285	20,191,872	6,988	-
Change in Net Assets	1,786,841	741,148	20,991	44,884
Net Assets - January 1 (restated)	15,812,968	15,071,820	44,884	-
Net Assets - December 31	\$ 17,599,809	\$ 15,812,968	\$ 65,875	\$ 44,884



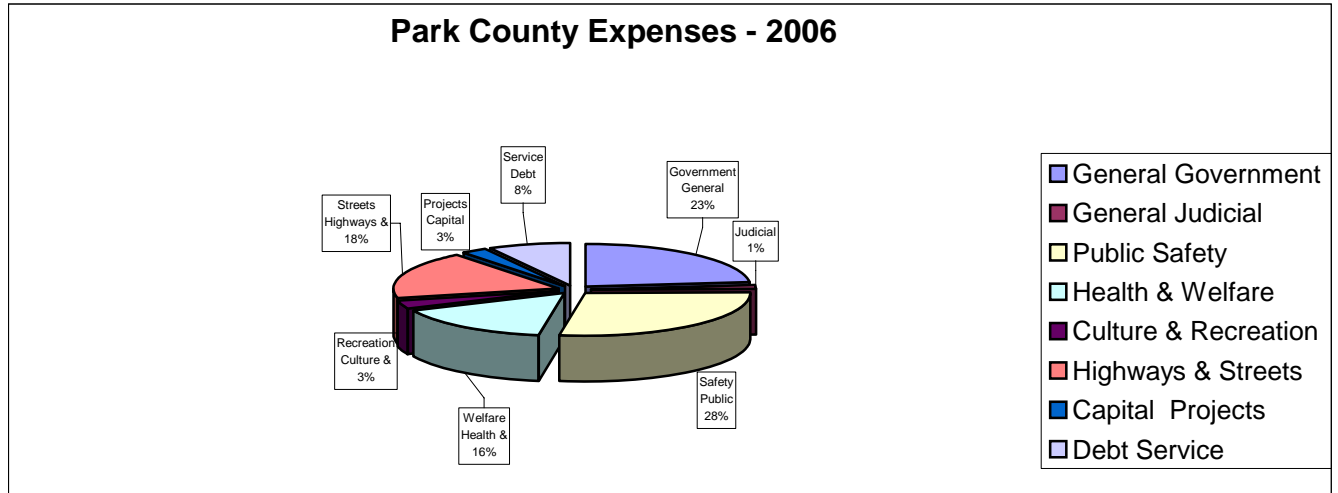
This graph illustrates the County's 2006 revenue sources

FINANCIAL ANALYSIS (continued)

Government-wide Financial Analysis (continued):

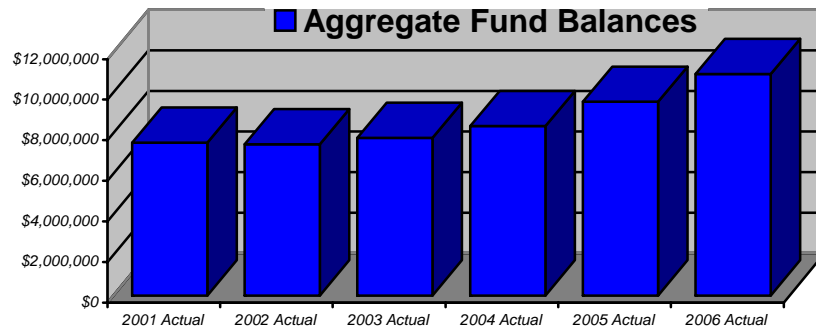
For 2006, the County increased funding to allow for the purchase of supplies, equipment, vehicles, and manpower to various departments of the governmental activities to enhance quality services.

The following graph depicts the County's 2006 expenses:



Fund Financial Analysis:

The graphic below shows the County's actual total fund balances for fiscal years 2001 through 2006.



As noted earlier, the County's fund balances have grown during the 2006 fiscal year, due to the combined effect of lower than expected aggregate expenditures and acquisition of capital assets.

FINANCIAL ANALYSIS (continued)

Budget Variances and Amendments:

The County was required to amend the budgets of several funds for the current fiscal year, in order to ensure that expenditures did not exceed appropriations and to comply with State budget statutes. The more significant of these budget amendments were as follows:

- General Fund departments received budgetary increases totaling \$593,236 to cover general operating expenditures in excess of originally budgeted amount. These increases included mid-year Health insurance increase and purchase of capital assets including election equipment and vehicles.
- Grant Fund was increased by \$274,554 to cover a Mineral Impact Grant for a new Search and Rescue building in Bailey and a Public Health grant for pandemic flu.
- The Road and Bridge Fund received a supplementary budget increase of \$57,096; primarily to provide for the increase in health insurance costs.
- In order to cover the payoff of the Bailey Administration building, the budget for the Capital Projects Fund expenditures was increased by \$215,458.
- The Sheriff Seizure fund was increased by \$124,776 to cover training, police supplies and capital expenses for Federal Seizure funds.
- Risk Management Internal Service fund was increased by \$295,000 an increase in insurance claims.

Capital Assets and Debt Administration:

As of the end of the current fiscal year, the County's long-term debt had decreased \$1,202,812 due to yearly payments and paying off the debt on the Bailey Administration building.

Next Year's Budget and Rates:

The County's General Fund balance at the end of fiscal year 2006 was \$ 3,464,254. A reserve is considered necessary to start the year and provide basic services to the residents of and visitors to Park County. An adequate reserve at the year-end on which to operate a minimum of three months or 25% is considered necessary, as the majority of the property tax revenue is not received until April of each year. At the end of 2006, the County's General Fund balance approximated 29% of actual 2006 General Fund expenditures.

At the end of the 2006 fiscal year, unreserved fund balances in the General Fund and Road and Bridge Fund were to \$2,899,489 and \$3,697,246, respectively. Park County has appropriated \$702,373 and \$756,532 respectively, from these funds for spending in the 2007 fiscal year budget. In 2007, the County anticipates the Human Services Fund will have expenditures totaling slightly more than \$3,465,676; \$ 32,475 of which has been appropriated from unrestricted fund balance.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Park County Finance Office, P.O. Box 1373, Fairplay, Colorado 80440.

BASIC FINACIAL STATEMENTS

Park County, Colorado
Statement of Net Assets
December 31, 2006

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	\$ 10,763,446	\$ 69,790	\$ 10,833,236
Cash and investments - Restricted	233,345	-	233,345
Receivables, net:			
Taxes	6,435,475	-	6,435,475
Intergovernmental	28,765	-	28,765
Accounts	1,187,280	-	1,187,280
Other	6,149	-	6,149
Inventories, at cost	26,738	-	26,738
Prepaid expenses	59,812	-	59,812
Deferred bond issuance costs, net	174,145	-	174,145
Deferred bond refunding costs, net	290,516	-	290,516
Capital assets, not depreciated	1,957,426	-	1,957,426
Capital assets, depreciated, net of accumulated depreciation	11,549,511	-	11,549,511
Total assets	32,712,608	69,790	32,782,398
Liabilities:			
Accounts/vouchers payable	965,928	3,915	969,843
Accrued interest and expenses	328,147	-	328,147
Deferred property taxes	6,435,475	-	6,435,475
Debt obligations:			
Due within one year	1,401,381	-	1,401,381
Due in more than one year	5,981,868	-	5,981,868
Total liabilities	15,112,799	3,915	15,116,714
Net Assets:			
Invested in capital assets, net of related debt	4,166,262	-	4,166,262
Restricted for emergencies	535,902	-	535,902
Unrestricted	12,897,645	65,875	12,963,520
Total Net Assets	\$ 17,599,809	\$ 65,875	\$ 17,665,684

The accompanying notes are an integral part of these financial statements.

Park County, Colorado
Statement of Activities
For the Year Ended December 31, 2006

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 5,132,157	\$ 1,545,274	\$ 1,094,610	\$ -	\$ (2,492,273)	\$ -	\$ (2,492,273)
Health and welfare	3,386,282	180,163	2,284,072	-	(922,047)	-	(922,047)
Public safety	6,375,904	3,136,428	251,026	156,053	(2,832,397)	-	(2,832,397)
Culture and recreation	660,923	3,853	84,964	149,450	(422,656)	-	(422,656)
Public works	4,417,721	136,925	4,766,739	-	485,943	-	485,943
Judicial - District Attorney	260,781	-	20,000	-	(240,781)	-	(240,781)
Interest on long-term debt	306,517	-	-	-	(306,517)	-	(306,517)
Total Governmental activities	20,540,285	5,002,643	8,501,411	305,503	(6,730,728)	-	(6,730,728)
Business-type activities:							
Recreation	6,988	27,979	-	-	-	20,991	20,991
Total Primary Government	\$ 20,547,273	\$ 5,030,622	\$ 8,501,411	\$ 305,503	(6,730,728)	20,991	(6,709,738)
General revenues:							
Taxes:							
Property taxes					5,996,015	-	5,996,015
Specific ownership taxes					933,056	-	933,056
Sales taxes					553,845	-	553,845
Other taxes					120,921	-	120,921
Investment earnings					554,644	-	554,644
Miscellaneous					325,813	-	325,813
SPECIAL ITEM: Sale of Capital Assets					133,275	-	133,275
Transfers					(100,000)	-	(100,000)
Total general revenues and transfers					8,517,569	-	8,517,569
Change in Net Assets					1,786,841	20,991	1,807,832
Net Assets - January 1					15,812,968	44,884	15,857,852
Net Assets - December 31					\$ 17,599,809	\$ 65,875	\$ 17,665,684

The accompanying notes are an integral part of these financial statements.

**Park County, Colorado
Balance Sheets
Governmental Funds
For the Year Ended December 31, 2006**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Human Services Fund</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Cash and investments - Unrestricted	\$ 3,267,055	\$ 3,689,348	\$ 1,378,665	\$ 174,971	\$ 1,874,116	\$ 10,384,155
Cash and investments - Restricted	-	-	-	-	233,345	233,345
Accounts receivable	481,389	132,040	438,084	-	135,767	1,187,280
Due from other governments	-	-	28,765	-	-	28,765
Due from other funds	43,425	-	-	-	-	43,425
Interest receivable	6,149	-	-	-	-	6,149
Prepaid expenses	28,863	10	-	-	150	29,023
Inventory	-	26,738	-	-	-	26,738
Property taxes receivable	5,717,881	172,966	384,528	-	160,100	6,435,475
Total assets	<u>\$ 9,544,762</u>	<u>\$ 4,021,102</u>	<u>\$ 2,230,042</u>	<u>\$ 174,971</u>	<u>\$ 2,403,478</u>	<u>\$ 18,374,355</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts/vouchers payable	\$ 362,598	\$ 124,142	\$ 455,097	\$ -	\$ 24,091	\$ 965,928
Accrued expenses	29	-	-	-	1,189	1,218
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	43,425	43,425
Deferred property taxes not collectible until subsequent year	5,717,881	172,966	384,528	-	160,100	6,435,475
Total liabilities	<u>6,080,508</u>	<u>297,108</u>	<u>839,625</u>	<u>-</u>	<u>228,805</u>	<u>7,446,046</u>
Fund balances:						
Reserved for:						
Emergencies	535,902	-	-	-	-	535,902
Capital projects	-	-	-	174,971	-	174,971
Debt service	-	-	-	-	878,895	878,895
Inventory and Prepaid expenses	28,863	26,748	-	-	-	55,611
Unreserved, reported in:						
General Fund	2,899,489	-	-	-	-	2,899,489
Special revenue funds	-	3,697,246	1,390,417	-	1,295,778	6,383,441
Total fund balances	<u>3,464,254</u>	<u>3,723,994</u>	<u>1,390,417</u>	<u>174,971</u>	<u>2,174,673</u>	<u>10,928,309</u>
Total liabilities and fund balances	<u>\$ 9,544,762</u>	<u>\$ 4,021,102</u>	<u>\$ 2,230,042</u>	<u>\$ 174,971</u>	<u>\$ 2,403,478</u>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 13,506,937

Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 96,176

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These include bonds payable (\$2,995,000), Certificates of Participation (\$2,050,000) Capital Leases (\$1,880,485), Compensated Absences (\$457,764), Bond Issue Costs \$174,145, Deferred Debt Refunding Costs \$290,516, and Accrued Interest (\$13,025). (6,931,613)

Net assets of governmental activities \$ 17,599,809

Park County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Human Services Fund</u>	<u>Capital Projects Fund</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	\$ 6,173,866	\$ 183,082	\$ 414,174	\$ -	\$ 832,716	\$ 7,603,838
Licenses and permits	753,259	136,925	-	-	-	890,184
Intergovernmental revenue	4,070,763	4,766,738	2,093,750	-	714,734	11,645,985
Fines and forfeitures	217,141	-	-	-	-	217,141
Charges for services	1,056,246	-	-	-	-	1,056,246
Disposal of assets	114,210	19,065	-	-	-	133,275
Interest	459,086	-	-	-	95,558	554,644
Miscellaneous	154,785	6,851	6,441	-	157,736	325,813
Total revenues	<u>12,999,356</u>	<u>5,112,661</u>	<u>2,514,365</u>	<u>-</u>	<u>1,800,744</u>	<u>22,427,126</u>
Expenditures:						
General government	4,660,438	-	-	-	185,615	4,846,053
Health and welfare	490,086	-	2,276,101	-	592,796	3,358,983
Public safety	5,428,750	-	-	-	402,635	5,831,385
Culture and recreation	241,607	-	-	-	395,088	636,695
Public works	10,000	3,563,763	-	-	-	3,573,763
Judicial - District Attorney	260,781	-	-	-	-	260,781
Capital outlay	501,161	195,271	-	-	40,151	736,583
Debt service:						
Principal	-	667,773	-	256,471	470,000	1,394,244
Interest	-	114,654	-	20,345	172,869	307,868
Miscellaneous	-	-	-	-	2,450	2,450
Total expenditures	<u>11,592,823</u>	<u>4,541,461</u>	<u>2,276,101</u>	<u>276,816</u>	<u>2,261,604</u>	<u>20,948,805</u>
Excess (deficiency) of revenues over expenditures	<u>1,406,533</u>	<u>571,200</u>	<u>238,264</u>	<u>(276,816)</u>	<u>(460,860)</u>	<u>1,478,321</u>
Other financing sources (uses):						
Transfers in from other funds	-	-	-	358,816	839,996	1,198,812
Transfers (out) to other funds	(1,198,812)	-	(100,000)	-	-	(1,298,812)
Total other financing sources (uses)	<u>(1,198,812)</u>	<u>-</u>	<u>(100,000)</u>	<u>358,816</u>	<u>839,996</u>	<u>(100,000)</u>
Net change in fund balances	207,721	571,200	138,264	82,000	379,136	1,378,321
Fund balances - January 1	<u>3,256,533</u>	<u>3,152,794</u>	<u>1,252,153</u>	<u>92,971</u>	<u>1,795,537</u>	<u>9,549,988</u>
Fund balances - December 31	<u>\$ 3,464,254</u>	<u>\$ 3,723,994</u>	<u>\$ 1,390,417</u>	<u>\$ 174,971</u>	<u>\$ 2,174,673</u>	<u>\$ 10,928,309</u>

The accompanying notes are an integral part of these financial statements.

PARK COUNTY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2006

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 1,378,321
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation \$1,677,575 exceeded capital outlay \$698,227, in the current period.	(979,348)
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets.	(4,201)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. These include payments on bonds of \$290,000, Certificates of Participation \$180,000, Capital Leases \$924,243, and Change in Accrued Compensated Absences of \$50,676.	1,444,919
Some expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds. These amortization of bond issue costs \$19,350, amortization of bond refunding costs \$32,279 change in accrued interest (\$1,351).	(50,278)
The Internal service fund is used by management to charge the cost of health insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	<u>(2,572)</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,786,841</u>

**Park County, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2006**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Assets:		
Cash and cash equivalents	\$ 69,790	\$ 379,291
Prepaid expenses	-	30,789
Total assets	69,790	410,080
Liabilities:		
Accounts payable and accrued liabilities	3,915	313,904
Total liabilities	3,915	313,904
Net assets:		
Unrestricted	65,875	96,176
Total Net Assets	\$ 65,875	\$ 96,176

The accompanying notes are an integral part of these financial statements.

Park County, Colorado
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Revenues:		
Contributions	\$ -	\$ 1,879,492
Fee Revenue	27,979	-
Total revenues	<u>27,979</u>	<u>1,879,492</u>
Expenses:		
Culture and Recreation	\$ 6,988	-
Claims and related insurance expenses	-	1,992,943
Total expenses	<u>6,988</u>	<u>1,992,943</u>
 Operating income (loss)	 <u>20,991</u>	 <u>(113,451)</u>
Non-operating revenues:		
Interest	-	10,879
Total non-operating revenues	<u>-</u>	<u>10,879</u>
Income before transfers	<u>20,991</u>	<u>(102,572)</u>
Transfers in from other funds	-	100,000
Change in net assets	20,991	(2,572)
Net assets - January 1	<u>44,884</u>	<u>98,748</u>
Net assets - December 31	<u>\$ 65,875</u>	<u>\$ 96,176</u>

The accompanying notes are an integral part of these financial statements.

Park County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from customers	\$ 27,979	\$ 1,879,492
Cash paid for goods and services	(3,073)	(1,951,202)
Net cash provided by operating activities	24,906	(71,710)
Cash flows from noncapital financing activities		
Transfers in from other funds	-	100,000
Cash flows from investing activities:		
Interest received	-	10,879
Net cash provided by investing activities	-	10,879
Net increase in cash and cash equivalents	24,906	39,169
Cash and cash equivalents - January 1	44,884	340,122
Cash and cash equivalents - December 31	\$ 69,790	\$ 379,291
 Reconciliation of operating income (loss) to Net cash provided by operating activities:		
Operating income (loss)	\$ 20,991	\$ (113,451)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Increase in prepaid expenses	-	(30,789)
Increase (decrease) in accounts payable and accrued liabilities	3,915	72,530
Total adjustments	3,915	41,741
Net cash provided by operating activities	\$ 24,906	\$ (71,710)

The accompanying notes are an integral part of these financial statements.

Park County, Colorado

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
December 31, 2006

	<u>Agency Fund</u>
Assets	
Cash and Investments	\$ 552,653
Liabilities	
Due to other governmental agencies	\$ 438,826
Held by Public Trustee	<u>113,827</u>
Total liabilities	<u>\$ 552,653</u>

The accompanying notes are an integral part of the financial statements.

PARK COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Park County, Colorado (the "County") is a political subdivision organized under the statutes of the State of Colorado. A three-member Board of Commissioners is responsible for setting policy, appointing administrative personnel and the adoption of an annual budget in accordance with state statutes.

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the County has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The County is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if County officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. The County may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the criteria above, the County is not financially accountable for any other entity and therefore does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

PARK COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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.

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 collected 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.

Property taxes, specific ownership taxes, grants, 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. All other revenue items are considered to be measurable and available only when cash is received by the County.

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, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary (enterprise) fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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. 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.

PARK COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

When both restricted and unrestricted resources are available for use, it is the County's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, 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 County, except those required to be accounted for in another fund.

The *Road and Bridge Fund* accounts for the County's share of State revenues that are legally restricted for the maintenance of highways and roads within the County's boundaries and to account for property taxes and other revenues restricted for highway and road purposes.

The *Human Services Fund* administers the County's State and Federal revenues that are restricted for providing of health and human services to the residents of the County.

The *Capital Projects Fund* accumulates funds for major equipment and other capital additions.

Additionally, the County reports the following non-major fund types:

The *Recreation Enterprise Fund* accounts for the financial activities associated with the County's recreational fishing program.

The *Internal Service Fund* is used to account for the partially self-insured health insurance program for County employees. These services are provided to other County funds and departments on a cost reimbursement basis.

Agency Funds are used to account for the collection and distribution of property and other taxes between the County's funds and other governments and agencies. Agency Funds are also used to account for the activities of the County's Public Trustee and segregate these activities into a separate fund as required by state statutes.

PARK COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Receivables

Receivables are reported net of an allowance for uncollectible accounts.

Inventories

Inventories consist of supplies for the County's use are carried at cost using the first-in, first-out method. Inventories are reported net of an allowance for obsolescence.

Capital Assets

Capital assets, which include property and equipment, 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 historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Land Improvements	15 years
Buildings and Improvements	20 - 40 years
Roads	50 years
Equipment	3 - 10 years
Vehicles	5 years

Compensated Absences

Employees of the County are allowed to accumulate unused vacation time at the rate of 8 hours per month for zero to five years of service, 12 hours per month for six to fourteen years of service and 16 hours a month for fifteen or more years of service. An employee can carry over a maximum of their annual amount. These maximums are 96 hours, 144 hours and 192 hours for the three levels of experience as noted above.

Employees accrue paid sick leave at the rate of 8 hours per month. They may accrue a maximum of 480 hours. As sick leave does not vest, no liability is recorded.

PARK COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

Property Taxes

Property taxes are levied on or before December 15 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to them on a monthly basis. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

PARK COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- \$ Prior to the August 2005, the County Assessor sent to the County a certified assessed valuation of all property in the County.
- \$ On or before October 2005, the Finance Director submitted to the County Commissioners a recommended budget which detailed the necessary property taxes needed along with other available resources to meet the County's operating requirements.
- \$ Prior to December 15, 2005, the County computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- \$ After required publication of "Notice of Proposed Budget" and a public hearing , the County adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the coming year.
- \$ After adoption of the budget resolution, the County may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.
- \$ Budgets are legally adopted for all funds of the County. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- \$ Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of County Commissioners. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations by fund.

NOTE 3: CASH AND INVESTMENTS

A summary of the primary government cash and investments as of December 31, 2006 follows:

Petty Cash	\$ 3,250
Cash Deposits	3,955,995
Investments	<u>7,659,989</u>
Total	<u>\$ 11,619,234</u>

PARK COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE 3: CASH AND INVESTMENTS (Continued)

The above amounts are classified in the financial statements as follows:

Governmental activities - unrestricted	\$ 10,763,446
Governmental activities – restricted	233,345
Business-type activities	69,790
Agency Fund	<u>552,653</u>
Total	<u>\$ 11,619,234</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2006, State regulatory commissioners have indicated that all financial institutions holding deposits for the County are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The County has no policy regarding custodial credit risk for deposits.

At December 31, 2006, the County had deposits with financial institutions with a carrying amount of \$3,955,995. The bank balances with the financial institutions were \$4,697,598. Of these balances, \$1,281,000 was covered by federal depository insurance and \$3,416,598 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2006, the County has the following investments:

	<u>Fair Value</u>	<u>Investment Maturity (Years)</u>	
		<u>Less than One Year</u>	<u>1-5 Years</u>
Mutual Funds	\$ 239,614	\$ 239,614	\$ -
Government Agencies	2,350,000	794,000	1,556,000
CSAFE	2,116,301	2,116,301	-
Colostrust	<u>2,954,074</u>	<u>2,954,074</u>	<u>-</u>
Totals	<u>\$ 7,659,989</u>	<u>\$ 6,103,989</u>	<u>\$ 1,556,000</u>

PARK COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE 3: CASH AND INVESTMENTS (Continued)

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado governments. The mutual funds have ratings of AAAM and Aaa from Standard and Poor and Moody's respectively. The Government Agency securities have a rating of AAA from Standard and Poor.

The County had invested \$5,070,375 in the Colorado Government Liquid Asset Trust and Colorado Surplus Asset Fund Trust (COLOTRUST and CSAFE); investment vehicles established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. The Funds operate similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colotrust is rated Aaa and CSAFE is rated AAAM by Standard and Poor.

Restricted Cash

Cash in the amount of \$233,345 is restricted in the Debt Service Fund as a required reserve for the County's 2004 Certificates of Participation.

PARK COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2006 is summarized below:

	<u>Balances</u> <u>12/31/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/06</u>
Governmental Activities				
Capital Assets, not depreciated				
Land and Easements	\$ 1,957,426	\$ -	\$ -	\$ 1,957,426
Capital Assets, depreciated				
Roads	746,481	-	-	746,481
Buildings and Improvements	12,869,939	24,311	50,410	12,843,840
Equipment	2,114,279	85,662	-	2,199,941
Vehicles	<u>12,092,685</u>	<u>588,254</u>	<u>234,850</u>	<u>12,446,089</u>
Total Capital Assets, depreciated	<u>27,823,384</u>	<u>698,227</u>	<u>285,260</u>	<u>28,236,351</u>
Less Accumulated Depreciation				
Roads	72,578	14,930	-	87,508
Buildings and Improvements	5,884,461	327,283	46,209	6,165,535
Equipment	797,411	99,052	-	896,463
Vehicles	<u>8,535,874</u>	<u>1,236,310</u>	<u>234,850</u>	<u>9,537,334</u>
Total Accumulated Depreciation	<u>15,290,324</u>	<u>1,677,575</u>	<u>281,059</u>	<u>16,686,840</u>
Total Capital Assets, depreciated, net	<u>12,533,060</u>	<u>(979,348)</u>	<u>(4,201)</u>	<u>11,549,511</u>
Governmental Activities, Capital Assets, Net	<u>\$ 14,490,486</u>	<u>\$ (979,348)</u>	<u>\$ (4,201)</u>	<u>\$ 13,506,937</u>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental Activities	
General Government	\$ 301,880
Culture an Recreation	24,228
Health and Welfare	27,299
Public Works	805,602
Public Safety	<u>518,566</u>
Total	<u>\$ 1,677,575</u>

PARK COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2006.

	<u>Balance</u> <u>12/31/05</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/06</u>	<u>Due In</u> <u>One Year</u>
Capital Improvement					
Bonds	\$ 3,285,000	\$ -	\$ 290,000	\$ 2,995,000	\$ 265,000
Certificate of Participation	2,230,000	-	180,000	2,050,000	185,000
Capital Leases	2,804,728	-	924,243	1,880,485	742,903
Compensated Absences	<u>508,440</u>	<u>180,882</u>	<u>231,558</u>	<u>508,440</u>	<u>208,478</u>
 Total	 <u>\$ 8,828,168</u>	 <u>\$ 180,882</u>	 <u>\$ 1,625,801</u>	 <u>\$ 7,883,249</u>	 <u>\$ 1,401,381</u>

In December of 1996, the County issued \$4,450,000 Jail Facility Capital Improvement Bonds. Bond proceeds were used to acquire and improve the County's jail facilities. Interest accrues at rates ranging from 3.7% to 5.4% per annum and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2006. All maturities due after 2006 were advance refunded with the 2004 Jail Refunding Capital Improvement Bonds.

In March of 2004, the County issued \$3,145,000 Jail Refunding Capital Improvement Bonds. Bond proceeds were used to advance refund a portion of the 1996 Jail Facility Capital Improvement Bonds. Interest accrues at rates ranging from 2.5% to 3.65% per annum and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2015.

The County issued \$2,310,000 of certificates of participation in 2004 to provide funds for the expansion of the County's jail facility in additions to funding the establishment of a reserve fund. The Certificates have a stated interest rate ranging from 2.5% to 3.7% per annum and is payable semi-annually on June 1 and December 1. Principal payments are due annually on December 1, through 2015.

The County has entered into several capital lease agreements to purchase equipment. These leases are paid from revenues of the General Fund, Road and Bridge Fund, Sales Tax Trust Fund, and Capital Expenditure Fund. The lease requires interest to be paid ranging from 4.25% to 6.04%. These leases mature from 2007 to 2012.

Compensated absences are expected to be paid by revenues generated by the General Fund.

PARK COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds and certificates at December 31, 2006 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 445,000	\$ 156,302	\$ 601,302
2008	455,000	145,176	600,176
2009	475,000	133,801	608,801
2010	480,000	121,927	601,927
2011	495,000	108,726	603,726
2012-2015	<u>2,695,000</u>	<u>272,123</u>	<u>2,967,123</u>
Total Debt Service Requirements	<u>\$5,045,000</u>	<u>\$ 938,055</u>	<u>\$5,983,055</u>

Debt service requirements for the capital leases are as follows:

<u>Year Ended December 31,</u>	
2007	\$ 782,427
2008	643,734
2009	476,359
2010	23,273
2011	23,723
2012-2015	<u>116,271</u>
Total Payments	2,065,337
Less: Amounts representing interest	<u>(184,852)</u>
Total	<u>\$ 1,880,485</u>

Assets in the amount of \$4,747,753 have been capitalized in the Government-wide financial statements.

PARK COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE 6: INTERFUND AMOUNTS

The Grant Fund owed the General Fund \$43,425 for expenditures that were paid by the General Fund on the Grant Fund's account.

Interfund transfers at December 31, 2006, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Capital Projects	General	\$ 358,816
Debt Service	General	642,869
Library	General	197,127
Human Services	General	<u>100,000</u>
Total		<u>\$ 1,298,812</u>

Transfers are made from the General Fund to fund capital projects, assist in making debt service payments, fund library operations. The transfer from the Human Services Fund was made to supplement the risk management fund due to increasing claims and costs.

NOTE 7: 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; injuries to employees; and natural disasters. The County has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage. The County has addressed these risks in the following manner:

1. County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. The County purchases commercial workman's compensation insurance from Pinnacol Assurance, a quasi-public authority of the State of Colorado. Settled claims resulting from these risks have not exceeded coverage in any of the past five years and coverage limits remain unchanged from the prior year.

2. Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. The County has joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool ("CAPP"), a public entity risk pool currently operation as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement of formulation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

PARK COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE 7: RISK MANAGEMENT (Continued)

3. Self Insurance Plan

The County has established a self-insured health benefit plan. The plan is administered by BlueCross/Blue Shield of Colorado and is funded through a combination of employee contributions and contributions made by the County. Claims are paid from funds accumulated through these contributions. Under the terms of contract with Blue Cross/ Blue Shield the plan has a stop-loss coverage for individual occurrences in excess of \$100,000 and becomes fully insured at any time claims exceed 110% of the retained premiums of the plan.

Changes in the claims liability amounts in 2006:

	<u>2006</u>	<u>2005</u>
Balance January 1,	\$ 241,374	\$ 138,086
Claims and Changes in Estimates	1,595,746	1,847,506
Claims Paid	<u>1,523,216</u>	<u>1,744,218</u>
Balance December 31,	<u>\$ 313,904</u>	<u>\$ 241,374</u>

NOTE 8: RETIREMENT COMMITMENTS

Employees Pension Plan

The County contributes to a multiple employer defined contribution retirement plan administered by the Colorado Officials and Employees Retirement Association. Every employee who is employed by the County for more than one year is eligible to participate in the Plan. Both the County and the employee contribute 3% of the employee's base salary. Plan provisions are established and may be amended by County Commissioners. During the year ended December 31, 2006, employer and employee contributions were \$185,615, equal to their required contributions.

Participants vest in employer contributions and in earnings, losses, and changes in fair market value of Plan assets at a rate of 20% for each full twelve months of participating in the Plan. Participants are immediately vested in their own contributions and earnings.

PARK COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2006, significant amounts of grant expenditures have not been audited but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the County.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1995, voters within the County approved the collection, retention and expenditure of grants and revenues generated from the operation of the jail commencing on January 1, 1995, and subsequent years.

In November 1998, voters within the County approved the collection, retention and expenditure of interest and investment earnings, revenue from federal, other local and district governmental entities commencing on January 1, 1999, and subsequent years. The County has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2006, the emergency reserve of \$535,902 was recorded as a reservation of Fund Balance in the General Fund.

Litigation

The County is involved in various lawsuits. The outcome of this litigation cannot be determined at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Park County, Colorado
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property tax	\$ 5,335,941	\$ 5,335,941	\$ 5,330,257	\$ (5,684)	\$ 5,127,176
Specific ownership tax	800,000	800,000	828,995	28,995	812,399
Other tax	9,000	9,000	14,614	5,614	10,320
Licenses and permits	620,007	620,007	753,259	133,252	714,352
Intergovernmental	3,935,680	4,079,583	4,070,763	(8,820)	3,698,928
Fines and forfeitures	165,950	165,950	217,141	51,191	167,130
Charges for services	1,053,384	1,053,384	1,056,246	2,862	1,137,501
Disposal of assets	-	-	114,210	114,210	1,000
Interest	216,300	216,300	459,086	242,786	281,427
Other	54,062	54,662	154,785	100,123	59,955
Total revenues	<u>12,190,324</u>	<u>12,334,827</u>	<u>12,999,356</u>	<u>664,529</u>	<u>12,010,188</u>
Expenditures:					
General government	5,691,574	5,660,333	4,660,438	999,895	4,249,708
Health and welfare	475,282	516,129	490,086	26,043	401,659
Public safety	5,304,037	5,367,820	5,428,750	(60,930)	4,966,259
Culture and recreation	241,939	279,650	241,607	38,043	252,948
Judicial - District Attorney	260,000	260,000	260,781	(781)	242,637
Highways & Streets	10,000	10,000	10,000	-	10,000
Capital outlay	107,800	589,936	501,161	88,775	336,905
Debt service:					
Principal	-	-	-	-	58,646
Interest	-	-	-	-	3,335
Total expenditures	<u>12,090,632</u>	<u>12,683,868</u>	<u>11,592,823</u>	<u>1,091,045</u>	<u>10,522,097</u>
Excess of revenues over expenditures	<u>99,692</u>	<u>(349,041)</u>	<u>1,406,533</u>	<u>1,755,574</u>	<u>1,488,091</u>
Other financing (uses):					
Transfers (out)	(901,354)	(901,354)	(1,198,812)	(297,458)	(977,636)
Total other financing (uses)	<u>(901,354)</u>	<u>(901,354)</u>	<u>(1,198,812)</u>	<u>(297,458)</u>	<u>(977,636)</u>
Net change in fund balances	(801,662)	(1,250,395)	207,721	1,458,116	510,455
Fund balances - January 1	2,740,752	3,256,533	3,256,533	-	2,485,760
Prior Period Adjustment	-	-	-	-	260,318
Fund balances - December 31	<u>\$ 1,939,090</u>	<u>\$ 2,006,138</u>	<u>\$ 3,464,254</u>	<u>\$ 1,458,116</u>	<u>\$ 3,256,533</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Road and Bridge Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Property tax	\$ 162,214	\$ 162,214	\$ 157,996	\$ (4,218)	\$ 123,986
Specific ownership tax	19,000	19,000	25,086	6,086	19,734
Licenses and permits	137,500	137,500	136,925	(575)	135,267
Intergovernmental	4,351,600	4,351,600	4,766,738	415,138	4,477,761
Disposal of assets	-	-	19,065	19,065	69,910
Miscellaneous revenues	2,300	2,300	6,851	4,551	2,650
Total revenues	<u>4,672,614</u>	<u>4,672,614</u>	<u>5,112,661</u>	<u>440,047</u>	<u>4,829,308</u>
Expenditures:					
Public works	4,483,020	4,540,116	3,563,763	976,353	4,036,238
Capital outlay	-	-	195,271	(195,271)	477,567
Debt service:					
Principal	667,773	667,773	667,773	-	618,191
Interest	114,654	114,654	114,654	-	140,962
Total expenditures	<u>5,265,447</u>	<u>5,322,543</u>	<u>4,541,461</u>	<u>781,082</u>	<u>5,272,958</u>
Excess (deficiency) of revenues over expenditures	<u>(592,833)</u>	<u>(649,929)</u>	<u>571,200</u>	<u>1,221,129</u>	<u>(443,650)</u>
Other financing sources:					
Proceeds from capital leases	-	-	-	-	210,780
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,780</u>
Net change in fund balances	(592,833)	(649,929)	571,200	1,221,129	(232,870)
Fund balances - January 1	2,929,869	3,152,794	3,152,794	-	3,182,215
Prior Period Adjustment	-	-	-	-	203,449
Fund balances - December 31	<u>\$ 2,337,036</u>	<u>\$ 2,502,865</u>	<u>\$ 3,723,994</u>	<u>\$ 1,221,129</u>	<u>\$ 3,152,794</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Human Services Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	2006		Variance Positive (Negative)	2005
	Original and Final Budget	Actual		Actual
Revenues:				
Property tax	\$ 360,553	\$ 358,427	\$ (2,126)	\$ 374,165
Specific ownership tax	55,000	55,747	747	59,517
Intergovernmental	3,069,395	2,093,750	(975,645)	2,263,371
Miscellaneous	500	6,441	5,941	802
Total revenues	<u>3,485,448</u>	<u>2,514,365</u>	<u>(971,083)</u>	<u>2,697,855</u>
Expenditures:				
Health and welfare	3,697,309	2,276,101	1,421,208	2,461,772
Total expenditures	<u>3,697,309</u>	<u>2,276,101</u>	<u>1,421,208</u>	<u>2,461,772</u>
Excess (deficiency) of revenues over expenditures	<u>(211,861)</u>	<u>238,264</u>	<u>450,125</u>	<u>236,083</u>
Other financing (uses):				
Transfers out	-	(100,000)	(100,000)	-
Total other financing(uses)	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	(211,861)	138,264	350,125	236,083
Fund balances - January 1	830,492	1,252,153	421,661	987,985
Prior Period Adjustment	-	-	-	28,085
Fund balances - December 31	<u>\$ 618,631</u>	<u>\$ 1,390,417</u>	<u>\$ 1,021,911</u>	<u>\$ 1,252,153</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Park County, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2006

	Special Revenue							Debt Service	Total Non-major Governmental Funds		
	Conservation Trust Fund	Grant Fund	Employee Retirement Fund	Sales Tax Trust Fund	Library Fund	Sheriff's Seizure and Program Fund	E-911 Authority Fund	1041 Fee Fund	Debt Service Fund	2006	2005
Assets:											
Cash and investments - Unrestricted	\$ 101,543	\$ -	\$ 131,418	\$ 659,248	\$ 16,156	\$ 61,547	\$ 200,298	\$ 58,356	\$ 645,550	\$ 1,874,116	\$ 1,557,445
Cash and investments - Restricted	-	-	-	-	-	-	-	-	233,345	233,345	232,287
Accounts receivable	-	56,495	-	79,272	-	-	-	-	-	135,767	87,332
Prepaid Expenses	-	150	-	-	-	-	-	-	-	150	5,221
Property taxes receivable	-	-	160,100	-	-	-	-	-	-	160,100	150,176
Total assets	\$ 101,543	\$ 56,645	\$ 291,518	\$ 738,520	\$ 16,156	\$ 61,547	\$ 200,298	\$ 58,356	\$ 878,895	\$ 2,403,478	\$ 2,032,461
Liabilities:											
Accounts payable	\$ 4,688	\$ 12,031	\$ -	\$ 250	\$ 1,345	\$ 500	\$ -	\$ 5,277	\$ -	\$ 24,091	\$ 19,918
Accrued expenses	-	1,189	-	-	-	-	-	-	-	1,189	1,189
Deferred revenue	-	-	-	-	-	-	-	-	-	-	65,641
Due to Other Funds	-	43,425	-	-	-	-	-	-	-	43,425	-
Deferred property taxes not collectible until subsequent year	-	-	160,100	-	-	-	-	-	-	160,100	150,176
Total liabilities	4,688	56,645	160,100	250	1,345	500	-	5,277	-	228,805	236,924
Fund balances:											
Reserved for debt service	-	-	-	-	-	-	-	-	878,895	878,895	817,617
Reserved for prepaid expenses	-	-	-	-	-	-	-	-	-	-	5,221
Unreserved	96,855	-	131,418	738,270	14,811	61,047	200,298	53,079	-	1,295,778	972,699
Total fund balances	96,855	-	131,418	738,270	14,811	61,047	200,298	53,079	878,895	2,174,673	1,795,537
Total liabilities and fund balances	\$ 101,543	\$ 56,645	\$ 291,518	\$ 738,520	\$ 16,156	\$ 61,547	\$ 200,298	\$ 58,356	\$ 878,895	\$ 2,403,478	\$ 2,032,461

See the accompanying independent auditors' report.

Park County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2006

	Special Revenue							Debt Service	Total Non-major Governmental Funds		
	Conservation Trust Fund	Grant Fund	Employee Retirement Fund	Sales Tax Trust Fund	Library Fund	Sheriff's Seizure and Program Fund	E-911 Authority Fund	1041 Fee Fund	Debt Service Fund	2006	2005
Revenues:											
Property tax	\$ -	\$ -	\$ 149,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,336	\$ 143,138
Specific ownership tax	-	-	23,228	-	-	-	-	-	-	23,228	22,733
Sales tax	-	-	-	553,845	-	-	-	-	-	553,845	520,243
Other tax	-	-	-	-	-	-	106,307	-	-	106,307	99,156
Intergovernmental	149,450	409,230	-	-	-	156,054	-	-	-	714,734	507,821
Interest	2,859	-	-	28,971	-	-	-	-	63,728	95,558	43,415
Miscellaneous	-	-	650	129,763	9,389	12,079	-	5,855	-	157,736	74,695
Total revenues	<u>152,309</u>	<u>409,230</u>	<u>173,214</u>	<u>712,579</u>	<u>9,389</u>	<u>168,133</u>	<u>106,307</u>	<u>5,855</u>	<u>63,728</u>	<u>1,800,744</u>	<u>1,411,201</u>
Expenditures:											
General government	-	-	185,615	-	-	-	-	-	-	185,615	204,149
Health and welfare	-	90,235	-	502,561	-	-	-	-	-	592,796	270,428
Public safety	-	241,956	-	-	-	127,654	33,025	-	-	402,635	369,670
Culture and recreation	89,786	77,039	-	-	204,842	-	-	23,421	-	395,088	490,538
Capital outlay	-	-	-	-	-	-	40,151	-	-	40,151	75,520
Debt issuance costs	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal	-	-	-	-	-	-	-	-	470,000	470,000	277,138
Interest	-	-	-	-	-	-	-	-	172,869	172,869	176,811
Miscellaneous	-	-	-	-	-	-	-	-	2,450	2,450	1,950
Total expenditures	<u>89,786</u>	<u>409,230</u>	<u>185,615</u>	<u>502,561</u>	<u>204,842</u>	<u>127,654</u>	<u>73,176</u>	<u>23,421</u>	<u>645,319</u>	<u>2,261,604</u>	<u>1,866,204</u>
Excess (deficiency) of revenues over expenditures	<u>62,523</u>	<u>-</u>	<u>(12,401)</u>	<u>210,018</u>	<u>(195,453)</u>	<u>40,479</u>	<u>33,131</u>	<u>(17,566)</u>	<u>(581,591)</u>	<u>(460,860)</u>	<u>(455,003)</u>
Other financing sources (uses):											
Operating transfers in from other funds	-	-	-	-	197,127	-	-	-	642,869	839,996	859,299
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>642,869</u>	<u>839,996</u>	<u>859,299</u>
Net change in fund balances	<u>62,523</u>	<u>-</u>	<u>(12,401)</u>	<u>210,018</u>	<u>1,674</u>	<u>40,479</u>	<u>33,131</u>	<u>(17,566)</u>	<u>61,278</u>	<u>379,136</u>	<u>404,296</u>
Fund balances - January 1	<u>34,332</u>	<u>-</u>	<u>143,819</u>	<u>528,252</u>	<u>13,137</u>	<u>20,568</u>	<u>167,167</u>	<u>70,645</u>	<u>817,617</u>	<u>1,795,537</u>	<u>1,382,870</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,371</u>
Fund balances - December 31	<u>\$ 96,855</u>	<u>\$ -</u>	<u>\$ 131,418</u>	<u>\$ 738,270</u>	<u>\$ 14,811</u>	<u>\$ 61,047</u>	<u>\$ 200,298</u>	<u>\$ 53,079</u>	<u>\$ 878,895</u>	<u>\$ 2,174,673</u>	<u>\$ 1,795,537</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	<u>2006</u>			Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental	\$ 120,000	\$ 120,000	\$ 149,450	\$ 29,450	\$ 121,560
Interest	1,500	1,500	2,859	1,359	2,120
Total revenues	<u>121,500</u>	<u>121,500</u>	<u>152,309</u>	<u>30,809</u>	<u>123,680</u>
Expenditures:					
Culture and recreation	120,000	153,717	89,786	63,931	148,396
Total expenditures	<u>120,000</u>	<u>153,717</u>	<u>89,786</u>	<u>63,931</u>	<u>148,396</u>
Excess (Deficiency) of revenues over expenditures	1,500	(32,217)	62,523	94,740	(24,716)
Fund balances - January 1	<u>1,972</u>	<u>34,332</u>	<u>34,332</u>	<u>32,360</u>	<u>59,048</u>
Fund balances - December 31	<u><u>\$ 3,472</u></u>	<u><u>\$ 2,115</u></u>	<u><u>\$ 96,855</u></u>	<u><u>\$ 127,100</u></u>	<u><u>\$ 34,332</u></u>

See the accompanying independent auditors' report.

**Park County, Colorado
Grant Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	<u>2006</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental	\$ 632,765	\$ 905,215	\$ 409,230	\$ (495,985)	\$ 379,724
Total revenues	<u>632,765</u>	<u>905,215</u>	<u>409,230</u>	<u>(495,985)</u>	<u>379,724</u>
Expenditures:					
Health and welfare	55,557	100,404	90,235	10,169	62,313
Public safety	51,364	240,484	241,956	(1,472)	197,058
Culture and recreation	528,300	568,887	77,039	491,848	120,353
Total expenditures	<u>635,221</u>	<u>909,775</u>	<u>409,230</u>	<u>500,545</u>	<u>379,724</u>
Excess (deficiency) of revenues over expenditures	(2,456)	(4,560)	-	4,560	-
Fund balances - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - December 31	<u>\$ (2,456)</u>	<u>\$ (4,560)</u>	<u>\$ -</u>	<u>\$ 4,560</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Employee Retirement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	<u>2006</u>			<u>Variance Positive (Negative)</u>	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Property taxes	\$ 150,205	\$ 150,205	\$ 149,336	\$ (869)	\$ 143,138
Specific ownership taxes	20,000	20,000	23,228	3,228	22,733
Miscellaneous revenues	15,000	15,000	650	(14,350)	11,428
Total revenues	<u>185,205</u>	<u>185,205</u>	<u>173,214</u>	<u>(11,991)</u>	<u>177,299</u>
Expenditures:					
General government	172,200	187,400	185,615	1,785	204,149
Total expenditures	<u>172,200</u>	<u>187,400</u>	<u>185,615</u>	<u>1,785</u>	<u>204,149</u>
Excess (deficiency) of revenues over expenditures	13,005	(2,195)	(12,401)	(10,206)	(26,850)
Fund balances - January 1	<u>106,585</u>	<u>143,819</u>	<u>143,819</u>	-	<u>170,669</u>
Fund balances - December 31	<u>\$ 119,590</u>	<u>\$ 141,624</u>	<u>\$ 131,418</u>	<u>\$ (10,206)</u>	<u>\$ 143,819</u>

See the accompanying Independent auditors' report.

Park County, Colorado
Sales Tax Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Sales tax	\$ 425,000	\$ 509,237	\$ 553,845	\$ 44,608	\$ 520,243
Miscellaneous	-	129,763	129,763	-	-
Interest	9,000	9,000	28,971	19,971	15,047
Total revenues	<u>434,000</u>	<u>648,000</u>	<u>712,579</u>	<u>64,579</u>	<u>535,290</u>
Expenditures:					
Health and welfare	304,600	518,600	502,561	16,039	208,115
Debt service:					
Principal	-	-	-	-	27,138
Interest	-	-	-	-	122
Total expenditures	<u>304,600</u>	<u>518,600</u>	<u>502,561</u>	<u>16,039</u>	<u>235,375</u>
Excess (deficiency) of revenues over expenditures	129,400	129,400	210,018	80,618	299,915
Fund balances - January 1	<u>528,252</u>	<u>528,252</u>	<u>528,252</u>	-	<u>228,337</u>
Fund balances - December 31	<u>\$ 657,652</u>	<u>\$ 657,652</u>	<u>\$ 738,270</u>	<u>\$ 80,618</u>	<u>\$ 528,252</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Library Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Grant revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenue	5,250	7,520	9,389	4,789	8,573
Total revenues	<u>5,250</u>	<u>7,520</u>	<u>9,389</u>	<u>4,789</u>	<u>8,573</u>
Expenditures:					
Culture and recreation	202,644	206,527	204,842	(7,044)	200,304
Total expenditures	<u>202,644</u>	<u>206,527</u>	<u>204,842</u>	<u>(7,044)</u>	<u>200,304</u>
(Deficiency) of revenues over expenditures	<u>(197,394)</u>	<u>(199,007)</u>	<u>(195,453)</u>	<u>(2,255)</u>	<u>(191,731)</u>
Other financing sources:					
Transfers in from other funds	197,127	197,127	197,127	2,523	194,604
Total other financing sources	<u>197,127</u>	<u>197,127</u>	<u>197,127</u>	<u>2,523</u>	<u>194,604</u>
Net change in fund balances	(267)	(1,880)	1,674	268	2,873
Fund balances - January 1	13,137	13,137	13,137	-	1,893
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,371</u>
Fund balances - December 31	<u>\$ 12,870</u>	<u>\$ 11,257</u>	<u>\$ 14,811</u>	<u>\$ 268</u>	<u>\$ 13,137</u>

See the accompanying independent auditors' report.

Park County, Colorado
Sheriff's Seizure and Program Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Revenues:					
Intergovernmental	\$ -	\$ 122,476	\$ 156,054	\$ 33,578	\$ 6,537
Miscellaneous	4,000	6,300	12,079	5,779	939
Total revenues	<u>4,000</u>	<u>128,776</u>	<u>168,133</u>	<u>39,357</u>	<u>7,476</u>
Expenditures:					
Public safety	5,500	130,276	127,654	2,622	159,781
Total expenditures	<u>5,500</u>	<u>130,276</u>	<u>127,654</u>	<u>2,622</u>	<u>159,781</u>
Excess (deficiency) of revenues over expenditures	(1,500)	(1,500)	40,479	41,979	(152,305)
Fund balances - January 1	<u>20,568</u>	<u>20,568</u>	<u>20,568</u>	-	<u>172,873</u>
Fund balances - December 31	<u>\$ 19,068</u>	<u>\$ 19,068</u>	<u>\$ 61,047</u>	<u>\$ 41,979</u>	<u>\$ 20,568</u>

See the accompanying independent auditors' report.

**Park County, Colorado
E-911 Authority Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	<u>2006</u>			<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Revenues:				
Other taxes	\$ 96,000	\$ 113,931	\$ 106,307	\$ (7,624)
Total revenues	<u>96,000</u>	<u>113,931</u>	<u>106,307</u>	<u>(7,624)</u>
Expenditures:				
Public safety	16,300	16,300	33,025	(16,725)
Capital outlay	46,000	63,931	40,151	23,780
Total expenditures	<u>62,300</u>	<u>80,231</u>	<u>73,176</u>	<u>7,055</u>
Excess (deficiency) of revenues over expenditures	33,700	33,700	33,131	(569)
Fund balances - January 1	<u>177,139</u>	<u>167,167</u>	<u>167,167</u>	<u>-</u>
Fund balances - December 31	<u>\$ 210,839</u>	<u>\$ 200,867</u>	<u>\$ 200,298</u>	<u>\$ (569)</u>

See the accompanying independent auditors' report.

Park County, Colorado
1041 Fee Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)

	2006			Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Miscellaneous	\$ -	\$ 5,855	\$ 5,855	\$ -	\$ 53,755
Total revenues	<u>-</u>	<u>5,855</u>	<u>5,855</u>	<u>-</u>	<u>53,755</u>
Expenditures:					
Culture and recreation	45,508	63,526	23,421	22,087	21,485
Total expenditures	<u>45,508</u>	<u>63,526</u>	<u>23,421</u>	<u>22,087</u>	<u>21,485</u>
Excess (deficiency) of revenues over expenditures	(45,508)	(57,671)	(17,566)	40,105	32,270
Fund balances - January 1	<u>45,508</u>	<u>70,645</u>	<u>70,645</u>	<u>25,137</u>	<u>38,375</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ 12,974</u>	<u>\$ 53,079</u>	<u>\$ 40,105</u>	<u>\$ 70,645</u>

See the accompanying independent auditors' report.

Park County, Colorado
Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Revenues:					
Interest	\$ 12,000	\$ 12,000	\$ 63,728	\$ 51,728	\$ 26,248
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>63,728</u>	<u>51,728</u>	<u>26,248</u>
Expenditures:					
Principal	470,000	470,000	470,000	-	250,000
Interest	172,869	172,869	172,869	-	176,689
Other	1,450	2,450	2,450	-	1,950
Total expenditures	<u>644,319</u>	<u>645,319</u>	<u>645,319</u>	<u>-</u>	<u>428,639</u>
Excess (Deficiency) of revenues over expenditures	(632,319)	(633,319)	(581,591)	51,728	(402,391)
Other financing sources (uses):					
Transfers in from other funds	642,869	642,869	642,869	-	664,695
Total other financing sources (uses)	<u>642,869</u>	<u>642,869</u>	<u>642,869</u>	<u>-</u>	<u>664,695</u>
Net change in fund balances	10,550	9,550	61,278	51,728	262,304
Fund balances - January 1	<u>817,617</u>	<u>817,617</u>	<u>817,617</u>	<u>-</u>	<u>555,313</u>
Fund balances - December 31	<u>\$ 828,167</u>	<u>\$ 827,167</u>	<u>\$ 878,895</u>	<u>\$ 51,728</u>	<u>\$ 817,617</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Trustee interest	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Other	-			-	662
Capital outlay	15,000	15,000	-	15,000	213,668
Debt service:					
Principal	45,239	256,471	256,471	-	86,455
Interest	16,119	20,345	20,345	-	20,075
Total expenditures	<u>76,358</u>	<u>291,816</u>	<u>276,816</u>	<u>15,000</u>	<u>320,860</u>
Excess (Deficiency) of revenues over expenditures	<u>(76,358)</u>	<u>(291,816)</u>	<u>(276,816)</u>	<u>15,000</u>	<u>(320,860)</u>
Other financing sources:					
Transfers in from other funds	91,358	306,816	358,816	52,000	326,531
Transfers to other funds	-	-	-	-	(231,000)
Total other financing sources	<u>91,358</u>	<u>306,816</u>	<u>358,816</u>	<u>52,000</u>	<u>95,531</u>
Net change in fund balances	15,000	15,000	82,000	67,000	(225,329)
Fund balances - January 1	<u>92,971</u>	<u>92,971</u>	<u>92,971</u>	<u>-</u>	<u>318,300</u>
Fund balances - December 31	<u>\$ 107,971</u>	<u>\$ 107,971</u>	<u>\$ 174,971</u>	<u>\$ 67,000</u>	<u>\$ 92,971</u>

See the accompanying independent auditors' report.

Park County, Colorado
Risk Management Internal Service Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Operating revenues:					
Contributions	\$ 1,707,802	\$ 2,073,500	\$ 1,879,492	\$ (194,008)	\$ 1,501,992
Total operating revenues	<u>1,707,802</u>	<u>2,073,500</u>	<u>1,879,492</u>	<u>(194,008)</u>	<u>1,501,992</u>
Operating expenses:					
Claims and administration	1,776,500	2,071,500	1,992,943	78,557	1,774,218
Total operating expenses	<u>1,776,500</u>	<u>2,071,500</u>	<u>1,992,943</u>	<u>78,557</u>	<u>1,774,218</u>
Operating income (loss)	<u>(68,698)</u>	<u>2,000</u>	<u>(113,451)</u>	<u>(115,451)</u>	<u>(272,226)</u>
Non-operating revenues:					
Interest	6,000	6,000	10,879	4,879	7,274
Transfer in from other funds	-	-	100,000	100,000	-
Total non-operating revenues	<u>6,000</u>	<u>6,000</u>	<u>110,879</u>	<u>104,879</u>	<u>7,274</u>
Change in net assets	<u>\$ (62,698)</u>	<u>\$ 8,000</u>	<u>(2,572)</u>	<u>\$ (10,572)</u>	<u>(264,952)</u>
Net assets - January 1			<u>98,748</u>		<u>363,700</u>
Net assets - December 31			<u>\$ 96,176</u>		<u>\$ 98,748</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Recreation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for 2005)**

	<u>2006</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2005</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Fee revenue	\$ 20,000	\$ 27,979	\$ 7,979	\$ 22,078
Total revenues	<u>20,000</u>	<u>27,979</u>	<u>7,979</u>	<u>22,078</u>
Expenditures:				
Culture and recreation	15,500	6,988	8,512	-
Total expenditures	<u>15,500</u>	<u>6,988</u>	<u>8,512</u>	<u>-</u>
Excess (Deficiency) of revenues over expenditures	4,500	20,991	16,491	22,078
Other financing sources (uses):				
Transfers in from other funds	-	-	-	22,806
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,806</u>
Net change in fund balances	4,500	20,991	16,491	44,884
Fund balances - January 1	<u>40,400</u>	<u>44,884</u>	<u>4,484</u>	<u>-</u>
Fund balances - December 31	<u>\$ 44,900</u>	<u>\$ 65,875</u>	<u>\$ 20,975</u>	<u>\$ 44,884</u>

See the accompanying independent auditors' report.

Park County, Colorado
Agency Fund
Treasurer and Public Trustee
Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2006

	<u>Balance January 1 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31 2006</u>
Assets				
Cash and Investments - County Treasurer	\$ 9,563,297			\$ 11,269,166
Cash and Investments - Public Trustee	103,241			113,827
	<u>9,666,538</u>	<u>88,192,821</u>	<u>86,476,366</u>	<u>11,382,993</u>
Less: Held for County Funds	<u>(9,293,420)</u>			<u>(10,830,340)</u>
Total Assets	<u><u>\$ 373,118</u></u>			<u><u>\$ 552,653</u></u>
Liabilities:				
Due to other governmental agencies	\$ 269,877			\$ 438,826
Held by Public Trustee	103,241			113,827
	<u>373,118</u>			<u>552,653</u>
Total liabilities	<u><u>\$ 373,118</u></u>	<u><u>\$ 13,529,125</u></u>	<u><u>\$ 13,349,590</u></u>	<u><u>\$ 552,653</u></u>

See the accompanying independent auditors' report.

COMPLIANCE

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Park
		YEAR ENDING : December 2006
This Information From The Records Of (example - City of _ or County of _): County of PARK	Prepared By: Phone:	Kathy Boyce, Finance Director 719-836-4214

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	192,283
4. Miscellaneous local receipts (from page 2)	398,780
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	-
d. Total (a. + b. + c.)	-
7. Total (1 through 6)	591,063
B. Private Contributions	
C. Receipts from State government (from page 2)	4,419,535
D. Receipts from Federal Government (from page 2)	102,062
E. Total receipts (A.7 + B + C + D)	5,112,661

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	171,786
2. Maintenance:	2,470,926
3. Road and street services:	
a. Traffic control operations	25,315
b. Snow and ice removal	658,151
c. Other	53,640
d. Total (a. through c.)	737,105
4. General administration & miscellaneous	370,492
5. Highway law enforcement and safety	8,725
6. Total (1 through 5)	3,759,034
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	-
2. Notes:	
a. Interest	121,857
b. Redemption	660,570
c. Total (a. + b.)	782,426
3. Total (1.c + 2.c)	782,426
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	4,541,461

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				-
1. Bonds (Refunding Portion)				
B. Notes (Total)	2,505,878	-	660,570	1,845,308

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,152,794	5,112,661	4,541,461	3,723,994	

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2006	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	157,995	a. Interest on investments	701
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	-	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	-	d. Parking Meter Fees	
3. Liens	-	e. Sale of Surplus Property	19,065
4. Licenses	34,288	f. Charges for Services	323,901
5. Other	-	g. Other Misc. Receipts	6,150
6. Total (1. through 5.)	34,288	h. Other PILT funds	48,963
c. Total (a. + b.)	192,283	i. Total (a. through h.)	398,780
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	4,291,812	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	86,954
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle	127,723	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal Mineral Leasing	15,108
f. Total (a. through e.)	127,723	g. Total (a. through f.)	102,062
4. Total (1. + 2. + 3.f)	4,419,535	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			-
b. Engineering Costs			-
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation		171,786	171,786
(4). System Enhancement & Operation		-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	171,786	171,786
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	171,786	171,786
			(Carry forward to page 1)
Notes and Comments:			



To the Board of County Commissioners
Park County, Colorado

**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**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Park County, Colorado, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 13, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Park County, Colorado in a separate letter dated April 13, 2007.

This report is intended solely for the information and use of the County Commissioners, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

John Luttler & Associates, LLC

April 13, 2007



To the Board of County Commissioners
Park County, Colorado

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Park County, Colorado with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. Park County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Park County, Colorado's management. Our responsibility is to express an opinion on Park County, Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Park County, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Park County, Colorado's compliance with those requirements.

In our opinion, Park County, Colorado complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of Park County, Colorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Park County, Colorado's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commissioners, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

John Luthr & Associates, LLC

April 13, 2007

PARK COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2006

Summary of Auditors= Results

Financial Statements

Type of auditors= report issued: unqualified

Internal control over financial reporting:

\$ Material weaknesses identified? _____ yes no

\$ Reportable conditions identified that are not considered to be material weaknesses?

_____ yes none reported

Noncompliance material to financial statements noted?

_____ yes no

Federal Awards

Internal control over major programs:

\$ Material weaknesses identified? _____ yes no

\$ Reportable conditions identified that are not considered to be material weaknesses?

_____ yes none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ yes no

Identification of major program:

10.551 Food Stamp Issuance
10.561 Food Stamp Administration

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes _____ no

Findings Related to Financial Statements

The audit of the financial statements did not disclose any significant deficiencies in internal control that would be considered a material weakness, and did not disclose any instances of noncompliance with requirements of certain provisions of laws, regulations, and grants that were material to those financial statements.

Findings and Questioned Costs for Federal Awards

The audit of federal awards did not disclose any significant deficiencies in internal control that would be considered a material weakness, and did not disclose any instances of noncompliance with requirements of certain provisions of laws, regulations, and grants that were material to those federal awards.

Park County, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2006

	Major Program ?	CDA #	TOTAL EXPENDITURES
Passed through the State Department of Public Health			
WIC	No	10.557	86,369
WIC Vaccines	No	93.268	17,264
Maternal & Child Health Block Grant	No	93.994	3,048
Passed Through the State Department of Human Services			
Food Stamp Issuance	Yes	10.551	723,279
Food Stamp Administration	Yes	10.561	41,975
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through the State Department of Human Services			
TANF CO Works	No	93.558	81,247
Title IV-D	No	93.563	38,869
LEAP	No	93.568	202,645
CCDF	No	93.596	72,334
CCDF Discretion	No	93.575	(12,012)
Title IV-B	No	93.645	3,878
Title IV-E	No	93.658	101,485
IV-E Adoption	No	93.659	8,089
Title XX Block Grant	No	93.667	62,130
Title XIX Medicaid	No	93.778	63,600
Passed through the State Department of Public Health			
Health Alert Network Grant	No	93.283	31,807
Maternal & Child Health	No	93.110	1,036
<u>U.S. DEPARTMENT OF JUSTICE</u>			
US Department of Justice - Bulletproof Vest Partnership Program	No	16.607	581
US Department of Justice - VOCA	No	16.575	9,649
Total Federal Financial Assistance			\$ 1,537,272

NOTES

1. Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Park County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the purpose financial statements.

2. Sub-recipients

The County does not have significant sub recipients.

3. Determining the Value of Non-cash Awards Expended

Food issuances and commodities: Fair market value of food stamps (food issuances) or commodities, respectively, at the time of receipt, or the assessed value provided by the federal agency.

Immunization incentive funds: Dollar amounts of vaccines used, provided by the federal agency.

STATISTICAL SECTION

PARK COUNTY, COLORADO
NET ASSETS BY COMPONENT
Last Three Fiscal Years

	<i>FISCAL YEAR</i>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
GOVERNMENTAL ACTIVITIES			
Invested in Capital Assets	\$ 4,166,262	\$ 6,170,758	\$ 5,798,354
Restricted	535,902	532,178	492,659
Unrestricted	12,897,645	9,110,032	8,752,813
TOTAL GOVERNMENTAL NET ASSETS	<u>\$ 17,599,809</u>	<u>\$ 15,812,968</u>	<u>\$ 15,043,826</u>
 BUSINESS-TYPE ACTIVITIES			
Invested in Capital Assets	\$ -	\$ -	\$ -
Restricted	-	-	-
Unrestricted	65,875	44,884	27,994
TOTAL BUSINESS-TYPE NET ASSETS	<u>\$ 65,875</u>	<u>\$ 44,884</u>	<u>\$ 27,994</u>
 TOTAL PRIMARY GOVERNMENT			
Invested in Capital Assets	\$ 4,166,262	\$ 6,170,758	\$ 5,798,354
Restricted	535,902	532,178	492,659
Unrestricted	12,963,520	9,154,916	8,780,807
TOTAL PRIMARY GOVERNMENTAL NET ASSETS	<u>\$ 17,665,684</u>	<u>\$ 15,857,852</u>	<u>\$ 15,071,820</u>

Note: The County first implemented GASB Statement 34 for the year ended December 31, 2004.

PARK COUNTY COLORADO
Changes in Net Assets By Component
Last Three Fiscal Years
(Accrual Basis of Accounting)

Expenses	2006	2005	2004
Governmental Activities:			
General Government	\$ 5,127,655	\$ 5,051,259	\$ 4,648,405
Health and Welfare	3,386,282	3,154,045	3,438,429
Public Safety	6,376,205	5,837,046	4,908,770
Culture and Recreation	660,923	765,044	720,525
Public Works	4,421,922	4,749,936	4,447,360
Judicial - District Attorney	260,781	242,637	-
Interest on long-term debt	306,517	391,905	401,172
Total governmental activities	20,540,285	20,191,872	18,564,661
Business type Activities:			
Recreation	6,988	-	-
Total business type activities	6,988	-	-
Total primary government expenses	\$ 20,547,273	\$20,191,872	\$ 18,564,661
 Program Revenues			
Governmental Activities:			
Charges for services			
General Government	\$ 1,545,274	\$ 961,622	\$ 1,697,855
Health and Welfare	180,163	214,029	50,195
Public Safety	3,136,428	2,593,929	1,613,760
Culture and Recreation	3,853	-	27,994
Public Works	136,925	747,868	358,500
Operating grants and contributions	8,501,411	8,453,903	7,283,513
Capital grants and contributions	305,503	130,780	49,771
Total governmental activities	13,809,557	13,102,131	11,081,588
Business type Activities:			
Recreation	27,979	22,078	-
Total business type activities	27,979	22,078	-
Total primary government program revenues	\$ 13,837,536	\$13,124,209	\$ 11,081,588

Note: The County first implemented GASB Statement 34 for the year ended December 31, 2004.

PARK COUNTY COLORADO
Changes in Net Assets By Component
Last Three Fiscal Years
(Accrual Basis of Accounting)
(Continued)

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense) Revenue			
Governmental activities	\$ (6,730,728)	\$ (7,089,741)	\$ (7,483,073)
Business-type activities	<u>20,991</u>	<u>22,078</u>	<u>-</u>
Total primary government	<u><u>\$ (6,709,737)</u></u>	<u><u>\$ (7,067,663)</u></u>	<u><u>\$ (7,483,073)</u></u>
General Revenues and Other Changes			
Taxes			
Property taxes	\$ 5,996,015	\$ 5,768,466	\$ 5,352,851
Specific ownership taxes	933,056	914,383	966,593
Sales taxes	553,845	520,243	478,836
Other taxes	120,921	109,475	778,997
Investment earnings	554,644	332,116	221,725
Miscellaneous	325,813	209,012	321,490
Sales of capital assets	133,275	-	41,440
Transfers	(100,000)	(22,806)	-
Prior period adjustment	-		
Total government activities	<u>8,517,569</u>	<u>\$ 7,830,889</u>	<u>\$8,161,932</u>
Business-type activities			
Transfers	<u>-</u>	<u>22,806</u>	<u>-</u>
Total primary government	<u><u>\$ 8,517,569</u></u>	<u><u>\$ 7,853,695</u></u>	<u><u>\$ 8,161,932</u></u>
Changes in Net Assets			
Governmental activities	\$ 1,786,841	\$ 741,148	\$ 678,859
Business-type activities	<u>20,991</u>	<u>44,884</u>	<u>-</u>
Total primary government	<u><u>\$ 1,807,832</u></u>	<u><u>\$ 786,032</u></u>	<u><u>\$ 678,859</u></u>

Note: The County first implemented GASB Statement 34 for the year ended December 31, 2004.

Park County, Colorado
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
General Fund										
Reserved	\$ 564,765	\$ 553,476	\$ 515,422	\$ 436,655	\$ 448,892	\$ 488,240	\$ 419,360	\$ 11,804	\$ 120,732	\$ 282,977
Unreserved	<u>2,899,489</u>	<u>2,703,057</u>	<u>1,970,338</u>	<u>2,410,565</u>	<u>2,041,067</u>	<u>1,736,710</u>	<u>1,569,433</u>	<u>2,554,454</u>	<u>1,581,826</u>	<u>1,377,253</u>
Total General Fund	<u>\$ 3,464,254</u>	<u>\$ 3,256,533</u>	<u>\$ 2,485,760</u>	<u>\$ 2,847,220</u>	<u>\$ 2,489,959</u>	<u>\$ 2,224,950</u>	<u>\$ 1,988,793</u>	<u>\$ 2,566,258</u>	<u>\$ 1,702,558</u>	<u>\$ 1,660,230</u>
All other governmental funds										
Reserved	\$ 1,080,614	\$ 953,912	\$ 902,757	\$ 706,257	\$ 1,131,264	\$ 744,510	\$ 821,288	\$ 980,004	\$ 1,273,499	\$ 1,434,971
Unreserved, reported in:										
Special revenue funds	6,383,441	5,339,543	4,968,613	4,208,389	3,822,536	4,555,993	4,781,893	4,479,905	4,184,751	4,389,324
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 7,464,055</u>	<u>\$ 6,293,455</u>	<u>\$ 5,871,370</u>	<u>\$ 4,914,646</u>	<u>\$ 4,953,800</u>	<u>\$ 5,300,503</u>	<u>\$ 5,603,181</u>	<u>\$ 5,459,909</u>	<u>\$ 5,458,250</u>	<u>\$ 5,824,295</u>

PARK COUNTY, COLORADO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
REVENUES										
Taxes	\$ 7,603,838	\$7,312,567	\$6,911,145	\$6,515,703	\$5,777,037	\$5,417,587	\$4,856,797	\$4,839,682	\$4,450,252	\$3,707,319
Licenses and Permits	890,184	849,619	871,767	902,865	1,285,241	857,663	850,237	796,730	764,648	768,820
Intergovernmental revenue	11,645,985	10,947,881	9,694,628	9,675,912	9,362,733	7,296,517	6,106,796	5,591,851	4,868,810	4,832,346
Fines and forfeitures	217,141	167,130	203,782	155,626	137,332	145,577	-	-	-	-
Charges for services	1,056,246	1,137,501	1,090,408	999,617	676,419	951,458	804,992	889,776	824,014	818,752
Disposal of assets	133,275	70,910	104,084	125,211	104,857	103,941	104,598	185,127	107,885	4,245
Interest	554,644	324,842	221,725	195,076	222,944	364,716	565,582	397,535	383,993	320,308
Miscellaneous	325,813	138,102	208,625	320,637	238,573	383,773	702,571	1,100,590	1,799,598	2,067,074
TOTAL REVENUES	22,427,126	20,948,552	19,306,164	18,890,647	17,805,136	15,521,232	13,991,573	13,801,291	13,199,200	12,518,864
EXPENDITURES										
General Government	4,846,053	4,453,857	4,319,546	3,767,469	3,594,298	3,736,888	3,717,361	3,023,695	3,250,454	2,892,179
Health and Welfare	3,358,983	3,133,859	3,418,414	2,589,794	2,822,520	1,597,808	1,505,313	1,532,290	1,150,696	1,510,440
Public safety	5,831,385	5,335,929	4,177,231	4,064,412	3,744,712	3,234,046	2,716,457	2,370,531	3,260,291	3,057,193
Culture and Recreation	636,695	743,486	698,878	806,655	604,514	549,867	1,042,497	483,384	413,006	535,343
Public works	3,573,763	4,046,238	3,502,774	3,312,141	4,368,940	3,892,483	4,362,851	3,361,841	2,696,370	2,818,001
Judicial - District Attorney	260,781	242,637	236,409	444,209	520,840	484,597	203,733	466,284	175,905	207,357
Capital outlay	736,583	1,103,660	3,036,265	2,699,660	1,842,514	1,549,531	650,830	1,719,744	2,061,135	190,453
Debt issue costs	-	-	221,995	-	-	-	-	-	-	-
Debt service:										
Principal	1,394,244	1,040,430	1,088,743	2,668,578	1,067,183	1,302,886	690,770	755,968	459,817	269,219
Interest	307,868	341,183	349,587	611,198	501,333	509,115	430,122	359,207	358,525	325,817
Miscellaneous	2,450	2,612	16,214	150	-	-	-	-	-	-
TOTAL EXPENDITURES	20,948,805	20,443,891	21,066,056	20,964,266	19,066,854	16,857,221	15,319,934	14,072,944	13,826,199	11,806,002

PARK COUNTY, COLORADO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Continued)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Excess of Revenues over (under) Expenditures	1,478,321	504,661	(1,759,892)	(1,629,646)	(1,261,718)	(1,335,989)	(1,328,361)	(271,663)	(626,999)	712,862
OTHER FINANCING SOURCES (USES)										
Proceeds from capital leases	-	-	-	423,742	1,291,334	1,369,173	905,380	1,456,278	1,210,176	635,904
Proceeds from debt issuance	-	210,780	5,455,000	-	-	-	-	-	-	-
Premiums on debt issuance	-	-	4,605	-	-	-	-	-	-	-
Payments to bond refunding agent	-	-	(3,104,449)	-	-	-	-	-	-	-
Transfers In	1,198,812	1,185,830	776,048	1,047,667	877,913	1,043,797	1,403,941	498,957	389,878	318,780
Transfers Out	(1,298,812)	(1,208,636)	(776,048)	-	(917,913)	(1,043,797)	(1,403,941)	(498,957)	(389,878)	(318,780)
Total Other Sources (Uses)	(100,000)	187,974	2,355,156	1,471,409	1,251,334	1,369,173	905,380	1,456,278	1,210,176	635,904
Net change in fund balance	\$ 1,378,321	\$ 692,635	\$ 595,264	\$ (158,237)	\$ (10,384)	\$ 33,184	\$ (422,981)	\$ 1,184,615	\$ 583,177	\$ 1,348,766
Debt service as a percentage of noncapital expenditures	9.20%	7.69%	8.80%	21.89%	10.02%	13.43%	8.27%	9.92%	7.48%	5.40%

PARK COUNTY, COLORADO
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Real and Personal Property				
Fiscal Year	Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Assessed Residential Property Tax Value to Market (a)
1997	137,298,280	913,267,638	15.0	10.36
1998	179,033,970	1,230,596,881	14.5	10.36
1999	184,430,660	1,297,898,585	14.2	9.74
2000	239,646,931	1,645,608,498	14.6	9.74
2001	243,266,845	1,696,293,761	14.3	9.15
2002	286,440,340	2,076,217,262	13.8	9.15
2003	292,052,152	2,160,296,960	13.5	7.96
2004	311,281,375	2,473,620,686	12.6	7.96
2005	315,266,811	2,548,018,568	12.4	7.96
2006	353,355,301	2,832,018,926	12.5	7.96

(a) Commercial and industrial property is assessed at 29% of market value.
Source: Park County Assessor's Office

PARK COUNTY, COLORADO
Property Tax Levies
Direct and Overlapping
1987 - 2006
(Unaudited)

<u>Park County</u>								
<u>Fiscal Year</u>	<u>Assessment Year</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>	<u>All Other Special Districts (1)</u>	<u>School Districts (1)</u>	<u>Total</u>	<u>Percent County to Total</u>
1988	1987	10.444	2.624	13.068	10.817	30.305	54.190	24.08%
1989	1988	11.973	3.062	15.035	12.615	33.814	61.464	24.43%
1990	1989	16.549	2.504	19.053	13.689	41.63	74.372	25.58%
1991	1990	17.897	3.135	21.032	15.312	42.265	78.609	26.72%
1992	1991	20.897	3.168	24.065	15.498	46.261	85.824	28.00%
1993	1992	20.499	3.566	24.065	14.980	46.100	85.279	28.22%
1994	1993	20.897	3.168	24.065	12.574	45.016	81.655	29.42%
1995	1994	20.517	3.548	24.065	13.122	45.805	82.992	28.95%
1996	1995	20.517	3.548	24.065	12.326	43.721	80.230	30.00%
1997	1996	19.163	3.548	22.711	13.039	40.908	76.658	29.57%
1998	1997	16.781	2.509	19.290	10.682	33.475	63.447	30.40%
1999	1998	17.768	2.509	20.277	10.463	39.108	69.848	29.03%
2000	1999	13.955	1.970	15.925	9.183	31.226	56.334	28.27%
2001	2000	15.046	2.029	17.075	10.559	31.448	59.082	28.90%
2002	2001	14.067	1.320	15.387	10.121	29.242	54.750	28.10%
2003	2002	15.338	1.922	17.260	9.880	27.390	54.530	31.65%
2004	2003	15.438	1.938	17.376	8.705	25.780	51.861	33.50%
2005	2004	16.342	2.043	18.385	9.501	25.134	53.020	34.68%
2006	2005	15.168	1.904	17.072	9.340	23.950	50.362	33.90%
2007	2006	15.168	1.904	17.072	10.002	23.951	51.025	33.46%

(1) Average

PARK COUNTY, COLORADO
Principal Taxpayers
Assessment Year 2005
(Fiscal Year 2006)

Taxpayer	Type of Business	2006 Assessed Value	Percentage of Total Taxable Assessed Value
1) Intermountain Rural Electric Assn	Utility	\$3,650,300	1.16%
2) Public Service Co. (Xcel)	Utility	2,561,900	0.81%
3) Qwest Corporation	Utility	1,991,000	0.63%
4) Colorado Natural Gas, Inc.	Utility	1,226,600	0.39%
5) Centurytel of Eagle	Utility	854,700	0.27%
6) Gordon, James D.	Commercial	737,730	0.23%
7) Hartsel Springs Ranch of Colorado	Commercial	516,510	0.16%
8) Colorado Outdoor Education Center	Commercial	486,850	0.15%
9) Rayburn, Jason D.	Commercial	449,220	0.14%
10) Dozier Family Investment Limited	Commercial	441,780	0.14%
Total Top Ten Principal Taxpayers		<u>\$12,916,590</u>	<u>3.60%</u>
Total Assessed Valuation		<u>\$358,823,438</u>	<u>100.00%</u>

Source: County Assessor

*does not include Exempt Account Types

PARK COUNTY, COLORADO
Property Tax Levies and Collections
1996-2006
(Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Tax Collections	Collections As % of Current Levy
1996	3,213,690	3,189,474	99.25%	N/A	3,189,474	N/A
1997	3,118,182	3,097,295	99.33%	N/A	3,097,295	N/A
1998	3,453,565	3,433,287	99.41%	N/A	3,433,287	N/A
1999	3,739,701	3,720,488	99.49%	N/A	3,720,488	N/A
2000	3,816,377	3,640,415	95.39%	N/A	3,640,415	N/A
2001	4,153,781	4,093,178	98.54%	(9,143)	4,084,035	98.32%
2002	4,407,458	4,372,552	99.21%	17,172	4,389,724	99.60%
2003	5,040,820	5,085,357	100.88%	4,009	5,089,366	100.96%
2004	5,408,826	5,344,974	98.82%	7,264	5,352,237	98.95%
2005	5,796,181	5,763,584	99.44%	4,882	5,768,466	99.52%
2006	6,032,481	5,992,743	99.34%	2,817	5,995,560	99.39%

Source: Park County Treasurer

N/A: Data not available

PARK COUNTY, COLORADO
Distribution of Property
by Property Type Classification*
(Unaudited)

Property Classification	2005 Assessed Valuation	2006 Assessed Valuation	2006 Percent of Tax Roll
Residential Properties	177,110,915	185,019,066	51.56%
Vacant Land	134,508,469	132,232,549	36.85%
Commercial Properties	19,601,332	19,980,976	5.57%
State Assessed Properties	11,442,305	11,154,000	3.11%
Agricultural Properties	4,827,504	5,003,020	1.39%
Natural Resources Properties	3,517,906	2,717,630	0.76%
Producing Mines	56,740	56,630	0.02%
Industrial Land and Improvements	520,480	535,040	0.15%
Personal Property	2,282,278	2,124,527	0.59%
County Total (All Classifications)	<u>\$353,867,929</u>	<u>\$358,823,438</u>	

*Data provided by Park County Assessor

PARK COUNTY, COLORADO
Schedule of Sales Tax Collection
1998 Inception Year through 2006
(Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	Percent Increase (Decrease) over 2005
January		19,009.24	28,647.67	28,415.45	27,704.34	37,064.38	23,507.10	31,114.01	33,646.61	108%
February	\$20,128.45	22,634.21	25,917.60	33,422.73	25,259.34	25,221.08	34,354.25	28,968.15	31,177.39	108%
March	34,574.13	31,188.54	32,147.96	29,208.61	31,006.85	29,427.31	31,209.03	37,847.75	35,441.45	94%
April	23,254.41	28,901.23	27,454.32	27,931.75	31,571.97	26,792.89	35,858.79	32,539.29	37,985.96	117%
May	25,429.58	24,846.12	32,329.45	35,745.44	35,640.37	38,440.21	32,214.94	38,154.41	43,565.94	114%
June	47,023.00	40,026.81	44,637.71	56,808.11	45,125.20	48,668.60	56,048.34	55,833.27	63,268.74	113%
July	37,679.84	44,184.55	47,018.36	48,418.90	50,453.66	48,580.68	51,081.91	60,375.26	58,941.05	98%
August	37,823.95	41,192.99	48,690.01	47,142.15	46,317.28	50,908.55	43,708.20	56,531.05	63,128.05	112%
September	27,401.23	53,636.26	48,242.83	53,103.06	44,369.50	47,628.50	58,144.87	58,498.37	63,707.71	109%
October	43,998.05	31,804.64	34,684.45	38,460.90	29,860.53	44,945.02	34,479.79	40,897.21	43,710.03	107%
November	22,178.01	28,131.77	30,316.09	29,801.69	32,397.77	33,151.62	38,821.52	36,682.14	30,377.02	83%
December	34,717.11	29,998.29	42,951.19	42,705.36	35,592.07	34,187.34	39,406.95	40,802.40	48,895.28	120%
Total	<u>\$354,207.76</u>	<u>395,554.65</u>	<u>443,037.64</u>	<u>471,164.15</u>	<u>435,298.88</u>	<u>465,016.18</u>	<u>478,835.69</u>	<u>518,243.31</u>	<u>553,845.23</u>	107%

PARK COUNTY, COLORADO
Ratios of Outstanding Debt by Type
1998-2006
(Unaudited)

Fiscal Year	Capital Improvement Revenue Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
1998	\$ 4,210,000	\$ -	\$ 3,181,701	\$ 7,393,699	2.66%	\$ 554.62
1999	4,060,000	-	4,082,009	8,144,008	2.58%	576.44
2000	3,905,000	-	4,429,591	8,336,591	2.34%	567.12
2001	3,745,000	-	4,615,854	8,362,855	2.42%	546.56
2002	3,575,000	-	5,239,822	8,816,824	2.67%	560.23
2003	3,400,000	-	4,203,121	7,603,121	1.73%	471.66
2004	3,495,000	2,270,000	3,384,378	9,149,378	1.83%	531.35
2005	3,285,000	2,230,000	2,804,728	8,319,728	1.63%	481.38
2006	2,995,000	2,050,000	1,880,485	6,925,485	1.33%	404.90

PARK COUNTY, COLORADO
Computation of Legal Debt Margin
As of December 31, 2006
(Unaudited)

Assessed Value, 2006	\$357,367,586
Debt Limit	
1.5% of assessed value	5,360,514
Outstanding Bonded Debt Applied to Limit	-
Legal Debt Margin	<u><u>\$5,360,514</u></u>

PARK COUNTY, COLORADO
Demographic Information
(Unaudited)

Park County Population Estimates

Year	Population
1990	7,174
1991	7,723
1992	8,136
1993	8,649
1994	9,625
1995	10,713
1996	11,552
1997	12,583
1998	13,331
1999	14,128
2000	14,700
2001	15,301
2002	15,738
2003	16,120
2004	17,219 **
2005	17,283 **
2006	17,104 **

Per Capita Income

Year	Income
1990	\$16,073
1991	16,707
1992	17,392
1993	19,006
1994	19,615
1995	19,867
1996	20,885
1997	21,588
1998	20,837
1999	22,323
2000	24,235
2001	22,569
2002	20,990
2003	27,297 **
2004	28,981 **
2005	29,590 **
2006	30,547 **

*Source: Colorado Division of Local Governments

** Source: ESRI Business Solutions

PARK COUNTY, COLORADO
Employers by Category
2005

Industry Name	Number of Businesses	Ave. 2005 Wages	Ave. # Employed
Government (all)	30	\$28,644	802
Construction Trade	173	\$28,387	341
Food & Lodging	46	\$10,427	320
Retail Trade (all)	46	\$23,910	184
Professional & Tech.	72	\$48,329	129
Admin. Services	25	\$28,714	67
Wholesale Trade	42	\$50,041	48
Manufacturing	21	\$30,527	60
Health Care/Social	10	\$17,933	50
Real Estate	23	\$23,738	37
Finance & Insurance	13	\$66,332	44
Information Services	10	\$49,427	32
Entertain/Recreation	5	\$13,075	15

Total Adult Labor Force (2006) 9,001
Number of Employers in Park County (2005): 555
Ave. # Employed in Park County (2005): 2,229
Largest Employer (2005): Government (all) 802
Ave. Annual Wage paid in County (2005): \$28,869
Poverty Status (2006): 6.5% of County population

* Source CO Dept of Labor & Employment and ESRI
Business Solutions

Park County, Colorado
Recent History of Foreclosures
(Unaudited)

Year	Number of Foreclosures	Percent Change
1991	104	
1992	70	-33%
1993	62	-11%
1994	42	-32%
1995	56	33%
1996	54	-4%
1997	49	-9%
1998	92	88%
1999	70	-24%
2000	64	-9%
2001	92	44%
2002	147	60%
2003	139	-5%
2004	155	12%
2005	200	29%
2006	208	4%

Park County, Colorado
Schedule of Indirect Costs, Fringe Benefits, and Allocation Base
Last Six Fiscal Years
(Unaudited)

	Fiscal Year					
	2006	2005	2004	2003	2002	2001
Fringe Benefits						
Contribution to Pension	181,115	199,837	191,592	127,739	120,695	162,265
Payroll Taxes	592,006	570,117	535,701	504,393	546,401	472,535
Group Health Insurance	1,591,914	1,237,654	1,165,768	1,125,244	976,835	847,455
Worker's Comp	279,711	286,713	299,224	222,160	187,609	191,369
Unemployment	22,946	21,896	13,697	12,850	15,855	14,051
Long Term Disability	24,878	21,868	21,994	21,164	17,980	9,592
Paid time off earned	22,676	20,806	20,532	19,705	21,526	9,741
Annual leave earned (used)	22,332	16,969	17,280	15,364	20,109	10,028
sick leave used	15,751	12,913	10,926	9,729	12,156	5,273
Total fringe benefits	<u>2,753,328</u>	<u>2,388,771</u>	<u>2,276,714</u>	<u>2,058,349</u>	<u>1,919,165</u>	<u>1,722,310</u>
Allocation base = salaries	7,991,039	7,678,848	7,237,372	6,933,339	6,785,371	6,229,752
Fringe benefit rate	34.46%	31.11%	31.46%	29.69%	28.28%	27.65%

Source: County's Financial Reports

PARK COUNTY, COLORADO
Miscellaneous Statistics
December 31, 2006
(Unaudited)

Date of Incorporation	1861
Form of Government	Board of County Commissioner
County Seat	Fairplay, Colorado
Incorporated Towns:	
<i>Alma</i>	
<i>Fairplay</i>	
Land (In Square Miles)	
<i>Federal Land</i>	1,125
<i>State Land</i>	131
<i>Other Government</i>	50
<i>Private Land</i>	860
Population (1)	17,104
Miles of County Maintained Roads: (3)	1,664
Motor Vehicle Registration: (2)	23,025
Total Voter Registration: (2)	11,521
Notes:	
(1) Source ESRI Business Solutions	
(2) Source Park County Clerk and Recorder	
(3) Source Park County Road and Bridge Department	