

GOVERNMENTAL ACTIVITIES

Governmental funds are used to account for most if not all of a government's tax-supported activities. The accounting and financial reporting are virtually identical for all five types of governmental funds: general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

MAJOR GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the County and accounts for all financial transactions that are not properly accounted for in other funds. Ordinary operations of the County such as public safety, county administration and other activities supported by taxes and general revenues are reflected in this fund.

Road and Bridge Fund – Accounts for all expenditures related to Mesa County road and bridge construction and maintenance. This fund is also utilized for allocation of monies to municipalities for use in their road and street activities.

Human Services – Accounts for the various public welfare programs administered by the County.

Capital Expenditures – The Capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds.

**MESA COUNTY
GENERAL FUND**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Under)</u>
REVENUES				
Taxes	\$ 32,196,578	\$ 32,196,578	\$ 30,755,058	(\$1,441,520)
Licenses and Permits	1,479,426	1,479,426	1,713,540	234,114
Intergovernmental	10,207,432	11,090,608	12,162,525	1,071,917
Charges for services	2,796,541	2,796,541	2,593,331	(203,210)
Fines and forfeitures	170,571	170,571	282,241	111,670
Fee accounts	3,583,095	3,583,095	3,997,644	414,549
Miscellaneous	345,484	387,865	1,890,019	1,502,154
Investment earnings	878,000	878,000	2,169,762	1,291,762
Charges for service - internal	310,431	310,431	337,890	27,459
Total revenues	<u>51,967,558</u>	<u>52,893,115</u>	<u>55,902,010</u>	<u>3,008,895</u>
EXPENDITURES				
Current:				
General government	13,309,139	13,207,154	12,665,183	(541,971)
General Government-Elected Officials:				
County Commissioners	229,754	229,754	229,609	(145)
Clerk and Recorder	2,118,020	2,119,474	2,068,196	(51,278)
Treasurer	577,373	578,398	562,891	(15,507)
Assessor	1,876,601	1,883,826	1,810,505	(73,321)
Public Trustee	4,000	23,070	20,942	(2,128)
District Attorney	2,841,547	2,893,043	2,888,113	(4,930)
Surveyor	10,963	17,230	16,593	(637)
Public Safety	8,697,869	7,240,355	6,604,986	(635,369)
Public Safety-Elected Officials:				
Sheriff	15,990,570	18,317,646	17,915,063	(402,583)
Coroner	282,523	282,523	276,933	(5,590)
Public works	1,262,817	1,388,475	1,223,642	(164,833)
Human services	2,622,637	2,812,387	2,182,138	(630,249)
Culture and recreation	1,074,504	1,079,429	1,054,330	(25,099)
Miscellaneous	1,000,000	1,024,000	284,928	(739,072)
Total current:	<u>51,898,317</u>	<u>53,096,764</u>	<u>49,804,052</u>	<u>(3,292,712)</u>
Total expenditures	<u>51,898,317</u>	<u>53,096,764</u>	<u>49,804,052</u>	<u>(3,292,712)</u>
Excess (deficiency) of revenues over expenditures	<u>69,241</u>	<u>(203,649)</u>	<u>6,097,958</u>	<u>6,301,607</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers In	35,000	35,000	2,189,836	2,154,836
Sale of assets	-	-	8,484	8,484
Transfers Out	(2,407,957)	(2,407,957)	(2,407,957)	-
Total other financing sources (uses) and special items	<u>(2,372,957)</u>	<u>(2,372,957)</u>	<u>(209,637)</u>	<u>2,163,320</u>
NET CHANGE IN FUND BALANCE	(2,303,716)	(2,576,606)	5,888,321	8,464,927
Fund balances -- beginning	10,298,226	9,384,922	9,384,922	-
Fund balances -- ending	<u>\$ 7,994,510</u>	<u>\$ 6,808,316</u>	<u>\$ 15,273,243</u>	<u>\$ 8,464,927</u>

The notes to the Required Supplementary Information are an integral part of this statement.

MESA COUNTY
DEPARTMENT OF HUMAN SERVICES
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,871,527	\$ 2,871,527	\$ 3,001,981	\$ 130,454
Intergovernmental	16,096,520	16,580,750	16,824,990	244,240
Total revenues	<u>18,968,047</u>	<u>19,452,277</u>	<u>19,826,971</u>	<u>374,694</u>
EXPENDITURES				
Current:				
Public health and welfare	19,583,356	19,937,025	19,658,874	(278,151)
Total current:	<u>19,583,356</u>	<u>19,937,025</u>	<u>19,658,874</u>	<u>(278,151)</u>
Total expenditures	<u>19,583,356</u>	<u>19,937,025</u>	<u>19,658,874</u>	<u>(278,151)</u>
Excess (deficiency) of revenues over expenditures	<u>(615,309)</u>	<u>(484,748)</u>	<u>168,097</u>	<u>652,845</u>
NET CHANGE IN FUND BALANCE	(615,309)	(484,748)	168,097	652,845
Fund balances -- beginning	<u>2,383,840</u>	<u>2,504,308</u>	<u>2,504,308</u>	<u>-</u>
Fund balances -- ending	<u>\$ 1,768,531</u>	<u>\$ 2,019,560</u>	<u>\$ 2,672,405</u>	<u>\$ 652,845</u>

The notes to the Required Supplementary Information are an integral part of this statement.

MESA COUNTY
ROAD & BRIDGE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 637,169	\$ 637,169	\$ 643,980	\$ 6,811
Licenses and Permits	69,100	69,100	107,350	38,250
Intergovernmental	10,838,537	6,652,118	7,326,254	674,136
Charges for services	64,500	64,500	70,224	5,724
Miscellaneous	270,595	20,595	2,812	(17,783)
Total revenues	<u>11,879,901</u>	<u>7,443,482</u>	<u>8,150,620</u>	<u>707,138</u>
EXPENDITURES				
Current:				
Public works	20,540,164	25,110,001	10,215,385	(14,894,616)
Total current:	<u>20,540,164</u>	<u>25,110,001</u>	<u>10,215,385</u>	<u>(14,894,616)</u>
Total expenditures	<u>20,540,164</u>	<u>25,110,001</u>	<u>10,215,385</u>	<u>(14,894,616)</u>
Excess (deficiency) of revenues over expenditures	<u>(8,660,263)</u>	<u>(17,666,519)</u>	<u>(2,064,765)</u>	<u>15,601,754</u>
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Transfers In	7,571,376	14,919,679	-	(14,919,679)
Total other financing sources (uses) and special items	<u>7,571,376</u>	<u>14,919,679</u>	<u>-</u>	<u>(14,919,679)</u>
NET CHANGE IN FUND BALANCE	(1,088,887)	(2,746,840)	(2,064,765)	682,075
Fund balances -- beginning	1,438,584	3,354,694	3,354,694	-
Fund balances -- ending	<u>\$ 349,697</u>	<u>\$ 607,854</u>	<u>\$ 1,289,929</u>	<u>\$ 682,075</u>

The notes to the Required Supplementary Information are an integral part of this statement.

Mesa County, Colorado
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2006

BUDGET INFORMATION

Annual budgets for all governmental and proprietary fund types are adopted on a basis consistent with procedures outlined in the Colorado Revised Statutes (CRS); Title 29; Article 1, Budget and Services; Part 1, Local Government Budget Law of Colorado. The budget must be balanced; expenditures cannot exceed total available revenues and fund balance. No spending agency may expend, or contract to expend, any moneys in excess of the amount appropriated in the appropriation resolution.

Mesa County adopts a legal budget for all funds except agency funds.

Mesa County had one fund with actual transfers in excess of budget appropriations for the year ended December 31, 2006. The Contingency Fund was closed; moving the reserves to be held in the General Fund. However, that residual equity transfer was not budgeted. No action will be taken given the nature for the transfer.

Budgets for the governmental funds types are adopted on a basis consistent with GAAP, with the following exceptions:

Non major Governmental Funds - Health Fund - Commodities with a value of \$411,487 were issued by the Health Board Fund during 2006. Commodities are not appropriations of the County and are not included as revenues and expenditures in the budget comparison statements.

Budgets for **Proprietary Funds** are adopted using the same modified accrual basis of governmental funds. Modifications to budgetary basis consist of adding capital expenditures and excluding depreciation, compensated absences, inventory and amortization expenses from GAAP basis expenses. The following reconciliation summarizes the adjustments necessary to convert expenses to the budgetary basis expenditures:

	Budgeted Amounts		Expenditures Reported on the Basis of GAAP	Adjustments to Budgetary Basis	Expenditures on Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final				
Enterprise Funds:						
Waste Management	\$5,397,200	\$5,436,354	\$4,537,052	\$(161,936)	\$4,375,116	\$(1,061,238)
Mack Sewer	195,696	206,917	23,538	51,893	75,431	(131,486)
Gateway Sewer	938,931	1,086,137	83,468	608,589	692,057	(394,080)
Internal Service Funds:						
Internal Services	913,869	1,090,247	1,117,630	(51,709)	1,065,303	(24,944)
Insurance	5,799,792	5,814,139	5,398,055	(817)	5,397,238	(416,901)
Vehicle Maintenance	3,142,810	3,162,669	2,805,224	(93,265)	2,711,959	(450,710)
Rural Comm. Services	1,333,696	1,343,696	68,125	(1,052)	67,073	(1,276,623)

Prior to August 15th of each year, the County's agencies and departments submit requests for appropriations to the Finance Department. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and appropriations for the next fiscal year. This process has been changed for the 2007 budget year to a Budgeting for Outcomes approach which is designed to move away from traditional methods of incremental budgeting to a process that looks at the whole budget from the perspective of strategic initiatives and priorities.

Prior to October 15th, the proposed budget is submitted by the County Administrator to the Board of County Commissioners for the fiscal year commencing the following January 1st. The proposed budget must be balanced. The means of financing expenditures must be equal to or greater than expenditures. Surplus fund balances are considered a financing source. Public hearings are conducted by the Commissioners to obtain taxpayer comments.

Prior to December 31st, the mill levy is certified, the budget is adopted and appropriations are made by formal resolutions.

The appropriated budget is prepared by fund, function and department. The legal level of budgetary control is at the fund level, with the exception of the General Fund. The General fund's legal level of budgetary control is further defined for elected officials.

Any increase to a fund's adopted budget, such as to expend unanticipated revenues or to transfer appropriations to another fund, requires that a supplemental budget be approved by the Commissioners at a public meeting, with prior published notice of the changes. Department heads and elected officials may make minor modifications or transfers of budget within a department. These changes are limited to transferring budgeted and appropriated dollars from one expenditure class to another or from one department to another within one fund. These changes are only permitted as long as the overall fund appropriations is not increased or decreased. These changes do not require a public hearing and are not presented to the Board of County Commissioners for approval.

Appropriations lapse at year-end for unencumbered funds.

The Mesa County 2006 budget and appropriation documents were adopted by resolution of the Board of County Commissioners on December 12, 2005. The original expenditures and transfers appropriation was \$147,420,369; the original appropriation was augmented during the year by supplemental appropriations in the amount of \$11,563,619, bringing the final budget to \$158,983,988. Supplemental appropriations were adopted to account for unanticipated revenues, inter-fund transfers and for the additional appropriation of beginning fund balances. Budgeted amounts included in this report include original and final legally amended budgets for all governmental funds.

Supplemental appropriation resolutions during 2006 resulted in revised budgets as follows:

<u>Fund Appropriations</u>	<u>Original</u>	<u>Final</u>
General	\$54,306,274	\$55,504,721
Human Services	19,583,356	19,937,025
Health	6,428,190	7,021,806
Commissary	183,248	222,000
Road & Bridge	20,540,164	25,110,001
Contingency	250	250
Septic System Elimination	15,000	15,000
Capital Expenditure	22,073,827	26,382,542
Translator TV	93,885	93,885
Developmental Disabilities	321,250	321,250
Conservation Trust	730,160	921,685
Fair Board	128,175	128,175
Clerk Technology	175,000	202,821

Development Impact	164,930	186,430
Transportation Impact	704,605	704,605
Economic Development	349,000	349,000
Sales Tax Bond	3,169,938	3,169,938
Jail Lease Purchase	1,865,750	1,865,750
Internal Service	913,869	1,090,246
Insurance	5,799,792	5,814,139
Vehicle Maintenance	3,142,810	3,162,669
Rural Community Services	1,333,696	1,343,696
Landfill	<u>5,397,200</u>	<u>5,436,354</u>
	<u>\$147,420,369</u>	<u>\$158,983,988</u>

The Upper Grand Valley Pest District, Mesa Community Club, Southwest Mesa County Rural Services PID, Mack and Gateway Sewer (the enterprise funds of the Mesa County Lower Valley PID, Southwest Mesa County Rural Services PID, respectively, and Mesa County WWPID) are special districts, therefore are not included in the County's adopted budget. Supplemental appropriation resolutions during 2006 resulted in revised budgets as follows:

<u>Fund Appropriations</u>	<u>Original</u>	<u>Final</u>
Upper Grand Valley Pest	\$22,938	\$22,938
Mesa Community Club	18,445	18,445
Southwest Mesa County Rural Services PID	1,251	1,251
Mesa County Lower Valley PID (Mack Sewer)	195,696	206,917
Southwest MCRS PID (Gateway Sewer)	938,931	1,086,137
Whitewater PID (Whitewater Sewer)	0	0