

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.

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	\$ 35,615,792	\$ 35,615,792	\$ 37,344,246	\$1,728,454
Licenses and Permits	177,820	227,820	180,796	(47,024)
Intergovernmental	11,896,043	12,146,466	11,292,821	(853,645)
Charges for services	2,390,271	2,390,271	2,388,242	(2,029)
Fines and forfeitures	271,000	296,000	395,487	99,487
Fee accounts	3,684,350	3,684,350	4,083,455	399,105
Miscellaneous	415,140	417,740	309,910	(107,830)
Investment earnings	1,300,000	1,300,000	2,686,778	1,386,778
Tabor refund	-	-	(413,514)	(413,514)
Charges for service - internal	367,420	367,420	338,515	(28,905)
Total revenues	56,117,836	56,445,859	58,606,736	2,160,877
EXPENDITURES				
Current:				
General government	14,441,410	14,432,763	13,533,801	(898,962)
General Government-Elected Officials:				
County Commissioners	285,319	285,428	256,711	(28,717)
Clerk and Recorder	2,067,385	2,072,160	1,956,624	(115,536)
Treasurer	613,635	620,850	594,850	(26,000)
Assessor	1,948,125	1,973,373	1,958,166	(15,207)
Public Trustee	15,000	15,030	3,079	(11,951)
District Attorney	3,131,309	3,197,451	3,137,554	(59,897)
Surveyor	29,408	34,294	31,325	(2,969)
Public Safety	6,529,472	6,297,131	6,011,151	(285,980)
Public Safety-Elected Officials:				
Sheriff	20,283,469	20,534,935	20,007,303	(527,632)
Coroner	386,416	393,916	392,850	(1,066)
Public works	1,421,090	1,496,762	1,361,076	(135,686)
Human services	2,802,438	3,567,323	2,849,274	(718,049)
Culture and recreation	1,633,202	1,771,202	1,735,855	(35,347)
Total current:	55,587,678	56,692,618	53,829,619	(2,862,999)
Total expenditures	55,587,678	56,692,618	53,829,619	(2,862,999)
Excess (deficiency) of revenues over expenditures	530,158	(246,759)	4,777,117	5,023,876
OTHER FINANCING SOURCES (USES) AND SPECIAL ITEMS				
Sale of assets	-	-	10,368	10,368
Transfers Out	(2,776,884)	(3,129,384)	(3,129,384)	-
Total other financing sources (uses) and special items	(2,776,884)	(3,129,384)	(3,119,016)	10,368
NET CHANGE IN FUND BALANCE	(2,246,726)	(3,376,143)	1,658,101	5,034,244
Fund balances -- beginning	15,856,902	15,273,243	15,273,243	-
Fund balances -- ending	\$ 13,610,176	\$ 11,897,100	\$ 16,931,344	\$ 5,034,244

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,098,870	\$ 3,098,870	\$ 3,222,725	\$ 123,855
Intergovernmental	17,805,622	17,821,043	17,128,576	(692,467)
Miscellaneous	-	-	501	501
Total revenues	<u>20,904,492</u>	<u>20,919,913</u>	<u>20,351,802</u>	<u>(568,111)</u>
EXPENDITURES				
Current:				
Public health and welfare	21,356,963	21,462,792	20,353,610	(1,109,182)
Total current:	<u>21,356,963</u>	<u>21,462,792</u>	<u>20,353,610</u>	<u>(1,109,182)</u>
Total expenditures	<u>21,356,963</u>	<u>21,462,792</u>	<u>20,353,610</u>	<u>(1,109,182)</u>
Excess (deficiency) of revenues over expenditures	<u>(452,471)</u>	<u>(542,879)</u>	<u>(1,808)</u>	<u>541,071</u>
NET CHANGE IN FUND BALANCE	(452,471)	(542,879)	(1,808)	541,071
Fund balances -- beginning	2,242,135	2,672,405	2,672,405	-
Fund balances -- ending	<u>\$ 1,789,664</u>	<u>\$ 2,129,526</u>	<u>\$ 2,670,597</u>	<u>\$ 541,071</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, 2007

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.

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 \$334,208 were issued by the Health Board Fund during 2007. 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 of expenses from GAAP basis expenses. The following reconciliation summarizes the adjustments necessary to convert expenses to the budgetary basis expenditures:

	<u>Budgeted Amounts</u>		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	\$3,355,437	\$3,371,203	\$3,243,442	\$(260,198)	\$2,983,244	\$(387,959)
Building	1,505,066	1,505,066	1,505,066	(80,710)	1,424,356	(80,710)
Gateway Sewer	182,171	498,753	127,051	276,684	403,735	(95,018)
Mack Sewer	83,205	83,205	26,040	9,012	35,052	(48,153)
Whitewater Sewer	1,300,000	1,300,000	4,354	23,569	27,923	(1,272,077)
Internal Service Funds:						
Internal Services	1,467,692	1,468,707	1,158,883	(3,819)	1,155,064	(313,643)
Insurance	6,399,985	6,399,985	5,564,868	(711)	5,564,157	(835,828)
Vehicle Maintenance	4,352,027	4,359,657	3,006,552	818,826	3,825,378	(534,279)
Rural Comm. Services	851,413	851,413	62,134	12	62,146	(789,267)

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 2007 budget and appropriation documents were adopted by resolution of the Board of County Commissioners on December 15, 2006. The original expenditures and transfers appropriation was \$153,830,129; the original appropriation was augmented during the year by supplemental appropriations in the amount of \$8,257,354, bringing the final budget to \$162,087,483. 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 2007 resulted in revised budgets as follows:

<u>Fund Appropriations</u>	<u>Original</u>	<u>Final</u>
General	\$58,364,562	\$59,822,002
Human Services	21,356,963	21,462,792
Health	7,406,535	8,725,665
Commissary	205,600	245,600
Economic Development	263,000	1,863,000
Road & Bridge	7,127,675	7,133,420
Septic System Elimination	13,000	13,000
Capital Expenditure	33,319,037	36,972,535
Translator TV	77,620	77,620
Developmental Disabilities	403,932	403,932
Conservation Trust	1,001,134	869,916
Fair Board	119,096	130,296
Clerk Technology	-0-	40,000
Development Impact	-0-	131,319
Transportation Impact	1,204,605	1,204,605
Sales Tax Bond	3,170,000	3,170,000
Jail Lease Purchase	1,865,750	1,865,750
Internal Service	1,467,692	1,468,707
Insurance	6,399,985	6,399,985
Vehicle Maintenance	4,352,027	4,359,657
Rural Community Services	851,413	851,413
Building Inspection	1,505,066	1,505,066
Landfill	<u>3,355,437</u>	<u>3,371,203</u>
	<u>\$153,830,129</u>	<u>\$162,087,483</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 2007 resulted in revised budgets as follows:

<u>Fund Appropriations</u>	<u>Original</u>	<u>Final</u>
Upper Grand Valley Pest	\$26,554	\$32,554
Mesa Community Club	18,455	18,455
Southwest Mesa County Rural Services PID	7,353	7,353
Mesa County Lower Valley PID (Mack Sewer)	83,205	83,205
Southwest MCRS PID (Gateway Sewer)	182,171	498,753
Whitewater PID (Whitewater Sewer)	1,300,000	1,300,000