

PARK COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2005

Prepared by the Finance Department
Kathy Boyce, Finance Director

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INTRODUCTORY SECTION



Park County Budget and Finance Department

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Kathy Boyce, Director

June 15, 2006

Park County Board of County Commissioners:

The Comprehensive Annual Financial Report of Park County for the fiscal year ended December 31, 2005, 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 16,000 people reside in Park County with many second homeowners.

Location of property in the County determines the jurisdictions to which tax revenues are dispersed. 2005 Mill levy for Park County was 18.385 bringing in an estimated \$5.8 million in revenue to the County.

In addition to property tax assessments, there is now 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. 2005 sales tax collection showed an 8% increase over the previous year.

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. In 2004 the County did retain too much revenue so a total of \$108,000 was refunded to taxpayers through a temporary reduction of mill levy for 2005 property taxes.

Major initiatives

Several major projects were either completed or undertaken in 2005. These included the following:

- Completion of 130 bed addition and remodel to Park County Jail
- Remodel of Fairgrounds community facility
- Additional work on County Road 102
- Gazebo and Fairplay Library lawn landscaping

2006 Budget Highlights

The 2006 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 2006 Budget include the following:

- New position for a part-time Development service coordinator
- Scanning system for seven departments
- Replacement of over 50 desktop computer systems
- Transport officer and part-time evidence tech for Sheriff's departments
- Restructured Sheriff's departments to include more Corporal positions

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 bonds at December 31, 2005, totaled \$3,285,000 for the Construction and addition to 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 2005 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 2005 was \$306,511 as compared to \$196,879 in 2004. The average return on investment for the year 2005 was 2.9% as compared to 2% in 2004.

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 \$75,000 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

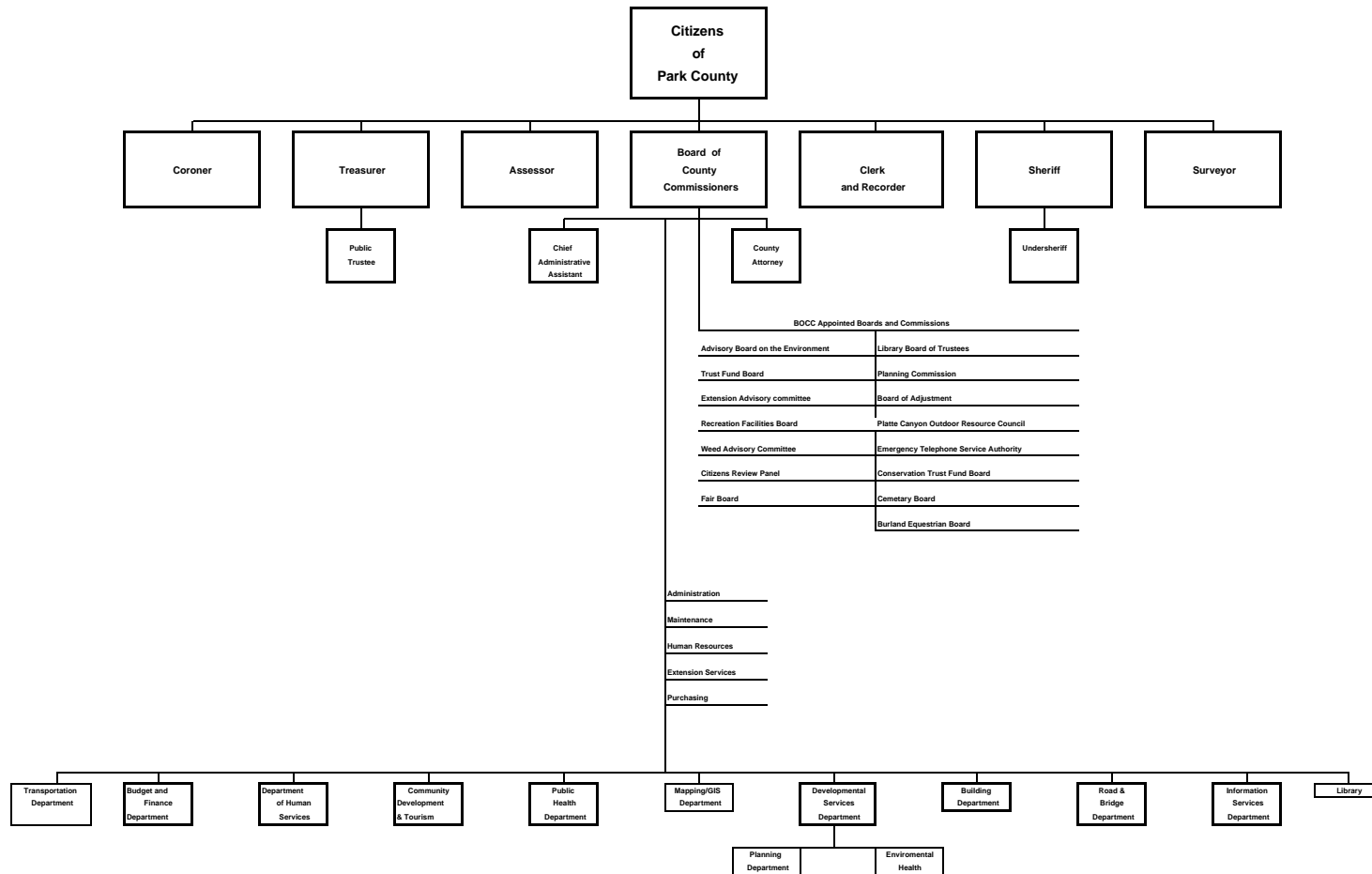
Independent Audit – State Law requires an annual audit of the County's financial statements by independent certified public accountants selected by the Board of Commissioners. This requirement has been complied with and the auditor's opinion has been included in this report.

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, 2005

ELECTED OFFICIALS:

BOARD OF COUNTY COMMISSIONERS

District I
District II
District III

Don O. Staples
Leni Walker
Jerry Solberg

ASSESSOR

David B. Wissel

CLERK - RECORDER

Debra Green

CORONER

Sharon R. Morris

DISTRICT ATTORNEY

Edward J. Rogers

SHERIFF

Fred Wegener

SURVEYOR

Jack L. Kirby

TREASURER

Michelle Miller

APPOINTED OFFICIALS:

CHIEF ADMINISTRATIVE ASSISTANT

Sandy Berryman

CHIEF BUILDING INSPECTOR

Louis McKay

COUNTY ATTORNEY

Robert C. Widner,
Gorsuch Kirgis, LLP

DIRECTOR, INFORMATION SERVICES

Patrick Tovaas

DIRECTOR, BUDGET AND FINANCE

Kathy Boyce

DIRECTOR, HUMAN SERVICES

Philip Madonna

DIRECTOR, LIBRARIES

Willanne P. Dye

DIRECTOR, PLANNING

Sam Eshak

DIRECTOR, PUBLIC HEALTH

Marti Wooten

DIRECTOR, ROAD AND BRIDGE

Richard R. Peters

DIRECTOR, TOURISM AND COMMUNITY DEVELOPMENT

Gary E. Nichols

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, 2005, 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, 2005, 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 14, 2006 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 Luttler & Associates, LLC

April 14, 2006

Park County, Colorado

Management's Discussion and Analysis

December 31, 2005

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, 2005.

FINANCIAL HIGHLIGHTS

- The assets of Park County exceeded its liabilities at the close of the most recent fiscal year by \$15,857,852 (net assets). Of this amount, \$9,154,916 (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 \$741,148. 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 \$9,549,988, an increase of \$1,192,858. Approximately \$8,058,743 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 \$2,713,979, or 26% of total General Fund expenditures.
- Park County's total debt decreased by \$829,650 during the current fiscal year. The key factor in this decrease was the final payment on capital leases of vehicles and telecommunication equipment.

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, Human Services Fund, and Capital Projects 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 2005, the fund balance was \$2,485,760; at the end of 2005, the fund balance increased by \$ 770,773, resulting in a fund balance of \$3,256,533. 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, under direction of the County Commissioners, 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, 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 2005, the County's special revenue funds had aggregate fund balances of \$5,553,070 and ended the year with fund balances totaling \$6,200,484; an increase of \$677,414.

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 \$373,118 at the end of 2005.

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 F13.
- 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 G2 through G7, together with a summary of all Federal-source expenditures for 2005 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 2005:

Park County's Net Assets at December 31, 2005

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Assets:		
Current and other assets	\$ 17,190,710	\$ 16,308,058
Capital assets, net of accumulated depreciation (<i>restated</i>)	<u>14,490,486</u>	<u>14,947,732</u>
Total Assets	<u>31,681,196</u>	<u>31,255,790</u>
Liabilities:		
Current liabilities	7,548,500	7,034,592
Long-term debt	<u>8,319,728</u>	<u>9,149,378</u>
Total Liabilities	<u>15,868,228</u>	<u>16,183,970</u>
Net Assets (<i>restated</i>):		
Invested in capital assets, net of related debt	6,170,758	5,798,354
Restricted for emergencies	532,178	492,659
Unrestricted	<u>9,110,032</u>	<u>8,780,807</u>
Total Net Assets	<u>\$ 15,812,968</u>	<u>\$ 15,071,820</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 46% of its total assets at the end of 2005.

At the end of the 2005 fiscal year, the County's net assets totaled \$15,812,968; an increase of \$741,148 over the prior year balance. This increase is partially attributable to equipment additions purchased in 2005 and overall expenses being less than anticipated. Restricted net assets totaling \$532,178, 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. \$6,170,758 or 39% 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). 58% of the County's net assets are unrestricted and available to fund future government operations.

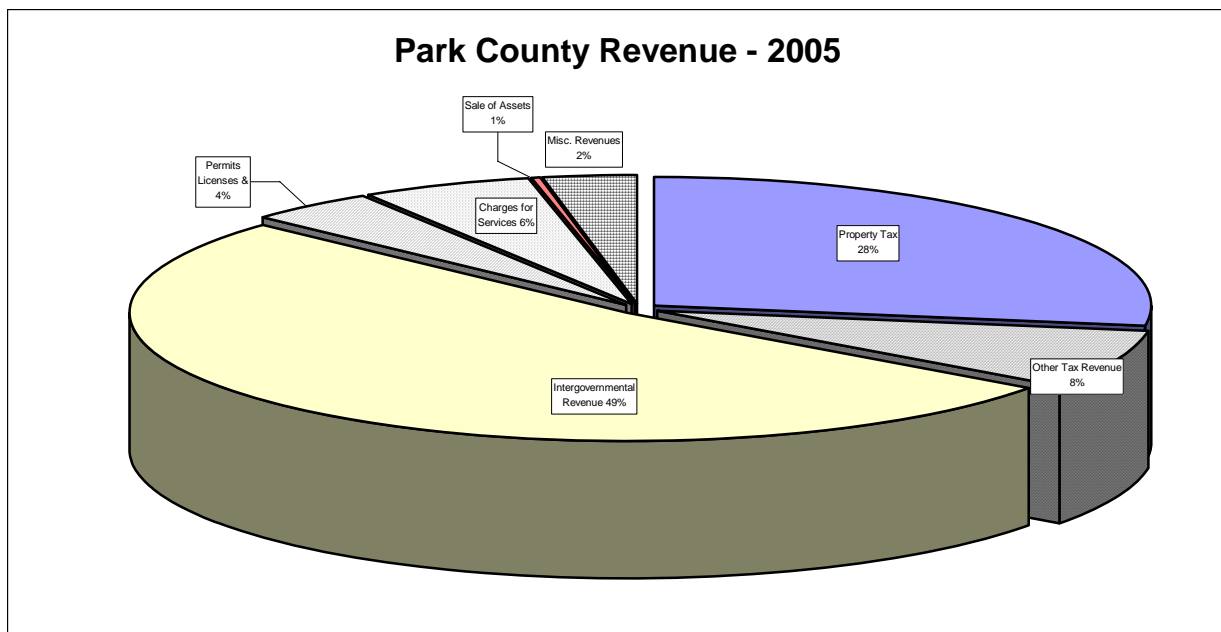
FINANCIAL ANALYSIS (continued)

Government-wide Financial Analysis (continued):

The following schedule summarizes the changes in the County's net assets during 2005:

	Governmental Activities	
	2005	2004
Revenues:		
Program revenues:		
Charges for services	\$ 4,517,448	\$ 3,748,304
Grants and contributions	8,584,683	7,333,284
General revenues:		
Property taxes	5,768,466	5,352,851
Other taxes, interest and other revenue	2,062,423	2,809,081
Total Revenues	20,933,020	19,243,520
Expenses:		
General government	5,051,259	4,648,405
Health and welfare	3,154,045	3,202,020
Public safety	5,837,046	4,908,770
Culture and recreation	765,044	720,525
Judicial	242,637	236,409
Public works	4,749,936	4,447,360
Interest on long-term debt	391,905	401,172
Total Expenses	20,191,872	18,564,661
Change in Net Assets	741,148	678,859
Net Assets - January 1 (restated)	15,071,820	14,392,961
Net Assets - December 31	\$ 15,812,968	\$ 15,071,820

The following graph illustrates the County's 2005 revenue sources:

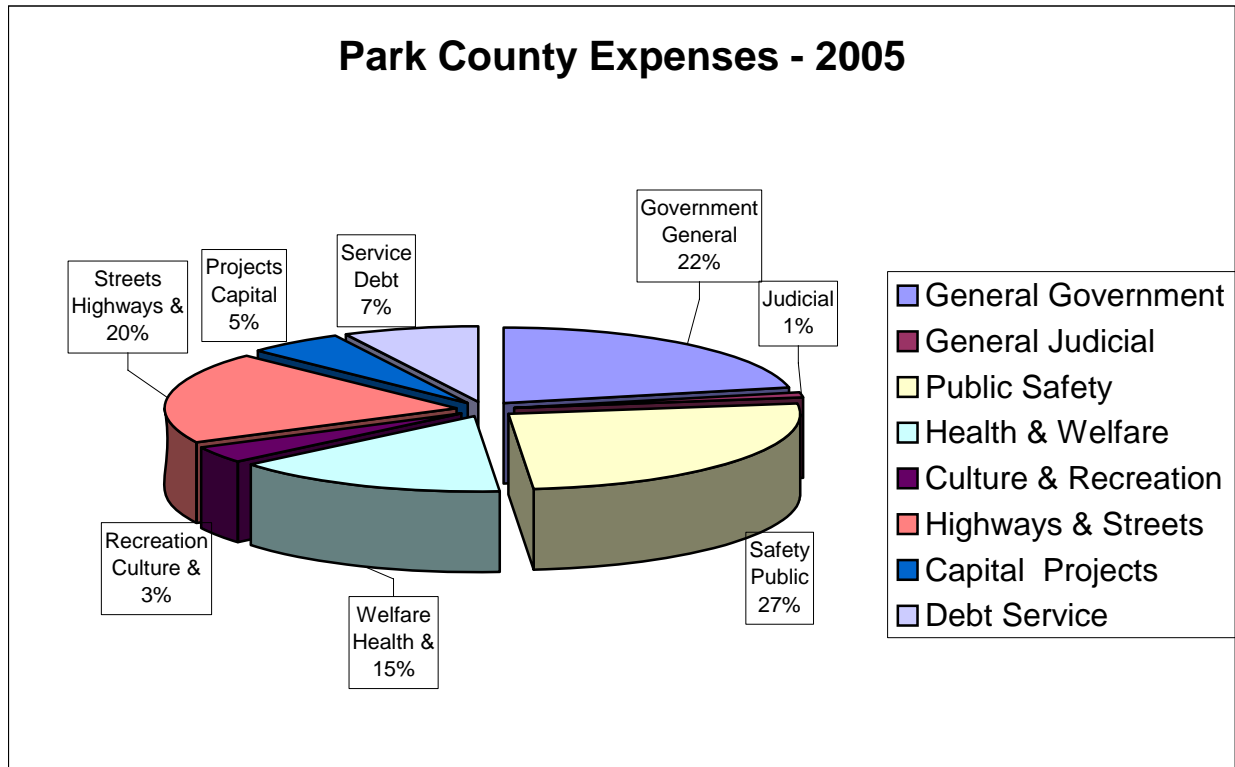


FINANCIAL ANALYSIS (continued)

Government-wide Financial Analysis (continued):

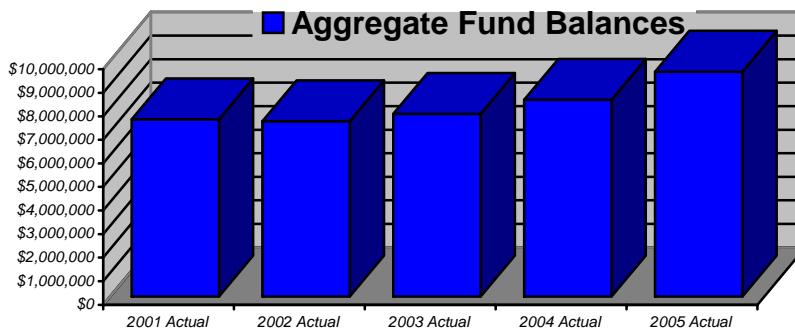
For 2005, the County increased funding to allow for the purchase of supplies, equipment, vehicles, and manpower to various departments of the governmental activities to enhance quality services.

The following graph depicts the County's 2005 expenses:



Fund Financial Analysis:

The graphic below shows the County's actual total fund balances for fiscal years 2001 through 2005.



As noted earlier, the County's fund balances have grown during the 2005 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 \$1,594,357 to cover general operating expenditures in excess of originally budgeted amount. These increases permitted higher transfers to the Capital Projects Fund to cover completion of Jail addition, purchase of capital assets, increase of staff for new Jail addition and mid-year salary increases.
- Grant Fund was increased by \$343,884 to cover a CDBG grant for the Crisis Center and Homeland security grants,
- The Road and Bridge Fund received a supplementary budget increase of \$574,287; primarily to provide for capital equipment purchases and a Gaming Impact Grant.
- In order to cover building construction, the budget for the Capital Projects Fund expenditures was increased by \$588,050 cover the cost of the completion of the Jail expansion and remodel.
- Total expenditures for the Sales Tax Trust Fund were increased by \$85,000 to reflect the cost of additional water quality monitoring.
- The Sheriff Seizure fund was increased by \$138,755 to cover training, police supplies and capital expenses for Federal Seizure funds.
- Risk Management Internal Service fund was increased by \$555,000 an increase in insurance claims.

Capital Assets and Debt Administration:

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$\$14,490,486. This is an decrease of \$457,246 from the prior year. The main reason for the decrease was the depreciation expense of \$1,751,256 which exceeded capital outlay of \$1,318,587. Investment in capital assets includes roads, buildings and improvements, equipment, and vehicles. Additional information on the County's capital assets can be found in Note 4 of the Notes to Financial Statements.

Long-Term Debt

As of the end of the current fiscal year, the County's long-term debt had decreased \$821,443 due to yearly payments.

In 2005 a new lease for Road & Bridge was taken out for a new wheel loader in the amount of \$210,780.

Additional information on the County's long-term debt can be found in Note 5 of the Notes to Financial Statements.

Next Year's Budget and Rates:

The County's General Fund balance at the end of fiscal year 2005 was \$ 3,256,533. 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 2005, the County's General Fund balance approximated 28% of actual 2005 General Fund expenditures.

Next Year's Budget and Rates: (continued)

At the end of the 2005 fiscal year, unreserved fund balances in the General Fund and Road and Bridge Fund were to \$2,713,979 and \$3,114,691, respectively. Park County has appropriated \$801,662 and \$592,833 respectively, from these funds for spending in the 2006 fiscal year budget. In 2006, the County anticipates the Human Services Fund will have expenditures totaling slightly more than \$3,697,309; \$ 211,861 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 FINANCIAL STATEMENTS

Park County, Colorado
Statement of Net Assets
December 31, 2005

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	\$ 9,251,385	\$ 44,884	\$ 9,296,269
Cash and investments - Restricted	232,287	-	232,287
Receivables, net:			
Taxes	6,032,481	-	6,032,481
Intergovernmental	15,266	-	15,266
Accounts	1,068,003	-	1,068,003
Other	10,376	-	10,376
Inventories, at cost	38,103	-	38,103
Prepaid expenses	26,519	-	26,519
Deferred bond issuance costs, net	193,495	-	193,495
Deferred bond refunding costs, net	322,795	-	322,795
Capital assets, net of accumulated depreciation	14,490,486	-	14,490,486
Total assets	31,681,196	44,884	31,726,080
Liabilities:			
Accounts/vouchers payable	684,999	-	684,999
Accrued interest and expenses	256,939	-	256,939
Unexpended grant revenue	65,641	-	65,641
Deferred property taxes	6,032,481	-	6,032,481
Compensated absences	508,440	-	508,440
Debt obligations:			
Due within one year	1,183,011	-	1,183,011
Due in more than one year	7,136,717	-	7,136,717
Total liabilities	15,868,228	-	15,868,228
Net Assets:			
Invested in capital assets, net of related debt	6,170,758	-	6,170,758
Restricted for emergencies	532,178	-	532,178
Unrestricted	9,110,032	44,884	9,154,916
Total Net Assets	\$ 15,812,968	\$ 44,884	\$ 15,857,852

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

Park County, Colorado
Statement of Activities
For the Year Ended December 31, 2005

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	\$ 5,051,259	\$ 961,622	\$ 1,092,227	\$ 9,220	\$ (2,988,190)	\$ -	\$ (2,988,190)
Health and welfare	3,154,045	214,029	2,390,805	-	(549,211)	-	(549,211)
Public safety	5,837,046	2,593,929	456,968	-	(2,786,149)	-	(2,786,149)
Culture and recreation	765,044	-	9,000	121,560	(634,484)	-	(634,484)
Public works	4,749,936	747,868	4,481,625	-	479,557	-	479,557
Judicial - District Attorney	242,637	-	23,278	-	(219,359)	-	(219,359)
Interest on long-term debt	391,905	-	-	-	(391,905)	-	(391,905)
Total Governmental activities	20,191,872	4,517,448	8,453,903	130,780	(7,089,741)	-	(7,089,741)
Business-type activities:							
Recreation	-	22,078	-	-	-	22,078	22,078
Total Primary Government	\$ 20,191,872	\$ 4,539,526	\$ 8,453,903	\$ 130,780	(7,089,741)	22,078	(7,067,663)
General revenues:							
Taxes:							
Property taxes					5,768,466	-	5,768,466
Specific ownership taxes					914,383	-	914,383
Sales taxes					520,243	-	520,243
Other taxes					109,475	-	109,475
Investment earnings					332,116	-	332,116
Miscellaneous					209,012	-	209,012
Transfers					(22,806)	22,806	-
Total general revenues and transfers					7,830,889	22,806	7,853,695
Change in Net Assets					741,148	44,884	786,032
Net Assets - January 1					15,071,820	-	15,071,820
Net Assets - December 31					\$ 15,812,968	\$ 44,884	\$ 15,857,852

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

**Park County, Colorado
Balance Sheets
Governmental Funds
For the Year Ended December 31, 2005**

	<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	\$ 3,114,614	\$ 2,890,254	\$ 1,255,979	\$ 92,971	\$ 1,557,445	\$ 8,911,263
Cash and investments - Restricted	-	-	-	-	232,287	232,287
Accounts receivable	313,331	270,000	397,340	-	87,332	1,068,003
Due from other governments	-	-	15,266	-	-	15,266
Interest receivable	10,376	-	-	-	-	10,376
Prepaid expenses	21,298	-	-	-	5,221	26,519
Inventory	-	38,103	-	-	-	38,103
Property taxes receivable	5,359,693	162,190	360,422	-	150,176	6,032,481
Total assets	<u>\$ 8,819,312</u>	<u>\$ 3,360,547</u>	<u>\$ 2,029,007</u>	<u>\$ 92,971</u>	<u>\$ 2,032,461</u>	<u>\$ 16,334,298</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts/vouchers payable	\$ 203,086	\$ 45,563	\$ 416,432	\$ -	\$ 19,918	\$ 684,999
Accrued expenses	-	-	-	-	1,189	1,189
Deferred revenue	-	-	-	-	65,641	65,641
Deferred property taxes not collectible until subsequent year	5,359,693	162,190	360,422	-	150,176	6,032,481
Total liabilities	<u>5,562,779</u>	<u>207,753</u>	<u>776,854</u>	<u>-</u>	<u>236,924</u>	<u>6,784,310</u>
Fund balances:						
Reserved for:						
Emergencies	532,178	-	-	-	-	532,178
Capital projects	-	-	-	92,971	-	92,971
Debt service	-	-	-	-	817,617	817,617
Inventory and Prepaid expenses	21,298	38,103	-	-	5,221	64,622
Unreserved, reported in:						
General Fund	2,703,057	-	-	-	-	2,703,057
Special revenue funds	-	3,114,691	1,252,153	-	972,699	5,339,543
Total fund balances	<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>
Total liabilities and fund balances	<u>\$ 8,819,312</u>	<u>\$ 3,360,547</u>	<u>\$ 2,029,007</u>	<u>\$ 92,971</u>	<u>\$ 2,032,461</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. 14,490,486

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. 98,748

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These include bonds payable (\$3,285,000), Certificates of Participation (\$2,230,000) Capital Leases (\$2,804,728), Compensated Absences (\$508,440), Bond Issue Costs \$193,495, Deferred Debt Refunding Costs \$322,795, and Accrued Interest (\$14,376). (8,326,254)

Net assets of governmental activities \$ 15,812,968

Park County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	<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	\$ 5,949,895	\$ 143,720	\$ 433,682	\$ -	\$ 785,270	\$ 7,312,567
Licenses and permits	714,352	135,267	-	-	-	849,619
Intergovernmental revenue	3,698,928	4,477,761	2,263,371	-	507,821	10,947,881
Fines and forfeitures	167,130	-	-	-	-	167,130
Charges for services	1,137,501	-	-	-	-	1,137,501
Disposal of assets	1,000	69,910	-	-	-	70,910
Interest	281,427	-	-	-	43,415	324,842
Miscellaneous	59,955	2,650	802	-	74,695	138,102
Total revenues	<u>12,010,188</u>	<u>4,829,308</u>	<u>2,697,855</u>	<u>-</u>	<u>1,411,201</u>	<u>20,948,552</u>
Expenditures:						
General government	4,249,708	-	-	-	204,149	4,453,857
Health and welfare	401,659	-	2,461,772	-	270,428	3,133,859
Public safety	4,966,259	-	-	-	369,670	5,335,929
Culture and recreation	252,948	-	-	-	490,538	743,486
Public works	10,000	4,036,238	-	-	-	4,046,238
Judicial - District Attorney	242,637	-	-	-	-	242,637
Capital outlay	336,905	477,567	-	213,668	75,520	1,103,660
Debt service:						
Principal	58,646	618,191	-	86,455	277,138	1,040,430
Interest	3,335	140,962	-	20,075	176,811	341,183
Miscellaneous	-	-	-	662	1,950	2,612
Total expenditures	<u>10,522,097</u>	<u>5,272,958</u>	<u>2,461,772</u>	<u>320,860</u>	<u>1,866,204</u>	<u>20,443,891</u>
Excess (deficiency) of revenues over expenditures	<u>1,488,091</u>	<u>(443,650)</u>	<u>236,083</u>	<u>(320,860)</u>	<u>(455,003)</u>	<u>504,661</u>
Other financing sources (uses):						
Proceeds from debt issuance	-	210,780	-	-	-	210,780
Transfers in from other funds	-	-	-	326,531	859,299	1,185,830
Transfers (out) to other funds	(977,636)	-	-	(231,000)	-	(1,208,636)
Total other financing sources (uses)	<u>(977,636)</u>	<u>210,780</u>	<u>-</u>	<u>95,531</u>	<u>859,299</u>	<u>187,974</u>
Net change in fund balances	510,455	(232,870)	236,083	(225,329)	404,296	692,635
Fund balances - January 1	2,485,760	3,182,215	987,985	318,300	1,382,870	8,357,130
Prior Period Adjustment	260,318	203,449	28,085	-	8,371	500,223
Fund balances - December 31	<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>

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, 2005

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 692,635
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 \$1,751,256 exceeded capital outlay \$1,318,587, in the current period.	(432,669)
The net effect of various transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets.	(24,577)
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 \$210,000, Certificates of Participation \$40,000, Capital Leases \$790,430 and change in Accrued Compensated Absences of (\$8,217).	1,032,213
Capital lease proceeds provides current financial resources to governmental funds, but issuing increases long-term liabilities in the statement of net assets.	(210,780)
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 (\$907).	(50,722)
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>(264,952)</u>
Change in Net Assets of Governmental Activities	<u>\$ 741,148</u>

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

**Park County, Colorado
Statement of Net Assets
Proprietary Funds
For the Year Ended December 31, 2005**

	Busniess-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 44,884	\$ 340,122
Total assets	<u>44,884</u>	<u>340,122</u>
Liabilities:		
Accounts payable and accrued liabilities	<u>-</u>	<u>241,374</u>
Total liabilities	<u>-</u>	<u>241,374</u>
Net assets:		
Unrestricted	<u>44,884</u>	<u>98,748</u>
Total Net Assets	<u><u>\$ 44,884</u></u>	<u><u>\$ 98,748</u></u>

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, 2005

	Busniess-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Revenues:		
Contributions	\$ 22,078	\$ 1,501,992
Total revenues	22,078	1,501,992
Expenses:		
Claims and related insurance expenses	-	1,774,218
Total expenses	-	1,774,218
 Operating income (loss)	 22,078	 (272,226)
Non-operating revenues:		
Interest	-	7,274
Total non-operating revenues	-	7,274
Income before transfers	22,078	(264,952)
Transfers in from other funds	22,806	-
Change in net assets	44,884	(264,952)
Net assets - January 1	-	363,700
Net assets - December 31	\$ 44,884	\$ 98,748

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, 2005**

	Busniess-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from customers	\$ 22,078	\$ 1,501,992
Cash paid for goods and services	-	(1,670,930)
Net cash provided by operating activities	22,078	(168,938)
Cash flows from noncapital financing activities		
Transfers in from other funds	22,806	-
Cash flows from investing activities:		
Interest received	-	7,274
Net cash provided by investing activities	-	7,274
Net increase in cash and cash equivalents	44,884	(161,664)
Cash and cash equivalents - January 1	-	501,786
Cash and cash equivalents - December 31	\$ 44,884	\$ 340,122
 Reconciliation of operating income (loss) to Net cash provided by operating activities:		
Operating income (loss)	\$ 22,078	\$ (272,226)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Increase (decrease) in accounts payable and accrued liabilities	-	103,288
Total adjustments	-	103,288
Net cash provided by operating activities	\$ 22,078	\$ (168,938)

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

Park County, Colorado
Agency Fund
Treasurer and Public Trustee
Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2005

	<u>Balance January 1 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31 2005</u>
Assets				
Cash and Investments - County Treasurer	\$ 9,412,176			\$ 9,563,297
Cash and Investments - Public Trustee	498,682			103,241
	<u>9,910,858</u>	<u>88,502,792</u>	<u>88,747,112</u>	<u>9,666,538</u>
Less: Held for County Funds	<u>(9,081,722)</u>			<u>(9,293,420)</u>
Total Assets	<u>\$ 829,136</u>			<u>\$ 373,118</u>
Liabilities:				
Due to other governmental agencies	\$ 330,454			\$ 269,877
Held by Public Trustee	498,682			103,241
	<u>829,136</u>			<u>373,118</u>
Total liabilities	<u>\$ 829,136</u>	<u>\$ 13,568,481</u>	<u>\$ 14,024,499</u>	<u>\$ 373,118</u>

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

PARK COUNTY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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, 2005

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, 2005

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, 2005

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
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, 2005

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, 2005

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 2004, the County Assessor sent to the County a certified assessed valuation of all property in the County.
- \$ On or before October 2004, 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, 2004, 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, except the Recreation Fund as no expenditure were expected in the fund for 2005. 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, 2005 follows:

Petty Cash	\$ 3,200
Cash Deposits	4,479,587
Investments	<u>5,418,887</u>
Total	<u>\$ 9,901,674</u>

PARK COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2005

NOTE 3: CASH AND INVESTMENTS (Continued)

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

Governmental activities - unrestricted	\$ 9,251,385
Governmental activities – restricted	232,287
Business-type activities	44,884
Agency Fund	<u>373,118</u>
Total	<u>\$ 9,901,674</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, 2005, 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, 2005, the County had deposits with financial institutions with a carrying amount of \$4,479,587. The bank balances with the financial institutions were \$4,676,614. Of these balances, \$991,000 was covered by federal depository insurance and \$3,685,614 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2005, 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	\$ 232,287	\$ 232,287	\$ -
Government Agencies	2,250,000	200,000	2,050,000
CSAFE	2,017,154	2,017,154	-
Colotrust	<u>919,446</u>	<u>919,446</u>	<u>-</u>
Totals	<u>\$ 5,418,887</u>	<u>\$ 3,368,887</u>	<u>\$ 2,050,000</u>

PARK COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

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 \$2,936,600 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 \$232,287 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, 2005

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2005 is summarized below:

	<u>Balances</u> <u>12/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/05</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	12,487,552	382,387	-	12,869,939
Equipment	1,660,001	620,075	165,797	2,114,279
Vehicles	<u>11,817,094</u>	<u>316,125</u>	<u>40,534</u>	<u>12,092,685</u>
Total Capital Assets, depreciated	<u>26,711,128</u>	<u>1,318,587</u>	<u>206,331</u>	<u>27,823,384</u>
Less Accumulated Depreciation				
Roads	23,637	48,941	-	72,578
Buildings and Improvements	5,065,742	818,719	-	5,884,461
Equipment	850,229	108,834	161,652	797,411
Vehicles	<u>7,781,214</u>	<u>774,762</u>	<u>20,102</u>	<u>8,535,874</u>
Total Accumulated Depreciation	<u>13,720,822</u>	<u>1,751,256</u>	<u>181,754</u>	<u>15,290,324</u>
Total Capital Assets, depreciated, net	<u>12,990,306</u>	<u>(432,669)</u>	<u>24,577</u>	<u>12,533,060</u>
Governmental Activities, Capital Assets, Net	<u>\$ 14,947,732</u>	<u>\$ (432,669)</u>	<u>\$ 24,577</u>	<u>\$ 14,490,486</u>

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

Governmental Activities	
General Government	\$ 297,987
Culture an Recreation	21,558
Health and Welfare	20,186
Public Works	910,408
Public Safety	<u>501,117</u>
Total	<u>\$ 1,751,256</u>

PARK COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2005

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, 2005.

	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/05</u>	<u>Due In</u> <u>One Year</u>
Capital Improvement					
Bonds	\$ 3,495,000	\$ -	\$ 210,000	\$ 3,285,000	\$ 290,000
Certificate of Participation	2,270,000	-	40,000	2,230,000	180,000
Capital Leases	3,384,378	210,780	790,430	2,804,728	713,011
Compensated Absences	<u>500,233</u>	<u>8,207</u>	<u>-</u>	<u>508,440</u>	<u>-</u>
Total	<u>\$ 9,649,611</u>	<u>\$ 218,987</u>	<u>\$ 1,040,430</u>	<u>\$ 8,828,168</u>	<u>\$ 1,183,011</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, 2005

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements for the outstanding bonds and certificates at December 31, 2005 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 470,000	\$ 172,868	\$ 642,868
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
2011-2015	<u>3,190,000</u>	<u>380,849</u>	<u>3,570,849</u>
Total Debt Service Requirements	<u>\$5,515,000</u>	<u>\$1,110,923</u>	<u>\$6,625,923</u>

Debt service requirements for the capital leases are as follows:

<u>Year Ended December 31,</u>	
2006	\$ 843,784
2007	843,785
2008	705,092
2009	537,717
2010	84,631
2011-2015	<u>139,544</u>
Total Payments	3,154,553
Less: Amounts representing interest	<u>(349,825)</u>
Total	<u>\$ 2,804,728</u>

Defeased Bonds

On December 31, 2005, the balance of defeased bonds outstanding was as follows:

1996 Jail Facility Capital Improvement Bonds	<u>\$3,125,000</u>
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PARK COUNTY, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2005

NOTE 6: INTERFUND TRANSFERS

Interfund transfers at December 31, 2005, were comprised of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Capital Projects	General	\$ 326,531
Debt Service	General	433,695
Library	General	194,604
Recreation	General	22,806
Debt Service	Capital Projects	<u>231,000</u>
Total		<u>\$ 1,208,636</u>

Transfers are made from the General Fund to fund capital projects, assist in making debt service payments, fund library operations, and fund the fishing program. The transfers was made from the Capital Projects Fund to the Debt Service Fund to transfer trustee cash to the fund making the debt service payments.

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, 2005

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 \$75,000 and becomes fully insured at any time claims exceed 110% of the retained premiums of the plan.

Changes in the claims liability amounts in 2005:

	<u>2005</u>	<u>2004</u>
Balance January 1,	\$ 138,086	\$ 78,009
Claims and Changes in Estimates	1,847,506	1,601,181
Claims Paid	<u>1,744,218</u>	<u>1,541,104</u>
Balance December 31,	<u>\$ 241,374</u>	<u>\$ 138,086</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, 2005, employer and employee contributions were \$204,149, 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, 2005

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, 2005, 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, 2005, the emergency reserve of \$532,178 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.

NOTE 10: PRIOR PERIOD ADJUSTMENT

The Beginning Fund Balance for the General Fund, Road and Bridge Fund, Human Services Fund, and Library Fund were increased by \$260,318, \$203,449, \$28,085, and \$8,371 respectively. This adjustment was made to remove the accrued compensated absence liability from these funds as they are not expected to be satisfied with current financial resources. The total liability will be reported in the Government-Wide statement of net assets.

REQUIRED SUPPLEMENTARY INFORMATION

Park County, Colorado
General Fund
Budgetary Comparison Statement
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)

	<u>2005</u>			<u>Final Budget</u>	<u>2004</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	\$ 5,104,950	\$ 5,104,950	\$ 5,127,176	\$ 22,226	\$ 4,755,640
Specific ownership tax	800,000	800,000	812,399	12,399	861,697
Other tax	9,000	9,000	10,320	1,320	10,585
Licenses and permits	586,309	586,309	714,352	128,043	747,239
Intergovernmental	2,804,262	3,964,244	3,698,928	(265,316)	1,842,868
Fines and forfeitures	149,000	167,000	167,130	130	203,782
Charges for services	924,300	924,300	1,137,501	213,201	1,090,408
Disposal of assets	-	-	1,000	1,000	54,542
Interest	178,500	178,500	281,427	102,927	199,744
Other	25,360	25,360	59,955	34,595	138,125
Total revenues	<u>10,581,681</u>	<u>11,759,663</u>	<u>12,010,188</u>	<u>250,525</u>	<u>9,904,630</u>
Expenditures:					
General government	4,648,921	4,804,784	4,249,708	555,076	4,123,942
Health and welfare	461,955	499,730	401,659	98,071	412,646
Public safety	4,272,478	5,118,513	4,966,259	152,254	4,048,242
Culture and recreation	280,028	299,702	252,948	46,754	230,869
Judicial - District Attorney	242,625	242,625	242,637	(12)	236,409
Highways & Streets	10,000	10,000	10,000	-	-
Capital outlay	86,500	378,704	336,905	41,799	308,754
Debt service:					
Principal	57,135	57,135	58,646	(1,511)	119,750
Interest	2,844	2,844	3,335	(491)	9,430
Total expenditures	<u>10,062,486</u>	<u>11,414,037</u>	<u>10,522,097</u>	<u>891,940</u>	<u>9,490,042</u>
Excess of revenues over expenditures	<u>519,195</u>	<u>345,626</u>	<u>1,488,091</u>	<u>1,142,465</u>	<u>414,588</u>
Other financing (uses):					
Transfers (out)	(734,830)	(977,636)	(977,636)	-	(776,048)
Total other financing (uses)	<u>(734,830)</u>	<u>(977,636)</u>	<u>(977,636)</u>	<u>-</u>	<u>(776,048)</u>
Net change in fund balances	(215,635)	(632,010)	510,455	1,142,465	(361,460)
Fund balances - January 1	2,485,760	2,485,760	2,485,760	-	2,847,220
Prior Period Adjustment	-	-	260,318	260,318	-
Fund balances - December 31	<u>\$ 2,270,125</u>	<u>\$ 1,853,750</u>	<u>\$ 3,256,533</u>	<u>\$ 1,402,783</u>	<u>\$ 2,485,760</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Road and Bridge Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)**

	2005			Final Budget Variance Positive (Negative)	2004
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Property tax	\$ 124,585	\$ 124,585	\$ 123,986	\$ (599)	\$ 115,557
Specific ownership tax	19,000	19,000	19,734	734	21,172
Licenses and permits	118,000	118,000	135,267	17,267	124,528
Intergovernmental	4,296,545	4,796,545	4,477,761	(318,784)	5,081,317
Disposal of assets	-	-	69,910	69,910	49,542
Miscellaneous revenues	2,600	2,600	2,650	50	7,391
Total revenues	<u>4,560,730</u>	<u>5,060,730</u>	<u>4,829,308</u>	<u>(231,422)</u>	<u>5,399,507</u>
Expenditures:					
Public works	4,132,852	4,507,852	4,036,238	471,614	3,502,774
Capital outlay	-	199,287	477,567	(278,280)	683,797
Debt service:					
Principal	618,192	618,192	618,191	1	589,394
Interest	140,962	140,962	140,962	-	164,408
Total expenditures	<u>4,892,006</u>	<u>5,466,293</u>	<u>5,272,958</u>	<u>193,335</u>	<u>4,940,373</u>
Excess (deficiency) of revenues over expenditures	<u>(331,276)</u>	<u>(405,563)</u>	<u>(443,650)</u>	<u>(38,087)</u>	<u>459,134</u>
Other financing sources:					
Proceeds from capital leases	-	-	210,780	210,780	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>210,780</u>	<u>210,780</u>	<u>-</u>
Net change in fund balances	(331,276)	(405,563)	(232,870)	172,693	459,134
Fund balances - January 1	3,182,215	3,182,215	3,182,215	-	2,723,081
Prior Period Adjustment	-	-	203,449	203,449	-
Fund balances - December 31	<u>\$ 2,850,939</u>	<u>\$ 2,776,652</u>	<u>\$ 3,152,794</u>	<u>\$ 376,142</u>	<u>\$ 3,182,215</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Human Services Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)**

	2005		Variance Positive (Negative)	2004
	Original and Final Budget	Actual		Actual
Revenues:				
Property tax	\$ 375,941	\$ 374,165	\$ (1,776)	\$ 348,521
Specific ownership tax	55,000	59,517	4,517	63,840
Intergovernmental	2,553,056	2,263,371	(289,685)	2,167,936
Miscellaneous	500	802	302	1,636
Total revenues	<u>2,984,497</u>	<u>2,697,855</u>	<u>(286,642)</u>	<u>2,581,933</u>
Expenditures:				
Health and welfare	3,081,124	2,461,772	619,352	2,368,627
Total expenditures	<u>3,081,124</u>	<u>2,461,772</u>	<u>619,352</u>	<u>2,368,627</u>
Excess (deficiency) of revenues over expenditures	(96,627)	236,083	332,710	213,306
Fund balances - January 1	987,985	987,985	-	774,679
Prior Period Adjustment	-	28,085	28,085	-
Fund balances - December 31	<u>\$ 891,358</u>	<u>\$ 1,252,153</u>	<u>\$ 360,795</u>	<u>\$ 987,985</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, 2005

	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	2005	2004
	Assets:										
Cash and investments - Unrestricted	\$ 34,332	\$ 78,252	\$ 143,819	\$ 444,836	\$ 15,819	\$ 20,682	\$ 161,780	\$ 72,595	\$ 585,330	\$ 1,557,445	\$ 861,557
Cash and investments - Restricted	-	-	-	-	-	-	-	-	232,287	232,287	554,026
Accounts receivable	-	3,676	-	83,440	-	50	166	-	-	87,332	131,597
Prepaid Expenses	-	-	-	-	-	-	5,221	-	-	5,221	-
Property taxes receivable	-	-	150,176	-	-	-	-	-	-	150,176	143,762
Total assets	\$ 34,332	\$ 81,928	\$ 293,995	\$ 528,276	\$ 15,819	\$ 20,732	\$ 167,167	\$ 72,595	\$ 817,617	\$ 2,032,461	\$ 1,690,942
Liabilities:											
Accounts payable	\$ -	\$ 15,098	\$ -	\$ 24	\$ 2,682	\$ 164	\$ -	\$ 1,950	\$ -	\$ 19,918	\$ 24,717
Accrued expenses	-	1,189	-	-	-	-	-	-	-	1,189	9,945
Deferred revenue	-	65,641	-	-	-	-	-	-	-	65,641	129,648
Deferred property taxes not collectible until subsequent year	-	-	150,176	-	-	-	-	-	-	150,176	143,762
Total liabilities	-	81,928	150,176	24	2,682	164	-	1,950	-	236,924	308,072
Fund balances:											
Reserved for debt service	-	-	-	-	-	-	-	-	817,617	817,617	555,313
Reserved for prepaid expenses	-	-	-	-	-	-	5,221	-	-	5,221	29,144
Unreserved	34,332	-	143,819	528,252	13,137	20,568	161,946	70,645	-	972,699	798,413
Total fund balances	34,332	-	143,819	528,252	13,137	20,568	167,167	70,645	817,617	1,795,537	1,382,870
Total liabilities and fund balances	\$ 34,332	\$ 81,928	\$ 293,995	\$ 528,276	\$ 15,819	\$ 20,732	\$ 167,167	\$ 72,595	\$ 817,617	\$ 2,032,461	\$ 1,690,942

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, 2005

	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	2005	2004
Revenues:											
Property tax	\$ -	\$ -	\$ 143,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,138	\$ 133,133
Specific ownership tax	-	-	22,733	-	-	-	-	-	-	22,733	19,884
Sales tax	-	-	-	520,243	-	-	-	-	-	520,243	478,836
Other tax	-	-	-	-	-	-	99,156	-	-	99,156	102,280
Intergovernmental	121,560	379,724	-	-	-	6,537	-	-	-	507,821	602,507
Interest	2,120	-	-	15,047	-	-	-	-	26,248	43,415	10,875
Miscellaneous	-	-	11,428	-	8,573	939	-	53,755	-	74,695	61,473
Total revenues	<u>123,680</u>	<u>379,724</u>	<u>177,299</u>	<u>535,290</u>	<u>8,573</u>	<u>7,476</u>	<u>99,156</u>	<u>53,755</u>	<u>26,248</u>	<u>1,411,201</u>	<u>1,408,988</u>
Expenditures:											
General government	-	-	204,149	-	-	-	-	-	-	204,149	195,604
Health and welfare	-	62,313	-	208,115	-	-	-	-	-	270,428	637,141
Public safety	-	197,058	-	-	-	159,781	12,831	-	-	369,670	128,989
Culture and recreation	148,396	120,353	-	-	200,304	-	-	21,485	-	490,538	468,009
Capital outlay	-	-	-	-	-	-	75,520	-	-	75,520	13,948
Debt issuance costs	-	-	-	-	-	-	-	-	-	-	109,798
Debt service:											
Principal	-	-	-	27,138	-	-	-	-	250,000	277,138	296,962
Interest	-	-	-	122	-	-	-	-	176,689	176,811	151,856
Miscellaneous	-	-	-	-	-	-	-	-	1,950	1,950	2,449
Total expenditures	<u>148,396</u>	<u>379,724</u>	<u>204,149</u>	<u>235,375</u>	<u>200,304</u>	<u>159,781</u>	<u>88,351</u>	<u>21,485</u>	<u>428,639</u>	<u>1,866,204</u>	<u>2,004,756</u>
Excess (deficiency) of revenues over expenditures	<u>(24,716)</u>	<u>-</u>	<u>(26,850)</u>	<u>299,915</u>	<u>(191,731)</u>	<u>(152,305)</u>	<u>10,805</u>	<u>32,270</u>	<u>(402,391)</u>	<u>(455,003)</u>	<u>(595,768)</u>
Other financing sources (uses):											
Proceeds from debt issuance	-	-	-	-	-	-	-	-	-	-	3,145,000
Payment to bond refunding agent	-	-	-	-	-	-	-	-	-	-	(3,104,449)
Operating transfers in from other funds	-	-	-	-	194,604	-	-	-	664,695	859,299	602,107
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>664,695</u>	<u>859,299</u>	<u>642,658</u>
Net change in fund balances	<u>(24,716)</u>	<u>-</u>	<u>(26,850)</u>	<u>299,915</u>	<u>2,873</u>	<u>(152,305)</u>	<u>10,805</u>	<u>32,270</u>	<u>262,304</u>	<u>404,296</u>	<u>46,890</u>
Fund balances - January 1	59,048	-	170,669	228,337	1,893	172,873	156,362	38,375	555,313	1,382,870	1,335,980
Prior Period Adjustment	-	-	-	-	8,371	-	-	-	-	8,371	-
Fund balances - December 31	<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>

See the accompanying independent auditors' report.

**Park County, Colorado
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)**

	<u>2005</u>			<u>Variance Positive (Negative)</u>	<u>2004</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental	\$ 120,000	\$ 120,000	\$ 121,560	\$ 1,560	\$ 116,870
Interest	300	300	2,120	1,820	919
Total revenues	<u>120,300</u>	<u>120,300</u>	<u>123,680</u>	<u>3,380</u>	<u>117,789</u>
Expenditures:					
Culture and recreation	132,553	179,076	148,396	30,680	120,569
Total expenditures	<u>132,553</u>	<u>179,076</u>	<u>148,396</u>	<u>30,680</u>	<u>120,569</u>
Excess (Deficiency) of revenues over expenditures	(12,253)	(58,776)	(24,716)	34,060	(2,780)
Fund balances - January 1	<u>59,048</u>	<u>59,048</u>	<u>59,048</u>	-	<u>61,828</u>
Fund balances - December 31	<u>\$ 46,795</u>	<u>\$ 272</u>	<u>\$ 34,332</u>	<u>\$ 34,060</u>	<u>\$ 59,048</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Grant Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)**

	<u>2005</u>			<u>Final Budget</u>	<u>2004</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	\$ 355,260	\$ 623,548	\$ 379,724	\$ (243,824)	\$ 272,005
Total revenues	<u>355,260</u>	<u>623,548</u>	<u>379,724</u>	<u>(243,824)</u>	<u>272,005</u>
Expenditures:					
Health and welfare	62,387	213,942	62,313	151,629	115,155
Public safety	123,484	241,347	197,058	44,289	46,623
Culture and recreation	208,650	283,116	120,353	162,763	110,227
Total expenditures	<u>394,521</u>	<u>738,405</u>	<u>379,724</u>	<u>358,681</u>	<u>272,005</u>
Excess (deficiency) of revenues over expenditures	(39,261)	(114,857)	-	114,857	-
Fund balances - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) - December 31	<u>\$ (39,261)</u>	<u>\$ (114,857)</u>	<u>\$ -</u>	<u>\$ 114,857</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Employee Retirement Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)**

	<u>2005</u>			<u>Variance Positive (Negative)</u>	<u>2004</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Property taxes	\$ 143,730	\$ 143,730	\$ 143,138	\$ (592)	\$ 133,133
Specific ownership taxes	-	-	22,733	22,733	19,884
Miscellaneous revenues	15,000	15,000	11,428	(3,572)	21,387
Total revenues	<u>158,730</u>	<u>158,730</u>	<u>177,299</u>	<u>18,569</u>	<u>174,404</u>
Expenditures:					
General government	154,260	207,260	204,149	3,111	195,604
Total expenditures	<u>154,260</u>	<u>207,260</u>	<u>204,149</u>	<u>3,111</u>	<u>195,604</u>
Excess (deficiency) of revenues over expenditures	4,470	(48,530)	(26,850)	21,680	(21,200)
Fund balances - January 1	<u>170,669</u>	<u>170,669</u>	<u>170,669</u>	-	<u>191,869</u>
Fund balances - December 31	<u>\$ 175,139</u>	<u>\$ 122,139</u>	<u>\$ 143,819</u>	<u>\$ 21,680</u>	<u>\$ 170,669</u>

See the accompanying Independent auditors' report.

**Park County, Colorado
Sales Tax Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)**

	2005			Final Budget Variance Positive (Negative)	2004
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Sales tax	\$ 450,000	\$ 450,000	\$ 520,243	\$ 70,243	\$ 478,836
Interest	4,000	4,000	15,047	11,047	6,132
Total revenues	<u>454,000</u>	<u>454,000</u>	<u>535,290</u>	<u>81,290</u>	<u>484,968</u>
Expenditures:					
Health and welfare	320,870	432,974	208,115	224,859	521,986
Debt service:					
Principal	27,138	27,138	27,138	-	26,962
Interest	123	123	122	1	298
Total expenditures	<u>348,131</u>	<u>460,235</u>	<u>235,375</u>	<u>224,860</u>	<u>549,246</u>
Excess (deficiency) of revenues over expenditures	105,869	(6,235)	299,915	306,150	(64,278)
Fund balances - January 1	<u>228,337</u>	<u>228,337</u>	<u>228,337</u>	<u>-</u>	<u>292,615</u>
Fund balances - December 31	<u>\$ 334,206</u>	<u>\$ 222,102</u>	<u>\$ 528,252</u>	<u>\$ 306,150</u>	<u>\$ 228,337</u>

See the accompanying independent auditors' report.

Park County, Colorado
Library Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)

	2005		2004	
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Grant revenue	\$ -	\$ -	\$ -	\$ 5,324
Miscellaneous revenue	4,600	8,573	3,973	5,145
Total revenues	<u>4,600</u>	<u>8,573</u>	<u>3,973</u>	<u>10,469</u>
Expenditures:				
Culture and recreation	197,798	200,304	(2,506)	213,789
Total expenditures	<u>197,798</u>	<u>200,304</u>	<u>(2,506)</u>	<u>213,789</u>
(Deficiency) of revenues over expenditures	<u>(193,198)</u>	<u>(191,731)</u>	<u>1,467</u>	<u>(203,320)</u>
Other financing sources:				
Transfers in from other funds	194,604	194,604	-	188,847
Total other financing sources	<u>194,604</u>	<u>194,604</u>	<u>-</u>	<u>188,847</u>
Net change in fund balances	1,406	2,873	1,467	(14,473)
Fund balances - January 1	1,893	1,893	-	16,366
Prior Period Adjustment	-	8,371	8,371	-
Fund balances - December 31	<u>\$ 3,299</u>	<u>\$ 13,137</u>	<u>\$ 9,838</u>	<u>\$ 1,893</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, 2005
(With Comparative Actual Amounts for 2004)

	<u>2005</u>			<u>Final Budget</u>	<u>2004</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:					
Intergovernmental	\$ 4,000	\$ 4,000	\$ 6,537	\$ 2,537	\$ 208,308
Miscellaneous			939	939	1,068
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>7,476</u>	<u>3,476</u>	<u>209,376</u>
Expenditures:					
Public safety	24,500	163,255	159,781	3,474	74,331
Total expenditures	<u>24,500</u>	<u>163,255</u>	<u>159,781</u>	<u>3,474</u>	<u>74,331</u>
Excess (deficiency) of revenues over expenditures	(20,500)	(159,255)	(152,305)	6,950	135,045
Fund balances - January 1	<u>172,873</u>	<u>172,873</u>	<u>172,873</u>	-	<u>37,828</u>
Fund balances - December 31	<u>\$ 152,373</u>	<u>\$ 13,618</u>	<u>\$ 20,568</u>	<u>\$ 6,950</u>	<u>\$ 172,873</u>

See the accompanying independent auditors' report.

**Park County, Colorado
E-911 Authority Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)**

	<u>2005</u>			<u>Final Budget</u>	<u>2004</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:					
Other taxes	\$ 90,000	\$ 90,000	\$ 99,156	\$ 9,156	\$ 102,280
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>99,156</u>	<u>9,156</u>	<u>102,280</u>
Expenditures:					
Public safety	4,200	14,200	12,831	1,369	8,035
Capital outlay	46,000	74,181	75,520	(1,339)	13,948
Total expenditures	<u>50,200</u>	<u>88,381</u>	<u>88,351</u>	<u>30</u>	<u>21,983</u>
Excess (deficiency) of revenues over expenditures	39,800	1,619	10,805	9,186	80,297
Fund balances - January 1	<u>156,362</u>	<u>156,362</u>	<u>156,362</u>	<u>-</u>	<u>76,065</u>
Fund balances - December 31	<u><u>\$ 196,162</u></u>	<u><u>\$ 157,981</u></u>	<u><u>\$ 167,167</u></u>	<u><u>\$ 9,186</u></u>	<u><u>\$ 156,362</u></u>

See the accompanying independent auditors' report.

Park County, Colorado
1041 Fee Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)

	<u>2005</u>			<u>Variance</u>	<u>2004</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Revenues:					
Miscellaneous	\$ -	\$ 50,000	\$ 53,755	\$ 3,755	\$ 27,741
Total revenues	<u>-</u>	<u>50,000</u>	<u>53,755</u>	<u>3,755</u>	<u>27,741</u>
Expenditures:					
Culture and recreation	38,844	38,844	21,485	17,359	23,424
Total expenditures	<u>38,844</u>	<u>38,844</u>	<u>21,485</u>	<u>17,359</u>	<u>23,424</u>
Excess (deficiency) of revenues over expenditures	(38,844)	11,156	32,270	21,114	4,317
Fund balances - January 1	<u>38,375</u>	<u>38,375</u>	<u>38,375</u>	<u>-</u>	<u>34,058</u>
Fund balances - December 31	<u>\$ (469)</u>	<u>\$ 49,531</u>	<u>\$ 70,645</u>	<u>\$ 21,114</u>	<u>\$ 38,375</u>

See the accompanying independent auditors' report.

Park County, Colorado
Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)

	2005			Final Budget	2004
	Original	Final	Actual	Variance	Actual
	Budget	Budget		Positive	
				(Negative)	
Revenues:					
Interest	\$ 7,000	\$ 7,000	\$ 26,248	\$ 19,248	\$ 9,956
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>26,248</u>	<u>19,248</u>	<u>9,956</u>
Expenditures:					
Principal	250,000	250,000	250,000	-	270,000
Interest	330,702	330,702	176,689	154,013	151,558
Debt issuance costs	-	-	-	-	109,798
Other	1,450	1,950	1,950	-	2,449
Total expenditures	<u>582,152</u>	<u>582,652</u>	<u>428,639</u>	<u>154,013</u>	<u>533,805</u>
Excess (Deficiency) of revenues over expenditures	(575,152)	(575,652)	(402,391)	173,261	(523,849)
Other financing sources (uses):					
Proceeds from capital leases	147,308	147,308	-	(147,308)	3,145,000
Payment to bond refunding agent	-	-	-	-	(3,104,449)
Transfers in from other funds	433,695	664,695	664,695	-	413,260
Total other financing sources (uses)	<u>581,003</u>	<u>812,003</u>	<u>664,695</u>	<u>(147,308)</u>	<u>453,811</u>
Net change in fund balances	5,851	236,351	262,304	25,953	(70,038)
Fund balances - January 1	<u>555,313</u>	<u>555,313</u>	<u>555,313</u>	<u>-</u>	<u>625,351</u>
Fund balances - December 31	<u>\$ 561,164</u>	<u>\$ 791,664</u>	<u>\$ 817,617</u>	<u>\$ 25,953</u>	<u>\$ 555,313</u>

See the accompanying independent auditors' report.

**Park County, Colorado
Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)**

	<u>2005</u>			Final Budget Variance Positive (Negative)	<u>2004</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Trustee interest	\$ -	\$ -	\$ -	\$ -	\$ 11,106
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,106</u>
Expenditures:					
Other	-		662	(662)	13,765
Capital outlay	-	357,050	213,668	143,382	2,029,766
Debt issuance costs	-			-	112,197
Debt service:					
Principal	86,456	86,456	86,455	1	82,637
Interest	20,076	20,076	20,075	1	23,893
Total expenditures	<u>106,532</u>	<u>463,582</u>	<u>320,860</u>	<u>142,722</u>	<u>2,262,258</u>
Excess (Deficiency) of revenues over expenditures	<u>(106,532)</u>	<u>(463,582)</u>	<u>(320,860)</u>	<u>142,722</u>	<u>(2,251,152)</u>
Other financing sources:					
Proceeds from certificates of participation	-	86,379	-	(86,379)	2,310,000
Premiums on debt issuance	-			-	4,605
Transfers in from other funds	106,531	95,531	326,531	231,000	173,941
Transfers to other funds	-	-	(231,000)	(231,000)	-
Total other financing sources	<u>106,531</u>	<u>181,910</u>	<u>95,531</u>	<u>(86,379)</u>	<u>2,488,546</u>
Net change in fund balances	(1)	(281,672)	(225,329)	56,343	237,394
Fund balances - January 1	<u>318,300</u>	<u>318,300</u>	<u>318,300</u>	<u>-</u>	<u>80,906</u>
Fund balances - December 31	<u>\$ 318,299</u>	<u>\$ 36,628</u>	<u>\$ 92,971</u>	<u>\$ 56,343</u>	<u>\$ 318,300</u>

See the accompanying independent auditors' report.

Park County, Colorado
Risk Management Internal Service Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2005
(With Comparative Actual Amounts for 2004)

	<u>2005</u>			<u>Final Budget</u>	<u>2004</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	\$ 1,187,007	\$ 1,505,728	\$ 1,501,992	\$ (3,736)	\$ 1,437,999
Total operating revenues	<u>1,187,007</u>	<u>1,505,728</u>	<u>1,501,992</u>	<u>(3,736)</u>	<u>1,437,999</u>
Operating expenses:					
Claims and administration	1,220,000	1,775,000	1,774,218	782	1,541,104
Total operating expenses	<u>1,220,000</u>	<u>1,775,000</u>	<u>1,774,218</u>	<u>782</u>	<u>1,541,104</u>
Operating income (loss)	<u>(32,993)</u>	<u>(269,272)</u>	<u>(272,226)</u>	<u>(2,954)</u>	<u>(103,105)</u>
Non-operating revenues:					
Interest	3,500	3,500	7,274	3,774	3,845
Total non-operating revenues	<u>3,500</u>	<u>3,500</u>	<u>7,274</u>	<u>3,774</u>	<u>3,845</u>
Change in net assets	<u>\$ (29,493)</u>	<u>\$ (265,772)</u>	(264,952)	<u>\$ 820</u>	(99,260)
Net assets - January 1			<u>363,700</u>		<u>462,960</u>
Net assets - December 31			<u>\$ 98,748</u>		<u>\$ 363,700</u>

See the accompanying independent auditors' report.

COMPLIANCE



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
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 14, 2006. 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.

Compliance

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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

John Cutler & Associates, LLC

April 14, 2006



To the Board of County Commissioners
Park County, Colorado

**INDEPENDENT AUDITORS' 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, 2005. Park County, Colorado's major federal programs are identified in the summary of auditors' 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 the 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 on 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, 2005.

Internal Control Over Compliance

The management of Park County, Colorado is responsible for establishing and maintaining effective internal control over compliance with 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 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

John Lutter & Associates, LLC

April 14, 2006

PARK COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2005

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 reportable conditions 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 reportable conditions 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 PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2005

Findings – 2004

04-01 The County was not completing sub recipient reporting in a timely manner as required by the State. These reports were being submitted to the State in a timely manner beginning late 2005.

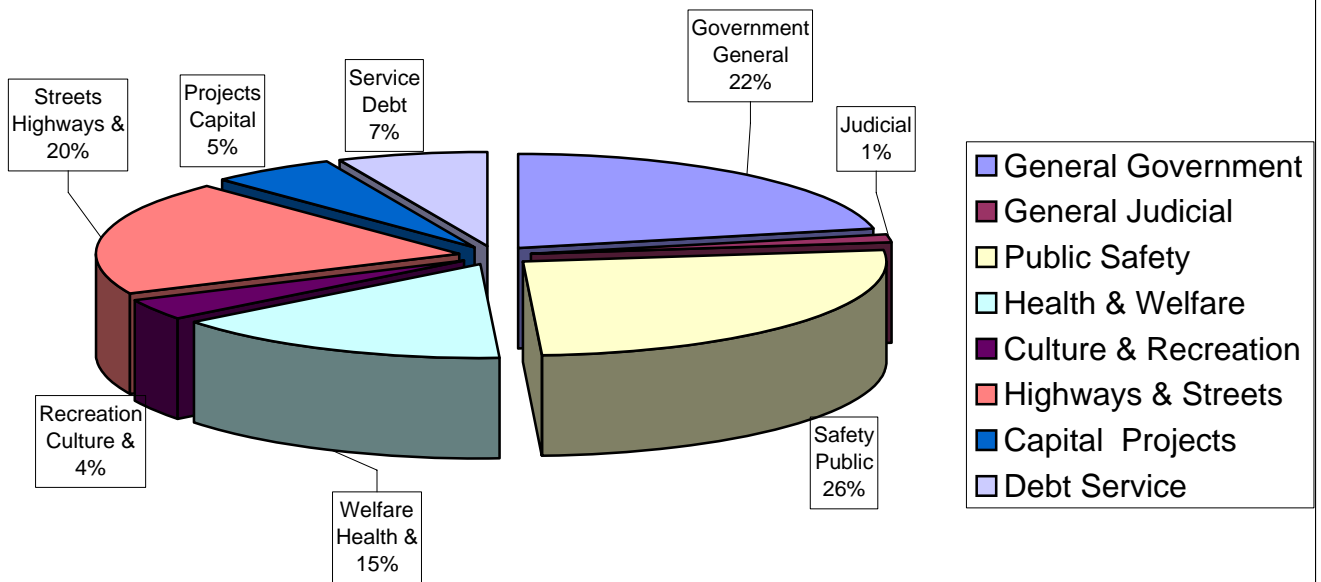
STATISTICAL SECTION

PARK COUNTY, COLORADO
All Governmental Fund Types
Expenditures by Function (1)
1987-2005
(Unaudited)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Judicial</u>	<u>Public Safety</u>	<u>Health & Welfare</u>	<u>Culture & Recreation</u>	<u>Highways & Streets</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
1987	\$1,507,883	\$60,089	\$687,982	\$732,719	\$150,477	\$2,856,979	\$362,785	\$0	\$6,358,914
1988	2,276,969	61,041	783,364	718,172	155,699	2,669,773	291,425	-	6,956,443
1989	1,997,235	62,891	906,845	1,244,756	176,060	2,451,347	171,835	80,514	7,091,483
1990	1,975,394	67,048	950,083	1,250,369	189,091	2,561,897	109,410	133,614	7,236,906
1991	2,251,237	72,305	967,067	1,212,401	184,837	2,451,227	930,185	19,904	8,089,163
1992	2,543,904	94,549	127,470	1,136,364	195,748	2,834,850	132,975	19,904	7,085,764
1993	2,396,911	98,802	1,362,446	1,123,937	211,980	2,666,426	720,108	19,904	8,600,514
1994	2,532,707	103,309	1,478,242	1,254,886	380,250	2,655,180	790,275	-	9,194,849
1995	1,945,569	108,974	2,136,668	1,333,346	321,563	2,833,607	503,242	-	9,182,969
1996	2,375,058	126,569	3,069,004	1,431,702	463,029	2,700,695	2,721,982	80,468	12,968,507
1997	2,892,179	207,357	3,057,193	1,510,440	535,343	2,818,001	190,453	595,036	11,806,002
1998	3,250,454	175,905	3,260,290	1,150,696	413,006	2,696,370	2,061,135	818,342	13,826,198
1999	3,023,695	466,294	2,370,531	1,532,290	483,384	3,361,841	1,719,744	1,115,175	14,072,954
2000	3,717,361	203,733	2,716,457	1,505,313	1,042,497	4,362,851	650,830	1,120,892	15,319,934
2001	3,736,888	484,597	3,234,046	1,597,808	549,867	3,892,483	1,549,531	1,812,001	16,857,221
2002	3,594,298	520,840	3,744,712	2,822,520	604,514	4,368,940	1,842,514	1,568,516	19,066,854
2003	3,767,360	444,209	4,064,412	2,589,794	806,655	3,312,141	2,699,660	3,279,926	20,964,157
2004	4,326,985	236,409	4,177,230	3,418,414	740,399	3,885,728	2,559,663	1,973,065	21,317,893
2005	4,456,469	242,637	5,335,929	3,133,859	743,486	4,046,238	1,103,660	1,381,613	20,443,891

(1) Includes General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund

General Governmental Expenditures by Function As A Percent of Total - 2005



PARK COUNTY, COLORADO
General Governmental Expenditures by Function
As a percentage of Total
1995-2005
(Unaudited)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Judicial</u>	<u>Public Safety</u>	<u>Health & Welfare</u>	<u>Culture & Recreation</u>	<u>Highways & Streets</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
1995	21.2%	1.2%	23.3%	14.5%	3.5%	30.9%	5.5%	0.0%	100.0%
1996	18.3%	1.0%	23.7%	11.0%	3.6%	20.8%	21.0%	0.6%	100.0%
1997	24.5%	1.8%	25.9%	12.8%	4.5%	23.9%	1.6%	5.0%	100.0%
1998	23.5%	1.3%	23.6%	8.3%	3.0%	19.5%	14.9%	5.9%	100.0%
1999	21.5%	3.3%	16.8%	10.9%	3.4%	23.9%	12.2%	7.9%	100.0%
2000	24.3%	1.3%	17.7%	9.8%	6.8%	28.5%	4.2%	7.3%	100.0%
2001	22.2%	2.9%	19.2%	9.5%	3.3%	23.1%	9.2%	10.7%	100.0%
2002	18.9%	2.7%	19.6%	14.8%	3.2%	22.9%	9.7%	8.2%	100.0%
2003	18.0%	2.1%	19.4%	12.4%	3.8%	15.8%	12.9%	15.6%	100.0%
2004	20.3%	1.1%	19.6%	16.0%	3.5%	18.2%	12.0%	9.3%	100.0%
2005	21.6%	1.2%	25.9%	15.2%	3.5%	19.8%	5.3%	7.5%	100.0%

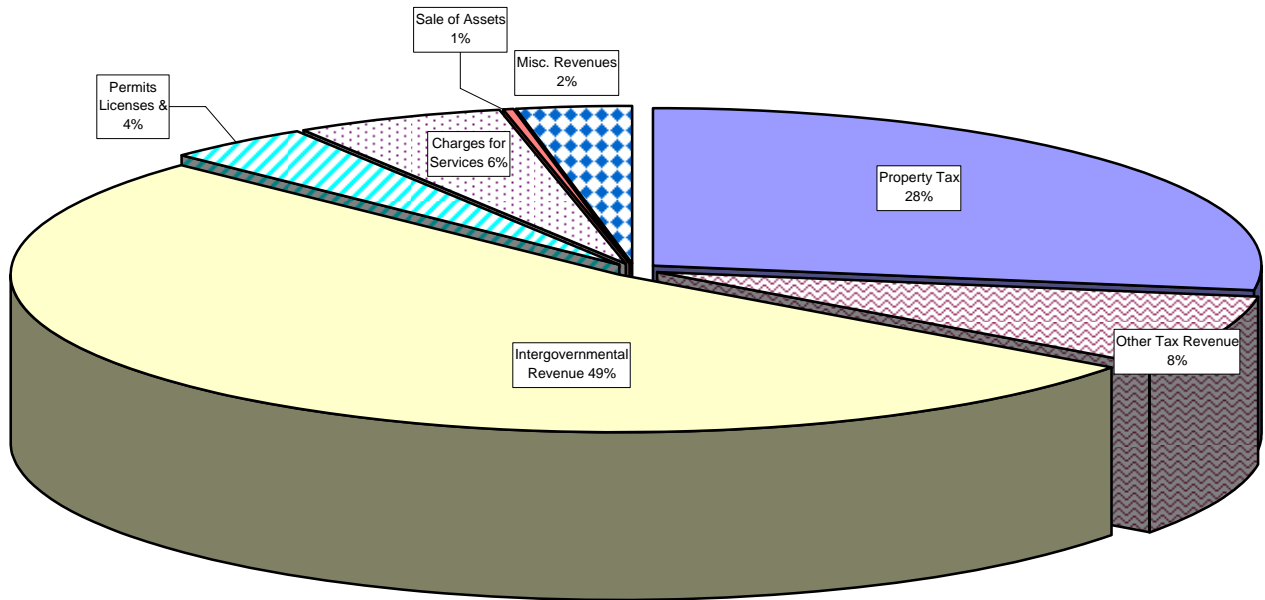
(1) Includes General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund

PARK COUNTY, COLORADO
All Governmental Fund Types
Revenues by Source (1)
1987 - 2005
(Unaudited)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Other Tax Revenues</u>	<u>Intergovernmental Revenue</u>	<u>Licenses & Charges for Permits Services</u>		<u>Sale of Assets</u>	<u>Misc. Revenues</u>	<u>Total</u>
1987	1,765,710	184,693	3,302,453	121,215	510,074	37,804	432,737	6,354,686
1988	1,810,568	212,107	3,344,181	119,402	475,126	150	673,552	6,635,086
1989	1,969,065	264,264	3,610,715	133,911	623,936	406	1,073,985	7,676,282
1990	2,123,372	218,155	3,336,991	132,311	700,490	5,396	893,550	7,410,265
1991	2,305,654	252,794	3,427,972	152,843	604,533	500	1,975,102	8,719,398
1992	2,447,415	339,861	3,485,423	200,194	548,466	1,200	994,494	8,017,053
1993	2,466,337	520,588	3,506,599	270,915	622,852	65,336	1,054,075	8,506,702
1994	2,666,741	633,252	3,727,070	395,642	772,826	7,814	1,289,755	9,493,100
1995	2,731,423	417,304	4,803,165	407,597	771,862	30,244	1,080,186	10,241,781
1996	3,189,474	497,409	4,717,249	467,129	790,370	153,294	2,142,604	11,957,529
1997	3,100,783	606,536	4,832,346	768,820	818,752	4,245	2,387,382	12,518,864
1998	3,433,286	1,016,966	4,868,810	764,648	824,014	107,885	2,183,591	13,199,200
1999	3,720,509	1,119,173	5,591,851	796,730	889,776	185,127	1,498,125	13,801,291
2000	3,640,333	1,216,464	6,106,796	850,237	804,992	104,598	1,268,153	13,991,573
2001	4,084,370	1,333,217	7,296,517	1,003,240	951,458	103,941	748,489	15,521,232
2002	4,389,724	1,387,313	9,362,733	1,422,573	676,419	104,857	461,517	17,805,136
2003	5,089,366	1,426,337	9,675,912	1,058,491	999,617	125,211	515,713	18,890,647
2004	5,352,851	1,558,294	9,767,908	1,075,548	1,090,407	104,084	418,102	19,367,194
2005	5,763,584	1,548,983	10,947,881	849,619	1,137,501	70,910	630,074	20,948,552

(1) Includes General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund

Revenues and Other Financing Sources As A Percent of Total - 2005



PARK COUNTY, COLORADO
All Governmental Fund Types
Revenues as a Percent of Total Sources
1995 - 2005
(Unaudited)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Other Tax Revenues</u>	<u>Intergovernmental Revenue</u>	<u>Licenses & Permits</u>	<u>Charges for Services</u>	<u>Sale of Assets</u>	<u>Misc. Revenues</u>	<u>Total</u>
1995	26.7%	4.1%	46.9%	4.0%	7.5%	0.3%	10.5%	100.0%
1996	26.7%	4.2%	39.5%	3.9%	6.6%	1.3%	17.9%	100.0%
1997	24.8%	4.8%	38.6%	6.1%	6.5%	0.0%	19.1%	100.0%
1998	26.0%	7.7%	36.9%	5.8%	6.2%	0.8%	16.5%	100.0%
1999	27.0%	8.1%	40.5%	5.8%	6.4%	1.3%	10.9%	100.0%
2000	26.0%	8.7%	43.6%	6.1%	5.8%	0.7%	9.1%	100.0%
2001	26.3%	8.6%	47.0%	6.5%	6.1%	0.7%	4.8%	100.0%
2002	24.7%	7.8%	52.6%	8.0%	3.8%	0.6%	2.6%	100.0%
2003	26.9%	7.6%	51.2%	5.6%	5.3%	0.7%	2.7%	100.0%
2004	27.6%	8.0%	50.4%	5.6%	5.6%	0.5%	2.2%	100.0%
2005	27.5%	7.4%	52.2%	4.1%	5.4%	0.3%	3.0%	100.0%

(1) Includes General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund

PARK COUNTY, COLORADO
Property Tax Levies and Collections
Last Ten Years
(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%

Source: Park County Treasurer
N/A: Data not available

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)
1996	133,537,930	878,934,480	15.2	12.86
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

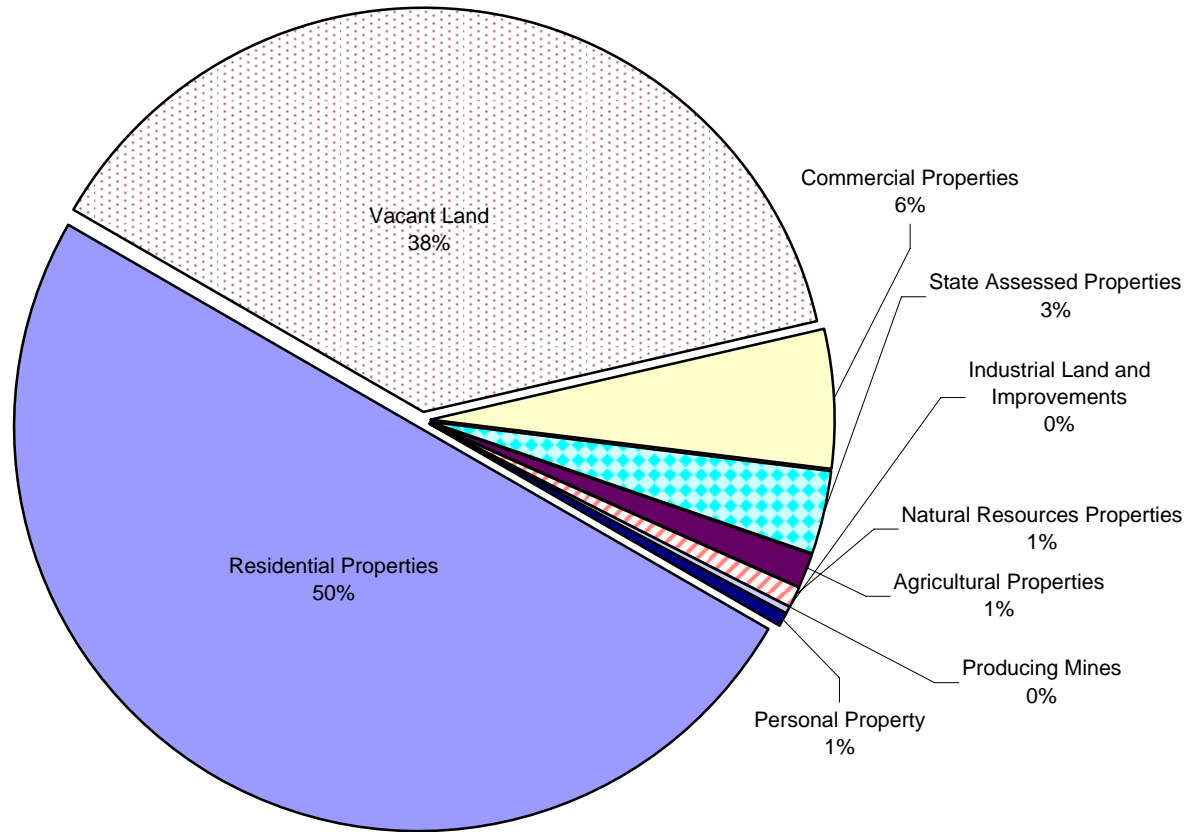
(a) Commercial and industrial property is assessed at 29% of market value.
 Source: Park County Assessor's Office

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

Property Classification	2004 Assessed Valuation	2005 Assessed Valuation	2005 Percent of Tax Roll
Residential Properties	160,292,558	177,110,915	50.05%
Vacant Land	117,215,944	134,508,469	38.01%
Commercial Properties	16,914,818	19,601,332	5.54%
State Assessed Properties	11,546,403	11,442,305	3.23%
Agricultural Properties	4,555,062	4,827,504	1.36%
Natural Resources Properties	2,284,376	3,517,906	0.99%
Producing Mines	75,140	56,740	0.02%
Industrial Land and Improvements	374,350	520,480	0.15%
Personal Property	2,498,082	2,282,278	0.64%
County Total (All Classifications)	<u>\$315,756,733</u>	<u>\$353,867,929</u>	

*Data provided by Park County Assessor

2005 Assessed Valuation



PARK COUNTY, COLORADO

**Property Tax Levies
Direct and Overlapping
1987 - 2005
(Unaudited)**

<u>Park County</u>				<u>All</u>			<u>Percent</u>	
<u>Fiscal</u>	<u>Assessmen</u>	<u>General</u>	<u>Special</u>	<u>Total</u>	<u>Other</u>	<u>School</u>	<u>Total</u>	<u>County to</u>
<u>Year</u>	<u>Year</u>	<u>Fund</u>	<u>Revenue</u>	<u>Fund</u>	<u>Special</u>	<u>Districts (1)</u>	<u>Districts (1)</u>	<u>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%

(1) Average

PARK COUNTY, COLORADO
Property Tax Rates and Revenues
District and Overlapping Governments

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Percent Increase
Park County School District RE2	Mill	43.471	42.641	32.800	32.505	24.490	25.634	23.911	20.847	19.542	20.380	18.380	42%
	Tax	3,362,897	3,389,487	3,640,967	3,697,901	3,730,511	3,976,770	4,485,751	3,993,801	4,015,893	4,231,393	4,365,949	130%
Platte Canyon School District RE1	Mill	43.970	39.175	33.341	45.710	37.961	37.262	34.572	33.942	32.019	29.888	29.522	67%
	Tax	2,470,162	2,264,682	2,272,344	3,230,170	3,314,717	3,283,912	3,417,145	3,410,335	3,386,994	3,217,205	3,419,158	138%
Park County Government	Mill	24.065	22.711	19.290	20.277	17.728	17.075	15.387	17.260	17.376	18.385	17.072	71%
	Tax	3,213,590	3,118,182	3,453,565	3,739,701	4,302,529	4,153,780	4,407,458	5,040,820	5,408,826	5,796,181	6,032,481	188%
Town of Alma	Mill	21.358	21.358	16.598	22.595	16.461	17.687	17.251	17.459	16.356	18.772	16.964	79%
	Tax	24,050	26,184	30,048	41,851	44,230	47,563	48,795	52,564	57,072	59,685	61,442	255%
Town of Fairplay	Mill	22.609	22.609	17.827	17.962	15.484	16.013	15.770	15.724	14.607	16.272	15.668	69%
	Tax	84,127	90,923	100,730	107,014	116,600	125,925	140,624	143,916	146,312	169,466	184,118	219%
Bailey Water and Sanitation	Mill	29.147	29.822	25.535	25.485	25.392	26.466	25.508	27.424	25.930	25.626	25.925	89%
	Tax	39,211	42,449	49,066	50,997	57,031	58,938	62,150	69,203	72,702	74,017	79,361	202%
Center of Colorado Water Conservation District	Mill	0.000	0.000	1.000	1.000	1.000	1.040	1.013	1.007	1.003	1.006	1.003	100%
	Tax	0	0	168,600	177,017	229,298	241,246	283,671	279,818	297,323	303,342	340,739	202%
Crow Hill Water and Sanitation District	Mill	10.191	10.070	7.797	7.797	7.293	7.293	7.293	7.293	7.293	7.293	7.293	72%
	Tax	3,588	4,328	4,479	4,505	5,026	4,917	6,718	6,794	7,257	7,383	8,176	228%
Deer Creek Metropolitan District	Mill	0.000	0.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	100%
	Tax	0	0	2,037	5,194	11,233	11,235	13,636	13,600	23,685	23,231	27,711	1360%
Elk Creek Fire District	Mill	4.915	4.915	4.915	4.834	4.965	4.932	4.923	4.923	4.938	4.938	4.922	100%
	Tax	52,942	53,680	58,591	57,588	70,418	70,747	73,660	75,892	79,712	81,708	90,327	171%
Fairplay Sanitation District	Mill	12.436	12.436	9.670	9.670	7.800	7.800	7.800	7.800	7.922	7.800	7.919	64%
	Tax	50,310	55,285	59,603	62,582	65,585	68,904	77,334	80,102	91,702	93,125	110,317	219%
Harris Park Water and Sanitation District	Mill	27.326	27.878	21.677	20.314	18.577	12.177	11.819	11.819	11.819	11.819	11.819	43%
	Tax	60,705	64,548	67,023	68,794	88,112	56,948	57,544	58,212	67,149	68,251	69,808	115%
Hartsel Fire District	Mill	9.508	10.101	7.449	7.436	7.447	8.320	7.708	7.449	7.449	7.449	7.449	78%
	Tax	110,814	117,091	128,888	131,094	245,081	280,843	327,415	319,911	351,706	375,804	411,380	371%
Indian Mountain Metropolitan District	Mill	7.310	7.300	6.527	6.943	6.943	6.943	6.943	6.945	6.945	6.945	6.945	95%
	Tax	30,106	30,225	32,975	36,368	55,815	55,948	67,984	70,904	78,327	83,066	102,504	340%
Jefferson-Como	Mill	10.037	10.037	10.037	9.950	10.037	10.037	10.117	10.117	10.117	10.117	10.057	100%

PARK COUNTY, COLORADO
Property Tax Rates and Revenues
District and Overlapping Governments

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Percent Increase
Fire District	Tax	171,273	173,406	208,697	212,275	299,777	306,797	383,826	394,752	407,783	414,602	488,341	285%
Lake George Fire District	Mill	5.288	5.288	5.288	4.033	5.288	5.288	5.288	5.288	5.288	5.288	5.288	100%
	Tax	45,493	44,722	58,899	45,220	74,761	74,804	89,434	87,974	82,300	87,739	98,988	218%
Northwest Fire District	Mill	6.646	6.558	4.882	4.776	4.702	4.580	4.460	4.434	4.302	5.800	5.822	88%
	Tax	188,332	194,187	216,910	219,661	237,683	259,039	297,449	303,286	333,698	451,859	522,357	277%
Platte Canyon Fire District	Mill	7.191	7.191	6.860	6.860	6.860	8.010	7.860	7.860	7.860	7.860	7.860	109%
	Tax	326,520	337,170	385,764	403,055	501,713	591,009	657,590	665,726	702,040	713,570	763,377	234%
Upper South Platte Water Conservation	Mill	0.118	0.134	0.118	0.125	0.107	0.114	0.106	0.113	0.109	0.123	0.120	102%
	Tax	15,757	18,398	20,960	23,055	25,642	27,732	49,644	33,001	33,930	38,778	68,060	432%
Mountain Water and Sanitation District	Mill	32.984	23.744	22.287	21.880	18.707	12.299	6.490	7.160	6.692	6.149	0	0%
	Tax	0	0	0	0	0	0	0	0	0	0	0	0%
Echo Valley Estates	Mill	2.587	2.587	1.881	1.881	1.881	1.647	1.781	1.893	2.442	2.566	2.274	88%
	Tax	613	631	675	665	785	693	831	891	968	1,024	1,082	177%
Will-O-Wisp Metropolitan District	Mill	24.138	23.932	23.846	23.898	23.820	23.820	23.820	23.820	23.820	23.820	23.820	99%
	Tax	29,421	42,328	43,003	44,301	47,906	48,211	56,679	57,743	56,319	57,428	64,516	219%
Southern Park County Fire District	Mill	5.100	5.100	4.412	4.412	8.412	8.412	7.846	7.846	7.846	7.848	7.846	154%
	Tax	21,447	22,543	32,856	34,173	78,222	83,610	92,943	94,188	102,865	116,245	130,073	606%
South Park Ambulance District	Mill	3.749	3.749	3.749	2.498	3.749	3.948	3.749	3.749	3.749	3.749	3.749	100%
	Tax	201,630	206,858	289,443	198,624	411,557	442,090	511,149	521,291	599,246	603,995	693,252	344%
High Country Ambulance District	Mill	0	0	0	0	0	0	0	0	0	0	0	0%
	Tax	0	0	0	0	0	0	0	0	0	0	0	0%
South Park Recreation District	Mill	0	0	0	0	0	0	0	2.215	2.289	2.290	2.290	103%
	Tax	0	0	0	0	0	0	0	299,959	337,313	337,207	386,571	129%

Source: Park County Treasurer

PARK COUNTY, COLORADO

Principal Taxpayers
Assessment Year 2005
(Fiscal Year 2006)

Taxpayer	Type of Business	2005 Assessed Value	Percentage of Total Taxable Assessed Value
1) Intermountain Rural Electric Assn	Utility	\$3,586,000	1.14%
2) Public Service Co. (Xcel)	Utility	2,835,900	0.90%
3) Qwest Corporation	Utility	2,153,300	0.68%
4) Colorado Natural Gas, Inc.	Utility	1,264,200	0.40%
5) Centurytel of Eagle	Utility	840,600	0.27%
6) Gordon, James D.	Commercial	717,220	0.23%
7) Hartsel Springs Ranch of Colorado	Commercial	513,610	0.16%
8) Colorado Outdoor Education Center	Commercial	486,850	0.15%
9) Rayburn, Jason D.	Commercial	449,220	0.14%
10) Pine Ridge Residential LLC	Commercial	446,500	0.14%
Total Top Ten Principal Taxpayers		<u>\$13,293,400</u>	<u>4.22%</u>
Total Assessed Valuation		<u>\$353,867,929</u>	<u>100.00%</u>

Source: County Assessor

*does not include Exempt Account Types

PARK COUNTY, COLORADO
Computation of Legal Debt Margin
As of December 31, 2005
(Unaudited)

Assessed Value, 2005	\$353,355,301
Debt Limit	
1.5% of assessed value	5,300,330
Outstanding Bonded Debt Applied to Limit	-
Legal Debt Margin	<u><u>\$5,300,330</u></u>

Park County, Colorado
Demographic Information
(Unaudited)

Park County Population Estimates

Per Capita Income

Year	Population	Year	Income
1990	7,174	1990	\$16,073
1991	7,723	1991	16,707
1992	8,136	1992	17,392
1993	8,649	1993	19,006
1994	9,625	1994	19,615
1995	10,713	1995	19,867
1996	11,552	1996	20,885
1997	12,583	1997	21,588
1998	13,331	1998	20,837
1999	14,128	1999	22,323
2000	14,700	2000	24,235
2001	15,301	2001	22,569
2002	15,738	2002	20,990
2003	16,120	2003	27,297 **
2004	17,219 **	2004	28,981 **
2005	17,283 **	2005	29,590 **

*Source: Colorado Division of Local Governments

** Source: ESRI Business Solutions

PARK COUNTY, COLORADO

Employers by Category

2004

Industry Name	Number of Businesses	Ave. 2004 Wages	Ave. # Employed
Government (all)	29	\$27,748	786
Construction Trade	166	\$27,664	311
Food & Lodging	41	\$10,955	287
Retail Trade (all)	41	\$24,691	161
Professional & Tech.	66	\$45,414	114
Admin. Services	25	\$29,979	57
Wholesale Trade	35	\$43,298	53
Manufacturing	18	\$30,449	49
Health Care/Social	10	\$19,289	46
Real Estate	21	\$23,719	33
Finance & Insurance	12	\$53,553	32
Information Services	9	\$53,810	26
Entertain/Recreation	6	\$12,485	18
Total Adult Labor Force (2002)			9,024
Number of Employers in Park County (2004):			523
Ave. # Employed in Park County (2004):			2,077
Largest Employer (2004): Government (all)			786
Ave. Annual Wage paid in County (2004):			\$27,514
Poverty Status (2000): 6.8% of County population			

* Source Park County Tourism Department

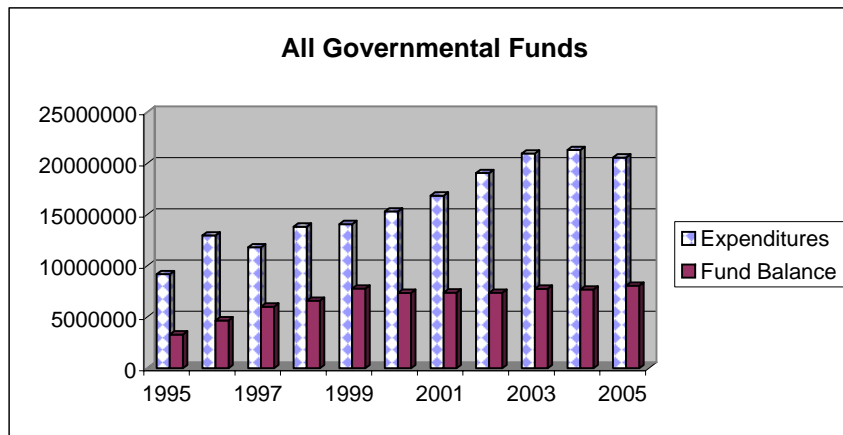
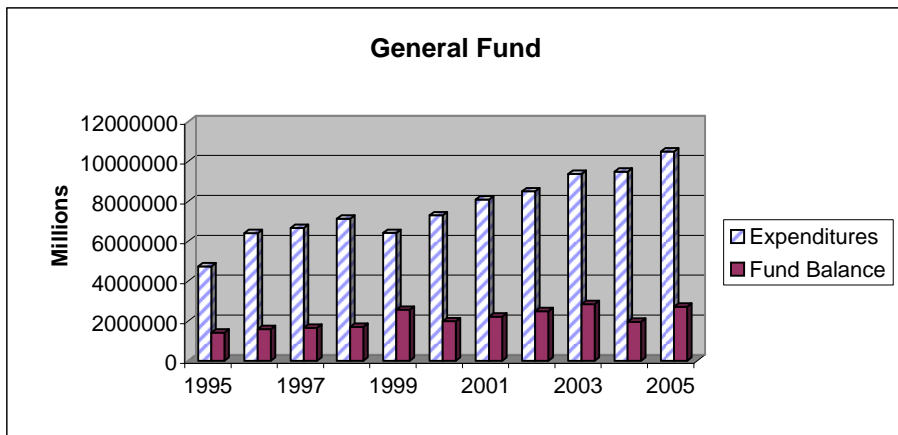
Park County, Colorado
Recent History of Foreclosures
(Unaudited)

Year	Number of Foreclosures	Percent Change
1991	104	0.00%
1992	70	-32.69%
1993	62	-11.43%
1994	42	-32.26%
1995	56	33.33%
1996	54	-3.57%
1997	49	-9.26%
1998	92	87.76%
1999	70	-23.91%
2000	64	-8.57%
2001	92	43.75%
2002	147	59.78%
2003	139	-5.44%
2004	155	11.51%
2005	200	29.03%

PARK COUNTY, COLORADO
Comparison of Unreserved Fund Balances to Expenditures
Last Ten Fiscal Years

Year	General Fund			All Governmental Funds		
	Expenditures	Ending Unreserved Fund Balance	Balance as % of Expenditures	Expenditures	Ending Unreserved Fund Balance	Balance as % of Expenditures
1995	\$ 4,734,650	1,279,637	27%	\$ 9,182,969	2,840,411	31%
1996	6,405,278	1,417,589	22%	12,968,507	3,692,130	28%
1997	6,668,092	1,377,253	21%	11,806,002	4,726,746	40%
1998	7,129,593	1,581,826	22%	13,826,199	5,766,161	42%
1999	6,415,443	2,554,454	40%	14,072,954	7,034,359	50%
2000	7,301,286	1,569,433	21%	15,319,934	6,351,326	41%
2001	8,099,785	1,736,710	21%	16,857,221	6,292,703	37%
2002	8,501,882	2,041,067	24%	19,066,854	5,863,603	31%
2003	9,379,577	2,410,565	26%	20,964,157	6,618,954	32%
2004	9,487,514	1,978,826	21%	21,317,892	6,976,581	33%
2005	10,506,242	2,713,979	26%	20,576,443	8,058,743	39%

PARK COUNTY, COLORADO
Comparison of Unreserved Fund Balances
To Expenditures



PARK COUNTY, COLORADO
Miscellaneous Statistics
December 31, 2005
(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)	17,283
Miles of County Maintained Roads: (3)	1,664
Motor Vehicle Registration: (2)	29,288
Total Voter Registration: (2)	12,125
Notes:	
(1) Source ESRI Business Solutions	
(2) Source Park County Clerk and Recorder	
(3) Source Park County Road and Bridge Department	

Park County, Colorado
Retail Sales
For the Period of 1990 to 2005
(Unaudited)

Year	Total Sales	% Change
1990	\$27,903,000	
1991	31,931,000	114%
1992	33,615,000	105%
1993	39,500,000	118%
1994	48,801,000	124%
1995	58,915,000	121%
1996	59,981,000	102%
1997	65,559,000	109%
1998	68,204,000	104%
1999	70,849,000	104%
2000	80,676,843	114%
2001	82,961,000	103%
2002	82,000,000	99%
2003	84,314,000	103%
2004	97,671,933	116%
2005	102,706,000	105%

*Source: Colorado Department of Revenue

Park County Retail Sales (In Thousands)

