ELBERT COUNTY, COLORADO

FINANCIAL STATEMENTS
December 31, 2006

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Dawn A. Schilling, LLC
Certified Public Accountant

Independent Auditor's Report

Board of County Commissioners
Elbert County, Colorado

I have audited the accompanying financial statements of the governmental activities, aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Elbert County, Colorado, as of and for the year ended December 31, 2006, which collectively comprise Elbert County, Colorado's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Elbert County, Colorado's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Elbert County Emergency Telephone Service Authority, which represents .5%, .5%, and .6%, respectively, of the assets, net assets and revenues of the governmental activities. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for the Elbert County Emergency Telephone Service Authority, is based on the report of the other auditors.

I conducted my 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 of the United States. Those standards require that I 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 accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the report of other auditors provide a reasonable basis for my opinions.

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Elbert County, Colorado, as of December 31, 2006, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 13, the Elbert County has retroactively reported major general infrastructure assets, as allowed by the provisions of GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended and interpreted, as of January 1, 2006.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 20, 2007 on my consideration of Elbert County, Colorado's internal control over financial reporting and on tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages III through VIII and 35 through 41 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Elbert County, Colorado's basic financial statements. The supplemental information and other schedules as listed in the table of contents are presented for purposes of additional analysis and legal compliance and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

DAWN A. SCHILLING, LLC

September 26, 2007

ELBERT COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Elbert County (the County), the Board of County Commissioners offers readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2006.

Financial Highlights

- Assets exceeded liabilities by $100,600,188 (net assets) at the close of the fiscal year. Of this amount, $2,914,875 in unrestricted net assets is available to meet ongoing and future obligations of the County.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $9,958,198.
- Total net assets increased by $14,645,593.
- Total cash and investments increased by $9,069 as compared to the prior year.
- Property tax revenue increased by $594,895 as compared to the prior year.
- General fund expenditures increased by $2,055,028 as compared to the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $1,039,290.
- Total debt decreased by $712,068 during the current fiscal year.

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 comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information and schedules in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net 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 identify functions of the County that are principally to be supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the County include general government, public safety, public works, public health and welfare, culture and recreation, auxiliary services, and debt service. The government-wide financial statements also include the activity of County's component unit.

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. The funds of the County include both 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.

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, the Road and Bridge special revenue fund, Social Services special revenue fund, the Impact Assistance special revenue fund, and the Building Authority capital projects fund, each of which are considered to be major funds. Data for the other eleven governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its major and nonmajor governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Fiduciary funds. Fiduciary funds are used to account for assets held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs.

Notes to 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents in the form of required supplementary information, budgetary comparison statements for the major governmental funds.

The combining statements referred to earlier in connection with nonmajor governmental funds and certain Social Services special revenue fund schedules are presented immediately following the required supplementary information.

This report also contains schedules of debt service requirements to maturity and a local highway finance report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by $100,600,188 at the close of the most recent fiscal year.

Net Assets

	2006	2005 (Restated)
Current assets	$ 18,089,694	$ 17,694,405
Other assets	624,460	566,006
Capital assets	98,125,277	84,053,624
Total assets	116,839,431	102,314,035
Current liabilities	9,534,203	9,002,576
Long-term liabilities	6,705,040	7,356,864
Total liabilities	16,239,243	16,359,440
Net assets invested in capital assets, net of debt	96,530,792	81,957,170
Restricted net assets	1,154,521	1,043,476
Unrestricted net assets	2,914,875	2,953,949
Total net assets	$100,600,188	$ 85,954,595

The largest portion of the County's net assets (96%) reflects its investment in capital assets. The County uses these capital assets to provide services to citizens; consequently, the assets are not available for future spending. 2005 has been restated to reflect the recognition of all infrastructure assets the County owns.

An additional portion of the County's net assets (3%) represents resources that are subject to restrictions on how they can be used and/or are not currently available for the County's ongoing obligations. The remaining balance of unrestricted net assets $2,914,875 may be used to meet the government's future expenditures.

At the end of the current fiscal year, the County was able to report positive balances in all three categories of net assets.

Change in Net Assets

	2006	2005 (Restated)
Revenue		
Program revenue		
Charges for services	$ 4,083,061	$ 3,221,300
Operating grants and contributions	2,892,513	574,740
Capital grants and contributions	18,292,983	2,367,191
General revenue		
Taxes	8,407,636	7,775,741
Intergovernmental	2,542,230	2,484,759
Investment and interest income	395,179	210,837
Transfer of capital assets	-	179,498
Other	735,014	979,655
Total revenue	37,348,616	17,793,721
Expenses		
General government	5,259,006	4,074,587
Public safety	3,776,044	3,179,881
Public works	9,021,561	6,006,322
Public health and welfare	3,666,206	1,173,324
Culture and recreation	209,880	178,177
Auxiliary services	123,976	95,813
Interest on long-term debt	646,350	421,111
Total expenses	22,703,023	15,129,215
Change in net assets	14,645,593	2,664,506
Net assets - Beginning (restated)	85,954,595	83,290,089
Net assets - Ending	$100,600,188	$ 85,954,595

The County's net assets increased by $14,645,593 during the current fiscal year.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $9,958,198. $4,151,266 constitutes unreserved fund balance, which is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the General Fund had an unreserved fund balance of $1,039,290.

The Road and Bridge special revenue fund had a total fund balance of $625,022 as of December 31, 2006, of which $344,891 is restricted for inventory. The Road and Bridge special revenue fund fund balance increased by $337,841 from the previous year.

The Social Services special revenue fund's fund balance was $389,440 at the end of the current fiscal year. The Social Services special revenue fund fund balance decreased $75,482 from the previous year.

The Impact Assistance special revenue fund's fund balance was $2,397,857 at the end of the current year.

The Building Authority capital projects fund had a fund balance of $3,728,671 at the end of the current fiscal year, all of which is reserved for future capital projects.

General Fund Budgetary Highlights

The County's total expenditures for 2006 exceeded the original budgeted appropriations in the General Fund by approximately $775,088. The increase in expenditures was offset by a transfer from another fund to cover eligible expenditures. The budget was amended to increase total appropriations from $8,873,438 to $9,775,000.

Capital Assets

The County invested $826,499 in capital assets for its governmental-type activities for the year ended December 31, 2006. This investment in capital assets consists primarily of equipment and vehicles. Additionally, road improvements valued at $18,292,983 were contributed to the County during 2006.

Next Year's Budgets

The County has appropriated $26,235,148 for spending in the 2007 fiscal year budget. Budgeted 2007 revenue of $21,477,788 and the use of accumulated fund balances will be sufficient to cover the appropriated expenditures in 2007.

Requests for Information

This financial report is designed to provide a general overview of Elbert County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Elbert County, 221 Comanche Street, P.O. Box 597, Kiowa, Colorado 80117.

BASIC FINANCIAL STATEMENTS

ELBERT COUNTY, COLORADO
STATEMENT OF NET ASSETS
December 31, 2006

	Primary Government	Component Unit
	Governmental Activities	Emergency Telephone Service Authority
ASSETS		
Cash and investments	$ 4,825,492	$ 275,316
Cash and investments - Restricted	5,242,197	-
Receivables	848,520	36,411
Property taxes receivable	7,173,485	-
Inventory of supplies	360,319	-
Other assets, net	264,141	12,179
Capital assets, net		
Land, buildings, equipment and infrastructure	98,125,277	224,344
Total assets	116,839,431	548,250
LIABILITIES		
Warrants payable	428,118	-
Accounts payable	500,612	-
Accrued interest payable	47,254	-
Deferred revenue	7,563,085	-
Noncurrent liabilities		
Due within one year	995,134	-
Due in more than one year	6,705,040	-
Total liabilities	16,239,243	-
NET ASSETS		
Invested in capital assets, net of related debt	96,530,792	224,344
Restricted	1,154,521	-
Unrestricted	2,914,875	323,906
Total net assets	$ 100,600,188	$ 548,250

These financial statements should be read only in connection with the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF ACTIVITIES
December 31, 2006

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
					Primary Government	Component Unit
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Emergency Telephone Service Authority**
Primary government:						
Governmental activities:						
General government	$ 5,259,006	$ 3,754,859	$ -	$ -	$ (1,504,147)	$ -
Public safety	3,776,044	-	-	-	(3,776,044)	-
Public works	9,021,561	-	-	18,292,983	9,271,422	-
Public health and welfare	3,666,206	-	2,892,513	-	(773,693)	-
Culture and recreation	209,880	-	-	-	(209,880)	-
Auxiliary services	123,976	-	-	-	(123,976)	-
Interest on long-term debt	646,350	328,202	-	-	(318,148)	-
Total primary government	$ 22,703,023	$ 4,083,061	$ 2,892,513	$ 18,292,983	2,565,534	-
Component unit:						
Emergency telephone service authority	$ 162,719	$ 210,111	$ -	$ -		47,392
General revenues:						
Taxes					8,407,636	-
Intergovernmental					2,542,230	-
Investment and interest income					395,179	10,943
Other					735,014	-
Total general revenues					12,080,059	10,943
Change in net assets					14,645,593	58,335
Net assets - Beginning (restated)					85,954,595	489,915
Net assets - Ending					$ 100,600,188	$ 548,250

These financial statements should be read only in connection with the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2006

		Special Revenue Funds	
	General	**Road and Bridge**	**Social Services**
ASSETS			
Cash and investments with Treasurer	$ 523,135	$ 385,067	$ 389,384
Cash and investments with Treasurer - Restricted	-	-	-
Accounts receivable	246,168	127,226	54,113
Assessments receivable	-	-	-
Due from other funds	889,239	-	-
Property taxes receivable	4,157,657	2,421,095	382,278
Inventory of supplies	15,336	344,891	92
Total assets	$ 5,831,535	$ 3,278,279	$ 825,867
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Warrants payable	$ 271,576	$ 110,638	$ 23,984
Accounts payable	347,676	121,524	30,165
Due to other funds	-	-	-
Deferred revenue	4,157,657	2,421,095	382,278
Total liabilities	4,776,909	2,653,257	436,427
FUND BALANCES			
Reserved	15,336	344,891	-
Unreserved			
Designated for subsequent year's expenditures	-	-	-
Unreserved, reported in:			
General fund	1,039,290	-	-
Special revenue funds	-	280,131	389,440
Total fund balances	1,054,626	625,022	389,440
TOTAL LIABILITIES FUND BALANCES	$ 5,831,535	$ 3,278,279	$ 825,867

Impact Assistance Fund	Elbert County Building Authority	Nonmajor Governmental Funds	Total Governmental Funds
$ 2,388,744	$ -	$ 1,139,162	$ 4,825,492
-	4,601,230	640,967	5,242,197
9,113	17,927	4,373	458,920
-	-	389,600	389,600
-	-	-	889,239
-	-	212,455	7,173,485
-	-	-	360,319
$ 2,397,857	$ 4,619,157	$ 2,386,557	$ 19,339,252
$ -	$ -	$ 21,920	$ 428,118
-	1,247	-	500,612
-	889,239	-	889,239
-	-	602,055	7,563,085
-	890,486	623,975	9,381,054
-	3,728,671	1,677,195	5,766,093
-	-	40,839	40,839
-	-	-	1,039,290
2,397,857	-	44,548	3,111,976
2,397,857	3,728,671	1,762,582	9,958,198
$ 2,397,857	$ 4,619,157	$ 2,386,557	$ 19,339,252

These financial statements should be read only in connection with the accompanying notes to financial statements.

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ELBERT COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
December 31, 2006

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balance - Total governmental funds	$ 9,958,198
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	98,125,277
Other assets, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.	264,141
Accrued interest payable is not included in the funds.	(47,254)
Noncurrent liabilities, including capital leases and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(7,700,174)
Net assets of governmental activities	$ 100,600,188

These financial statements should be read only in connection with the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2006

		Special Revenue Funds	
	General	Road and Bridge	Social Services
REVENUE			
Taxes	$ 5,136,461	$ 2,783,013	$ 146,460
Special assessments	-	-	-
Licenses and permits	1,133,722	-	-
Base rental income	-	-	-
Intergovernmental	341,365	1,729,338	2,892,513
Charges for services	1,341,808	-	-
Net investment income	154,467	-	-
Miscellaneous	191,372	490,506	53,136
Total revenue	8,299,195	5,002,857	3,092,109
EXPENDITURES			
Current			
General government	4,820,801	69,266	-
Public safety	3,629,595	-	-
Public works	-	4,162,869	-
Public health and welfare	481,782	-	3,167,591
Culture and recreation	185,176	-	-
Auxiliary services	123,976	-	-
Debt service	-	577,878	-
Issuance costs	-	-	-
Capital outlay	407,196	354,753	-
Total expenditures	9,648,526	5,164,766	3,167,591
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(1,349,331)	(161,909)	(75,482)
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	-	199,750	-
Transfers in	982,797	300,000	-
Transfers (out)	(25,000)	-	-
Total other financing sources (uses)	957,797	499,750	-
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(391,534)	337,841	(75,482)
FUND BALANCE (RESTATED) - BEGINNING OF YEAR	1,446,160	287,181	464,922
FUND BALANCE - END OF YEAR	$ 1,054,626	$ 625,022	$ 389,440

Impact Assistance Fund	Elbert County Building Authority	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 305,537	$ 8,371,471
-	-	36,165	36,165
-	-	-	1,133,722
-	-	328,202	328,202
-	-	147,797	5,111,013
1,279,329	-	-	2,621,137
-	193,559	47,152	395,178
-	-	-	735,014
1,279,329	193,559	864,853	18,731,902
-	-	227,603	5,117,670
-	-	-	3,629,595
-	-	22,814	4,185,683
-	-	-	3,649,373
-	-	6,337	191,513
-	-	-	123,976
-	171,288	551,278	1,300,444
-	15,543	-	15,543
64,550	-	-	826,499
64,550	186,831	808,032	19,040,296
1,214,779	6,728	56,821	(308,394)
-	-	-	199,750
-	-	57,373	1,340,170
(300,000)	(889,235)	(125,935)	(1,340,170)
(300,000)	(889,235)	(68,562)	199,750
914,779	(882,507)	(11,741)	(108,644)
1,483,078	4,611,178	1,774,323	10,066,842
$ 2,397,857	$ 3,728,671	$ 1,762,582	$ 9,958,198

These financial statements should be read only in connection with the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended December 31, 2006

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - Total governmental funds	$ (108,644)
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 net of depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital outlay	826,499
Depreciation	(5,047,829)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund, such as contributed infrastructure.	
Contributed assets	18,292,983
Repayment of highway users tax liability	296,752
The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Capital lease proceeds	(199,750)
Principal payments made	710,557
Change in compensated absences	(95,490)
Amortization of bond issuance costs	(23,957)
Change in accrued interest	(5,528)
Change in Net Assets of Governmental Activities	$ 14,645,593

These financial statements should be read only in connection with the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2006

	Agency Funds		
	Treasurer	Public Trustee	Total
ASSETS			
Cash and investments with Treasurer	$ 472,897	$ 83,691	$ 556,588
Total assets	472,897	83,691	556,588
LIABILITIES			
Due to other governments	452,197	-	452,197
Other liabilities	20,700	-	20,700
Escrow deposits held by public trustee	-	83,691	83,691
Total liabilities	472,897	83,691	556,588
NET ASSETS			
Held in trust	$ -	$ -	$ -

These financial statements should be read only in connection with the accompanying notes to financial statements.

NOTE 1 - DEFINITION OF REPORTING ENTITY

Elbert County, Colorado (County) is governed by a Board of County Commissioners. The Board consists of three elected members. The County provides the following services: public safety (including the activity of the Sheriff's Contraband account), health and welfare, construction and maintenance of roads and bridges and general administrative services.

The County follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

As required by generally accepted accounting principles (GAAP), these financial statements present the County (the primary government) and its component units. One component unit, the Elbert County Emergency Telephone Service Authority (Authority), is discretely reported in a separate column to emphasize that it is legally separate from the County. The discretely presented component unit has a December 31 year end.

The Authority was established April 27, 1989 and reconstituted April 14, 1992 by an Intergovernmental Agreement between the County of Elbert; Towns of Simla, Kiowa, Elbert and Elizabeth; Kiowa, Elbert, Elizabeth, Tri-County, Rattlesnake, Deer Trail and Calhan Fire Protection Districts. The Authority was established pursuant to State Statute Article 11 of Title 29. The purpose of the Authority is to provide central emergency telephone services to residents within the service area in Elbert County. The Authority is included in the County's financial statements because the Elbert County Board of Commissioners appoints all of the board members. Complete financial statements for the Authority may be obtained from the Authority's office at P.O. Box 992, Elizabeth, Colorado 80107.

The County is financially accountable for the Elbert County Building Authority (Building Authority). The Building Authority is being presented as a blended component unit of the County because the purpose of the Building Authority is to provide an exclusive benefit to the County. The Building Authority was registered with the State of Colorado as a nonprofit corporation on November 11, 2005.

The Building Authority is governed by a Board of Directors that consist of three members. The initial Board was established by the County Commissioners. Any future changes to Board members will be decided by a majority vote of the existing members.

NOTE 1 - DEFINITION OF REPORTING ENTITY (CONTINUED)

The operations of the 18th Judicial District (including Crime Victim Compensation Boards) is not a part of the financial statements of the County as the County is not financially accountable for the operations of the 18th Judicial District.

Proceeds from the seizure of contraband were $-0- for the year ended December 31, 2006.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the County are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These financial statements include all of the activities of the primary government and its component units except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net assets reports all financial and capital resources of the primary government and its component units. The difference between the assets and liabilities of the County is reported as net assets.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are specific ownership taxes and grant funding. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road and Bridge special revenue fund is used to account for the proceeds of restricted revenue to be used for maintaining road and bridge operations.

The Social Services special revenue fund is used to account for the proceeds of restricted revenue to be used for public health and welfare programs.

The Impact Assistance special revenue fund is used to account for the proceeds of restricted revenue to be used for certain eligible projects.

The Building Authority capital projects fund is used to account for the proceeds of the Certificates of Participation issuance to be used for certain capital improvement projects.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the County reports Agency Funds, which are used to account for assets held by the County as an agent for other governmental units and individuals. The agency funds are custodial in nature and do not present results of operations or have a measurement focus.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Budgets

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. For budgetary purposes, the County did not budget or appropriate for entering into capital lease transactions, as entering into a capital lease transaction does not provide for or use financial resources. The payments required under the capital lease agreements are included in the appropriations resolution.

Subsequent to the year ended December 31, 2006, supplementary appropriations approved by the County modified the appropriation from $8,873,438 to $9,775,000 in the General Fund, from $4,607,250 to $5,700,000 in the Road and Bridge Fund, from $3,204,161 to $3,750,000 in the Social Services Fund, from $56,076 to $80,000 in the Meadows Station Debt Service Fund, from $91,151 to $98,000 in the Capital Improvements Fund, and from $-0- to $35,000 in the Foxwood Estates Capital Projects Fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Net Investment Income

Except for cash held by third parties (cash and investments with trustee), all cash is deposited with the County Treasurer. When funds are received, the accounts of the fund receiving the money are credited. When expenditures are made, the cash with Treasurer is reduced and the expenditures recorded. The Treasurer invests the funds to achieve the best possible return on the investment. All funds record cash and investments as cash with County Treasurer. Net investment income is allocated to the General Fund, Conservation Trust Fund and Impact Assistance Fund, in accordance with statutory requirements. Investments are carried at fair value.

Inventories

Inventories of supplies held for consumption by the Road and Bridge Fund are valued at average cost. The cost of inventory is recorded as an expenditure at the time individual inventory items are used. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of assets.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads and similar items), are reported 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings	39 years
Equipment	3 - 7 years
Infrastructure	30 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the County Commissioners. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to put a tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenue are recorded as revenue in the year they are available or collected.

Amortization of Bond Issue Costs

In the government-wide financial statements, bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the interest method.

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

Compensated Absences

The County has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The County's General Fund is used to liquidate compensated absences of the governmental activities.

Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are legally segregated or are not subject to future appropriation. Designations of unreserved fund balances indicate the Commissioners' intention for future utilization of such funds and are subject to change by the Commissioners.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserved Fund Balance

Individual reserves by fund at December 31, 2006 are as follows:

Primary government:	
General Fund	
Reserved for inventory	$ 15,336
Debt Service Funds	
Reserved for payment of bond principal and interest	642,995
Special Revenue Funds	
Road and Bridge Fund	
Reserved for inventory	344,891
Contingency Fund	
Reserved for emergencies under TABOR	323,880
Conservation Trust Fund	
Reserved for future projects	710,320
Total Special Revenue Funds	1,379,091
Capital Projects Funds	
Reserved for capital expenditures	
Building Authority	3,728,671
	3,728,671
Total reservations of fund balances	$ 5,766,093

The fund balances in the Debt Service Funds are to be used for the payment of special assessment bond principal and interest.

An amount of the fund balance equal to the reported inventory in the General Fund and Road and Bridge Fund is reserved to indicate that the inventory does not constitute spendable resources even though the inventory is a component of net assets.

Article X, Section 20 of the Constitution of the State of Colorado requires the County to establish Emergency Reserves. The Contingency Fund balance has been reserved in compliance with this requirement.

The reserved balance for the Conservation Trust Fund is for the net unspent proceeds received from the State Lottery under the State's Conservation Trust Fund regulations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance reserved for capital expenditures represents reserves for future capital expenditures in the Elbert County Building Authority capital projects fund and the capital improvements fund.

Designated Fund Balance

The amount classified as "designated for subsequent year's expenditures" at December 31, 2006 represents the amount appropriated for use in the budget for the year ending December 31, 2007.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2006 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	$ 4,825,492
Cash and investments - Restricted	5,242,197
Total cash and investments - Statement of net assets	10,067,689
Statement of fiduciary net assets	556,588
	$ 10,624,277

Cash and investments as of December 31, 2006 consist of the following:

Deposits with financial institutions	$ 2,051,712
Investments	8,572,565
Total cash and investments	$ 10,624,277

Cash Deposits

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

At December 31, 2006, the County's cash deposits had a bank balance of $2,240,367 and a carrying balance of $2,051,712.

At December 31, 2006, the Authority's cash deposits had bank balance of $75,111 and a carrying balance of $61,180.

Investments

Credit Risk

The County has not adopted a formal investment policy, however, the County follows State statutes regarding investments.

The County generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the County is not subject to concentration of custodial risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Commissioners. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

* 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
. Written repurchase agreements collateralized by certain authorized securities
* Certain money market funds
. Guaranteed investment contracts
* Local government investment pools

The local government investment pools, which includes the Colorado Local Government Liquid Asset Trust (Colotrust), is rated AAAm by Standard & Poor's. The investment in money market funds is rated AAAm by Standard & Poor's. The investments in Federal Home Loan Mortgage Corp., Federal Home Loan Bank, Financial Corporation, and Federal National Mortgage Association are rated AAA or do not have a rating. Those that do not have a rating are managed by federal agencies.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

Investment	Maturity	Fair Value
Colorado Liquid Asset Trust (Colotrust)	Less than one year	$ 2,268,897
Money Market Funds	Weighted average under 90 days	5,589,791
Federal Home Loan Mortgage Corp.	July 2007	189,626
Federal Home Loan Bank	January 2006 – April 2007	328,464
Federal National Mortgage Association	May 2008	195,787
		$ 8,572,565

COLOTRUST

During 2006, the County invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00 The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2006, the County had $2,268,897 invested in COLOTRUST PLUS+.

Money Market Funds

As of December 31, 2006 the County had invested $467,915 in the Government Obligations Fund managed by Piper Jaffray. Proceeds remaining from the 2005 Certificates of Participation issuance as of December 31, 2006 were $5,121,876. These funds are being held in a U.S. Treasury money market fund managed by the Trustee. The managed funds invest primarily in securities that are issued or guaranteed as to payment of principal and interest by the U.S. government, its agencies or instrumentalities and repurchase agreements collateralized by such securities.

The Authority had $214,136 invested in COLOTRUST PLUS+ as of December 31, 2006.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006 was as follows:

Primary Government	Balance at December 31, 2005 (Restated - See Note 13)	Increases	Decreases	Balance at December 31, 2006
Capital assets, not being depreciated:				
Land	$ 622,313	$ -	$ -	$ 622,313
Construction in progress	276,144	-	(276,144)	-
Total capital assets, not being depreciated	898,457	-	(276,144)	622,313
Capital assets, being depreciated:				
Buildings	5,047,614	-	-	5,047,614
Equipment	6,963,147	826,499	-	7,789,646
Infrastructure	140,621,191	18,569,127	-	159,190,318
Total capital assets, being depreciated	152,631,952	19,395,626	-	172,027,578
Less accumulated depreciation for:				
Buildings	(3,146,561)	(102,732)	-	(3,249,293)
Equipment	(5,391,252)	(589,192)	-	(5,980,444)
Infrastructure	(60,938,972)	(4,355,905)	-	(65,294,877)
Total accumulated depreciation	(69,476,785)	(5,047,829)	-	(74,524,614)
Total capital assets, being depreciated, net	83,155,167	14,347,797	-	97,502,964
Capital assets, net	$ 84,053,624	$ 14,347,797	$ (276,144)	$ 98,125,277
Component Unit				
Emergency Telephone Service Authority	$ 153,477	$ 117,622	$ (46,755)	$ 224,344

During the year ended December 31, 2006, the Authority transferred assets valued at $46,753 to the County. These assets were not capitalized on the County's records as they did not fall within the guidelines of the County's capitalization policy.

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

General government	$ 112,959
Public works	4,807,881
Public safety	107,178
Public health and welfare	2,571
Culture and recreation	17,240
Total depreciation expense	$ 5,047,829

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the County's long-term obligations for the year ended December 31, 2006:

	Balance at December 31, 2005	Additions	Reductions	Balance at December 31, 2006	Due Within One Year
Governmental Activities:					
Capital lease obligations	$ 529,829	$ 199,750	$ 290,078	$ 439,501	$ 198,383
Special assessment debt	521,000	-	115,000	406,000	70,000
General obligation debt	970,000	-	20,000	950,000	35,000
Certificates of participation	5,295,000	-	110,000	5,185,000	150,000
Lease Purchase Agreement	175,479	-	175,479	-	-
Claim of overpayments from Highway Users Trust Fund	652,201	-	296,752	355,449	177,527
Compensated absences	268,733	95,491	-	364,224	364,224
	$ 8,412,242	$ 295,241	$ 1,007,309	$ 7,700,174	$ 995,134

The detail of the County's long-term obligations is as follows:

Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of certain road and bridge equipment as described below. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases at December 31, 2006 are as follows:

	Governmental Activities
Equipment	$ 2,522,516
Less accumulated depreciation	(1,865,635)
Total	$ 656,881

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

On August 22, 2003, the County entered into a capital lease obligation to purchase a grader. The lease is on a quarterly basis, renewable for two consecutive one-year periods with quarterly principal and interest payments of $18,300.36, with interest of 2.40%. The lease was paid in full during 2006.

On June 1, 2005, the County entered into a capital lease obligation to purchase a motor grader. The lease is on a quarterly basis, renewable for three consecutive one year periods with quarterly principal and interest payments of $12,396.04, with interest of 4.75%.

On June 1, 2005, the County entered into a capital lease obligation to purchase a motor grader. The lease is on a quarterly basis, renewable for three consecutive one year periods with quarterly principal and interest payments of $12,396.04, with interest of 4.75%.

On August 9, 2005, the County entered into a capital lease obligation to purchase a motor grader. The lease is on a quarterly basis, renewable for four consecutive one year periods with quarterly principal and interest payments of $17,748.77, with interest of 4.75%.

On September 6, 2005, the County entered into a capital lease obligation to purchase a motor grader. The lease is on a quarterly basis, renewable for four consecutive one year periods with quarterly principal and interest payments of $17,746.67, with interest of 4.75%.

On February 7, 2006, the County entered into a capital lease obligation to purchase a motor grader. The lease is on a monthly basis for 60 consecutive monthly periods with 59 monthly principal and interest payments of $1,963.09 with interest of 4.64% and 1 final payment of $121,482 which is due January 7, 2011.

The lease purchase agreements do not constitute general obligation debts of the County as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreements.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2006, were as follows:

Year Ending December 31,	Governmental Activities
2007	$ 215,122
2008	94,547
2009	23,556
2010	23,556
2011	121,484
Total minimum lease payments	478,265
Less amount representing interest	(38,764)
Present value of minimum lease payments	$ 439,501

Special Assessment Bonds

The following Special Assessment Bonds are to be serviced by special assessments levied against real property in the County, which is specifically benefited by the improvements.

The Amanda Pines Estates Local Improvement District Special Assessment Bonds, dated July 19, 2001, were issued in the principal amount of $215,000. Principal and interest, computed at 5.75% per annum, is payable annually on July 1, and maturing July 1, 2011, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on July 1, 2002, and each July 1, thereafter. The principal amount outstanding at December 31, 2006 was $46,000.

The Rolling Hills Acres Local Improvement District Special Assessment Bonds, dated April 24, 2002 were issued in the principal amount of $175,000. Principal and interest, computed at 6.125% per annum, is payable annually on July 1, and maturing July 1, 2012, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on July 1, 2003, and each July 1, thereafter. The principal amount outstanding at December 31, 2006 was $100,000.

The Chaparral Valley 2 Local Improvement District Special Assessment Bonds, dated January 10, 2003 were issued in the principal amount of $350,000. Principal and interest, computed at 6.00% per annum, is payable annually on July 1, and maturing July 1, 2022, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on July 1, 2003, and each July 1, thereafter. The principal amount outstanding at December 31, 2006 was $260,000.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

The Meadows Station Subdivision Public Improvement District Special Assessment Bonds, dated December 23, 2004 were issued in the principal amount of $625,000. Principal and interest, computed at a variable rate of 3.15% - 5.25% per annum, is payable semi-annually on June 1 and December 1, and maturing December 1, 2024, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on December 1, 2006, and each December 1 thereafter. The principal amount outstanding at December 31, 2006 was $605,000.

The Foxwood Estates Subdivision Public Improvement District Special Assessment Bonds, dated January 27, 2005 were issued in the principal amount of $345,000. Principal and interest are computed at a variable rate of 3.25% - 5.50% per annum. The principal amount outstanding at December 31, 2006 was $345,000.

Certificates of Participation

On December 1, 2005, Certificates of Participation were issued in the amount of $5,295,000 by the Building Authority. The County entered into a Lease Purchase Agreement (Lease) with the Building Authority to acquire the rights to service the Certificates of Participation per the Lease. The County will assume the responsibility of facilitating the capital improvements and servicing the debt.

The Series 2005 Certificates are serial and term certificates that bear an interest rate of 4% - 5%. The Certificates are due December 1, 2025 and are subject to redemption prior to maturity at the option of the County beginning on December 1, 2010. The Certificates are subject to mandatory sinking fund redemption on or before December 1, 2021 at a price equal to the principal amount thereof plus accrued interest to the redemption date. Principal and interest payments are insured as to repayment by Assured Guaranty.

The terms of the Lease require that the Lease shall terminate annually on December 31. The Lease term may be continued, solely at the option of the County, for additional renewal terms, each of one year in duration, except that the final renewal term shall terminate on December 1, 2025.

Under the terms of the Lease, the County has covenanted to establish and maintain minimum fund balances in the General Fund and Road and Bridge Fund by December 31, 2009. The minimum requirement for the General Fund is the greater of (a) 15% of the annual operating expenditures paid from the General Fund or, (b) $950,000. The minimum fund balance requirement for the Road and Bridge Fund is the greater of (a) 15% of the annual operating expenditures paid from the Road and Bridge Fund, or (b) $700,000.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Under the terms of the Lease, the County is not obligated to make any payments beyond those appropriated for a given year.

For those years in which appropriations are made, the County is required to pay base rentals directly to the Trustee. These payments are required to be made by the County on May 15 and November 15 on any given year.

Annual debt service requirements to maturity for Special Assessment Bonds, General Obligation Bonds and the Certificates of Participation are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2007	$ 250,000	$ 301,876	$ 551,876
2008	285,000	285,700	570,700
2009	351,000	273,836	624,836
2010	355,000	259,312	614,312
2011	370,000	244,628	614,628
2012-2016	1,855,000	969,801	2,824,801
2017-2021	1,395,000	627,576	2,022,576
2022-2026	1,605,000	249,051	1,854,051
2027-2029	75,000	8,250	83,250
	$6,541,000	$3,220,030	$ 9,761,030

Lease Purchase Agreement

On June 1, 2005, the County entered into a Lease Purchase Agreement (Agreement) to acquire a tract of land. The land is located within the boundaries of the County. The agreements require the County to make quarterly principal and interest payments of $7,500 on January 1, April 1 and October 1. The Agreement bears an interest rate of 6%. During 2006, the County paid the remaining principal balance to satisfy the terms of the Agreement.

Claim of Overpayments from Highway Users Trust Fund

The Colorado State Treasurer's Office (State Treasurer) has made two separate and distinct overpayments of Highway Users Trust Fund distributions to the County.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Claim of Overpayment #1

The State Treasurer erroneously distributed $971,190 of Highway Users Trust Fund (HUTF) money to the County during 2002 and 2003. The overpayment was a result of the State Treasurer transposing County and rural vehicle registration information. The County expended these monies in the ordinary course of Road and Bridge Fund operations.

The State Treasurer has drafted a Memorandum of Understanding (MOU), which has not been approved by the County. In accordance with the unapproved MOU, beginning in 2004 the State Treasurer began deducting $26,977.50 per month from the County's HUTF distributions. Deductions continued through 2006 and the obligation for repayment was fulfilled subsequent to year end.

Claim of Overpayment #2

During July of 2004, the County was informed that the State Treasurer had erroneously distributed $328,471 of HUTF monies to the County during 2000. The overpayment was a result of the State Treasurer and/or the Colorado Department of Transportation transposing bridge deck data used to calculate distributions. The County has expended these monies in the ordinary course of Road and Bridge Fund operations. The State Treasurer has not yet begun deducting payments from the County's HUTF distributions.

The State Treasurer has unilaterally offered to extend the unapproved MOU described above for an additional two years. The question of legal ability described above is also applicable to this claim.

The County has recorded a liability of $328,471 for these claims as of December 31, 2006 in its government-wide financial statements. The claim will be reduced based upon the reduction of revenue in future years in its governmental fund financial statements. Anticipated revenue reductions are as follows:

Year Ending December 31,	
2007	$ 191,213
2008	164,236
	$ 355,449

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Conduit Debt Obligation

During the year ended December 31, 2006, the County issued Revenue Bonds to provide financial assistance to the Centennial Mental Health Center to finance projects of public interest. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liability in the accompanying financial statements. As of December 31, 2006, $439,250 in principal was outstanding.

The long-term obligations of the County have been and will continue to be liquidated by various County funds. The Road and Bridge Fund services the capital lease obligations and the claim of overpayments from Highway Users Trust Fund. The General Fund services the Lease Purchase Agreement and the compensated absences. The Special Assessment Debt, General Obligation Debt, and the Certificates of Participation are serviced by the specific funds that were established with the sole purpose of liquidating the debt obligation.

NOTE 6 - NET ASSETS

The County has net assets consisting of three components - invested in capital assets, net of related debt, restricted, and unrestricted.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2006, the County had invested in capital assets, net of related debt of $96,530,792 calculated as follows:

	Governmental Activities
Invested in capital assets, net of related debt:	
Capital assets, net	$ 98,125,277
Bond issuance costs (net of accumulated amortization)	264,141
Current portion of long-term obligations	(453,383)
Noncurrent portion of long-term obligations	(6,527,118)
Unspent bond proceeds	5,121,875
Invested in capital asset, net of related debt	$ 96,530,792

NOTE 6 - NET ASSETS (CONTINUED)

Restricted assets include net assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County had restricted net assets of $1,154,321 as of December 31, 2006 as follows:

	Governmental Activities
Primary Government	
Restricted net assets:	
Debt service - Special assessment debt	$ 120,321
Emergencies under TABOR	323,880
Trust for future projects	710,320
Total restricted net assets	$ 1,154,521

NOTE 7 - PENSION PLAN

The County has adopted a multiple employer defined contribution pension plan administered by Colorado Counties Officials and Employees Retirement Association (CCOERA) which covers substantially all employees meeting the minimum eligibility requirements of 20 or more hours of work per week and one full year of continuous service. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees must match the employer contributions which may range from 3% to 6% of gross wages less overtime pay. An employee may contribute an additional 10% of eligible compensation after taxes or defer up to the lesser of $8,500 or 25% of gross wages until retirement. Withdrawal from the Plan may occur only upon retirement, death, disability or termination of employment. Employees vest 100% in personal contributions and 20% for each year of employment in employer contributions. Unvested employer contributions forfeited at termination revert to the County.

NOTE 7 - PENSION PLAN (CONTINUED)

Both the County and the employees contributed 4% of eligible gross wages to the Plan during 2006. During the year ended December 31, 2006, participants made additional voluntary contributions. Additionally, certain participants participated in the Voluntary Deferred Compensation Plan during 2006. Information regarding the pension plan contributions for 2006 is as follows:

	2006	2005	2004
Total payroll	$ 8,015,653	$5,833,644	$5,694,439
Base salary - eligible	6,244,468	4,721,004	4,597,654
County contribution	237,958	175,906	181,171
Employee contribution	247,196	176,255	181,171

NOTE 8 - DEFERRED COMPENSATION PLAN

The County has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by CCOERA. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The County leases equipment under operating leases that expire through 2011. Total rental expense for the year ended December 31, 2006 was $386,504. The future minimum annual rental commitments under these leases are as follows:

Year ending December 31,	Minimum Lease Payments
2007	$ 389,960
2008	391,898
2009	374,033
2010	155,708
2011	41,790
	$1,353,389

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The County has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The County is monitoring the progress of these matters and has referred various matters to the County's insurance carrier for consultation and representation. Insurance could participate in defense, settlement and claims costs subject to the terms and conditions of the insuring agreements.

NOTE 10 - TRANSFERS

	Transfers In			
Transfers Out	General Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ 25,000	$ 25,000
Building Authority - Capital	889,235	-		889,235
Impact Assistance	-	300,000	-	300,000
Nonmajor Governmental Funds	93,562	-	32,373	125,935
	$ 982,797	$ 300,000	$ 57,373	$ 1,340,170

The transfer to the Rolling Hills Debt Service Fund from the General Fund of $25,000 is to cover debt service payments.

The transfer to the General Fund from the Elbert County Building Authority Capital Projects Fund of $889,235 reimburses the General Fund fund for expenditures eligible for payment out of the Elbert County Building Authority Capital Projects Fund.

The transfer to the Road and Bridge Fund from the Impact Fund of $300,000 is to cover eligible expenses that can be paid from impact fees.

The transfer to the General Fund from a nonmajor fund of $93,562 closes out the Capital Improvement Fund.

The transfer of $32,373 represents the transfers between nonmajor funds to close out certain special assessment capital projects funds to their corresponding debt service funds.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, thefts of, damage to or destruction of assets; errors or omissions; injuries to employees, or acts of God. The County is one of several counties which are members of the Colorado Counties Casualty and Property Pool and the County Workers' Compensation Pool (Pools). The Pools are organizations created by intergovernmental agreement. The Colorado Counties Casualty and Property Pool provides general liability, automobile liability, property and auto physical damage to its members. The County Workers' Compensation Pool provides workers' compensation coverage to its members.

The County pays annual contributions to the Pools for its property and casualty insurance and its workers' compensation insurance. The County has a $500 deductible per claim for its property and casualty insurance. The intergovernmental agreements which formed the Pools provides that the Pools will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pools will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Each pool is managed by an independent risk manager/claims administrator who reports to the Pool Board of Directors. Each member's contribution to the respective pool is determined on factors including, but not limited to, the Pool's claim experience, premium costs, cost of administration and other operating expenses, the number of participants, the adequacy of both operating and reserve funds and other factors effecting the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

The County's contributions as a percentage of pool revenue are less than 3%.

The Pools provide the following types of coverage:

	Self-Insured Retentions (Per Occurrence)	Excess Insurance Limits (Per Occurrence)
Liability	$ 250,000	$ 2,750,000
Property	$ 150,000	$ 50,000,000
Workers' compensation	$ 500,000	to statutory limit

Settled claims have not exceeded coverage provided by the Pools in any of the past three fiscal years.

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation. Accordingly, the possibility exists that the County's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

On November 5, 1996, a majority of the County's electors authorized the County to retain or expend all revenue derived from building and other development related fees, exactions and permits; and revenues, cost reimbursements and grants from other governments during 1996 and each subsequent year. The County is authorized to spend all such revenues on road improvements, growth management, public safety and such other costs as may be directly related to growth unless otherwise provided by law, agreement, or grant, without regard to any limitation contained in Article X, Section 20 of the Colorado constitution and without limiting in any year the amount of other revenues that may be collected and spent by the County under Article X, Section 20 of the Colorado constitution or any other law; provided, however, that no property tax mill levy shall be increased at any time, nor shall any new tax be imposed, without consent of the voters approving any such increase or new tax.

NOTE 13 - RESTATEMENT OF BEGINNING BALANCES

Subsequent to the year ended December 31, 2005, the County determined that an adjustment to the General Fund fund balance was necessary to record revenue not previously recognized.

General Fund fund balance previously presented	$ 885,231
Recognition of prior years' revenue	560,929
Restated beginning General Fund balance	$ 1,446,160

As of January 1, 2006, the County completed the implementation of the infrastructure reporting requirements of the Governmental Accounting Standards Board GASB Statement No. 34. Subsequent to December 31, 2005, the County identified the following as adjustments to Net Assets:

Net assets - Balance previously presented	$ 13,067,643
Recognition of infrastructure constructed prior to 2003, net	72,326,023
Recognition of prior year's revenue	560,929
Restated Beginning Net Assets	$ 85,954,595

This information is an integral part of the accompanying financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2006

	Budget	
	Original	**Final**
REVENUE		
Taxes	$ 5,101,178	$ 5,138,000
Licenses and permits	833,000	1,134,000
Intergovernmental	1,138,424	336,000
Charges for service	1,825,289	1,185,000
Net investment income	180,000	155,000
Miscellaneous	304,500	196,500
Total revenue	9,382,391	8,144,500
EXPENDITURES		
General government	4,447,005	4,865,000
Public safety	3,667,902	3,785,000
Public health and welfare	490,191	500,000
Culture and recreation	144,550	200,000
Auxiliary services	123,790	125,000
Capital outlay	-	300,000
Total expenditures	8,873,438	9,775,000
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	508,953	(1,630,500)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	985,000
Transfers (out)	-	(25,000)
Total other financing sources (uses)	-	960,000
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	508,953	(670,500)
FUND BALANCE (RESTATED) - BEGINNING OF YEAR	202,142	885,231
FUND BALANCE - END OF YEAR	$ 711,095	$ 214,731

Actual	Variance with Final Budget Positive (Negative)
$ 5,136,461	$ (1,539)
1,133,722	(278)
341,365	5,365
1,341,808	156,808
154,467	(533)
191,372	(5,128)
8,299,195	154,695
4,820,801	44,199
3,629,595	155,405
481,782	18,218
185,176	14,824
123,976	1,024
407,196	(107,196)
9,648,526	126,474
(1,349,331)	281,169
982,797	(2,203)
(25,000)	-
957,797	(2,203)
(391,534)	278,966
1,446,160	560,929
$ 1,054,626	$ 839,895

ELBERT COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUE - BUDGET AND ACTUAL
Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Taxes				
Property taxes	$ 4,281,178	$ 4,265,000	$ 4,264,420	$ (580)
Specific ownership taxes	812,000	866,000	865,430	(570)
Cigarette taxes	8,000	7,000	6,611	(389)
Total taxes	5,101,178	5,138,000	5,136,461	(1,539)
Licenses and permits				
Building and zoning fees	832,500	1,133,000	1,132,795	(205)
Liquor licenses	500	1,000	927	(73)
Total licenses and permits	833,000	1,134,000	1,133,722	(278)
Intergovernmental revenue				
VALE grant	45,000	46,000	46,142	142
EMC state	-	21,000	21,000	-
Environmental health grant	63,000	25,000	27,181	2,181
Other intergovernmental revenue	1,030,424	244,000	247,042	3,042
Total intergovernmental revenue	1,138,424	336,000	341,365	5,365
Charges for services				
Assessor	2,500	50,000	3,937	(46,063)
Sheriff	341,350	130,000	128,745	(1,255)
Clerk	760,000	365,000	521,029	156,029
Treasurer	320,000	340,000	339,875	(125)
Nurse	25,139	150,000	199,745	49,745
Compactor fees	60,000	50,000	47,195	(2,805)
Energy impact dispatch	4,500	-	-	-
Public trustee fees	80,000	100,000	98,800	(1,200)
Miscellaneous fees	231,800	-	2,482	2,482
Total charges for services	1,825,289	1,185,000	1,341,808	156,808
Net investment income	180,000	155,000	154,467	(533)
Miscellaneous revenue				
DUI insurance	4,000	1,500	1,213	(287)
Fair receipts	26,000	35,000	33,715	(1,285)
Other	274,500	160,000	156,444	(3,556)
Total miscellaneous revenue	304,500	196,500	191,372	(5,128)
Total revenue	$ 9,382,391	$ 8,144,500	$ 8,299,195	$ 154,695

ELBERT COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General government				
Office of Commissioners	$ 249,282	$ 400,000	$ 397,386	$ 2,614
Clerk of the Board	50,430	55,000	51,720	3,280
County attorney	100,000	105,000	103,848	1,152
Clerk and recorder	414,147	415,000	412,833	2,167
Clerk and recorder - Elections	278,500	85,000	82,035	2,965
County Treasurer	233,041	220,000	216,929	3,071
County Assessor	625,662	565,000	559,609	5,391
Maintenance of grounds and buildings	226,225	225,000	220,764	4,236
Central data processing	262,857	250,000	247,272	2,728
Rent payment to Building Authority	312,700	330,000	328,202	1,798
Other administration	978,631	1,490,000	1,481,747	8,253
Budget/payroll	108,765	110,000	108,937	1,063
District attorney	520,929	525,000	521,091	3,909
Compactor	85,836	90,000	88,428	1,572
Total general government	4,447,005	4,865,000	4,820,801	44,199
Public safety				
County sheriff	1,309,489	1,405,000	1,282,445	122,555
County jail	1,037,524	950,000	947,319	2,681
County coroner	73,400	75,000	71,740	3,260
Judicial center	63,615	60,000	57,504	2,496
Building inspection	317,840	295,000	291,374	3,626
Land use administration	254,008	275,000	269,829	5,171
Planning commission	9,696	10,000	7,553	2,447
Emergency communications and operations	602,330	715,000	701,831	13,169
Total public safety	3,667,902	3,785,000	3,629,595	155,405
Public health and welfare	490,191	500,000	481,782	18,218
Culture and recreation	144,550	200,000	185,176	14,824
Auxiliary services				
Extension office	123,790	125,000	123,976	1,024
Capital outlay	-	300,000	407,196	(107,196)
Total expenditures	$ 8,873,438	$ 9,775,000	$ 9,648,526	$ 126,474

ELBERT COUNTY, COLORADO
ROAD AND BRIDGE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Taxes	$ 2,821,900	$ 2,750,000	$ 2,783,013	$ 33,013
Intergovernmental	1,711,808	1,700,000	1,729,338	29,338
Miscellaneous	337,800	800,000	490,506	(309,494)
Total revenue	4,871,508	5,250,000	5,002,857	(247,143)
EXPENDITURES				
General government	-	100,000	69,266	30,734
Public works	3,969,406	4,600,000	4,162,869	437,131
Debt service	637,844	600,000	577,878	22,122
Capital outlay	-	400,000	354,753	45,247
Total expenditures	4,607,250	5,700,000	5,164,766	535,234
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	264,258	(450,000)	(161,909)	288,091
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	199,750	199,750	-
Transfers in	-	300,000	300,000	-
Total other financing sources (uses)	-	499,750	499,750	-
EXCESS (DEFICIENCY) OF REVENUE (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	264,258	49,750	337,841	288,091
FUND BALANCE - BEGINNING OF YEAR	491,495	287,181	287,181	-
FUND BALANCE - END OF YEAR	$ 755,753	$ 336,931	$ 625,022	$ 288,091

ELBERT COUNTY, COLORADO
SOCIAL SERVICES FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Taxes	$ 151,863	$ 150,000	$ 146,460	$ (3,540)
Intergovernmental	2,617,417	3,450,000	2,892,513	(557,487)
Miscellaneous	100,000	55,000	53,136	(1,864)
Total revenue	2,869,280	3,655,000	3,092,109	(562,891)
EXPENDITURES				
Public health and welfare	3,204,161	3,750,000	3,167,591	582,409
Total expenditures	3,204,161	3,750,000	3,167,591	582,409
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(334,881)	(95,000)	(75,482)	19,518
FUND BALANCE - BEGINNING OF YEAR	527,133	464,922	464,922	-
FUND BALANCE - END OF YEAR	$ 192,252	$ 369,922	$ 389,440	$ 19,518

ELBERT COUNTY, COLORADO
IMPACT ASSISTANCE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2006

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE			
Charges for services	$ 300,000	$ 1,279,329	$ 979,329
Total revenue	300,000	1,279,329	979,329
EXPENDITURES			
General government	2,175,789	-	2,175,789
Capital outlay	-	64,550	(64,550)
Total expenditures	2,175,789	64,550	2,111,239
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(1,875,789)	1,214,779	3,090,568
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(300,000)	(300,000)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(1,875,789)	914,779	2,790,568
FUND BALANCE - BEGINNING OF YEAR	1,875,789	1,483,078	(392,711)
FUND BALANCE - END OF YEAR	$ -	$ 2,397,857	$ 2,397,857

SUPPLEMENTAL INFORMATION

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2006

	Special Revenue Funds	Debt Service Funds
ASSETS		
Cash and investments with Treasurer	$ 1,139,162	$ -
Cash and investments with Treasurer - Restricted	-	640,967
Accounts receivable - County Treasurer	2,345	-
Accrued interest receivable	-	2,028
Assessments receivable	-	389,600
Property taxes receivable	179,161	33,294
TOTAL ASSETS	$ 1,320,668	$ 1,065,889
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Warrants payable	$ 21,920	$ -
Deferred property tax revenue	179,161	422,894
Total liabilities	201,081	422,894
FUND BALANCE		
Reserved	1,034,200	642,995
Unreserved:		
Designated for subsequent year's expenditures	40,839	-
Undesignated	44,548	-
Total fund balance	1,119,587	642,995
TOTAL LIABILITIES AND FUND BALANCE	$ 1,320,668	$ 1,065,889

Capital Projects Funds	Total Nonmajor Governmental Funds
$ -	$ 1,139,162
-	640,967
-	2,345
-	2,028
-	389,600
-	212,455
$ -	$ 2,386,557

$ -	$ 21,920
-	602,055
-	623,975
-	1,677,195
-	40,839
-	44,548
-	1,762,582
$ -	$ 2,386,557

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2006

	Special Revenue Funds	Debt Service Funds
REVENUE		
Taxes	$ 205,667	$ 99,711
Special assessments	-	36,165
Base rental income	-	328,202
Intergovernmental	147,797	-
Net investment income	22,730	23,329
Total revenue	376,194	487,407
EXPENDITURES		
General government	226,517	1,086
Public works	-	22,814
Culture and recreation	6,337	-
Debt service	-	551,278
Total expenditures	232,854	575,178
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	143,340	(87,771)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	57,373
Transfers (out)	-	-
Total other financing sources (uses)	-	57,373
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	143,340	(30,398)
FUND BALANCE - BEGINNING OF YEAR	976,247	673,393
FUND BALANCE - END OF YEAR	$ 1,119,587	$ 642,995

Capital Projects Fund	Total Nonmajor Governmental Funds
$ 159	$ 305,537
-	36,165
-	328,202
-	147,797
1,093	47,152
1,252	864,853
-	227,603
-	22,814
-	6,337
-	551,278
-	808,032
1,252	56,821
-	57,373
(125,935)	(125,935)
(125,935)	(68,562)
(124,683)	(11,741)
124,683	1,774,323
$ -	$ 1,762,582

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2006

	Contingency	Retirement
ASSETS		
Cash and investments with Treasurer	$ 323,880	$ 104,962
Accounts receivable	-	2,345
Property taxes receivable	-	179,161
TOTAL ASSETS	$ 323,880	$ 286,468
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Warrants payable	$ -	$ 21,920
Deferred property tax revenue	-	179,161
Total liabilities	-	201,081
FUND BALANCE		
Reserved	323,880	-
Unreserved:		
Designated for subsequent year's expenditures	-	40,839
Undesignated	-	44,548
Total fund balance	323,880	85,387
TOTAL LIABILITIES AND FUND BALANCE	$ 323,880	$ 286,468

Conservation Trust	Total
$ 710,320	$ 1,139,162
-	2,345
-	179,161
$ 710,320	$ 1,320,668

$ -	$ 21,920
-	179,161
-	201,081
710,320	1,034,200
-	40,839
-	44,548
710,320	1,119,587
$ 710,320	$ 1,320,668

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2006

	Contingency	Retirement
REVENUE		
Taxes	$ -	$ 205,667
Intergovernmental	-	-
Net investment income	-	580
Miscellaneous	-	-
Total revenue	-	206,247
EXPENDITURES		
General government	-	226,517
Culture and recreation	-	-
Total expenditures	-	226,517
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	(20,270)
FUND BALANCE - BEGINNING OF YEAR	323,880	105,657
FUND BALANCE - END OF YEAR	$ 323,880	$ 85,387

Conservation Trust	Total
$ -	$ 205,667
147,797	147,797
22,150	22,730
-	-
169,947	376,194
-	226,517
6,337	6,337
6,337	232,854
163,610	143,340
546,710	976,247
$ 710,320	$ 1,119,587

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2006

	Contingency		
	Original and Final Budget	**Actual**	**Variance with Final Budget Positive (Negative)**
REVENUE			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Net investment income	-	-	-
Miscellaneous	-	-	-
Total revenue	-	-	-
EXPENDITURES			
General government	323,880	-	323,880
Culture and recreation	-	-	-
Total expenditures	323,880	-	323,880
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(323,880)	-	323,880
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURS AND OTHER FINANCING SOURCES (USES)	(323,880)	-	323,880
FUND BALANCE - BEGINNING OF YEAR	323,880	323,880	-
FUND BALANCE - END OF YEAR	$ -	$ 323,880	$ 323,880

Retirement		
Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 171,340	$ 205,667	$ 34,327
-	-	-
-	580	580
10,000	-	(10,000)
181,340	206,247	24,907
271,832	226,517	45,315
-	-	-
271,832	226,517	45,315
(90,492)	(20,270)	70,222
-	-	-
(90,492)	(20,270)	70,222
90,492	105,657	15,165
$ -	$ 85,387	$ 85,387

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ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2006
(Continued)

	Conservation Trust		
	Original and Final Budget	**Actual**	**Variance with Final Budget Positive (Negative)**
REVENUE			
Taxes	$ -	$ -	$ -
Intergovernmental	90,000	147,797	57,797
Net investment income	5,000	22,150	17,150
Miscellaneous	-	-	-
Total revenue	95,000	169,947	74,947
EXPENDITURES			
General government	-	-	-
Culture and recreation	592,877	6,337	586,540
Total expenditures	592,877	6,337	586,540
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(497,877)	163,610	661,487
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURS AND OTHER FINANCING SOURCES (USES)	(497,877)	163,610	661,487
FUND BALANCE - BEGINNING OF YEAR	497,877	546,710	48,833
FUND BALANCE - END OF YEAR	$ -	$ 710,320	$ 710,320

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
December 31, 2006

	Amanda Pines Estates	Rolling Hills	Chaparral Valley
ASSETS			
Cash and investments with Treasurer - Restricted	$ 9,806	$ 32,950	$ 2,306
Accrued interest receivable	-	-	-
Assessments receivable	76,700	68,900	244,000
Property tax receivable	-	-	-
TOTAL ASSETS	$ 86,506	$ 101,850	$ 246,306
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Deferred revenue	$ 76,700	$ 68,900	$ 244,000
Total liabilities	76,700	68,900	244,000
FUND BALANCE			
Reserved	9,806	32,950	2,306
Total fund balance	9,806	32,950	2,306
TOTAL LIABILITIES AND FUND BALANCE	$ 86,506	$ 101,850	$ 246,306

Meadows Station	Foxwood Estates	Building Authority	Total
$ 25,525	$ 49,734	$ 520,646	$ 640,967
-	-	2,028	2,028
-	-	-	389,600
33,294	-	-	33,294
$ 58,819	$ 49,734	$ 522,674	$ 1,065,889
$ 33,294	$ -	$ -	$ 422,894
33,294	-	-	422,894
25,525	49,734	522,674	642,995
25,525	49,734	522,674	642,995
$ 58,819	$ 49,734	$ 522,674	$ 1,065,889

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2006

	Amanda Pines Estates	Rolling Hills	Chaparral Valley
REVENUE			
Special assessments	$ 9,828	$ 7,762	$ 18,575
Taxes	-	-	-
Base rental income	-	-	-
Net investment income	-	-	39
Total revenue	9,828	7,762	18,614
EXPENDITURES			
General government	295	233	558
Public works	-	-	-
Debt service	45,095	85,968	15,750
Total expenditures	45,390	86,201	16,308
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(35,562)	(78,439)	2,306
OTHER FINANCING SOURCES (USES)			
Transfers in	-	25,000	-
Total other financing sources (uses)	-	25,000	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(35,562)	(53,439)	2,306
FUND BALANCE - BEGINNING OF YEAR	45,368	86,389	-
FUND BALANCE - END OF YEAR	$ 9,806	$ 32,950	$ 2,306

Meadows Station	Foxwood Estates	Building Authority	Total
$ -	$ -	$ -	$ 36,165
56,076	43,635	-	99,711
-	-	328,202	328,202
920	203	22,167	23,329
56,996	43,838	350,369	487,407
-	-	-	1,086
22,814	-	-	22,814
48,850	27,413	328,202	551,278
71,664	27,413	328,202	575,178
(14,668)	16,425	22,167	(87,771)
-	32,373	-	57,373
-	32,373	-	57,373
(14,668)	48,798	22,167	(30,398)
40,193	936	500,507	673,393
$ 25,525	$ 49,734	$ 522,674	$ 642,995

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2006

	Amanda Pines Estates		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE			
Special assessments	$ 31,763	$ 9,828	$ (21,935)
Net investment income	-	-	-
Total revenue	31,763	9,828	(21,935)
EXPENDITURES			
General government	635	295	340
Debt service	76,466	45,095	31,371
Total expenditures	77,101	45,390	31,711
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(45,338)	(35,562)	9,776
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(45,338)	(35,562)	9,776
FUND BALANCE - BEGINNING OF YEAR	45,338	45,368	30
FUND BALANCE - END OF YEAR	$ -	$ 9,806	$ 9,806

Rolling Hills			Chaparral Valley		
Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 13,500	$ 7,762	$ (5,738)	$ 19,400	$ 18,575	$ (825)
-	-	-	-	39	39
13,500	7,762	(5,738)	19,400	18,614	(786)
405	233	172	860	558	302
94,450	85,968	8,482	53,715	15,750	37,965
94,855	86,201	8,654	54,575	16,308	38,267
(81,355)	(78,439)	2,916	(35,175)	2,306	37,481
-	25,000	25,000	-	-	-
-	25,000	25,000	-	-	-
(81,355)	(53,439)	27,916	(35,175)	2,306	37,481
81,355	86,389	5,034	35,175	-	(35,175)
$ -	$ 32,950	$ 32,950	$ -	$ 2,306	$ 2,306

(Continued)

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2006
(Continued)

	Meadows Station			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Taxes	$ 56,076	$ 56,076	$ 56,076	$ -
Base rental income	-	-	-	-
Net investment income	-	-	920	920
Miscellaneous	-	-	-	-
Total revenue	56,076	56,076	56,996	920
EXPENDITURES				
Public works	-	25,000	22,814	2,186
Debt service	56,076	55,000	48,850	6,150
Total expenditures	56,076	80,000	71,664	8,336
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	(23,924)	(14,668)	9,256
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	(23,924)	(14,668)	9,256
FUND BALANCE - BEGINNING OF YEAR	-	40,193	40,193	-
FUND BALANCE - END OF YEAR	$ -	$ 16,269	$ 25,525	$ 9,256

Foxwood Estates			Building Authority		
Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ -	$ 43,635	$ 43,635	$ -	$ -	$ -
-	-	-	312,700	328,202	15,502
-	203	203	21,300	22,167	867
41,785	-	(41,785)	-	-	-
41,785	43,838	2,053	334,000	350,369	16,369
-	-	-	-	-	-
41,785	27,413	14,372	334,000	328,202	5,798
41,785	27,413	14,372	334,000	328,202	5,798
-	16,425	16,425	-	22,167	22,167
-	32,373	32,373	-	-	-
-	32,373	32,373	-	-	-
-	48,798	48,798	-	22,167	22,167
-	936	936	500,025	500,507	482
$ -	$ 49,734	$ 49,734	$ 500,025	$ 522,674	$ 22,649

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
December 31, 2006

	Capital Improvement	Foxwood Estates	Total
ASSETS			
Cash and investments with Treasurer	$ -	$ -	$ -
TOTAL ASSETS	$ -	$ -	$ -
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due to other funds	$ -	$ -	$ -
Total liabilities	-	-	-
FUND BALANCE			
Reserved	-	-	-
	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	$ -	$ -	$ -

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
Year Ended December 31, 2006

	Capital Improvements	Foxwood Estates	Total
REVENUE			
Taxes	$ 159	$ -	$ 159
Net investment income	-	1,093	1,093
Total revenue	159	1,093	1,252
EXPENDITURES			
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	159	1,093	1,252
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(93,562)	(32,373)	(125,935)
Total other financing sources (uses)	(93,562)	(32,373)	(125,935)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(93,403)	(31,280)	(124,683)
FUND BALANCE - BEGINNING OF YEAR	93,403	31,280	124,683
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
Year Ended December 31, 2006

	Capital Improvements			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Taxes	$ -	$ -	$ 159	$ 159
Total revenue	-	-	159	159
EXPENDITURES				
General government	91,951	-	-	-
Total expenditures	91,951	-	-	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(91,951)	-	159	159
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(98,000)	(93,562)	4,438
Total other financing sources (uses)	-	(98,000)	(93,562)	4,438
FUND BALANCE - BEGINNING OF YEAR	91,951	98,000	93,403	(4,597)
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
Year Ended December 31, 2006

	Foxwood Estates			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Net investment income	$ -	$ -	$ 1,093	$ 1,093
Total revenue	-	-	1,093	1,093
EXPENDITURES				
Public works	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	1,093	1,093
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(35,000)	(32,373)	2,627
Total other financing sources (uses)	-	(35,000)	(32,373)	2,627
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-	(35,000)	(31,280)	3,720
FUND BALANCE - BEGINNING OF YEAR	-	35,000	31,280	(3,720)
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
Year Ended December 31, 2006

	Elbert County Building Authority		
	Original and Final Budget	**Actual**	**Variance with Final Budget Positive (Negative)**
REVENUE			
Net investment income	$ -	$ 193,559	$ 193,559
EXPENDITURES			
Public works	4,589,087	-	4,589,087
Debt service	-	171,288	(171,288)
Issuance fees	-	15,543	(15,543)
Total expenditures	4,589,087	186,831	4,402,256
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,589,087)	6,728	4,595,815
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(889,235)	(889,235)
Total other financing sources (uses)	-	(889,235)	(889,235)
EXCESS OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(4,589,087)	(882,507)	3,706,580
FUND BALANCE - BEGINNING OF YEAR	4,589,087	4,611,178	22,091
FUND BALANCE - END OF YEAR	$ -	$ 3,728,671	$ 3,728,671

ELBERT COUNTY, COLORADO
SPECIAL REVENUE FUNDS
SOCIAL SERVICES FUND
SCHEDULE OF REVENUE AND EXPENDITURES
Year Ended December 31, 2006

REVENUE	
Property taxes	$ 146,460
Miscellaneous	53,136
Total	199,596
Intergovernmental	
Aid to the Needy Disabled	9,063
CBMS Conversion	12,703
Child Care	227,170
Child Welfare	1,158,455
Colorado Works	231,369
Core Services administration	207,874
County settlement	167,478
CSE settlement	13,442
Food Assistance	578,522
Federal incentives	10,211
HB-1414 IV-E settlement	14,069
Home Care allowance	5,280
LEAP administration	198,004
Old Age Pension	30,354
Title IV-D Incentives: Child support	19,777
TANF	8,742
Total intergovernmental revenue	2,892,513
Total revenue	$ 3,092,109
EXPENDITURES	
Public health and welfare	
Aid to the Needy Disabled	$ 7,950
CBMS Conversion	22,734
Child Care administration	183,836
Child support	44,936
Child Welfare administration	1,458,751
Colorado Works	228,061
Core Services administration	233,573
County settlement	120,121
Food assistance	607,489
HB-1414 IV-E settlement	15,217
IV-B administration	2,966
Home Care Allowance	4,469
LEAP administration	201,513
Old Age Pension	35,975
Total public health and welfare expenditures	$ 3,167,591

ELBERT COUNTY, COLORADO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
Year Ended December 31, 2006

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
ASSETS				
Cash - Treasurer	$ 595,303	$ 23,376,438	$ (23,498,844)	$ 472,897
Cash - Public Trustee	34,674	3,950,545	(3,901,528)	83,691
TOTAL ASSETS	$ 629,977	$ 27,326,983	$ (27,400,372)	$ 556,588
LIABILITIES				
Due to other governments	$ 582,803	$ 23,366,438	$ (23,497,044)	$ 452,197
Other liabilities	12,500	10,000	(1,800)	20,700
Escrow deposits held by Public Trustee	34,674	3,950,545	(3,901,528)	83,691
TOTAL LIABILITIES	$ 629,977	$ 27,326,983	$ (27,400,372)	$ 556,588

OTHER SCHEDULES

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2006

Principal and Interest Due in the Year Ending December 31,	$95,174 Capital Lease Dated June 1, 2005 with Principal and Interest of 4.75% Due Quarterly on January 1, April 1, July 1 and October 1		
	Principal	Interest	Total
2007	$ 24,356	$ 436	$ 24,792
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
Totals	$ 24,356	$ 436	$ 24,792

$95,174 Capital Lease Dated June 1, 2005 with Principal and Interest of 4.75% Due Quarterly on January 1, April 1, July 1 and October 1			$199,750 Capital Lease Dated August 9, 2005 with Principal and Interest of 4.75% Due Quarterly on February 9, May 9 August 9 and November 9		
Principal	Interest	Total	Principal	Interest	Total
$ 24,356	$ 436	$ 24,792	$ 67,331	$ 3,664	$ 70,995
-	-	-	34,874	623	35,497
-	-	-		-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 24,356	$ 436	$ 24,792	$ 102,205	$ 4,287	$ 106,492

(Continued)

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2006
(Continued)

Principal and Interest Due in the Year Ending December 31,	$199,750 Capital Lease Dated September 6, 2005 with Principal and Interest of 4.75% Due Quarterly on March 6, June 6 September 6 and December 6		
	Principal	Interest	Total
2007	$ 67,323	$ 3,663	$ 70,986
2008	34,870	623	35,493
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
Totals	$ 102,193	$ 4,286	$ 106,479

$199,750 Capital Lease Dated February 7, 2006 with Principal and Interest of 4.75% Due Monthly with a Final Payment of $121,482.37 Due January 7, 2011			$215,000 Amanda Pines Estates Local Improvement District Special Assessment Bonds, Series 2001 Dated July 19, 2001 with Principal and Interest of 5.75% Due Annually on July 1		
Principal	Interest	Total	Principal	Interest	Total
$ 15,229	$ 8,328	$ 23,557	$ 20,000	$ 2,645	$ 22,645
15,951	7,606	23,557	15,000	1,495	16,495
16,707	6,849	23,556	11,000	633	11,633
17,499	6,057	23,556	-	-	-
121,005	479	121,484	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 186,391	$ 29,319	$ 215,710	$ 46,000	$ 4,773	$ 50,773

(Continued)

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2006
(Continued)

Principal and Interest Due in the Year Ending December 31,	$175,000 Rolling Hills Acres Local Improvement District Special Assessment Bonds, Series 2002 Dated April 24, 2002 with Principal and Interest of 6.125% Due Annually on July 1		
	Principal	Interest	Total
2007	$ 40,000	$ 6,125	$ 46,125
2008	10,000	3,675	13,675
2009	10,000	3,063	13,063
2010	15,000	2,450	17,450
2011	10,000	1,531	11,531
2012	15,000	919	15,919
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	
2028	-	-	-
2029	-	-	-
Totals	$ 100,000	$ 17,763	$ 117,763

$350,000 Chaparral Valley 2 Local Improvement District Special Assessment Bonds, Series 2003 Dated January 10, 2003 with Principal and Interest of 6.00% Due Annually on July 1			$625,000 Meadows Station Subdivision Public Improvement District General Obligation Bonds, Series 2004 Dated December 23, 2004 with Principal and Variable Interest of 3.15% - 5.25% Due Semi-Annually on June 1 and December 1		
Principal	Interest	Total	Principal	Interest	Total
$ 10,000	$ 15,600	$ 25,600	$ 30,000	$ 28,070	$ 58,070
10,000	15,000	25,000	25,000	27,257	52,257
10,000	14,400	24,400	25,000	26,407	51,407
10,000	13,800	23,800	25,000	25,495	50,495
15,000	13,200	28,200	25,000	24,520	49,520
15,000	12,300	27,300	25,000	23,495	48,495
15,000	11,400	26,400	30,000	22,432	52,432
15,000	10,500	25,500	30,000	21,112	51,112
15,000	9,600	24,600	30,000	19,762	49,762
15,000	8,700	23,700	35,000	18,382	53,382
20,000	7,800	27,800	35,000	16,738	51,738
20,000	6,600	26,600	35,000	15,058	50,058
20,000	5,400	25,400	40,000	13,343	53,343
20,000	4,200	24,200	40,000	11,343	51,343
25,000	3,000	28,000	40,000	9,323	49,323
25,000	1,500	26,500	45,000	7,283	52,283
-	-	-	45,000	4,965	49,965
-	-	-	45,000	2,625	47,625
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 260,000	$ 153,000	$ 413,000	$ 605,000	$ 317,610	$ 922,610

(Continued)

ELBERT COUNTY, COLORADO
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2006
(Continued)

Principal and Interest Due in the Year Ending December 31,	$345,000 Foxwood Estates Subdivision Public Improvement District General Obligation Bonds, Series 2005 Dated January 27, 2005 with Principal and Variable Interest of 3.25% - 5.50% Due Semi-Annually on June 1 and December 1		
	Principal	Interest	Total
2007	$ 5,000	$ 22,113	$ 27,113
2008	10,000	16,950	26,950
2009	10,000	16,610	26,610
2010	10,000	16,245	26,245
2011	10,000	15,855	25,855
2012	10,000	15,445	25,445
2013	10,000	15,020	25,020
2014	10,000	14,580	24,580
2015	10,000	14,130	24,130
2016	15,000	13,670	28,670
2017	15,000	12,965	27,965
2018	15,000	12,245	27,245
2019	15,000	11,510	26,510
2020	15,000	10,760	25,760
2021	15,000	10,003	25,003
2022	15,000	9,238	24,238
2023	20,000	8,465	28,465
2024	20,000	7,425	27,425
2025	20,000	6,325	26,325
2026	20,000	5,225	25,225
2027	25,000	4,125	29,125
2028	25,000	2,750	27,750
2029	25,000	1,375	26,375
Totals	$ 345,000	$ 263,029	$ 608,029

$5,295,000 Elbert County
Certificates of Participation
Series 2005 Dated December 1, 2005
with Principal and Interest of 4%-5%
Due Semiannually on June 15 and December 15

Principal	Interest	Total	Total All Obligations Principal	Total All Obligations Interest	Total All Obligations Total
$ 150,000	$ 227,323	$ 377,323	$ 453,595	$ 318,403	$ 771,998
215,000	221,323	436,323	370,695	294,552	665,247
285,000	212,723	497,723	367,707	280,685	648,392
295,000	201,322	496,322	372,499	265,369	637,868
310,000	189,522	499,522	491,005	245,107	736,112
325,000	176,348	501,348	390,000	228,507	618,507
340,000	161,723	501,723	395,000	210,575	605,575
350,000	147,273	497,273	405,000	193,465	598,465
365,000	133,623	498,623	420,000	177,115	597,115
180,000	119,387	299,387	245,000	160,139	405,139
190,000	111,827	301,827	260,000	149,330	409,330
200,000	104,037	304,037	270,000	137,940	407,940
200,000	95,787	295,787	275,000	126,040	401,040
215,000	87,387	302,387	290,000	113,690	403,690
220,000	78,250	298,250	300,000	100,576	400,576
235,000	67,250	302,250	320,000	85,271	405,271
250,000	55,500	305,500	315,000	68,930	383,930
255,000	43,000	298,000	320,000	53,050	373,050
605,000	30,250	635,250	625,000	36,575	661,575
-	-	-	20,000	5,225	25,225
-	-	-	25,000	4,125	29,125
-	-	-	25,000	2,750	27,750
-	-	-	25,000	1,375	26,375
$ 5,185,000	$ 2,463,855	$ 7,648,855	$ 6,980,501	$ 3,258,794	$ 10,239,295

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Elbert County YEAR ENDING : December 2006
This Information From The Records Of: Elbert County	Prepared By: Marilyn Sproch Phone: 719-541-2268

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	3083013
4. Miscellaneous local receipts (from page 2)	490506
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	3573519
B. Private Contributions	
C. Receipts from State government (from page 2)	1729338
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	5302857

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	977910
2. Maintenance:	1819628
3. Road and street services:	
a. Traffic control operations	66004
b. Snow and ice removal	159993
c. Other	79214
d. Total (a. through c.)	305211
4. General administration & miscellaneous	1862267
5. Highway law enforcement and safety	
6. Total (1 through 5)	4965016
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	4965016

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
287181	5302857	4965016	625022	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2006

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	2,308,794	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	300,000	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	262,233
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	474,219	g. Other Misc. Receipts	
6. Total (1. through 5.)	774,219	h. Other	228,273
c. Total (a. + b.)	3,083,013	i. Total (a. through h.)	490,506
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	1610366	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	118972	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	118972	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1729338	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs	1,560		1,560
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation	976,350		976,350
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	976,350	0	976,350
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	977,910	0	977,910
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

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