



GARFIELD COUNTY, COLORADO
GENERAL PURPOSE FINANCIAL STATEMENTS
AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2002



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

March 28, 2003

Honorable Board of County Commissioners
Garfield County, Colorado
Glenwood Springs, Colorado

We have audited the accompanying general purpose financial statements of Garfield County, Colorado, as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Garfield County, Colorado as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with U. S. generally accepted accounting principles.

Garfield County, Colorado
March 28, 2003
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In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2003 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Garfield County, Colorado. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of Garfield County, Colorado. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Chadwick, Steinhilber, Davis + Co., P.C.

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GENERAL PURPOSE FINANCIAL STATEMENTS

Garfield County,
COMBINED BALANCE SHEET -
December 31,

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Equity in pooled cash and investments	\$ 7,030,767	\$ 9,146,586	\$ -	\$ 2,436,239
Other cash and investments	11,353	22,938	1,094,664	1,133,654
Receivables				
Property tax	7,634,939	2,311,312	-	2,566,366
Other	359,999	-	-	-
Due from other governments	-	1,063,632	-	-
Due from other funds	420,034	227,587	-	2,171,662
Inventory	-	91,486	-	-
Property and equipment	-	-	-	-
Other debits				
Amount available for debt service	-	-	-	-
Amounts to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	<u>\$ 15,457,092</u>	<u>\$ 12,863,541</u>	<u>\$ 1,094,664</u>	<u>\$ 8,307,921</u>

The accompanying notes are an integral part of this statement.

Colorado

ALL FUND TYPES AND ACCOUNT GROUPS

2002

Proprietary Fund Type	Internal Service Fund	Fiduciary Fund Type Trust and Agency	Account Groups		Total (Memorandum only)
			General Fixed Assets	General Long-Term Debt	
Enterprise					
\$ 2,010,885	\$ 587,745	\$ 1,149,113	\$ -	\$ -	\$ 22,361,335
250	-	1,085,636	-	-	3,348,495
-	-	-	-	-	12,512,617
124,695	-	-	-	-	484,694
-	-	-	-	-	1,063,632
1,993	371,348	-	-	-	3,192,624
-	-	-	-	-	91,486
268,340	377,121	-	57,845,796	-	58,491,257
-	-	-	-	1,080,986	1,080,986
-	-	-	-	21,543,239	21,543,239
<u>\$ 2,406,163</u>	<u>\$ 1,336,214</u>	<u>\$ 2,234,749</u>	<u>\$ 57,845,796</u>	<u>\$ 22,624,225</u>	<u>\$ 124,170,365</u>

COMBINED BALANCE SHEET -

December 31,

LIABILITIES	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Accounts and retainage payable	\$ 481,602	\$ 334,261	\$ -	\$ 565,228
Due to other funds	732,868	468,313	740,450	1,243,252
Due to other governments	-	-	-	-
Deferred revenue				
Property taxes	7,634,939	2,311,312	-	2,566,366
Revenue	20,922	766,137	-	-
Compensated absences, wages payable	-	-	-	-
Capital lease payable	-	-	-	-
Certificates of participation	-	-	-	-
Accrued closure/post-closure liability	-	-	-	-
Total liabilities	8,870,331	3,880,023	740,450	4,374,846
FUND EQUITY AND OTHER CREDITS				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings				
Unreserved	-	-	-	-
Fund balance				
Reserved for				
Inventory	-	91,486	-	-
TABOR Emergency	-	1,024,149	-	-
Debt service	-	-	354,214	726,772
Unreserved				
Undesignated	6,586,761	7,867,883	-	3,206,303
Total equity and other credits	6,586,761	8,983,518	354,214	3,933,075
Total liabilities, equity and other credits	\$ 15,457,092	\$ 12,863,541	\$ 1,094,664	\$ 8,307,921

The accompanying notes are an integral part of this statement.

Colorado

ALL FUND TYPES AND ACCOUNT GROUPS

2002

Proprietary Fund Type		Fiduciary Fund Type	Account Groups		Total (Memorandum only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 22,061	\$ 23,162	\$ -	\$ -	\$ -	\$ 1,426,314
2,732	5,009	-	-	-	3,192,624
-	-	2,234,749	-	-	2,234,749
-	-	-	-	-	12,512,617
-	-	-	-	-	787,059
8,898	-	-	-	712,086	720,984
-	-	-	-	402,139	402,139
-	-	-	-	21,510,000	21,510,000
172,689	-	-	-	-	172,689
206,380	28,171	2,234,749	-	22,624,225	42,959,175
-	-	-	57,845,796	-	57,845,796
58,788	225,493	-	-	-	284,281
2,140,995	1,082,550	-	-	-	3,223,545
-	-	-	-	-	91,486
-	-	-	-	-	1,024,149
-	-	-	-	-	1,080,986
-	-	-	-	-	17,660,947
2,199,783	1,308,043	-	57,845,796	-	81,211,190
<u>\$ 2,406,163</u>	<u>\$ 1,336,214</u>	<u>\$ 2,234,749</u>	<u>\$ 57,845,796</u>	<u>\$ 22,624,225</u>	<u>\$ 124,170,365</u>

Garfield County,

COMBINED STATEMENT OF REVENUES,
IN FUND BALANCES -

Year ended

	General	Special Revenue	Debt Service
Revenues			
Taxes	\$ 8,603,353	\$ 5,157,649	\$ -
Licenses and permits	4,635	228,178	-
Intergovernmental	2,032,692	11,793,861	-
Charges for services	4,248,109	208,390	-
Fines and forfeitures	491,970	-	-
Other contributions	-	67,863	-
Miscellaneous	695,270	320,486	33,928
	16,076,029	17,776,427	33,928
Total revenue			
Expenditures			
Current			
General government	6,869,684	151,046	-
Public safety	6,801,310	402,871	-
Public works	257,650	4,051,743	-
Health and welfare	1,335,167	8,820,453	-
Culture and recreation	200	1,376,631	-
Capital outlay	-	2,053,307	-
Debt service	-	-	1,006,560
	15,264,011	16,856,051	1,006,560
Total expenditures			
Excess of revenue over (under) expenditures	812,018	920,376	(972,632)
Other financial sources (uses)			
Operating transfers in (out)	(100,000)	200,000	892,975
	(100,000)	200,000	892,975
Excess of revenue and other financing sources over (under) expenditures and other financing uses	712,018	1,120,376	(79,657)
Fund balance, beginning of year	5,874,743	7,863,142	433,871
Fund balance, end of year	\$ 6,586,761	\$ 8,983,518	\$ 354,214

The accompanying notes are an integral part of this statement.

Colorado

EXPENDITURES AND CHANGES
ALL GOVERNMENTAL FUND TYPES

December 31, 2002

Capital Projects	Total (Memorandum only)
\$ 2,698,210	\$ 16,459,212
-	232,813
-	13,826,553
-	4,456,499
-	491,970
-	67,863
471,005	1,520,689
3,169,215	37,055,599
-	7,020,730
-	7,204,181
-	4,309,393
-	10,155,620
-	1,376,831
8,221,757	10,275,064
601,319	1,607,879
8,823,076	41,949,698
(5,653,861)	(4,894,099)
(892,975)	100,000
(892,975)	100,000
(6,546,836)	(4,794,099)
10,479,911	24,651,667
\$ 3,933,075	\$ 19,857,568

COMBINED STATEMENT OF REVENUES,
IN FUND BALANCES - BUDGET AND ACTUAL -

	Year ended		
	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 8,624,312	\$ 8,603,353	\$ (20,959)
Licenses and permits	4,470	4,635	165
Intergovernmental	1,937,126	2,032,692	95,566
Charges for services	3,955,242	4,248,109	292,867
Fines and forfeitures	785,673	491,970	(293,703)
Employee contributions	-	-	-
Miscellaneous	864,240	695,270	(168,970)
Total revenues	16,171,063	16,076,029	(95,034)
Expenditures			
Current			
General government	8,346,452	6,869,684	1,476,768
Public safety	7,649,228	6,801,310	847,918
Public works	321,882	257,650	64,232
Health and welfare	1,636,140	1,335,167	300,973
Culture and recreation	200	200	-
Capital outlay	-	-	-
Debt service	-	-	-
Total expenditures	17,953,902	15,264,011	2,689,891
Excess of revenue over (under) expenditures	(1,782,839)	812,018	2,594,857
Other financing sources (uses)			
Operating transfers in (out)	-	(100,000)	(100,000)
	-	(100,000)	(100,000)
Excess of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,782,839)</u>	712,018	<u>\$ 2,494,857</u>
Fund balance, beginning of year		5,874,743	
Fund balance, end of year		<u>\$ 6,586,761</u>	

The accompanying notes are an integral part of this statement.

Colorado

EXPENDITURES AND CHANGES
ALL GOVERNMENTAL FUND TYPES

December 31, 2002

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,940,204	\$ 5,157,649	(782,555)	\$ -	\$ -	\$ -
200,300	228,178	27,878	-	-	-
10,916,953	11,793,861	876,908	-	-	-
219,129	208,390	(10,739)	-	-	-
-	-	-	-	-	-
49,064	67,863	18,799	-	-	-
277,696	320,486	42,790	90,000	33,928	(56,072)
<u>17,603,346</u>	<u>17,776,427</u>	<u>173,081</u>	<u>90,000</u>	<u>33,928</u>	<u>(56,072)</u>
162,532	151,046	11,486	-	-	-
312,456	402,871	(90,415)	-	-	-
4,888,337	4,051,743	836,594	-	-	-
7,783,587	8,820,453	(1,036,866)	-	-	-
1,522,122	1,376,631	145,491	-	-	-
2,712,278	2,053,307	658,971	-	-	-
-	-	-	1,571,701	1,006,560	565,141
<u>17,381,312</u>	<u>16,856,051</u>	<u>525,261</u>	<u>1,571,701</u>	<u>1,006,560</u>	<u>565,141</u>
222,034	920,376	698,342	(1,481,701)	(972,632)	509,069
-	200,000	200,000	550,000	892,975	342,975
-	200,000	200,000	550,000	892,975	342,975
<u>\$ 222,034</u>	<u>1,120,376</u>	<u>\$ 898,342</u>	<u>\$ (931,701)</u>	<u>(79,657)</u>	<u>\$ 852,044</u>
	<u>7,863,142</u>			<u>433,871</u>	
	<u>\$ 8,983,518</u>			<u>\$ 354,214</u>	

Garfield County, Colorado

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES - CONTINUED

Year ended December 31, 2002

	Capital Projects Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 2,604,617	\$ 2,698,210	\$ 93,593
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Employee contributions	-	-	-
Miscellaneous	70,985	471,005	400,020
Total revenues	2,675,602	3,169,215	493,613
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Capital outlay	10,363,610	8,221,757	2,141,853
Debt service	590,751	601,319	(10,568)
Total expenditures	10,954,361	8,823,076	2,131,285
Excess of revenue over (under) expenditures	(8,278,759)	(5,653,861)	2,624,898
Other financing sources (uses)			
Operating transfers in (out)	(550,000)	(892,975)	(342,975)
	<u>(550,000)</u>	<u>(892,975)</u>	<u>(342,975)</u>
Excess of revenue and other financing sources over (under) expenditures and other financing uses	<u>\$ (8,828,759)</u>	(6,546,836)	<u>\$ 2,281,923</u>
Fund balance, beginning of year		<u>10,479,911</u>	
Fund balance, end of year		<u>\$ 3,933,075</u>	

The accompanying notes are an integral part of this statement.

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Garfield County, Colorado

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS AND CONTRIBUTED CAPITAL
ALL PROPRIETARY FUND TYPES

Year ended December 31, 2002

	Enterprise	Internal Service	Total (Memorandum only)
Operating revenues			
Charges for services	\$ 764,541	\$ 792,594	\$ 1,557,135
Other	(1,322)	9,593	8,271
	<u>763,219</u>	<u>802,187</u>	<u>1,565,406</u>
Total operating revenues	763,219	802,187	1,565,406
Operating expenses			
Personnel services	140,492	60,565	201,057
Payroll taxes	10,691	-	10,691
Employee benefits	49,126	-	49,126
Treasurer fees	9,384	-	9,384
Operating supplies	22,841	134,846	157,687
Building repair and maintenance	271	-	271
Professional services	51,711	95,611	147,322
State fees	12,140	-	12,140
Fuel and lubrication	13,018	-	13,018
Utilities	7,425	-	7,425
Excavation	300,500	-	300,500
Other	10,860	20,992	31,852
Depreciation	38,197	345,159	383,356
Closure/postclosure costs	21,395	-	21,395
	<u>688,051</u>	<u>657,173</u>	<u>1,345,224</u>
Total operating expenses	688,051	657,173	1,345,224
Net operating income	75,168	145,014	220,182
Non-operating revenues (expenses)			
Gain on disposal of assets	-	833	833
Transfer to other funds	(100,000)	-	(100,000)
Total non-operating revenues (expenses)	<u>(100,000)</u>	<u>833</u>	<u>(99,167)</u>
Net income (loss)	(24,832)	145,847	121,015
Retained earnings, beginning of year	2,164,866	693,176	2,858,042
Add: Depreciation charged to contributed capital	961	243,527	244,488
	<u>\$ 2,140,995</u>	<u>\$ 1,082,550</u>	<u>\$ 3,223,545</u>
Contributed capital, beginning of year	\$ 59,749	\$ 213,158	\$ 272,907
Additions to contributed capital			
From other funds	-	255,862	255,862
Less depreciation expense	(961)	(243,527)	(244,488)
Contributed capital, end of year	<u>\$ 58,788</u>	<u>\$ 225,493</u>	<u>\$ 284,281</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS

Garfield County, Colorado

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES

Year ended December 31, 2002

	Enterprise	Internal Service	Total (Memorandum only)
Cash flows from operating activities			
Cash received from customers	\$ 941,053	\$ 581,035	\$ 1,522,088
Cash payments to suppliers	(410,286)	(234,204)	(644,490)
Cash payments to employees	(201,886)	(61,354)	(263,240)
Net cash provided by operating activities	328,881	285,477	614,358
Cash flows from capital and related financing activities			
Proceeds from sales	-	13,400	13,400
Purchase of capital assets	(14,844)	(181,417)	(196,261)
Transfers to other funds	(100,000)	-	(100,000)
Net cash used by capital and related financing activities	(114,844)	(168,017)	(282,861)
Net increase (decrease) in cash and cash equivalents	214,037	117,460	331,497
Cash and cash equivalents, beginning of the year	1,797,098	470,285	2,267,383
Cash and cash equivalents, end of the year	<u>\$ 2,011,135</u>	<u>\$ 587,745</u>	<u>\$ 2,598,880</u>
<u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u>			
Net operating income	\$ 75,168	\$ 145,014	\$ 220,182
Adjustments to reconcile net operating income to net cash provided by operating activities			
Depreciation expense	38,197	345,159	383,356
(Increase) decrease in receivables	177,835	150,194	328,029
(Increase) decrease in due from other funds	(740)	(371,348)	(372,088)
Increase (decrease) in accounts payable	7,562	12,238	19,800
Increase (decrease) in due to other funds	849	5,009	5,858
Increase (decrease) in compensated absences	(1,577)	(789)	(2,366)
Increase in closure and post-closure liability	21,395	-	21,395
Loss on disposal of assets	10,192	-	10,192
Total adjustments	253,713	140,463	394,176
Net cash provided by operating activities	<u>\$ 328,881</u>	<u>\$ 285,477</u>	<u>\$ 614,358</u>
Schedule of noncash capital and related financing activities			
Additions to contributed capital	\$ -	\$ 255,862	\$ 255,862
Depreciation to contributed capital	961	243,527	244,488

The accompanying notes are an integral part of this statement.

Garfield County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements of Garfield County, Colorado have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant principles:

Financial Reporting Entity

Garfield County was established by State statute. The governing body of the County is a three-member Board of County Commissioners. The County provides the following services directly: general administration, sheriff, jail, coroner, roads and bridges, parks and open space, solid waste landfill, airport, and health and social services. The County provides several additional services through other governmental organizations, which are excluded or included in this report according to the following criteria.

In accordance with Governmental Accounting Standards, Garfield County has considered the inclusion of additional entities in its general purpose financial statements. The definition of the reporting entity is based primarily on financial accountability. The County is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if County officials appoint a voting majority of the organization's governing body; and, either if it is able to impose its will on that organization or there is a potential for benefits to, or to impose specific financial burdens on, the County. The County may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Blended component units, although legally separate from the County, from an accounting perspective are part of the County's operations, and so data from these units are combined with data of the County. Each blended component unit has a December 31 year end.

Garfield County, Colorado
NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Blended Component Units

Garfield County Building Corporation

Garfield County Building Corporation (a Colorado nonprofit corporation) was incorporated in September 1999 and formed for the purpose of facilitating County financings, including the acquisition of real estate, property and improvements for lease to the County. The Corporation issued Certificates of Participation in October 1999 for the construction of a Jail Facility. The financial data of the Corporation is reported as part of the primary government because it is fiscally dependent upon the County and provides financing solely to the County. Although the Corporation is a separate legal entity, for financial reporting purposes, it is part of the County and is included in the Justice Center Capital Project Fund and the Justice Center Debt Service Fund.

Garfield County Finance Authority

Garfield County Finance Authority (a Colorado nonprofit corporation) was incorporated in October, 2002 and formed for the purpose of facilitating County financings, including the acquisition of real estate, property and improvements for lease to the County. The Authority issued Certificates of Participation in October 2002 for the construction of an administration building and a maintenance facility. The financial data of the Authority is reported as part of the primary government because it is fiscally dependent upon the County and provides financing solely to the County. Although the Authority is a separate legal entity, for financial reporting purposes, it is part of the County and is included in the Public Works Capital Project Fund.

Other Related Entity

Public Trustee

The Public Trustee is a State statutorily mandated position, appointed by the Board of County Commissioners, but whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund.

Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –CONTINUED

individual funds based upon the purpose for which they are to be spent and the means by which activities are controlled. In the financial statements in this report, the various funds are grouped into broad fund categories (governmental, proprietary and fiduciary) and generic fund types. The funds in each category use a different basis of accounting and have a different measurement focus.

Measurement focus determines what is being measured, while basis of accounting determines when it is measured. The fund categories and types are as follows:

Governmental Funds - Governmental Funds are used to account for the County's general government activities. Governmental funds are accounted for on a spending or "current financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Governmental fund accounting does not include fixed assets used in governmental fund type operations or long-term liabilities expected to be financed from governmental funds; these are accounted for in the General Fixed Assets and General Long-Term Debt account groups, respectively. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. However, recognition of revenues from noncurrent receivables is deferred.

The four types of governmental funds are:

General Fund. The General Fund is the County's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds. Special Revenue funds account for all the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The County has the following special revenue funds:

Road and Bridge – State law empowers the County to levy property taxes for the purposes of construction and maintenance of County roads and bridges. This fund accounts for those taxes and all State and Federal monies received to maintain County roads and bridges.

Public Library – accounts for the operation of the County library system which is funded by a portion of a special ¼ % sales tax. A portion of the sales tax may be deposited into the Public Works Fund as dictated in the enabling County ordinance.

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –CONTINUED

Social Services – accounts for federal and State welfare grant revenue. In addition, the County is required by Colorado Revised Statutes to levy a property tax to defray a portion of the cost of administering the grants.

Retirement – accounts for the activities of the County retirement plan. The County levies a property tax to fund its contribution to the plan.

Airport – accounts for operations of the County airport.

Emergency Reserve – accounts for the emergency reserve required by the Colorado constitution as amended by TABOR.

Commissary – accounts for revenue and expenses associated with the operation of the commissary at the County jail.

Oil and Gas Impact – accounts for revenue collected to help mitigate the impact on county roads caused by natural gas drilling activity.

Offsite Road Improvement – accounts for monies received from developers.

Conservation Trust – accounts for funds received and restricted as to use for the acquisition, development and maintenance of new conservation sites or maintenance of public sites used for recreational purposes pursuant to Colorado Revised Statutes.

Library Capital Improvements – accounts for the accumulation of funds from transfers from the Public Library Fund for future capital improvements.

Search and Rescue – accounts for the County's portion of search and rescue efforts through contributions and grants from others.

Fair Board – accounts for the operations of the County fairgrounds.

Debt Service Funds. Debt Service funds account for the accumulation of resources for payment of principal, interest, and related cost of obligations reported in the County's general long-term debt account group (other than those associated with proprietary fund operations). The County has one debt service fund.

Capital Projects Funds. Capital Projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The County has the following capital projects funds:

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –CONTINUED

Capital Expenditure – accounts for resources to be used to acquire capital assets and for the construction of major capital projects, excluding capital assets acquired by proprietary funds.

Public Works – accounts for revenue received from a ¼% sales tax not deposited into the County Public Library Fund. Also accounts for resources used to construct the new Administration Building and the new Maintenance Facility.

Justice Center – accounted for resources used to construct the new Justice Center. The residual equity of this fund was transferred to the Public Works fund in 2002.

Proprietary Funds. Proprietary funds account for the cost of services using a "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the funds are included on their balance sheets. Their operating statements present increases (revenues) and decreases (expenses) in net total assets. Contributions which may be used for operations or capital expenditures at the discretion of the County are recognized as non-operating revenues. The funds received for the acquisition of capital assets are reported as contributed capital. The two types of proprietary funds are:

Enterprise Funds. Enterprise funds operate in a manner similar to private business enterprises. Enterprise funds are intended to be self-supporting, that is, costs are to be financed primarily through user charges on a continuing basis.

Internal Service Funds. Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursed basis.

Fiduciary Funds. Fiduciary funds are used to account for assets held by the County in a fiduciary capacity for individuals, private organizations, other governments and other funds. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are the only type of fiduciary funds included in the financial statements.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g. revenues) and decrease (e.g. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available).

Revenues collected by another governmental unit are considered measurable and are recognized when collected by the other government. Property taxes for the year are considered measurable at December 31, and are accrued as a receivable. However, since they are not available to finance current operations, they are recorded as deferred revenues.

Revenues considered susceptible to accrual by the County, include grants from other governments, interest, taxes collected by other governmental agencies, and charges for services rendered by the County. Other revenues such as fines, permits, refunds and other miscellaneous revenues, are recognized when received.

The accrual basis of accounting is utilized by the proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

General Fixed Assets Account Group and General Long-Term Debt Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –CONTINUED

Budgets and Budgetary Accounting

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

1. Prior to October 15 of each year, a proposed operating budget is submitted to the County Commissioners for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the County to obtain taxpayer comments.
3. Prior to December 31, the budget is legally adopted at the fund level through passage of a resolution for all County funds, except the fiduciary fund types.
4. Any revisions that increase the expenditure of any fund must be approved by the County Commissioners by passage of a resolution.
5. Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). The proprietary fund types adopt budgets using a non-GAAP basis.

The County approved twelve supplements to the original budget.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Encumbrances

The County does not use encumbrance accounting.

Garfield County, Colorado
NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –CONTINUED

Cash

Except for cash held for third parties (Clerk and Recorder and Sheriff's Contraband Funds) and cash held by separate legal entities which are included in the Garfield County reporting entity, all cash is deposited with the County Treasurer. The Treasurer invests the funds to achieve the best possible return on the investment. Investments in short-term certificates of deposit or cash equivalents are accounted for as cash in all funds. Interest income is allocated to funds as designated by the Board of County Commissioners.

Investments

In accordance with GASB Statement 31, investments are stated at fair value, determined from quoted market prices.

Property Taxes

Assessed Valuation

The assessed valuation for property in the State of Colorado is determined using base year market values. The certified assessed valuation for 2001 property taxes paid in 2002 was \$817,673,220. The County's assessed mill levy was 13.655.

Property Tax Calendar

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budget or statement of revenues, expenditures, and fund balance of the assessment year.

Property taxes are recorded as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County bills and collects its own property taxes and the taxes for various other entities.

Inventory

Inventories of expendable supplies and materials held for consumption or use in construction and maintenance projects are recorded in various County funds. Inventories are stated at cost on a first-in, first-out basis.

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –CONTINUED

Property, Plant and Equipment

General Fixed Asset Account Group

Acquisitions of fixed assets other than in the proprietary funds are recorded as expenditures in the purchasing fund and capitalized in the General Fixed Asset Account Group.

These assets are recorded at historical cost or estimated historical cost, if actual cost is unknown. Interest costs related to the construction of assets are not capitalized.

Donations of fixed assets are valued at fair market value at the time donated.

Certain public improvements and County infrastructure, such as roads, bridges, signs and signals, curbs, streets, gutters and sidewalks are not recorded as fixed assets. No depreciation is provided for assets recorded in the General Fixed Asset Account Group.

Proprietary Fund Types

Property and equipment held by the proprietary fund types is recorded at cost, except for assets which have been contributed to the County. The contributed assets are stated at fair market value at the date of contribution. Depreciation expense has been computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

	<u>Sanitary Landfill Fund</u>	<u>Motor Pool Fund</u>
Buildings and improvements	5-20 years	-
Equipment and fixtures	5-20 years	3 years
Land improvements	20 years	-

Costs related to the construction of assets including interest, engineering, legal, surveying and landscaping that were incurred from the beginning of construction until the assets were substantially complete were capitalized.

Compensated Absences

County policy allows employees to accumulate unused vacation leave. Sick leave is provided to employees, however, unused sick leave is forfeited upon termination. A proprietary fund liability is accrued for all earned but unused benefits relating to the operations of the proprietary funds.

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

Comparative Data

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

Totals - Memorandum Only

The "Totals - Memorandum Only" column presented on the combined financial statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is this data comparable to a consolidation. Interfund eliminations have not been made in the summarization of this data.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash equivalents are defined as liquid investments with original maturity dates of ninety days or less.

Contraband Seizures

Proceeds from the seizure of contraband are used by the County Sheriff for law enforcement activities. The funds have been audited in accordance with the Colorado Local Government Audit Law and are recorded in an agency fund in these financial statements. At December 31, 2002, these assets totaled \$34,865.

Governmental Accounting Standards Board (GASB) Statement Number 20

The County's proprietary fund types apply all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure. The County does not apply FASB Statements and Interpretations issued after November 30, 1989.

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE B - DEPOSITS AND INVESTMENTS

At December 31, 2002, the County's cash, cash equivalents and investments, including those of the blended component unit, consisted of the following:

Cash, cash equivalents, and investments, pooled	\$ 22,361,335
Other cash and investments	<u>3,348,495</u>
Total	<u>\$ 25,709,830</u>

For purposes of GASB Statement No. 3, these cash and investments are classified as follows:

Cash on hand	\$ 12,556
Deposits	5,652,558
Investments	19,635,145
Investment Trusts	<u>409,571</u>
Total	<u>\$ 25,709,830</u>

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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

Deposits are categorized to give an indication of risk assumed by the County at the end of the year. Category 1 includes deposits that are insured, Category 2 includes collateralized deposits with securities held by the pledging institution's trust department or agent in the County's name, and Category 3 includes uncollateralized, uninsured deposits, held by the pledging financial institution or by its trust department or agent, but not in the County's name.

Garfield County, Colorado
 NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

At December 31, 2002, the County's cash deposits, including those of the blended component units, had a bank balance as follows:

	Bank Balance
Insured deposits (Category 1)	\$ 328,577
Deposits collateralized in single institution pools (Category 2)	5,250,731
Total deposits	\$ 5,579,308

Investments

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

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

The County's investments are categorized below to give an indication of the level of security assumed at year end.

- Category 1 - Investments that are insured or registered or for which the securities are held by the County or its agent in the County's name.
- Category 2 - Uninsured and unregistered investments for which the securities are held by the counter party's agent in the County's name.
- Category 3 - Uninsured and unregistered investments for which the securities are held by the counter party or agent, but not in the County's name.

Investments of Garfield County at December 31, 2002, including the blended component unit, are as follows:

	Category 1	Category 3	Total Fair Value
Money market funds	\$ -	\$ 517,331	\$ 517,331
Federal National Mortgage Association	9,118,081	-	9,118,081
U.S. Treasury Notes	1,029,775	-	1,029,775
Federal Home Loan Obligations	7,251,392	-	7,251,392
Bank Repurchase Agreement	-	1,718,566	1,718,566
Total	\$ 17,399,248	\$ 2,235,897	\$ 19,635,145

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

In addition, the County had invested \$409,571 in Colorado Government Liquid Asset Trust (COLOTRUST), the Colorado Surplus Asset Fund Trust (C-SAFE), and the Financial Investors Trust (FIT). These trusts are investment vehicles established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to each Trust in connection with the direct investment and withdrawal functions of the Trust.

All securities owned by the Trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the Trusts. Investments of the Trusts consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. The repurchase agreements have collateral in the amount of \$2,123,881.

NOTE C - INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 420,034	\$ 732,868
Road & Bridge Fund	22,563	93,974
Social Services Fund	2,459	136,619
Public Library Fund	4,177	473
Airport Fund	187,769	236,796
Retirement Fund	1,565	-
Commissary Fund	-	451
Capital Expenditures Fund	2,148,549	10,093
Public Works Fund	23,113	1,233,159
Justice Center Debt Service Fund	-	740,450
Solid Waste Fund	1,993	2,732
Fair Board Fund	9,054	-
Motor Pool Fund	371,348	5,009
Total	<u>\$ 3,192,624</u>	<u>\$ 3,192,624</u>

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE D - PROPERTY, PLANT AND EQUIPMENT

General Fixed Assets Account Group

A summary of changes in the General Fixed Assets Account Group during the year follows:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Land and improvements	\$ 6,871,681	\$ 492,154	\$ -	\$ 7,363,835
Buildings	29,715,782	8,065,920	-	37,781,702
Equipment	9,505,890	1,215,399	-	10,721,289
Equipment under capital lease	1,978,970	-	-	1,978,970
Total	<u>\$48,072,323</u>	<u>\$ 9,773,473</u>	<u>\$ -</u>	<u>\$57,845,796</u>

Proprietary Funds

A summary of proprietary fund property, plant and equipment and accumulated depreciation, at December 31, 2002, is as follows:

	Solid Waste Fund	Motor Pool Fund
Land	\$ 2,596	\$ -
Buildings	91,048	-
Equipment	471,039	1,426,763
Total	<u>564,683</u>	<u>1,426,763</u>
Less accumulated depreciation	(296,343)	(1,049,642)
Net property, plant and equipment	<u>\$ 268,340</u>	<u>\$ 377,121</u>

NOTE E - LONG-TERM DEBT

General Long-Term Debt Account Group

Following is a schedule of changes in the General Long-Term Debt Account Group during 2002:

	Balance January 1, 2002	Additions	Reductions	Balance December 31, 2002
Certificates of participation	\$21,955,000	\$ -	\$ 445,000	\$21,510,000
Capital lease obligation	787,881	-	385,742	402,139
Compensated absences	713,687	-	1,601	712,086
Total	<u>\$23,456,568</u>	<u>\$ -</u>	<u>\$ 832,343</u>	<u>\$22,624,225</u>

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE E - LONG-TERM DEBT - CONTINUED

1999 Certificates of Participation

On October 1, 1999, the County, through the Garfield County Building Corporation, issued \$12,780,000 in Certificates of Participation with interest ranging from 4.30% to 5.75%. The net proceeds of \$12,263,869 (after payment of \$516,131 in underwriting fees and other issuance costs) were used to purchase U.S. Government Securities. The securities were deposited with a bond agent to provide for construction of a jail facility.

2001 Certificates of Participation

On October 15, 2002 the County, through the Garfield County Finance Authority, issued \$9,460,000 in Certificates of Participation with interest ranging from 3% to 5.25%. The net proceeds of \$9,197,501 (after payment of \$357,191 in underwriting fees and other issuance costs, and a premium of \$94,692) were used to purchase U.S. Government Securities. The securities were deposited with a bond agent to provide for construction of an administration building and a maintenance facility.

Debt Service Requirements

Following is a schedule of aggregate debt service, to maturity, for the outstanding certificates of participation.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 460,000	\$ 1,109,221	\$ 1,569,221
2004	475,000	1,090,616	1,565,616
2005	640,000	1,070,254	1,710,254
2006	650,000	1,043,603	1,693,603
2007	685,000	1,015,379	1,700,379
Thereafter	<u>18,600,000</u>	<u>10,174,720</u>	<u>28,774,720</u>
Total	<u>\$21,510,000</u>	<u>\$15,503,793</u>	<u>\$37,013,793</u>

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE E – LONG-TERM DEBT - CONTINUED

Capital Lease – Governmental Fund Type

The County, through the Road and Bridge Fund, has entered into a lease agreement for accounting purposes and has therefore been recorded in the County’s General Long-Term Debt Account Group at the present value of the future minimum lease payments. The equipment is recorded in the County’s General Fixed Assets Account Group at \$1,978,970, the present value of minimum lease payments on the date of the inception of the lease. Future minimum lease payments for the remainder of the lease term are as follows:

<u>Year ending December 31,</u>	<u>General Long- Term Debt Account Group</u>
2003	\$ 411,345
Minimum lease payments	411,345
Less: Amounts representing interest at an annual rate of 5.2%	<u>(9,206)</u>
Present value of minimum lease payments	<u>\$ 402,139</u>

Conduit Debt Obligations

From time to time, the County has issued Private Activity Bonds to provide financial assistance to private sector entities for the acquisition and construction of housing and commercial facilities deemed to be in the public interest.

The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance.

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 liabilities in the accompanying financial statements.

As of December 31, 2002, there was one series of Private Activity Bonds outstanding, with an aggregate principal amount payable of \$17,265,000.

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE E - LONG-TERM DEBT - CONTINUED

Local Improvement District 1997-1 - Residents of Canyon Creek Estates approved a ballot question that created a local improvement district for the purpose of constructing, installing, completing, and acquiring certain local improvements. The local improvement district used proceeds from bond sales to pay for the road improvements. Bonds payable as of December 31, 2002 in the amount of \$95,000 were outstanding. Unspent cash totaling \$14,703 is being held by the County Treasurer and is included in the agency funds' account title "due to other governments." The County has no obligation for repayment of this debt.

NOTE F - CONTRIBUTED CAPITAL

The County records assets donated by another County fund as contributed capital. Assets contributed are recorded at cost. In addition, when the Motor Pool Fund was established, assets were transferred from the General Fixed Assets Account Group at original cost. Amortization of the assets is provided over the estimated useful lives and is recorded as an addition to retained earnings in the financial statements.

NOTE G - RECONCILIATION OF BUDGETED EXPENDITURES TO ACTUAL EXPENSES

The financial statements present the activities of the proprietary fund types in conformity with GAAP, as applicable to these funds. Budgets are prepared using a non-GAAP basis. A reconciliation of the two methods is provided below.

	Solid Waste	Motor Pool
Total revenues - GAAP basis	\$ 763,219	\$ 803,020
Total revenues - budgetary basis	<u>\$ 763,219</u>	<u>\$ 803,020</u>
Total expenses - GAAP basis	\$ 788,051	\$ 657,173
Depreciation	(38,197)	(345,159)
Capital outlay	14,844	181,417
Closure/post-closure costs	<u>(21,395)</u>	<u>-</u>
Total expenditures - budgetary basis	<u>\$ 743,303</u>	<u>\$ 493,431</u>
Expenditure budget	<u>\$ 848,229</u>	<u>\$ 583,731</u>

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE H - PENSION PLAN

Retirement Plan

The County participates in the County Officials and Employees Retirement Association (CCOERA), a multiple-employer public employee retirement system which is a qualified plan as defined by IRS Code Section 401(A) and Colorado Revised Statutes (CRS) 24.54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

There are no unfunded past service liabilities. All full-time employees are required to participate in the plan after one year of service. The County is required to contribute 4.0% of employee compensation, excluding overtime. The employee is required to contribute an amount equal to the County's contribution, and may contribute up to an additional 10% of after-tax compensation. The County's contribution for each employee, including earnings thereon allocated to the employee's account, vest at the rate of 20% for each year of participation in the plan. County contributions and earnings forfeited by employees who leave employment before fully vesting are returned to the County.

During 2002, the County and employees made the required 4.0% contribution amounting to \$385,951 each. Additional voluntary contributions by employees were \$85,163.

NOTE I - RISK MANAGEMENT

Worker's Compensation

County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to casualty and property losses. The County has joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties.

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE I - RISK MANAGEMENT - CONTINUED

The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. In the past three years, the amount of settlement for any claim has not exceeded the insurance coverage in any instance.

NOTE J - COMMITMENTS AND CONTINGENCIES

Pending Litigation

The County is involved in various lawsuits. Where the County Attorney is the attorney of record for Garfield County, the County Attorney does not believe the potential loss to the County from any of these lawsuits would have a material impact on the financial statement.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance. The County placed a question on the November 1994 ballot that would permit the County to keep and spend state grants, all sales tax and property tax revenues without limiting in any year the amount of other revenues that may be collected. The ballot question was approved by the voters.

Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE K - CLOSURE AND POSTCLOSURE CARE COST

State and Federal laws and regulations require the County to place final cover on its Garfield County Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be

Garfield County, Colorado

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE K - CLOSURE AND POSTCLOSURE CARE COST - CONTINUED

paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Total Closing and Post Closing costs are currently estimated to be \$1,085,833, with closure costs estimated to be \$561,020 and post closure care cost estimated to be \$524,813. The \$172,689 reported as landfill closure and postclosure care liability at December 31, 2002, represents the cumulative amount reported to date based on the use of 15.9% of the capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$913,144 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2002. The County expects to close the landfill in the year 2030. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2002, investments of greater than \$172,689 are held for these purposes, based on the formula of landfill financial assurance requirements under EPA regulations. These are reported on the balance sheet in the Solid Waste Fund. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE L - EXCESS OF ACTUAL EXPENDITURES AND OTHER USES OF FUNDS OVER APPROPRIATIONS

The following funds had an excess of actual expenditures and other financing uses over appropriations for the year ended December 31, 2002.

Excess of expenditures and other financing uses over appropriations:

Social Services Fund	\$ 1,010,338
Emergency Reserve Fund	\$ 120,021

Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated. The County may be in violation of Colorado Statutes because expenditures and transfers are in excess of budget appropriations for the above funds.

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GENERAL FUND

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Garfield County, Colorado

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

Revenues	Budget	Actual	Variance Favorable (Unfavorable)
Taxes			
General property taxes	\$ 6,685,236	\$ 6,612,212	\$ (73,024)
Specific ownership taxes	700,000	853,857	153,857
Cigarette tax	110,000	30,614	(79,386)
Penalty and interest on taxes	3,000	17,857	14,857
Sales tax	1,126,076	1,088,813	(37,263)
Total taxes	8,624,312	8,603,353	(20,959)
Licenses and permits			
Liquor	3,300	2,738	(562)
Concealed weapons	1,170	1,897	727
Total licenses and permits	4,470	4,635	165
Intergovernmental			
Payments in lieu of taxes	825,000	810,487	(14,513)
Mineral leasing	350,000	348,746	(1,254)
Mineral severance	10,000	31,287	21,287
Federal grants			
TRIDENT	26,888	33,722	6,834
SCAAP	184,443	184,443	-
Healthy Beginnings (CSBG)	35,520	53,770	18,250
Weed control	9,000	(46)	(9,046)
Workender program	-	11,112	11,112
Medicaid services	9,000	10,914	1,914
State grants			
LEAF grant	3,800	4,470	670
Nursing	73,700	67,399	(6,301)
Ambulance grant	15,000	15,847	847
Search and rescue	21,500	37,674	16,174
Other	108,575	249,339	140,764
Rural resort	-	25,000	25,000
Tobacco grant	192,000	95,809	(96,191)
State			
Veterans assistance	1,200	1,200	-
Pest and weed control	23,000	(557)	(23,557)
Weed and pest - local government	48,500	52,076	3,576
Total intergovernmental	1,937,126	2,032,692	95,566

Garfield County, Colorado

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

Year ended December 31, 2002

Revenues	Budget	Actual	Variance Favorable (Unfavorable)
Charges for services			
Fees			
County clerk	874,986	1,115,027	240,041
County treasurer	573,600	684,847	111,247
Building department	550,000	649,950	99,950
Work release	40,000	26,156	(13,844)
Environment and health	15,000	18,350	3,350
Fairgrounds	701,928	477,081	(224,847)
Planning department	45,000	80,513	35,513
Sheriff	119,300	146,754	27,454
Jail	330,101	159,529	(170,572)
Public trustee	61,500	111,284	49,784
Distrain	1,600	3,500	1,900
Public health nurse	11,000	20,989	9,989
WIC program	120,416	145,134	24,718
Healthy Beginnings	237,100	235,131	(1,969)
Immunization revenue	91,956	107,263	15,307
VINS	7,000	9,405	2,405
Maps and documents	19,500	32,270	12,770
EPSDT	21,700	22,151	451
Registrar	45,000	50,167	5,167
Work release test	11,000	7,778	(3,222)
Other	77,555	144,830	67,275
Total charges for services	3,955,242	4,248,109	292,867
Fines and forfeitures			
Useful public service	103,500	67,177	(36,323)
Day reporting	87,375	73,668	(13,707)
Courts/LEAF/DUI	47,048	27,631	(19,417)
Community correction	411,000	210,248	(200,752)
Social service cases	136,750	113,246	(23,504)
Total fines and forfeitures	785,673	491,970	(293,703)
Miscellaneous			
Interest	750,000	672,594	(77,406)
Rents and royalties	54,640	21,650	(32,990)
Refund of expenditures	4,300	(78,382)	(82,682)
Contributions and donations	53,300	76,494	23,194
Sales of equipment	2,000	1,335	(665)
Other	-	1,579	1,579
Total miscellaneous	864,240	695,270	(168,970)
Total revenues	16,171,063	16,076,029	(95,034)

Garfield County, Colorado

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
General government			
County commissioners	\$ 308,625	\$ 299,911	\$ 8,714
Grants to others	343,974	324,232	19,742
Attorney	532,941	455,472	77,469
Surveyor	11,802	9,854	1,948
Administration services	1,978,203	1,289,272	688,931
Clerk and recorder	710,787	699,834	10,953
Treasurer	338,121	316,828	21,293
Public trustee	61,543	45,667	15,876
Assessor	747,161	662,953	84,208
Board of equalization	20,337	18,468	1,869
Maintenance			
West/Fairgrounds	282,403	226,341	56,062
East	778,765	548,134	230,631
District attorney	1,040,000	931,888	108,112
Elections	110,390	109,801	589
Planning department	1,031,289	883,502	147,787
Microfilm/registrar	50,111	47,527	2,584
	8,346,452	6,869,684	1,476,768
Public safety			
Sheriff	2,301,814	2,025,057	276,757
Jail	4,389,651	3,935,392	454,259
Community corrections	700,766	603,382	97,384
Coroner	109,101	107,708	1,393
County fire suppression	20,819	12,690	8,129
Emergency preparedness	103,107	97,208	5,899
Search and rescue	23,970	19,873	4,097
	7,649,228	6,801,310	847,918
Public works			
Extension	124,804	111,910	12,894
Pest and weed	157,481	122,028	35,453
Television	39,597	23,712	15,885
	321,882	257,650	64,232

Garfield County, Colorado

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUED

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
Health and welfare			
Nurse	1,118,811	949,796	169,015
Healthy Beginnings	500,942	371,607	129,335
Emergency medical services	16,387	13,764	2,623
Total health and welfare	1,636,140	1,335,167	300,973
Culture and recreation			
County fair	200	200	-
Total expenditures	17,953,902	15,264,011	2,689,891
Excess of revenues over (under) expenditures	(1,782,839)	812,018	2,594,857
Other financing sources (uses)			
Operating transfers in	200,000	100,000	(100,000)
Operating transfers out	(200,000)	(200,000)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,782,839)</u>	712,018	<u>\$ 2,494,857</u>
Fund balance, beginning of year		5,874,743	
Fund balance, end of year		<u>\$ 6,586,761</u>	

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The County has eleven special revenue funds.

Garfield County,
SPECIAL REVENUE
COMBINING BALANCE

December

ASSETS	Road and Bridge Fund	Public Library Fund	Social Services Fund	Retirement Fund	Airport Fund	Emergency Reserve Fund
Equity in pooled cash and investments	\$ 5,707,753	\$ 278,875	\$ 1,241,056	\$ 196,289	\$ 140,128	\$ 855,608
Other cash	169	150	22,484	-	135	-
Receivables						
Property taxes	872,314	-	999,050	439,948	-	-
Due from other governments	517,519	116,599	239,835	-	-	148,541
Due from other funds	22,563	4,177	2,459	1,565	187,769	-
Inventory	91,486	-	-	-	-	-
Total assets	<u>\$ 7,211,804</u>	<u>\$ 399,801</u>	<u>\$ 2,504,884</u>	<u>\$ 637,802</u>	<u>\$ 328,032</u>	<u>\$ 1,004,149</u>
LIABILITIES						
Accounts payable	\$ 150,476	\$ 27,198	\$ 110,370	\$ 38,036	\$ 6,751	\$ -
Deferred						
Revenue	-	-	766,137	-	-	-
Property taxes	872,314	-	999,050	439,948	-	-
Due to other funds	93,974	473	136,619	-	236,796	-
Total liabilities	1,116,764	27,671	2,012,176	477,984	243,547	-
FUND EQUITY						
Fund balances						
Reserved for						
Inventory	91,486	-	-	-	-	-
TABOR emergencies	-	20,000	-	-	-	1,004,149
Unreserved						
Undesignated	6,003,554	352,130	492,708	159,818	84,485	-
Total fund equity	6,095,040	372,130	492,708	159,818	84,485	1,004,149
Total liabilities and fund equity	<u>\$ 7,211,804</u>	<u>\$ 399,801</u>	<u>\$ 2,504,884</u>	<u>\$ 637,802</u>	<u>\$ 328,032</u>	<u>\$ 1,004,149</u>

Colorado

FUNDS
SHEET

31, 2002

Commissary Fund	Oil and Gas Impact Fund	Offsite Road Improvement Fund	Conservation Trust Fund	Library Capital Improvement Fund	Search and Rescue Fund	Fair Board Fund	Total
\$ 43,566	\$ 31,328	\$ 196,276	\$ 136,115	\$ 220,763	\$ 9,958	\$ 88,871	\$ 9,146,586
-	-	-	-	-	-	-	22,938
-	-	-	-	-	-	-	2,311,312
-	-	-	41,260	-	-	(122)	1,063,632
-	-	-	-	-	-	9,054	227,587
-	-	-	-	-	-	-	91,486
<u>\$ 43,566</u>	<u>\$ 31,328</u>	<u>\$ 196,276</u>	<u>\$ 177,375</u>	<u>\$ 220,763</u>	<u>\$ 9,958</u>	<u>\$ 97,803</u>	<u>\$ 12,863,541</u>
\$ 1,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,261
-	-	-	-	-	-	-	766,137
-	-	-	-	-	-	-	2,311,312
451	-	-	-	-	-	-	468,313
1,881	-	-	-	-	-	-	3,880,023
-	-	-	-	-	-	-	91,486
-	-	-	-	-	-	-	1,024,149
41,685	31,328	196,276	177,375	220,763	9,958	97,803	7,867,883
41,685	31,328	196,276	177,375	220,763	9,958	97,803	8,983,518
<u>\$ 43,566</u>	<u>\$ 31,328</u>	<u>\$ 196,276</u>	<u>\$ 177,375</u>	<u>\$ 220,763</u>	<u>\$ 9,958</u>	<u>\$ 97,803</u>	<u>\$ 12,863,541</u>

Garfield County

SPECIAL REVENUE
COMBINING STATEMENT OF REVENUES,

Year ended

	Road and Bridge Fund	Public Library Fund	Social Services Fund	Retirement Fund	Airport Fund	Emergency Reserve Fund
Revenues						
Taxes	\$ 2,465,294	\$ 1,459,647	\$ 778,295	\$ 430,849	\$ 4	\$ -
Licenses and permits	228,178	-	-	-	-	-
Intergovernmental	2,858,259	12,247	8,077,061	10,033	209,988	454,170
Charges for services	794	-	-	-	207,596	-
Other contributions	-	-	-	67,863	-	-
Miscellaneous	(1,108)	38,256	28,561	89	100	-
Total revenues	5,551,417	1,510,150	8,883,917	508,834	417,688	454,170
Expenditures						
Current operating						
General government	-	-	-	151,046	-	-
Public safety	-	-	-	120,030	-	244,021
Public works	3,784,345	-	-	53,100	214,298	-
Health and welfare	-	-	8,708,952	111,501	-	-
Culture and recreation	-	1,314,383	-	29,502	-	-
Capital outlay	1,625,580	-	178,708	-	247,280	-
Total expenditures	5,409,925	1,314,383	8,887,660	465,179	461,578	244,021
Excess of revenues over (under) expenditures	141,492	195,767	(3,743)	43,655	(43,890)	210,149
Other financing sources (uses) Operating transfers in (out)	-	(220,763)	-	100,000	100,000	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	141,492	(24,996)	(3,743)	143,655	56,110	210,149
Fund balance, beginning of year	5,953,548	397,126	496,451	16,163	28,375	794,000
Fund balance, end of year	\$ 6,095,040	\$ 372,130	\$ 492,708	\$ 159,818	\$ 84,485	\$ 1,004,149

Colorado

FUNDS
EXPENDITURES AND CHANGES IN FUND BALANCE

December 31, 2002

Commissary Fund	Oil and Gas Impact Fund	Offsite Road Improvement Fund	Conservation Trust Fund	Library Capital Improvement Fund	Search and Rescue Fund	Fair Board Fund	Total
\$ -	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ 23,548	\$ 5,157,649
-	-	-	-	-	-	-	228,178
-	-	-	172,103	-	-	-	11,793,861
-	-	-	-	-	-	-	208,390
-	-	-	-	-	-	-	67,863
46,083	-	91,443	-	-	10,061	107,001	320,486
46,083	12	91,443	172,103	-	10,061	130,549	17,776,427
-	-	-	-	-	-	-	151,046
38,717	-	-	-	-	103	-	402,871
-	-	-	-	-	-	-	4,051,743
-	-	-	-	-	-	-	8,820,453
-	-	-	-	-	-	32,746	1,376,631
-	-	-	1,739	-	-	-	2,053,307
38,717	-	-	1,739	-	103	32,746	16,856,051
7,366	12	91,443	170,364	-	9,958	97,803	920,376
-	-	-	-	220,763	-	-	200,000
7,366	12	91,443	170,364	220,763	9,958	97,803	1,120,376
34,319	31,316	104,833	7,011	-	-	-	7,863,142
<u>\$ 41,685</u>	<u>\$ 31,328</u>	<u>\$ 196,276</u>	<u>\$ 177,375</u>	<u>\$ 220,763</u>	<u>\$ 9,958</u>	<u>\$ 97,803</u>	<u>\$ 8,983,518</u>

Garfield County, Colorado

ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 3,244,022	\$ 2,465,294	\$ (778,728)
Licenses and permits	200,300	228,178	27,878
Intergovernmental	2,809,650	2,858,259	48,609
Charges for services	15,693	794	(14,899)
Miscellaneous	50,000	(1,108)	(51,108)
Total revenues	6,319,665	5,551,417	(768,248)
Expenditures			
Current			
Public works	4,560,069	3,784,345	775,724
Capital outlay	2,088,472	1,625,580	462,892
Total expenditures	6,648,541	5,409,925	1,238,616
Excess of revenues over (under) expenditures	\$ (328,876)	141,492	\$ 470,368
Fund balance, beginning of year		5,953,548	
Fund balance, end of year		\$ 6,095,040	

Garfield County, Colorado

PUBLIC LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 1,507,773	\$ 1,459,647	\$ (48,126)
Intergovernmental	12,247	12,247	-
Miscellaneous	55,500	38,256	(17,244)
	<u>1,575,520</u>	<u>1,510,150</u>	<u>(65,370)</u>
Total revenues			
Expenditures			
Current			
Culture and recreation	1,433,971	1,314,383	119,588
Excess of revenues over (under) expenditures	141,549	195,767	54,218
Other financing uses			
Operating transfers out	(220,763)	(220,763)	-
Excess of revenues over (under) expenditures and other financing uses	<u>\$ (79,214)</u>	<u>(24,996)</u>	<u>\$ 54,218</u>
Fund balance, beginning of year		<u>397,126</u>	
Fund balance, end of year		<u>\$ 372,130</u>	

Garfield County, Colorado

SOCIAL SERVICES FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 755,691	\$ 778,295	\$ 22,604
Intergovernmental	7,485,205	8,077,061	591,856
Miscellaneous	40,000	28,561	(11,439)
	<u>8,280,896</u>	<u>8,883,917</u>	<u>603,021</u>
Total revenues			
Expenditures			
Current			
Health and welfare	7,662,322	8,708,952	(1,046,630)
Capital outlay	215,000	178,708	36,292
	<u>7,877,322</u>	<u>8,887,660</u>	<u>(1,010,338)</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>\$ 403,574</u>	(3,743)	<u>\$ (407,317)</u>
Fund balance, beginning of year		<u>496,451</u>	
Fund balance, end of year		<u>\$ 492,708</u>	

Garfield County, Colorado

RETIREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 417,779	\$ 430,849	\$ 13,070
Intergovernmental	-	10,033	(10,033)
Employee contributions	49,064	67,863	(18,799)
Miscellaneous	-	89	(89)
	<u>466,843</u>	<u>508,834</u>	<u>41,991</u>
Total revenues			
Expenditures			
Current			
General government	162,532	151,046	11,486
Public safety	124,906	120,030	4,876
Public works	60,082	53,100	6,982
Health and welfare	121,265	111,501	9,764
Culture and recreation	32,070	29,502	2,568
	<u>500,855</u>	<u>465,179</u>	<u>35,676</u>
Total expenditures			
Excess of revenues over (under) expenditures	(34,012)	43,655	77,667
Other financing sources			
Operating transfers in	-	100,000	100,000
Excess of revenues and other financing sources over (under) expenditures	<u>\$ (34,012)</u>	<u>143,655</u>	<u>\$ 177,667</u>
Fund balance, beginning of year		<u>16,163</u>	
Fund balance, end of year		<u>\$ 159,818</u>	

Garfield County, Colorado

AIRPORT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ -	\$ 4	\$ 4
Intergovernmental	364,112	209,988	(154,124)
Charges for services	203,436	207,596	4,160
Asset sales	4,000	100	(3,900)
	<u>571,548</u>	<u>417,688</u>	<u>(153,860)</u>
Total revenues			
Expenditures			
Current			
Public works	268,186	214,298	53,888
Capital outlay	407,067	247,280	159,787
Total expenditures	<u>675,253</u>	<u>461,578</u>	<u>213,675</u>
Excess of revenues over (under) expenditures	(103,705)	(43,890)	59,815
Other financing sources			
Operating transfers in	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ (103,705)</u>	56,110	<u>\$ 159,815</u>
Fund balance, beginning of year		<u>28,375</u>	
Fund balance, end of year		<u>\$ 84,485</u>	

Garfield County, Colorado

COMMISSARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous	\$ 50,000	\$ 46,083	\$ (3,917)
Expenditures			
Public safety	<u>52,000</u>	<u>38,717</u>	<u>13,283</u>
Excess of revenues over (under) expenditures	<u>\$ (2,000)</u>	7,366	<u>\$ 9,366</u>
Fund balance, beginning of year		<u>34,319</u>	
Fund balance, end of year		<u>\$ 41,685</u>	

Garfield County, Colorado

OIL AND GAS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 12</u>
Excess of revenues over (under) expenditures	<u><u>\$ -</u></u>	<u>12</u>	<u><u>\$ 12</u></u>
Fund balance, beginning of year		<u>31,316</u>	
Fund balance, end of year		<u><u>\$ 31,328</u></u>	

Garfield County, Colorado

OFFSITE ROAD IMPROVEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Miscellaneous	<u>\$ 25,240</u>	<u>\$ 91,443</u>	<u>\$ 66,203</u>
Excess of revenues over (under) expenditures	<u>\$ 25,240</u>	91,443	<u>\$ 66,203</u>
Fund balance, beginning of year		<u>104,833</u>	
Fund balance, end of year		<u>\$ 196,276</u>	

Garfield County, Colorado

EMERGENCY RESERVE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 124,000	\$ 454,170	\$ 330,170
Expenditures			
Public safety	<u>124,000</u>	<u>244,021</u>	<u>(120,021)</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	210,149	<u>\$ 210,149</u>
Fund balance, beginning of year		<u>794,000</u>	
Fund balance, end of year		<u>\$ 1,004,149</u>	

Garfield County, Colorado

CONSERVATION TRUST FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 121,739	\$ 172,103	\$ 50,364
Expenditures			
Capital outlay	<u>1,739</u>	<u>1,739</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ 120,000</u>	170,364	<u>\$ 50,364</u>
Fund balance, beginning of year		<u>7,011</u>	
Fund balance, end of year		<u>\$ 177,375</u>	

Garfield County, Colorado

LIBRARY CAPITAL IMPROVEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other financing sources			
Operating transfers in	\$ 220,763	\$ 220,763	\$ -
Excess of other financing sources over expenditures	<u>\$ 220,763</u>	220,763	<u>\$ -</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ 220,763</u>	

Garfield County, Colorado

SEARCH AND RESCUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous	\$ 7,356	\$ 10,061	\$ 2,705
Expenditures			
Public safety	<u>11,550</u>	<u>103</u>	<u>11,447</u>
Excess of revenues over (under) expenditures	<u>\$ (4,194)</u>	9,958	<u>\$ 14,152</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ 9,958</u>	

Garfield County, Colorado

FAIR BOARD FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 14,939	\$ 23,548	\$ 8,609
Miscellaneous	45,600	107,001	61,401
Total revenues	<u>60,539</u>	<u>130,549</u>	<u>70,010</u>
Expenditures			
Culture and recreation	<u>56,081</u>	<u>32,746</u>	<u>23,335</u>
Excess of revenues over (under) expenditures	<u>\$ 4,458</u>	97,803	<u>\$ 93,345</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ 97,803</u>	

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DEBT SERVICE FUND

Debt Service funds are used to account for funds accumulated to pay debt service.

Garfield County, Colorado

DEBT SERVICE FUND
 JUSTICE CENTER FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest	\$ 90,000	\$ 33,928	\$ (56,072)
Expenditures			
Debt service			
Principal	445,000	295,000	150,000
Interest	1,126,701	711,560	415,141
	<u>1,571,701</u>	<u>1,006,560</u>	<u>565,141</u>
Excess of revenues over (under) expenditures	(1,481,701)	(972,632)	509,069
Other financing sources			
Operating transfers in	<u>550,000</u>	<u>892,975</u>	<u>342,975</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ (931,701)</u>	(79,657)	<u>\$ 852,044</u>
Fund balance, beginning of year		<u>433,871</u>	
Fund balance, end of year		<u>\$ 354,214</u>	

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds. The County has three capital projects funds.

Garfield County, Colorado
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

December 31, 2002

	Capital Expenditure Fund	Public Works Fund	Total
ASSETS			
Equity in pooled cash and investments	\$ 1,703,335	\$ 732,904	\$ 2,436,239
Cash held with trustee	-	1,133,654	1,133,654
Property taxes receivable	2,566,366	-	2,566,366
Due from other funds	2,148,549	23,113	2,171,662
Total assets	<u>\$ 6,418,250</u>	<u>\$ 1,889,671</u>	<u>\$ 8,307,921</u>
LIABILITIES			
Accounts and retainage payable	\$ 177,019	\$ 388,209	\$ 565,228
Due to other funds	10,093	1,233,159	1,243,252
Deferred property taxes	2,566,366	-	2,566,366
Total liabilities	2,753,478	1,621,368	4,374,846
FUND EQUITY			
Fund balances			
Reserved for debt service	-	726,772	726,772
Unreserved			
Undesignated	3,664,772	(458,469)	3,206,303
Total fund equity	<u>3,664,772</u>	<u>268,303</u>	<u>3,933,075</u>
Total liabilities and fund equity	<u>\$ 6,418,250</u>	<u>\$ 1,889,671</u>	<u>\$ 8,307,921</u>

Garfield County, Colorado

CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE

Year ended December 31, 2002

	Capital Expenditure Fund	Public Works Fund	Justice Center Fund	Total
Revenues				
Taxes	\$ 2,698,210	\$ -	\$ -	\$ 2,698,210
Miscellaneous	71,467	399,538	-	471,005
Total revenues	2,769,677	399,538	-	3,169,215
Expenditures				
Capital outlay	1,855,680	6,366,077	-	8,221,757
Debt service				
Interest	-	451,319	-	451,319
Principal	-	150,000	-	150,000
	1,855,680	6,967,396	-	8,823,076
Excess of revenues over (under) expenditures	913,997	(6,567,858)	-	(5,653,861)
Other financing uses				
Operating transfers out	(892,975)	-	-	(892,975)
Excess of revenues over (under) expenditures and other financing uses	21,022	(6,567,858)	-	(6,546,836)
Fund balance, beginning of year	3,643,750	6,835,765	396	10,479,911
Residual equity transfer	-	396	(396)	-
Fund balance, end of year	\$ 3,664,772	\$ 268,303	\$ -	\$ 3,933,075

Garfield County, Colorado

CAPITAL EXPENDITURE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 2,604,617	\$ 2,698,210	\$ 93,593
Miscellaneous	-	71,467	71,467
	<u>2,604,617</u>	<u>2,769,677</u>	<u>165,060</u>
Total revenues			
Expenditures			
Capital outlay	<u>2,610,105</u>	<u>1,855,680</u>	<u>754,425</u>
Excess of revenues over (under) expenditures	(5,488)	913,997	919,485
Other financing uses			
Operating transfers out	<u>(550,000)</u>	<u>(892,975)</u>	<u>(342,975)</u>
Excess of revenues over (under) expenditures and other financing uses	<u>\$ (555,488)</u>	21,022	<u>\$ 576,510</u>
Fund balance, beginning of year		<u>3,643,750</u>	
Fund balance, end of year		<u>\$ 3,664,772</u>	

Garfield County, Colorado

PUBLIC WORKS FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous	\$ 70,985	\$ 399,538	\$ 328,553
Expenditures			
Capital outlay	7,753,505	6,366,077	1,387,428
Debt service			
Principal	150,000	150,000	-
Interest	440,751	451,319	(10,568)
Total expenditures	<u>8,344,256</u>	<u>6,967,396</u>	<u>1,376,860</u>
Excess of revenues over (under) expenditures	<u>\$ (8,273,271)</u>	(6,567,858)	<u>\$ 1,705,413</u>
Fund balance, beginning of year		6,835,765	
Residual equity transfer		<u>396</u>	
Fund balance, end of year		<u>\$ 268,303</u>	

Garfield County, Colorado

JUSTICE CENTER CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of revenues over (under) expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year		396	
Residual equity transfer		<u>(396)</u>	
Fund balance, end of year		<u>\$ -</u>	

ENTERPRISE FUND

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The County has one enterprise fund, the Solid Waste Fund, which accounts for the operation of the County Landfill.

Garfield County,
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fees	\$ 741,300	\$ 764,541	\$ 23,241
Other	-	(1,322)	(1,322)
Total revenues	741,300	763,219	21,919
Expenditures			
Personnel services	129,555	140,492	(10,937)
Payroll taxes	10,702	10,691	11
Employee benefits	51,915	49,126	2,789
Treasurer fees	7,400	9,384	(1,984)
Operating supplies	54,344	21,987	32,357
Dust control	2,400	854	1,546
Building repair and maintenance	1,000	271	729
Professional services	84,345	51,711	32,634
State fees	15,000	12,140	2,860
Fuel and lubrication	17,002	13,018	3,984
Utilities	11,420	7,425	3,995
Excavation	300,500	300,500	-
Capital outlay	16,500	15,508	992
Lease payments	36,000	4,268	31,732
Transfer to other funds	100,000	100,000	-
Other	10,146	5,928	4,218
Total expenditures	848,229	743,303	104,926
Excess of revenues over (under) expenditures	\$ (106,929)	19,916	\$ 126,845
Add			
Capitalized purchases		14,844	
Less			
Depreciation expense		(38,197)	
Closure/postclosure costs		(21,395)	
Total adjustments to GAAP basis		(44,748)	
Net income, GAAP basis		\$ (24,832)	

INTERNAL SERVICE FUND

Internal service funds are used to account for the financing of goods or services provided by a department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Garfield County, Colorado

MOTOR POOL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (NON-GAAP BASIS) AND ACTUAL

Year ended December 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 1,036,093	\$ 792,594	\$ (243,499)
Gain on sale of assets	24,000	833	(23,167)
Miscellaneous	-	9,593	9,593
Total revenues	<u>1,060,093</u>	<u>803,020</u>	<u>(257,073)</u>
Expenditures			
Salaries and benefits	62,800	60,565	2,235
Supplies	149,125	134,846	14,279
Purchased services	98,372	95,611	2,761
Capital outlay	247,900	202,409	45,491
Other	25,534	-	25,534
Total expenditures	<u>583,731</u>	<u>493,431</u>	<u>90,300</u>
Excess of revenues over expenditures	<u>\$ 476,362</u>	309,589	<u>\$ (166,773)</u>
Add			
Capitalized purchases		181,417	
Less			
Depreciation expense		<u>(345,159)</u>	
Net income, GAAP basis		<u>\$ 145,847</u>	

TRUST AND AGENCY (FIDUCIARY) FUNDS

Trust and agency funds account for assets held by the County in a trustee capacity or as an agent. The County has three agency funds. The agency funds fall into two categories. Two funds account for the monies held by the County Treasurer and County Clerk for other County funds (cash) or funds held for other units of government including the State, cities, towns, school districts, special districts, and as a public trustee. The remaining fund acts as an agent for the Sheriff's contraband cash.

Garfield County, Colorado

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
County Treasurer				
Assets				
Cash and investments	\$ 1,390,883	\$ 129,154,523	\$ 129,396,293	\$ 1,149,113
Liabilities				
Due to other entities	\$ 1,390,883	\$ 129,154,523	\$ 129,396,293	\$ 1,149,113
County Clerk				
Assets				
Cash	\$ 958,920	\$ 11,089,785	\$ 10,997,934	\$ 1,050,771
Liabilities				
Due to other governments	\$ 958,920	\$ 11,089,785	\$ 10,997,934	\$ 1,050,771
County sheriff contraband				
Assets				
Cash and investments	\$ 29,385	\$ 19,547	\$ 14,067	\$ 34,865
Liabilities				
Due to other governments	\$ 29,385	\$ 19,547	\$ 14,067	\$ 34,865
Total all agency funds				
Assets				
Cash and investments	\$ 2,379,188	\$ 140,263,855	\$ 140,408,294	\$ 2,234,749
Liabilities				
Trusts	\$ 528,781	\$ 2,459,706	\$ 2,768,592	\$ 219,895
Special districts	139,032	8,729,794	8,707,577	161,249
Cities and towns	67,202	2,745,431	2,736,929	75,704
School districts	272,293	30,574,782	30,602,243	244,832
Sheriff's inmate fund	33,673	177,897	194,779	16,791
District attorney	340	-	-	340
Section 125 flex fund	4,969	70,860	66,371	9,458
Other clearing accounts	344,593	84,396,053	84,319,802	420,844
Other governments	958,920	11,089,785	10,997,934	1,050,771
Sheriff's contraband fund	29,385	19,547	14,067	34,865
Total liabilities	\$ 2,379,188	\$ 140,263,855	\$ 140,408,294	\$ 2,234,749

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group records changes in the County's ownership of and investment in capital assets including land, buildings, improvements to land and buildings, and other equipment, the lives of which are greater than one year.

Garfield County, Colorado

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE

December 31, 2002

General fixed assets	
Land and improvements	\$ 7,363,835
Buildings	37,781,702
Machinery and equipment	10,721,289
Equipment under capital lease	<u>1,978,970</u>
	<u>\$ 57,845,796</u>
Investment in general fixed assets by source	
General government	\$ 18,675,736
Public safety	3,364,120
Public works	32,285,184
Health and welfare	565,569
Culture and recreation	<u>2,955,187</u>
	<u>\$ 57,845,796</u>

Garfield County, Colorado

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

December 31, 2002

Function and activity	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
General government	\$ 5,687,663	\$ 11,580,491	\$ 1,407,582	\$ 18,675,736
Public safety	670,559	1,696,236	997,325	3,364,120
Public works	877,180	22,200,036	9,207,968	32,285,184
Health and welfare	600	25,105	539,864	565,569
Culture and recreation	127,833	2,279,834	547,520	2,955,187
Total	<u>\$ 7,363,835</u>	<u>\$ 37,781,702</u>	<u>\$ 12,700,259</u>	<u>\$ 57,845,796</u>



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTARY INFORMATION

March 28, 2003

Honorable Board of County Commissioners
Garfield County, Colorado
Glenwood Springs, Colorado

We have audited the general purpose financial statements of Garfield County, Colorado for the year ended December 31, 2002, and have issued our report thereon dated March 28, 2003. Our audit of such general purpose financial statements was made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Supplemental Statement of Revenues and Expenditures for Roads, Bridges and Streets is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

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LOCAL HIGHWAY FINANCE REPORT	City or County: Garfield
	YEAR ENDING : December 2002

This Information From The Records Of (example - City of _ or Cou) Garfield County	Prepared By: Garfield County - Accounting Phone: 970.945.7284
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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	. 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

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,212,126
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,122,066
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	2,490,021	c. Other	
4. Miscellaneous local receipts (from page 2)	93,132	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellan	664,313
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safet	216,275
a. Bonds - Original Issues		6. Total (1 through 5)	5,214,780
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	2,583,153	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,652,841	2. Notes:	
D. Receipts from Federal Government (from page 2)	315,424	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,551,418	b. Redemption	411,420
		c. Total (a. + b.)	411,420
		3. Total (1.c + 2.c)	411,420
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C)	5,626,200

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 Balanc	B. Total Receipts	. Total Disbursemen	D. Ending Balance	E. Reconciliation
5,953,548	5,551,418	5,409,925	6,095,041	216,275

Notes and Comments:

*The Sheriff's Department patrols and issues traffic tickets, but does not retain any revenues from these activities. Also, because the Sheriff's Department's expenses are General Fund Expenses, Part V - E lists this amount separately.

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2002

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	766,428	a. Interest on investments	1,466
b. Other local imposts:		b. Other	(25,122)
1. Sales Taxes	1,634,234	c. Transfers	
2. Traffic Fines		d. Capital Credits	
3. Specific Ownership Tax	89,359	e. Sale of Assets	2,700
		f. Fees/Licenses/Permits	118,172
5. From Cities/Countries		g. Service Performed	
6. Total (1. through 5.)	1,723,593	h. Refunds of Expenditures	(4,084)
c. Total (a. + b.)	2,490,021	i. Total (a. through h.)	93,132
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Governm	
1. Highway-user taxes	2,542,835	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	315,424
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registration	110,006	d. Mineral Leasing	
d. (Specify)		e. Pay Lieu of Tax	
e. (Specify)		f. Other Federal	
f. Total (a. through e.)	110,006	g. Total (a. through f.)	315,424
4. Total (1. + 2. + 3.f)	2,652,841	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		10,932	10,932
c. Construction:			
(1). Capacity Improvements			0
(2). System Preservation		949,148	949,148
(3). Safety And Other		252,046	252,046
(4). Total Construction (1)+(2)+(3)	0	1,201,194	1,201,194
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	1,212,126	1,212,126
			(Carry forward to page 1)

Notes and Comments:

SINGLE AUDIT SECTION

Garfield County, Colorado

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2002

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>2002 Amount of Award Expended</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed Through Colorado Department of Health Care Policy and Financing:		
Medical Assistance Program	93.778	\$ 168,934
Passed Through Colorado Department of Public Health and Environment:		
Immunization Grants	93.268	85,391
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	15,614
Medical Assistance Program	93.778	11,879
Maternal and Child Health Services Block Grants to the States	93.994	168,419
Passed Through Colorado Department of Human Services:		
Temporary Assistance for Needy Families	93.558	903,684
Child Support Enforcement (Title IV-D)	93.563	410,447
Low-Income Home Energy Assistance	93.568	124,725
Child Care and Development Block Grant	93.575	142,734
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	298,369
Child Welfare Services - State Grants	93.645	35,647
Foster Care - Title IV-E	93.658	316,023
Adoption Assistance	93.659	98,927
Social Services Block Grant	93.667	453,150
Independent Living	93.674	8,234
Medical Assistance Program	93.778	<u>515,975</u>
Total Department of Health and Human Services		<u>3,758,152</u>
DEPARTMENT OF TRANSPORTATION		
Direct:		
Airport Improvement Program	20.106	164,988

Garfield County, Colorado

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS -CONTINUED

Year ended December 31, 2002

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>2002 Amount of Award Expended</u>
DEPARTMENT OF AGRICULTURE		
Passed Through Colorado Department of Human Services:		
Food Donation	10.569	16,487
Food Stamps	10.551	1,396,920
State Administrative Matching Grants for Food Stamp Program	10.561	117,842
Emergency Food Assistance Program (Administrative Costs)	10.568	3,861
Passed Through Colorado Department of Public Health and Environment:		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	<u>740,112</u>
Total Department of Agriculture		<u>2,275,222</u>
DEPARTMENT OF JUSTICE		
Passed through Colorado Department of Public Safety:		
Bulletproof Vest Partnership Program	16.607	<u>11,625</u>
Total Federal Award Expenditures		<u>\$ 6,209,987</u>

The accompanying notes are an integral part of this schedule.

Garfield County, Colorado

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2002

NOTE A - GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs expended of Garfield County, Colorado. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements. There were no payments to subrecipients for 2002.

NOTE B - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. Non-cash expenditures are included in the schedule.



REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

March 28, 2003

Honorable Board of County Commissioners
Garfield County, Colorado
Glenwood Springs, Colorado

We have audited the general purpose financial statements of Garfield County, Colorado as of and for the year ended December 31, 2002, and have issued our report thereon dated March 28, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

Garfield County, Colorado

March 28, 2003

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reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Chadwick, Steinbichner, Davis + Co., P.C.



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

March 28, 2003

Honorable Board of County Commissioners
Garfield County, Colorado
Glenwood Springs, Colorado

Compliance

We have audited the compliance of Garfield County, Colorado with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. Garfield County, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Garfield County's management. Our responsibility is to express an opinion on Garfield County, Colorado's compliance based on our audit.

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

In our opinion, Garfield County, Colorado complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Garfield County, Colorado
March 28, 2003
Page Two

Internal Control Over Compliance

The management of Garfield County, Colorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Garfield County, Colorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

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

Chadwick, Steinbuehler, Davis + Co., P.C.

Garfield County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2002

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		<u>Unqualified Opinion</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	<u> ✓ </u>	no
Reportable condition(s) identified not considered to be material weaknesses?	_____	yes	<u> ✓ </u>	none reported
Noncompliance material to financial statements noted?	_____	yes	<u> ✓ </u>	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	<u> ✓ </u>	no
Reportable condition(s) identified not considered to be material weaknesses?	_____	yes	<u> ✓ </u>	none reported

Type of auditor's report issued on compliance for major programs:		<u>Unqualified Opinion</u>		
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes	<u> ✓ </u>	no
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Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.667	Social Services Block Grant
93.563	Child Support Enforcement (Title IV-D)
93.558	Temporary Assistance for Needy Families
93.596/575	Child Care cluster
93.778	Medical Assistance Program
93.658	Foster Care – Title IV-E

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
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Auditee qualified as low-risk auditee?	_____	yes	<u> ✓ </u>	no
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Garfield County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended December 31, 2002

SECTION II - FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

There were no findings under Generally Accepted Government Auditing Standards.

SECTION III - FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133

There are no findings or questioned costs for Federal awards as defined in OMB Circular A-133 Section .510(a).

Garfield County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2002

- 01-1 Programs: Temporary Assistance for Needy Families CFDA 93.558
Child Care cluster CFDA 93.596
- There was no procedure in place for monitoring eligibility determinations and recertifications. **Resolved.**
- 01-2 Programs: Temporary Assistance for Needy Families CFDA 93.558
Child Care cluster CFDA 93.596
Medical Assistance Program CFDA 93.778
- Program disbursements should be authorized by program administrators or other supervisory personnel. For 84 items examined only 34 were approved for disbursement by appropriate staff members. **Resolved.**
- 01-3 Programs: Temporary Assistance for Needy Families CFDA 93.558
Child Care cluster CFDA 93.596
- For 52 items examined 11 did not include appropriate documentation of the cost, such as a vendor invoice or receipt, resulting in questioned costs of \$12,020 for the TANF program and \$38,487 for the Child Care program. **Resolved, costs returned to CDHS per their instructions.**
- 01-4 Program: Child Care cluster CFDA 93.596
- Financial reports submitted by subrecipients to claim reimbursements did not appear reasonable. **Resolved.**
- 01-5 Program: Temporary Assistance for Needy Families CFDA 93.558
- Eligibility for benefits was not properly documented. **Resolved.**

