



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

December 31, 2003

**This page intentionally left blank.**

**Garfield County, Colorado**  
**Annual Financial Report**  
**For The Year Ended December 31, 2003**

**TABLE OF CONTENTS**

**Financial Section**

<b>Independent Auditors' Report</b> .....	1
<b>Management's Discussion and Analysis (Unaudited)</b> .....	3
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Assets .....	12
Statement of Activities .....	13
<b>Fund Financial Statements:</b>	
<b>Governmental Funds:</b>	
Balance Sheet.....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	15
Statement of Revenues, Expenditures and Changes in Fund Balances.....	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	17
<b>Proprietary Funds:</b>	
Statement of Net Assets .....	18
Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	19
Statement of Cash Flows.....	20
<b>Fiduciary Funds:</b>	
Comparative Statement of Fiduciary Assets and Liabilities .....	22
<b>Notes to the Basic Financial Statements</b> .....	23
<b>Required Supplementary Information (Unaudited)</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>General         Fund</i> .....	41
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>Road and         Bridge Fund</i> .....	42
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>Social         Services Fund</i> .....	43
<b>Supplementary Information</b>	
<b>Combining and Individual Fund Statements and Schedules:</b>	
<b>Governmental Funds</b>	
<b>Nonmajor Governmental Funds:</b>	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances By Fund Type .....	44

**Garfield County, Colorado**  
**Annual Financial Report**  
**For The Year Ended December 31, 2003**

**Major Funds:**

**General Fund:**

Comparative Balance Sheet .....	45
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances .....	46
Schedule of Revenues, Expenditures and Changes in Fund Balances– Budget and Actual .....	47

**Road and Bridge Fund:**

Comparative Balance Sheet .....	51
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances .....	52

**Social Services Fund:**

Comparative Balance Sheet .....	53
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances .....	54

**Nonmajor Special Revenue Funds:**

Combining Balance Sheet .....	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	57

*Public Library Fund*

Comparative Balance Sheet.....	59
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	60

*Library Capital Improvements Fund*

Comparative Balance Sheet .....	61
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	62

*Retirement Fund*

Comparative Balance Sheet .....	63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	64

*Airport Fund*

Comparative Balance Sheet.....	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	66

*Emergency Reserve Fund*

Comparative Balance Sheet .....	67
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	68

*Commissary Fund*

Comparative Balance Sheet.....	69
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	70

*Oil and Gas Impact Fund*

Comparative Balance Sheet .....	71
Comparative Statement of Revenues and Changes in Fund Balances .....	72

*Offsite Road Improvement Fund*

Comparative Balance Sheet.....	73
Schedule of Revenues and Changes in Fund Balance - Budget and Actual .....	74

*Conservation Trust Fund*

Comparative Balance Sheet .....	75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	76

**Garfield County, Colorado**  
**Annual Financial Report**  
**For The Year Ended December 31, 2003**

<i>Search and Rescue Fund</i>	
Comparative Balance Sheet.....	77
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual .....	78
<i>Fair Board Fund</i>	
Comparative Balance Sheet .....	79
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual .....	80
<b>Major Capital Projects Fund</b>	
<i>Capital Expenditure Fund</i>	
Comparative Balance Sheet .....	81
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual .....	82
<b>Non-major Capital Project Funds</b>	
<i>Public Works Fund</i>	
Comparative Balance Sheet .....	83
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	84
<b>Non-major Debt Service Fund</b>	
<i>Debt Service Fund</i>	
Comparative Balance Sheet .....	85
Comparative Statement of Revenues and Changes in Fund Balances .....	86
<b>Proprietary Fund</b>	
<b>Enterprise Fund</b>	
<b>Major Enterprise Fund</b>	
<i>Solid Waste Fund</i>	
Comparative Statement of Net Assets .....	87
Comparative Statement of Revenues, Expenses and Changes in	88
Fund Net Assets .....	88
Schedule of Revenues, Expenditures and Changes in Net	
Income - Budget and Actual (Non-GAAP Budgetary Basis) .....	89
Comparative Statement of Cash Flows .....	90
<b>Internal Service Fund</b>	
<i>Motor Pool Fund</i>	
Comparative Statement of Net Assets .....	92
Comparative Statement of Revenues, Expenses and Changes in	93
Fund Net Assets .....	93
Schedule of Revenues, Expenditures and Changes in Net	
Income - Budget and Actual (Non-GAAP Budgetary Basis) .....	94
Comparative Statement of Cash Flows .....	95
<b>Fiduciary Funds</b>	
<i>Agency Funds</i>	
Combining Statement of Changes in Assets and Liabilities .....	97
<b>Special Reports Section</b>	
Independent Auditor's Report.....	98
Local Highway Finance Report .....	99

**Garfield County, Colorado**  
***Annual Financial Report***  
***For The Year Ended December 31, 2003***

**Single Audit Section**

Schedule of Expenditures of Federal Awards .....	101
Notes to Schedule of Expenditures of Federal Awards.....	103
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	104
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	106
Schedule of Findings and Questioned Costs .....	108
Summary Schedule of Prior Audit Findings .....	110

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

March 26, 2004

Board of County Commissioners  
Garfield County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Garfield County, Colorado, as of and for the year ended December 31, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Garfield County, Colorado, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Board of County Commissioners  
March 26, 2004  
Page Two

As discussed in Note 2 to the basic financial statements, during 2003 the County adopted Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* as amended. This results in a change in the format and content of the County’s financial statements.

In accordance with *Government Auditing Standards*, we have also issued reports dated March 26, 2004, 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. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management’s discussion and analysis beginning on page 3 and the budgetary comparison information for the General Fund, the Social Services Fund, and the Road and Bridge Fund beginning on page 41 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and the presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Garfield County’s basic financial statements. 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 basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the 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 basic financial statements of Garfield County, Colorado. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Garfield County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended December 31, 2003. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Financial Highlights

- The County's assets exceeded its liabilities by \$54,595,102 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$27,505,738 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net assets of \$17,894,030 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net assets of \$9,195,334 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of \$24,524,473 this year. This compares to the prior year restated ending fund balance of \$19,857,567 showing a substantial increase of \$4,666,906 during the current year.
- At the end of the current calendar year, unreserved fund balance for the General Fund was \$6,309,519 or 34.8% of total General Fund expenditures.
- Overall, the County continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

### Overview of the Financial Statements

This Management's Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data in calendar year 2004.

### Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by property and sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, health and welfare and culture and recreation. Business-type activities include the solid waste operations.

The government-wide financial statements are presented on pages 12 and 13 of this report.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has three kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 14 through 17 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. The one County proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for solid waste.

The basic enterprise fund financial statements are presented on pages 18 through 21 of this report.

The County's *fiduciary funds* are custodial in nature and are classified as agency funds.

### ***Notes to the Basic Financial Statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

**Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the County's budget presentations. Budgetary comparison schedules are included as "required supplementary information" for the general fund, the road and bridge fund, and the social services fund. Budgetary comparison schedules for all other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 44.

**Financial Analysis of the County as a Whole**

The County implemented the new financial reporting model used in this report beginning with the current calendar year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the County as a whole.

The County's net assets at calendar year-end are \$54,595,102. The following table provides a summary of the County's net assets:

Summary of Net Assets				
	Governmental Activities	Business-type Activities	Total	Percentage of Total
Assets:				
Current assets	\$ 40,116,079	\$ 2,339,526	\$ 42,455,605	47%
Capital assets	47,952,564	603,174	48,555,738	53%
<b>Total assets</b>	<b>88,068,643</b>	<b>2,942,700</b>	<b>91,011,343</b>	<b>100%</b>
Liabilities:				
Current liabilities	14,874,556	24,502	14,899,058	41%
Long-term liabilities	21,321,719	195,464	21,517,183	59%
<b>Total liabilities</b>	<b>36,196,275</b>	<b>219,966</b>	<b>36,416,241</b>	<b>100%</b>
Net assets:				
Invested in capital assets, net of debt	26,902,564	603,174	27,505,738	50%
Restricted	17,894,030	-	17,894,030	33%
Unrestricted	7,075,774	2,119,560	9,195,334	17%
<b>Total net assets</b>	<b>\$ 51,872,368</b>	<b>\$ 2,722,734</b>	<b>\$ 54,595,102</b>	<b>100%</b>

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 2.7 to 1 and 95.5 to 1 for business-type activities. For the County overall, the current ratio is 2.8 to 1. These ratios are strong.

The County reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$4,826,942 for governmental activities and by \$522,951 for business-type activities. The County's overall financial position improved during calendar year 2003.

Note that approximately 52% of the governmental activities' net assets are tied up in capital. The County uses these capital assets to provide services to its citizens. However, with business-type activities, the County has spent approximately 22% of its net assets on capital. Capital assets in the business-type activities also provide solid waste services, but they also generate revenues for this fund. 50% of the County's total net assets are included in capital assets.

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the County's changes in net assets:

Summary of Changes in Net Assets

	Governmental Activities	Business-type Activities	Total	Percentage of Total
Revenues:				
Program:				
Charges for services	\$ 5,437,737	\$ 1,067,865	\$ 6,505,602	16%
Operating grants	14,861,056	-	14,861,056	36%
Capital grants	364,798	-	364,798	1%
General:				
Taxes	18,523,830	-	18,523,830	44%
Other	1,390,082	-	1,390,082	3%
Total revenues	40,577,503	1,067,865	41,645,368	100%
Program Expenses:				
General government	7,934,545	-	7,934,545	22%
Public safety	8,366,927	-	8,366,927	23%
Public works	5,393,354	-	5,393,354	15%
Health and welfare	11,051,020	-	11,051,020	30%
Culture and recreation	1,987,995	-	1,987,995	5%
Interest	1,116,720	-	1,116,720	3%
Solid waste	-	444,914	444,914	1%
Total expenses	35,850,561	444,914	36,295,475	100%
Excess (deficiency)	4,726,942	622,951	5,349,893	
Transfers	100,000	(100,000)	-	
Change in net assets	4,826,942	522,951	5,349,893	
Beginning net assets	47,045,426	2,199,783	49,245,209	
Ending net assets	\$ 51,872,368	\$ 2,722,734	\$ 54,595,102	

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes and intergovernmental revenue to support governmental operations and capital. Intergovernmental revenue provided 37.5% of the County's total governmental revenues. \$8.9 million of this revenue relates to social services programs. Property taxes are the second largest revenue source with over \$11 million of revenues or 27.6% of the total. Because of the County's healthy financial position, we have been able to earn \$646,869 in interest earnings to support governmental activities. Also, note that program revenues cover 58% of governmental operating expenses. This is a very high percentage and again relates to the social services grants. This means that the government's

taxpayers and the County's other general governmental revenues fund 42% of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

The health and welfare, public safety and the general government functions make up approximately three-fourths of the total governmental activities expenses. Health and welfare leads the costs with over 30% of the total governmental activities costs.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities		
	Total Cost of Services	Net Cost of Services
General government	\$ 7,934,545	\$ 2,648,186
Public safety	8,366,927	7,169,585
Public works	5,393,354	1,365,355
Health and welfare	11,051,020	1,142,117
Culture and recreation	1,987,995	1,745,007
Interest	1,116,720	1,116,720
Total	<u>\$ 35,850,561</u>	<u>\$ 15,186,970</u>

After reducing gross expenses by program revenues, the health and welfare function totals 7.5% of the net cost of services and general government totals 17.4% of these costs. Note that the percentage of total net cost of public safety is 47.2%. This percentage indicates that most of the public safety costs are funded locally.

**BUSINESS-TYPE ACTIVITIES**  
**Revenues vs. Costs**

The only enterprise fund is the County's solid waste management program. The operating revenues for the solid waste management fund were 38% more than 2002 and operating expenses 36.7% less than 2002. The operating revenue increased because of three major waste/disposal companies, two from Aspen and the Waste Management Company, which began dumping exclusively at the County landfill.

This year, costs decreased by approximately \$300,000, which related to the excavation of a new pit in 2002 but no major excavation in 2003.

This fund reported operating income of \$622,951 and net income after transfers out of \$522,951. These amounts compare favorably over 2002, which reported an operating income of \$75,168 and net decrease in net assets of \$24,832. However, the fund would have reported a net change as positive; however, it transferred \$100,000 to the general fund.

**Financial Analysis of the County's Funds**

**Governmental Funds**

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$24,524,473. Of this year-end total, \$16,828,020 is unreserved indicating availability for continuing County service requirements. Legally restricted fund

balances (i.e., the reserved fund balances) include: \$93,644 committed to inventories and prepaid items and not available for current expenditure and \$6,624,074 committed to capital projects.

The total ending fund balances of governmental funds show a increase of \$4,666,906 or 23.5% over the prior year. This increase is primarily the result of increases in the road and bridge fund and the capital expenditures fund.

### *Major Governmental Funds*

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by over \$277 thousand. In calendar year 2002, the fund balance increased over \$700 thousand.

Property taxes increased 10.8% over that of calendar 2002. In calendar 2002, the County reassessed the property, which results in increased property taxes in the subsequent year (i.e., calendar 2003). General fund sales taxes increased 14.2% over calendar 2002. This increase resulted from an overall significantly improved economy in 2003 over 2002. We experienced a much better 2003 hunting and skiing season, and in the summer of 2002, we experienced a major wild fire that destroyed our 2002 summer tourist season.

State and federal revenues were approximately \$675,000 over 2002, primarily because of increases in payments in lieu of taxes, mineral leasing and work ender program. The general fund's charges for services decreased by about \$170,000. Most other revenue streams were consistent with that of calendar 2002.

Total General Fund expenditures increased 18.8% over 2002. The general government functions costs increased about \$660 thousand. More specifically, the general fund's administrative expenditures increased from \$1.289 million to \$2.064 million because the County experienced a 23% increase in health care costs in 2003. In addition, the Sheriff's Office added six new staff positions costing approximately \$250,000. Finally, in 2003, we began charging all General Fund departments rent in order to pay the lease costs associated with the principal and interest payments for the certificates of participation (i.e., \$1.57 million).

The clerk and recorder expenditures increased from \$700 thousand to \$930 thousand due to increased wages of \$ 45,000 from 2002 over 2003. Additionally, 2003 was first year we began charging building operating costs and data conversion costs were incurred for the first time.

Finally, the district attorney's costs increased 29.6% because of the following:

- The County began providing the district attorney's office two designated vehicles in 2003
- The County also began charging the district attorney's office rent and building operational costs in 2003.
- The wages in this office increased 6% due to a 4% merit increase, and a special increase in the district attorney's salary.
- Finally, there was a switch from the County's retirement system to the State's system for the district attorney's employees.

Public safety costs increased 30% over 2002. The primary reason for this increase relates to the sheriff's department, which increased 54% because of the following:

- Rent and building operational costs were charged to the sheriff's office for the first time in 2003 totaling \$ 364,000.
- Motor pool costs increased with the inclusion of all Sheriff vehicles being transferred to the Motor Pool and the charge for mileage increased \$ 215,680.
- Wages increased \$ 469,000 in 2003 due to increased medical costs of 23% and the addition of six staff positions.

In addition, the jail costs increased 17.3% because rental costs were charged against the jail for the first time totaling \$538,100. Building operating costs increased approximately \$11,500 over 2002. Utility and maintenance costs for the new jail increased \$78,400. Wages increased \$ 98,000 in 2003.

Although the General Fund's ending fund balance was less than the prior year, it is considered adequate, representing the equivalent of 34.8% of annual expenditures.

The Road and Bridge Fund's fund balance increased \$1.7 million and still maintains a strong fund balance of \$7.7 million to be used for future road and bridge construction and maintenance. The Social Services Fund, which provides social services to the County's residents, has revenues and expenditures approaching \$10 million per year.

### *The Proprietary Funds*

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, we presented the analysis above.

### **General Fund Budgetary Highlights**

The revenue budget was increased during the year only 1%. Total taxes realized were \$148 thousand over calendar year 2002. The County recognized over \$700,000 more than the estimated revenues. The primary overage relates to clerk fees, which were \$326 thousand over budget because of the influx of new residents to the County, resulting in an increase in vehicle registrations and licenses and an increase in registration fees of \$132,238.

In total, the County realized 105% of the estimated revenues.

The expenditure side of the original budget for the General Fund was revised approximately \$3.4 million or 12.8% this year. The bulk of the increase relates to the public safety function, which increased over \$1.8 million for the same reasons as discussed above. The general government appropriation increased over \$600 thousand.

The County did not overspend any functions or departments and spent only 86% of the authorized budget.

### **Capital Assets and Debt Administration**

#### *Capital Assets*

The County's investment in capital assets, net of accumulated depreciation, for governmental (i.e., including the motor pool fund) and business-type activities as of December 31, 2003, was \$47,952,564 and \$603,174 respectively. The total decrease in this net investment was 2% for governmental activities and a 124% increase for business-type activities. The overall decrease was 1.5% for the County as a whole. See Note 4-D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		Business Activities		Total	
	2003	2002	2003	2002	2003	2002
Non-depreciable assets:						
Land	\$ 8,707,250	\$ 9,067,250	\$ 2,596	\$ 2,596	\$ 8,709,846	\$ 9,069,846
Depreciable assets:						
Land improvements	650,100	650,100	-	-	650,100	650,100
Buildings	37,779,339	37,816,949	91,048	91,048	37,870,387	37,907,997
Building improvements	237,920	67,160	-	-	237,920	67,160
Machinery and equipment	13,486,413	13,274,526	735,829	471,039	14,222,242	13,745,565
Infrastructure	42,345	-	-	-	42,345	-
Total depreciable assets	52,196,117	51,808,735	826,877	562,087	53,022,994	52,370,822
Less accumulated depreciation	12,950,803	11,885,384	226,299	296,343	13,177,102	12,181,727
Book value - depreciable assets	39,245,314	39,923,351	600,578	265,744	39,845,892	40,189,095
Percentage depreciated	25%	23%	27%	53%	25%	23%
Book value - all assets	\$ 47,952,564	\$ 48,990,601	\$ 603,174	\$ 268,340	\$ 48,555,738	\$ 49,258,941

At December 31, 2003, the depreciable capital assets for governmental activities were 25% depreciated. This compares to the December 31, 2002 percentage. This comparison indicates that the County is replacing its assets at the same rate as they are depreciating which is a positive indicator.

With the County's business-type activities, 27% of the asset values were depreciated at December 31, 2003 compared to 53% at December 31, 2002. During calendar 2003, the County replaced its business-type activities capital assets at a much greater amount than the 2003 depreciation expense.

**Long-term Debt**

During 2003, the County retired its capital lease obligations in total and \$460,000 in certificates of participation.

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**Outstanding Borrowings**

	Governmental Activities		Business-type Activities		Totals		% Change
	2003	2002	2003	2002	2003	2002	
Capital leases	\$ -	\$ 402,139	\$ -	\$ -	\$ -	\$ 402,139	-100%
Certificates of participation	21,050,000	21,510,000	-	-	21,050,000	21,510,000	-2%
Landfill closure and postclosure care	-	-	186,653	172,689	186,653	172,689	8%
Compensated absences	761,958	712,086	11,014	8,898	772,972	720,984	7%
<b>Total</b>	<b>\$ 21,811,958</b>	<b>\$ 22,624,225</b>	<b>\$ 197,667</b>	<b>\$ 181,587</b>	<b>\$ 22,009,625</b>	<b>\$ 22,805,812</b>	<b>-3%</b>

See Note 4-G for additional information about the County's long-term debt. We discuss the landfill closure and care postclosure liability in Note 4-F.

**Economic Conditions Affecting the County**

The County is located on the Western slope of Colorado. The population is approximately 50,000 people and is expected to reach 100,000 by 2030. The county seat is Glenwood Springs, Colorado. Primary industries are tourism, gas exploration, coal mining, ranching and agriculture. The county is the size of Delaware and Rhode Island combined and covers an area of approximately 3,000 square miles. Roughly, 60% of that land is federally owned.

The County is the 83rd fastest growing county in the United States. This year, sales tax receipts have increased by over 11% and property taxes by over 30%. We see continued gains in tax receipts across the board for 2005. Fund balances for the county are at the highest-level ever-recorded (28.5 million combined) and the critical General Fund balance is projected to be \$7 million by year's end.

The county has embarked upon an ambitious infrastructure improvement program including the construction of six new facilities, renovation of three existing facilities, and plans for yet a seventh new facility in 2005. In addition, we have identified the airport and the surrounding area as the target for economic development in the western end of the county. A cornerstone of that development is the complete upgrade of the airport runway to encourage large jet traffic into the area. Plans are to complete this \$22 million FAA sanctioned project in 2008.

The county is experiencing unprecedented development of oil and gas reserves. Currently, there are almost 3,000 gas wells in operation in the county and the expectation is that 500 new wells will be drilled each year in the near future. This results in enormous economic benefit to the county that must be balanced by the impacts to local residents and the environment. The County is taking a leadership role in attempting to mitigate the adverse impacts of gas drilling on residents.

The future is very promising. We expect continued growth in the economy on all fronts. The challenge will be to harness that growth to achieve appropriate balance between economic benefit and quality of life.

**Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's assistant manager, 108 8<sup>th</sup> Street, Suite 109, Glenwood Springs, Colorado, 81601. The telephone is 970/945-5004, extension 4007 and the email is address is [jsmith@garfield-county.com](mailto:jsmith@garfield-county.com).

**Garfield County, Colorado**  
**Statement of Net Assets**  
**December 31, 2003**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Equity in pooled cash and investments	\$ 23,327,674	\$ 2,180,646	\$ 25,508,320
Other cash and investments	1,906,743	250	1,906,993
Receivables:			
Accounts	70,622	159,478	230,100
Property taxes	12,613,418	-	12,613,418
Intergovernmental	2,103,130	-	2,103,130
Internal	848	(848)	-
Inventory	89,751	-	89,751
Prepaid items	3,893	-	3,893
<b>Capital Assets</b>			
Nondepreciable capital assets	8,707,250	2,596	8,709,846
Depreciable capital assets, net	39,245,314	600,578	39,845,892
<b>Total Assets</b>	<b>88,068,643</b>	<b>2,942,700</b>	<b>91,011,343</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	492,638	15,926	508,564
Accrued expenses	188,895	6,373	195,268
TIF payable	145,862	-	145,862
Accrued interest payable	118,337	-	118,337
Unearned revenue	13,438,585	-	13,438,585
Compensated absences payable	152,392	2,203	154,595
Certificates of participation payable	475,000	-	475,000
<b>Long-Term Liabilities:</b>			
Compensated absences payable (net of current portion)	609,566	8,811	618,377
Landfill closure and postclosure care	-	186,653	186,653
Certificates of participation payable (net of current portion)	20,575,000	-	20,575,000
<b>Total Liabilities</b>	<b>36,196,275</b>	<b>219,966</b>	<b>36,416,241</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	26,902,564	603,174	27,505,738
Restricted for:			
Capital projects	7,039,088	-	7,039,088
Emergency purposes	978,735	-	978,735
Road and bridges	7,632,530	-	7,632,530
Social services	659,221	-	659,221
Library operations	519,019	-	519,019
Other program purposes	1,065,437	-	1,065,437
Unrestricted	7,075,774	2,119,560	9,195,334
<b>Total Net Assets</b>	<b>\$ 51,872,368</b>	<b>\$ 2,722,734</b>	<b>\$ 54,595,102</b>

See accompanying notes to the basic financial statements

Garfield County, Colorado  
Statement of Activities  
For the Year Ended December 31, 2003

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 7,934,545	\$ 3,029,125	\$ 2,257,234	\$ -	\$ (2,648,186)	\$ -	\$ (2,648,186)
Public safety	8,366,927	936,170	261,172	-	(7,169,585)	-	(7,169,585)
Public works	5,393,354	648,033	3,015,168	364,798	(1,365,355)	-	(1,365,355)
Health and welfare	11,051,020	763,859	9,145,044	-	(1,142,117)	-	(1,142,117)
Culture and recreation	1,987,995	60,550	182,438	-	(1,745,007)	-	(1,745,007)
Interest	1,116,720	-	-	-	(1,116,720)	-	(1,116,720)
<b>Total Governmental Activities</b>	<b>35,850,561</b>	<b>5,437,737</b>	<b>14,861,056</b>	<b>364,798</b>	<b>(15,186,970)</b>	<b>-</b>	<b>(15,186,970)</b>
<b>Business-Type Activities:</b>							
Solid waste	444,914	1,067,865	-	-	-	622,951	622,951
<b>Total</b>	<b>\$ 36,295,475</b>	<b>\$ 6,505,602</b>	<b>\$ 14,861,056</b>	<b>\$ 364,798</b>	<b>(15,186,970)</b>	<b>622,951</b>	<b>(14,564,019)</b>
<b>General Revenues</b>							
Property taxes levied for general government purposes					12,084,634	-	12,084,634
Sales taxes					4,795,781	-	4,795,781
Specific ownership taxes					1,585,061	-	1,585,061
Other taxes					58,354	-	58,354
Gain on sale of capital assets					256,252	-	256,252
Investment earnings					646,869	-	646,869
Miscellaneous					486,961	-	486,961
<b>Total General Revenues</b>					<b>19,913,912</b>	<b>-</b>	<b>19,913,912</b>
Transfers					100,000	(100,000)	-
<b>Total General Revenues and Transfers</b>					<b>20,013,912</b>	<b>(100,000)</b>	<b>19,913,912</b>
<b>Change in Net Assets</b>					<b>4,826,942</b>	<b>522,951</b>	<b>5,349,893</b>
<b>Net Assets Beginning of Year - (See Note 2C)</b>					<b>47,045,426</b>	<b>2,199,783</b>	<b>49,245,209</b>
<b>Net Assets End of Year</b>					<b>\$ 51,872,368</b>	<b>\$ 2,722,734</b>	<b>\$ 54,595,102</b>

See accompanying notes to the basic financial statements

Garfield County, Colorado  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2003*

	General	Road and Bridge	Social Services	Capital Expenditure	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in pooled cash and investments	\$ 7,315,288	\$ 6,994,834	\$ 1,466,930	\$ 3,604,097	\$ 2,803,437	\$ 22,184,586
Other cash and investments	-	150	150	1,906,293	150	1,906,743
Receivables:						
Accounts	-	-	13,112	30,817	24,572	68,501
Property taxes	9,469,994	459,090	1,285,820	1,031,797	366,717	12,613,418
Intergovernmental	560,107	900,006	325,601	-	317,416	2,103,130
Interfund	270,405	18,715	19,771	1,130,964	205,632	1,645,487
Inventory	-	89,751	-	-	-	89,751
Prepaid items	643	-	-	3,250	-	3,893
<b>Total Assets</b>	<b>\$ 17,616,437</b>	<b>\$ 8,462,546</b>	<b>\$ 3,111,384</b>	<b>\$ 7,707,218</b>	<b>\$ 3,717,924</b>	<b>\$ 40,615,509</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 180,838	\$ 85,957	\$ 124,087	\$ 19,976	\$ 66,435	\$ 477,293
Accrued expenditures	100,439	39,857	31,791	-	15,764	187,851
TIF payable	145,862	-	-	-	-	145,862
Interfund payable	1,409,785	110,368	53,256	28,121	239,915	1,841,445
Deferred revenue	9,469,994	459,090	2,110,987	1,031,797	366,717	13,438,585
<b>Total Liabilities</b>	<b>11,306,918</b>	<b>695,272</b>	<b>2,320,121</b>	<b>1,079,894</b>	<b>688,831</b>	<b>16,091,036</b>
<b>Fund Balances</b>						
Reserved for:						
Inventory	-	89,751	-	-	-	89,751
Prepaid items	643	-	-	3,250	-	3,893
Capital projects	-	-	-	6,624,074	-	6,624,074
Emergencies	-	-	-	-	978,735	978,735
Unreserved:						
Undesignated, reported in:						
General fund	6,308,876	-	-	-	-	6,308,876
Special revenue funds	-	7,677,523	791,263	-	2,050,358	10,519,144
<b>Total Fund Balances</b>	<b>6,309,519</b>	<b>7,767,274</b>	<b>791,263</b>	<b>6,627,324</b>	<b>3,029,093</b>	<b>24,524,473</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,616,437</b>	<b>\$ 8,462,546</b>	<b>\$ 3,111,384</b>	<b>\$ 7,707,218</b>	<b>\$ 3,717,924</b>	<b>\$ 40,615,509</b>

See accompanying notes to the basic financial statements

**Garfield County, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**December 31, 2003**

<b>Total Governmental Fund Balances</b>	\$	24,524,473
 <b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
 Capital assets used in governmental activities (excluding the motor pool fund) are not financial resources and therefore not reported in the funds. However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	\$ 59,111,005	
Less accumulated depreciation	<u>(11,679,618)</u>	47,431,387
 Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets:		
Interfund receivables	\$ (1,841,461)	
Interfund payables	<u>1,841,461</u>	-
 An internal service fund is used by management to charge the costs of the motor pool to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		
		1,846,803
 Liabilities, including certificates of participation, compensated absences and interest are not due and payable in the current period and therefore are not reported in the funds but are reported in the government-wide statement of net assets:		
Certificates of participation	\$ (21,050,000)	
Compensated absences	(761,958)	
Accrued interest	<u>(118,337)</u>	<u>(21,930,295)</u>
 <b>Net Assets Of Governmental Activities</b>	 \$	 <u>51,872,368</u>

See accompanying notes to the basic financial statements

**Garfield County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2003**

	<u>General</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Capital Expenditure</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Property taxes	\$ 7,327,993	\$ 852,017	\$ 988,464	\$ 2,489,445	\$ 426,715	\$ 12,084,634
Sales taxes	1,243,430	1,856,644	-	-	1,695,707	4,795,781
Specific ownership taxes	973,506	101,514	124,813	329,143	56,085	1,585,061
Other taxes	58,354	-	-	-	-	58,354
Intergovernmental	2,711,580	3,003,222	8,904,246	65,159	263,133	14,947,340
Licenses and permits	18,867	417,097	-	-	-	435,964
Charges for services	4,079,119	50	-	1,706,234	230,886	6,016,289
Fines and forfeitures	691,718	-	-	-	-	691,718
Contributions and donations	-	-	-	-	77,684	77,684
Investment earnings	539,073	-	16,919	76,109	14,768	646,869
Miscellaneous	208,260	44,449	5,500	4,448	224,304	486,961
<b>Total Revenues</b>	<u>17,851,900</u>	<u>6,274,993</u>	<u>10,039,942</u>	<u>4,670,538</u>	<u>2,989,282</u>	<u>41,826,655</u>
<b>Expenditures</b>						
<b>Current:</b>						
General government	7,536,109	11,250	14,345	543,880	119,025	8,224,609
Public safety	8,840,996	-	-	169,833	195,294	9,206,123
Public works	238,585	4,778,739	-	12,552	585,748	5,615,624
Health and welfare	1,315,503	-	9,727,042	-	110,639	11,153,184
Culture and recreation	204,965	-	-	35,016	1,442,934	1,682,915
Intergovernmental	-	-	-	-	2,319	2,319
<b>Debt Service:</b>						
Principal retirement	-	402,139	-	460,000	-	862,139
Interest and fiscal charges	-	9,637	-	1,109,221	-	1,118,858
<b>Total Expenditures</b>	<u>18,136,158</u>	<u>5,201,765</u>	<u>9,741,387</u>	<u>2,330,502</u>	<u>2,455,959</u>	<u>37,865,771</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(284,258)</u>	<u>1,073,228</u>	<u>298,555</u>	<u>2,340,036</u>	<u>533,323</u>	<u>3,960,884</u>
<b>Other Financing Sources (Uses)</b>						
Sale of capital assets	7,016	599,006	-	-	-	606,022
Transfers in	100,000	-	-	622,516	310,853	1,033,369
Transfers out	(100,000)	-	-	-	(833,369)	(933,369)
<b>Total Other Financing Sources (Uses)</b>	<u>7,016</u>	<u>599,006</u>	<u>-</u>	<u>622,516</u>	<u>(522,516)</u>	<u>706,022</u>
<b>Net Change in Fund Balances</b>	<u>(277,242)</u>	<u>1,672,234</u>	<u>298,555</u>	<u>2,962,552</u>	<u>10,807</u>	<u>4,666,906</u>
<b>Fund Balances Beginning of Year</b>	<u>6,586,761</u>	<u>6,095,040</u>	<u>492,708</u>	<u>3,664,772</u>	<u>3,018,286</u>	<u>19,857,567</u>
<b>Fund Balances End of Year</b>	<u>\$ 6,309,519</u>	<u>\$ 7,767,274</u>	<u>\$ 791,263</u>	<u>\$ 6,627,324</u>	<u>\$ 3,029,093</u>	<u>\$ 24,524,473</u>

See accompanying notes to the basic financial statements

**Garfield County, Colorado**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2003**

---

**Net Changes In Fund Balances - Total Governmental Funds** **\$ 4,666,906**

**Amounts reported for governmental activities in the  
statement of activities are different because**

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

	Depreciation expense	\$ (1,087,281)	
	Capital outlay	<u>405,931</u>	(681,350)

The cost of capital assets sold is not reported on the governmental operating statement but is reported on the government-wide statement of activities (360,000)

Elimination of transfers between governmental funds:

	Transfers in	\$ (933,369)	
	Transfers out	<u>933,369</u>	-

The internal service fund is used by management to charge the costs of the motor pool to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures are reduced and the related internal service fund profit is eliminated. 398,017

Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

	Liability @ 12/31/03	\$ (118,337)	
	Liability @ 12/31/02	<u>120,475</u>	2,138

Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 862,139

Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

	Liability @ 12/31/03	\$ (761,958)	
	Liability @ 12/31/02	<u>701,050</u>	(60,908)

**Change In Net Assets of Governmental Activities** **\$ 4,826,942**

See accompanying notes to the basic financial statements

**Garfield County, Colorado**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2003**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in pooled cash and investments	\$ 2,180,646	\$ 1,143,088
Other cash and investments	250	-
Receivables:		
Accounts	159,478	2,121
Interfund	-	196,822
<b>Total Current Assets</b>	<b>2,340,374</b>	<b>1,342,031</b>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b>		
Land	2,596	-
Depreciable capital assets, net	600,578	521,177
<b>Total Noncurrent Assets</b>	<b>603,174</b>	<b>521,177</b>
<b>Total Assets</b>	<b>2,943,548</b>	<b>1,863,208</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	15,926	15,345
Accrued salaries and wages	6,373	1,044
Interfund payable	848	16
Compensated absences payable	2,203	-
<b>Total Current Liabilities</b>	<b>25,350</b>	<b>16,405</b>
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	8,811	-
Landfill closure and postclosure care	186,653	-
<b>Total Long-Term Liabilities</b>	<b>195,464</b>	<b>-</b>
<b>Total Liabilities</b>	<b>220,814</b>	<b>16,405</b>
<b>Net Assets</b>		
Invested in capital assets	603,174	521,177
Unrestricted	2,119,560	1,325,626
<b>Total Net Assets</b>	<b>\$ 2,722,734</b>	<b>\$ 1,846,803</b>

See accompanying notes to the basic financial statements

**Garfield County, Colorado**  
**Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating Revenues</b>		
Charges for services	\$ 1,066,400	\$ 886,834
Miscellaneous	1,465	43,465
<b>Total Operating Revenues</b>	<u>1,067,865</u>	<u>930,299</u>
<b>Operating Expenses</b>		
Personal services	212,935	88,919
Purchased services	115,554	73,187
Materials and supplies	45,092	192,913
Depreciation	74,260	343,204
Other	(2,927)	45,119
<b>Total Operating Expenses</b>	<u>444,914</u>	<u>743,342</u>
<b>Operating Income</b>	622,951	186,957
<b>Non-Operating Revenues</b>		
Gain on sale of capital assets	-	10,230
<b>Income Before Capital Contributions and Transfers In</b>	622,951	197,187
Capital contributions	-	200,830
Transfers out	(100,000)	-
<b>Change in Net Assets</b>	522,951	398,017
<b>Net Assets Beginning of Year</b>	<u>2,199,783</u>	<u>1,448,786</u>
<b>Net Assets End of Year</b>	<u>\$ 2,722,734</u>	<u>\$ 1,846,803</u>

See accompanying notes to the basic financial statements

**Garfield County, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,033,082	\$ 1,102,704
Cash payments personal services	(204,446)	(87,875)
Cash payments for goods and services	(149,781)	(324,029)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>678,855</u>	<u>690,800</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers out	(100,000)	-
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from the sale of capital assets	-	16,155
Payments for capital acquisitions	(409,094)	(151,612)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(409,094)</u>	<u>(135,457)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	169,761	555,343
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>2,011,135</u>	<u>587,745</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 2,180,896</u>	<u>\$ 1,143,088</u>

(continued)

**Garfield County, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>		
<b>Operating Income</b>	\$ 622,951	\$ 186,957
<b>Adjustments:</b>		
Depreciation	74,260	343,204
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	(34,783)	(2,121)
Interfund receivable	1,993	174,526
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable	(6,135)	(7,817)
Accrued expenses	6,373	1,044
Interfund payable	(1,884)	(4,993)
Compensated absences payable	2,116	-
Landfill closure and postclosure care	13,964	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 678,855</b>	<b>\$ 690,800</b>
<b>Non-Cash Capital Items</b>		
Capital Assets Contributed	<b>\$ 200,830</b>	

See accompanying notes to the basic financial statements

**Garfield County, Colorado**  
*Comparative Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Funds*  
*December 31, 2003 and 2002*

---

---

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Cash and investments	<u>\$ 2,403,995</u>	<u>\$ 2,234,749</u>
<b>Liabilities</b>		
Due to other governments	<u>\$ 2,403,995</u>	<u>\$ 2,234,749</u>

See accompanying notes to the basic financial statements

*Garfield County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

**Index**

<b>Summary of Significant Accounting Policies</b> .....	<b>1</b>
Reporting Entity .....	1-A
Basis of Presentation .....	1-B
Measurement Focus .....	1-C
Basis of Accounting .....	1-D
<b>Assets, Liabilities and Fund Equity</b> .....	<b>1-E</b>
Cash, Cash Equivalents and Investments .....	1-E-1
Receivables .....	1-E-2
Interfund Balances .....	1-E-3
Consumable Inventories .....	1-E-4
Prepaid Assets .....	1-E-5
Capital Assets .....	1-E-6
Compensated Absences .....	1-E-7
Accrued Liabilities and Long-term Obligations .....	1-E-8
Bond Premiums, Discounts and Issuance Costs .....	1-E-9
Fund Equity .....	1-E-10
Operating Revenues and Expenses .....	1-E-11
Contributions of Capital .....	1-E-12
Interfund Activity .....	1-E-13
Estimates .....	1-E-14
Comparative Data .....	1-E-15
 <b>Changes in Accounting Principles, Restatement of Capital Asset Balances and</b>	
<b>Restatement of Equity Balances</b> .....	<b>2</b>
Changes in Accounting Principles .....	2-A
Restatement of Capital Asset Balances .....	2-B
Restatement of Equity Balances .....	2-C
 <b>Stewardship, Compliance and Accountability</b> .....	<b>3</b>
Budgetary Information .....	3-A
 <b>Detailed Notes on All Funds</b> .....	<b>4</b>
Deposits and Investments .....	4-A
Receivables .....	4-B
Property Taxes .....	4-C
Capital Assets .....	4-D
Interfund Balances and Transfers .....	4-E
Landfill Closure and Postclosure Care Costs .....	4-F
Long-Term Debt .....	4-G
Pensions .....	4-H
Net Assets .....	4-I
 <b>Other Notes</b> .....	<b>5</b>
Risk Management .....	5-A
Contingent Liabilities .....	5-B
Tabor Amendments .....	5-C

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

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.

**Note 1 - Summary of Significant Accounting Policies**

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

**1-A. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

Blended component units, although legally separate from the County, meet the above criterion and are reported as part of the County. Each blended component unit has a December 31 year end. Brief descriptions of the blended component units follow:

**Garfield County Building Corporation** – The Garfield County Building Corporation (the 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 capital expenditures fund.

**Garfield County Finance Authority** – The Garfield County Finance Authority (the Authority) was incorporated in October, 2001 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 2001 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 capital expenditures fund.

**Other Related Entity** - 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.

**1-B. Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

*Garfield County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

**Government-wide Financial Statements** - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and County's general revenues, from business-type activities, generally financed in whole or in part with tipping fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the County.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

**Fund Financial Statements** - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

**Fund Accounting** - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds** - County funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

**The General Fund** - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Colorado.

**Road and Bridge Fund** - 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.

**Social Services Fund** - This fund 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.

*Garfield County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

**Capital Expenditure Fund** – This fund 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.

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The two proprietary funds are classified as an enterprise fund and as an internal service fund.

**Solid Waste Fund** (Enterprise Fund) – The solid waste fund accounts for the County’s landfill operations which are primarily funded by site collections

**Motor Pool Fund** (Internal Service Fund) - The motor pool fund accounts for transportation services provided by the Motor Pool Department to all other departments or agencies of the County on a cost reimbursement basis.

**Fiduciary Funds** – The County’s fiduciary fund reporting focuses on assets and liabilities. The County’s fiduciary funds are classified as agency funds.

**1-C. Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities reports revenues and expenses.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

**1-D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. The assets and liabilities of the fiduciary funds (i.e., agency funds) are accounted for on the accrual basis. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenues - Non-exchange Transactions** - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 4-C) Property taxes are levied in December for the subsequent year’s

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

operations and are reported as a receivable and deferred revenue on December 31. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

**Deferred/Unearned Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reclassified as “*unearned revenue*” on the government-wide statement of net assets.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**1-E. Assets, Liabilities and Fund Equity**

**1-E-1 Cash, Cash Equivalents, and Investments**

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

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Colorado law authorizes the County to invest in the following type of obligations:

- 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.

**1-E-2 Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

*Garfield County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

**1-E-3 Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

**1-E-4 Consumable Inventories**

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

**1-E-5 Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

**1-E-6 Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the Governmental activities column of the government-wide statement of net assets but does not report these assets in the County fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the Government-wide statement of net assets and in the enterprise funds' statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County has capitalized its guardrails prospectively, beginning January 1, 2003. All other governmental infrastructure will be capitalized no later than calendar year 2007. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives	
	Governmental Activities	Business-type Activities
Land Improvements	20 Years	20 Years
Buildings	50 Years	5 - 20 Years
Building Improvements	5 - 20 Years	5 - 20 Years
Machinery and equipment	3 - 15 Years	3 Years
Infrastructure	20 Years	---

*Garfield County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

At the inception of capital leases at the governmental fund reporting level, expenditures and an “other financing source” of an equal amount are reported at the net present value of future minimum lease payments.

***1-E-7 Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only “*when due*.”

***1-E-8 Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Certificates of participation and capital leases are recognized as liabilities in the governmental fund financial statements “*when due*.”

***1-E-9 Bond Premiums, Discounts and Issuance Costs***

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

***1-E-10 Fund Equity***

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

***Fund Balance*** – Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

***Net Assets*** - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferred amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

*Garfield County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***1-E-11 Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for solid waste the use of vehicles in the motor pool. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

***1-E-12 Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

***1-E-13 Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

***1-E-14 Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***1-E-15 Comparative Data***

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

***Note 2 – Changes in Accounting Principles, Restatement of Capital Asset Balances and Restatement of Equity Balances***

***2-A Changes in Accounting Principles***

For 2003, the County has implemented GASB Statement No. 34, "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*," GASB Statement No. 36, "*Recipient Reporting for Certain Shared Non-exchange Revenues, an amendment of GASB Statement No. 33*," GASB Statement No. 37, "*Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*," GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*" and GASB Interpretation No. 6, "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*."

GASB Statement No. 34 creates new basic financial statements for reporting the County's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in a single column.

The government-wide financial statements classify the County's programs between governmental and business-type activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

fund equity of the enterprise fund from the prior year. The beginning net asset amount for County programs reflects the change in fund balance for governmental funds at December 31, 2002, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

**2-B. Restatement of Capital Asset Balances**

As a result of an update to the capital asset inventory and the change in the capital asset threshold, the capital balances at December 31, 2002 were restated as follows:

Asset Class	Balance December 31, 2002	Adjustments	
		To	
		December 31, 2002	Adjusted Balance December 31, 2002
		Data	
Land	\$ 7,363,835	\$ 1,703,415	\$ 9,067,250
Land improvements	-	650,100	650,100
Buildings	37,781,702	35,247	37,816,949
Building improvements	-	67,160	67,160
Machinery and equipment	10,721,289	784,571	11,505,860
Equipment via capital lease	1,978,970	(1,978,970)	-
<b>Total</b>	<b>\$ 57,845,796</b>	<b>\$ 1,261,523</b>	<b>\$ 59,107,319</b>

The capital asset inventory in the motor pool fund was incorrectly reported at December 31, 2002. The prior period adjustment is reported as follows:

Asset Class	Balance December 31, 2002	Adjustments	
		To	
		December 31, 2002	Adjusted Balance December 31, 2002
		Data	
Machinery and equipment	\$ 1,426,763	\$ 341,903	\$ 1,768,666
Less accumulated depreciation	1,049,642	201,160	1,250,802
<b>Total</b>	<b>\$ 377,121</b>	<b>\$ 140,743</b>	<b>\$ 517,864</b>

**2-C. Restatement of Equity Balances**

The following restatements, as a result of implementing GASB Statement No. 34, had the following effects on the December 31, 2003 equity, as restated above, of the major and nonmajor funds of the County as they were previously reported.

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

All Governmental Funds		
Adjusted fund balance, December 31, 2002		\$ 19,857,567
GASB Statement No. 34 adjustments:		
Capital assets (net of accumulated depreciation)		48,472,737
Add internal service fund equity - as restated		1,448,786
Accrued interest expense		(120,475)
Long-term liabilities:		
Certificates of participation	\$ (21,510,000)	
Capital leases	(402,139)	
Compensated absences	(701,050)	(22,613,189)
Governmental activities, net assets, December 31, 2002		<u>\$ 47,045,426</u>

The motor pool fund's net assets is restated per above as follows:

Net assets @ 12/31/02 as previously reported	\$1,308,043
Prior period adjustment	<u>140,743</u>
Net assets @ 12/31/02 as restated	<u>\$1,448,786</u>

**Note 3 – Stewardship, Compliance and Accountability**

**3-A. Budgetary Information** – The County adopts an annual operating budget for all governmental and proprietary funds. Budgets for the governmental fund types are adopted on a basis consistent with GAAP. The proprietary fund types adopt budgets using a non-GAAP budgetary basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the individual fund level. Any change in total to a fund requires approval of the County Commissioners. Also, any transfer of appropriations within a fund requires the approval of the County Commissioners.

All unexpended annual appropriations lapse at year-end.

**4-A. Deposits and Investments**

**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.

The bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the County or by its agent in its name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the County's name, and 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the County's name.

At year end, the carrying amount of the County's deposits was \$10,327,927 and the bank balance was \$11,428,530. Of the bank balance, \$339,929 was covered by federal depository insurance and \$11,088,601 was collateralized in accordance with the Colorado Public Deposit Protection Act (i.e., category 2).

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**Investments** – 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.

	Category			Fair Value /Carrying Amount
	1	2	3	
Money market funds	\$ -	\$ -	\$ 187,726	\$ 187,726
Federal National Mortgage Assn.	6,691,430	-	-	6,691,430
U.S. Treasury Notes	1,019,153	-	-	1,019,153
Federal Home Loan Obligations	9,573,765	-	-	9,573,765
Bank Repurchase Agreement	-	-	1,718,566	1,718,566
<b>Total</b>	<b>\$ 17,284,348</b>	<b>\$ -</b>	<b>\$ 1,906,292</b>	<b>\$ 19,190,640</b>

In addition, the County had invested \$300,741 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 \$2,399,951.

**Cash & Investment Reconciliation:**

Fund Reporting Level:	Cash and Cash Equivalents	Classification	Amount
Governmental Funds - Balance Sheet	\$ 24,091,329	Deposits	\$ 10,327,927
Proprietary Fund Type Statement of Net Assets	3,323,984	Categorized Investments	19,190,640
Statement of Fiduciary Assets and Liabilities	2,403,995	Non-categorized Investments	300,741
<b>Total</b>	<b>\$ 29,819,308</b>		<b>\$ 29,819,308</b>

**4-B. Receivables**

Receivables at December 31, 2003, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**4-C. Property Taxes**

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 governmental entities.

**4-D. Capital Assets**

Capital asset activity for the year ended December 31, 2003 (excluding the internal service fund), was as follows:

	Restated Balance 01/1/2003	Additions	Deductions	Balance 12/31/2003
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,067,250	\$ -	\$ 360,000	\$ 8,707,250
Depreciable capital assets:				
Land improvements	650,100	-	-	650,100
Buildings	37,816,949	-	37,610	37,779,339
Building improvements	67,160	170,760	-	237,920
Machinery and equipment	11,505,860	192,826	4,635	11,694,051
Infrastructure	-	42,345	-	42,345
Total depreciable capital assets	<u>50,040,069</u>	<u>405,931</u>	<u>42,245</u>	<u>50,403,755</u>
Total capital assets	<u>59,107,319</u>	<u>405,931</u>	<u>402,245</u>	<u>59,111,005</u>
Accumulated depreciation:				
Land improvements	552,300	14,775	-	567,075
Buildings	9,337,152	530,233	37,610	9,829,775
Building improvements	13,432	17,701	-	31,133
Machinery and equipment	731,698	523,513	4,635	1,250,576
Infrastructure	-	1,059	-	1,059
Total accumulated depreciation	<u>10,634,582</u>	<u>1,087,281</u>	<u>42,245</u>	<u>11,679,618</u>
Governmental activities capital assets, net	<u>\$ 48,472,737</u>	<u>\$ (681,350)</u>	<u>\$ 360,000</u>	<u>\$ 47,431,387</u>

Governmental activities depreciation expense classified by function follows:

General government	\$ 176,583
Public safety	311,181
Public works	213,874
Culture and recreation	318,096
Health and welfare	67,547
Total governmental activities depreciation expense	<u>\$ 1,087,281</u>

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

	Balance 01/1/2003	Additions	Deductions	Balance 12/31/2003
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,596	\$ -	\$ -	\$ 2,596
Depreciable capital assets:				
Buildings	91,048	-	-	91,048
Machinery and equipment	471,039	409,094	144,304	735,829
Total depreciable capital assets	562,087	409,094	144,304	826,877
Total capital assets	564,683	409,094	144,304	829,473
Accumulated depreciation:				
Buildings	22,035	5,169	-	27,204
Machinery and equipment	274,308	69,091	144,304	199,095
Total accumulated depreciation	296,343	74,260	144,304	226,299
Business-type activities capital assets, net	<u>\$ 268,340</u>	<u>\$ 334,834</u>	<u>\$ -</u>	<u>\$ 603,174</u>
	Adjusted Balance			Balance
	01/1/2003	Additions	Deductions	12/31/2003
Motor pool internal service fund				
Depreciable capital assets:				
Machinery and equipment	\$ 1,768,666	\$ 352,442	\$ 328,746	\$ 1,792,362
accumulated depreciation	1,250,802	343,204	322,821	1,271,185
Business-type activities capital assets, net	<u>\$ 517,864</u>	<u>\$ 9,238</u>	<u>\$ 5,925</u>	<u>\$ 521,177</u>

**4-E. - Interfund Balances and Transfers**

Interfund balances at December 31, 2003, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

Payable to:	Payable from:			
	General Fund	Road and Bridge Fund	Social Services Fund	Capital Expenditures Fund
General Fund	\$ -	\$ 94,490	\$ 28,826	\$ 28,121
Road and Bridge Fund	18,517	-	-	-
Social Services Fund	19,771	-	-	-
Capital Expenditures Fund	1,130,964	-	-	-
Non-major Governmental Funds	85,805	-	-	-
Motor Pool Fund	154,728	15,878	24,430	-
<b>Total</b>	<b>\$ 1,409,785</b>	<b>\$ 110,368</b>	<b>\$ 53,256</b>	<b>\$ 28,121</b>

  

Payable to:	Payable from:			
	Non-major Governmental Fund	Solid Waste Fund	Motor Pool Fund	Total
General Fund	\$ 118,948	\$ 20	\$ -	\$ 270,405
Road and Bridge Fund	-	182	16	18,715
Social Services Fund	-	-	-	19,771
Capital Expenditures Fund	-	-	-	1,130,964
Non-major Governmental Funds	119,827	-	-	205,632
Motor Pool Fund	1,140	646	-	196,822
<b>Total</b>	<b>\$ 239,915</b>	<b>\$ 848</b>	<b>\$ 16</b>	<b>\$ 1,842,309</b>

Interfund transfers for the year ended December 31, 2003, consisted of the following:

Transfer to	Transfers From:			Total
	General Fund	Non-major Governmental Funds	Solid Waste Fund	
General Fund	\$ -	\$ -	\$ 100,000	\$ 100,000
Capital Projects Fund	-	622,516	-	622,516
Non-major Governmental Funds	100,000	210,853	-	310,853
	<u>\$ 100,000</u>	<u>\$ 833,369</u>	<u>\$ 100,000</u>	<u>\$ 1,033,369</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

*Garfield County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

**4-F. Landfill Closure and Postclosure Care Costs**

State and Federal laws and regulations require the County to place final cover on its 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 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 closure and postclosure care costs are currently estimated to be \$1,104,707, with closure costs estimated to be \$570,772 and postclosure care cost estimated to be \$533,935. The \$186,653 reported as landfill closure and postclosure care liability at December 31, 2003, represents the cumulative amount reported to date based on the use of 17% of the capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$918,054 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2003. The County expects to close the landfill in the year 2048. 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, 2003, investments of greater than \$186,653 are held for these purposes, based on the formula of landfill financial assurance requirements under EPA regulations. These assets are reported on the statement of net assets 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.

**4-G. Long-Term Debt**

**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, 2001 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.

Annual debt service requirements to amortize all certificates of participation outstanding, as of December 31, 2003 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2008	720,000	984,416	1,704,416
2009-2013	4,120,000	4,336,679	8,456,679
2014-2018	5,295,000	3,173,351	8,468,351
2019-2023	6,860,000	1,593,087	8,453,087
2024	1,605,000	87,187	1,692,187
Total	<u>\$ 21,050,000</u>	<u>\$ 14,394,572</u>	<u>\$ 35,444,572</u>

**County Capital Lease** - The County had entered into capital leases for various pieces of equipment. These leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessee at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The total lease obligation was retired in calendar 2003.

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**Changes in Long-term Debt** - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2003:

Governmental Activities	Outstanding 1/1/2003	Additions	Reductions	Outstanding 12/31/2003	Amounts Due in One Year
Capital leases	\$ 402,139	\$ -	\$ 402,139	\$ -	\$ -
Certificates of participation	21,510,000	-	460,000	21,050,000	475,000
Compensated absences	712,086	49,872	-	761,958	152,392
<b>Total Governmental Activities</b>	<b>\$ 22,624,225</b>	<b>\$ 49,872</b>	<b>\$ 862,139</b>	<b>\$ 21,811,958</b>	<b>\$ 627,392</b>
<b>Business-Type Activities</b>					
Landfill closure and postclosure care	\$ 172,689	\$ 13,964	\$ -	\$ 186,653	\$ -
Compensated absences	8,898	2,116	-	11,014	2,203
<b>Total Business-Type Activities</b>	<b>\$ 181,587</b>	<b>\$ 16,080</b>	<b>\$ -</b>	<b>\$ 197,667</b>	<b>\$ 2,203</b>

The capital lease was retired by the road and bridge fund. The capital expenditure fund is retiring the certificates of participation. The landfill closure and postclosure care liability is being retired by the solid waste fund. The compensated absences liability will be paid from the fund from which the employees' salaries are paid.

**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, 2003, there were three series of Private Activity Bonds outstanding, with an aggregate principal amount payable of \$61,380,000.

**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, 2003 in the amount of \$64,000 were outstanding. Unspent cash totaling \$7,750 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.

**Garfield County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**4-H. Pensions**

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 2003, the County and employees made the required 4.0% contribution amounting to \$453,243 each. Additional voluntary contributions by employees were \$10,136.

**4-I. Net Assets**

Net assets on the government-wide statement of net assets as of December 31, 2003 are as follows:

	Governmental Activities	Business-type Activities
Investments in capital assets, net of related debt:		
Cost of capital assets	\$ 60,903,367	\$ 829,473
Less accumulated depreciation	12,950,803	226,299
Book value	47,952,564	603,174
Less capital related debt	21,050,000	-
Investments in capital assets, net of related debt	\$ 26,902,564	\$ 603,174

**Note 5 - Other Notes**

**5-A. Risk Management**

The County participates in two risk management pools.

**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.

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. There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

*Garfield County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2003*

**5-B. Contingent Liabilities**

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at December 31, 2003. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

**5-C. 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 County's voters.

**Garfield County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balances - Budget and Actual*  
*For the Year Ended December 31, 2003*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Taxes	\$ 9,455,211	\$ 9,455,211	\$ 9,603,283	\$ 148,072
Licenses and permits	2,980	2,980	18,867	15,887
Intergovernmental	2,124,697	2,154,729	2,711,580	556,851
Charges for services	3,321,814	3,321,814	4,079,119	757,305
Fines and forfeitures	686,483	828,068	691,718	(136,350)
Investment earnings	800,000	800,000	539,073	(260,927)
Miscellaneous	396,809	398,677	208,260	(190,417)
<b>Total Revenues</b>	<u>16,787,994</u>	<u>16,961,479</u>	<u>17,851,900</u>	<u>890,421</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	8,872,808	9,482,533	7,536,109	1,946,424
Public safety	7,854,546	9,659,459	8,840,996	818,463
Public works	297,068	293,951	238,585	55,366
Health and welfare	1,521,077	1,504,130	1,315,503	188,627
Culture and recreation	240,212	245,794	204,965	40,829
<b>Total Expenditures</b>	<u>18,785,711</u>	<u>21,185,867</u>	<u>18,136,158</u>	<u>3,049,709</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,997,717)</u>	<u>(4,224,388)</u>	<u>(284,258)</u>	<u>3,940,130</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	100,000	100,000	100,000	-
Transfers out	(100,000)	(100,000)	(100,000)	-
Sale of capital assets	-	-	7,016	7,016
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>7,016</u>	<u>7,016</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,997,717)</u>	<u>\$ (4,224,388)</u>	<u>(277,242)</u>	<u>\$ 3,947,146</u>
<b>Fund Balances Beginning of Year</b>			<u>6,586,761</u>	
<b>Fund Balances End of Year</b>			<u>\$ 6,309,519</u>	

**Garfield County, Colorado**  
**Road and Bridge Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
*For the Year Ended December 31, 2003*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Property taxes	\$ 872,951	\$ 872,951	\$ 852,017	\$ (20,934)
Sales taxes	1,610,768	1,610,768	1,856,644	245,876
Specific ownership taxes	85,000	85,000	101,514	16,514
Licenses and permits	308,450	308,450	417,097	108,647
Intergovernmental	2,876,695	2,876,695	3,003,222	126,527
Charges for services	693	693	50	(643)
Miscellaneous	30,120	30,120	44,449	14,329
<b>Total Revenues</b>	<u>5,784,677</u>	<u>5,784,677</u>	<u>6,274,993</u>	<u>490,316</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	132,837	54,290	11,250	43,040
Public works	5,739,090	5,660,255	4,778,739	881,516
<b>Debt Service:</b>				
Principal retirement	402,139	402,139	402,139	-
Interest and fiscal charges	31,208	31,208	9,637	21,571
<b>Total Expenditures</b>	<u>6,305,274</u>	<u>6,147,892</u>	<u>5,201,765</u>	<u>946,127</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(520,597)	(363,215)	1,073,228	1,436,443
<b>Other Financing Sources</b>				
Sale of capital assets	50,000	50,000	599,006	549,006
<b>Net Change in Fund Balances</b>	<u>\$ (470,597)</u>	<u>\$ (313,215)</u>	1,672,234	<u>\$ 1,985,449</u>
<b>Fund Balances Beginning of Year</b>			<u>6,095,040</u>	
<b>Fund Balances End of Year</b>			<u>\$ 7,767,274</u>	

**Garfield County, Colorado**  
**Social Services Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Property taxes	\$ 996,353	\$ 996,353	\$ 988,464	\$ (7,889)
Specific ownership taxes	89,000	89,000	124,813	35,813
Intergovernmental	7,073,644	10,176,445	8,904,246	(1,272,199)
Investment earnings	20,000	20,000	16,919	(3,081)
Miscellaneous	41,640	41,640	5,500	(36,140)
<b>Total Revenues</b>	<u>8,220,637</u>	<u>11,323,438</u>	<u>10,039,942</u>	<u>(1,283,496)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	259,570	46,528	14,345	32,183
Health and welfare	8,358,842	11,584,066	9,727,042	1,857,024
<b>Total Expenditures</b>	<u>8,618,412</u>	<u>11,630,594</u>	<u>9,741,387</u>	<u>1,889,207</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (397,775)</u>	<u>\$ (307,156)</u>	298,555	<u>\$ 605,711</u>
<b>Fund Balances Beginning of Year</b>			<u>492,708</u>	
<b>Fund Balances End of Year</b>			<u>\$ 791,263</u>	

**Garfield County, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds - By Fund Type**  
**For the Year Ended December 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 426,715	\$ -	\$ -	\$ 426,715
Sales taxes	1,695,707	-	-	1,695,707
Specific ownership taxes	56,085	-	-	56,085
Intergovernmental	263,133	-	-	263,133
Charges for services	230,886	-	-	230,886
Investment earnings	14,768	-	-	14,768
Contributions and donations	77,684	-	-	77,684
Miscellaneous	224,304	-	-	224,304
<b>Total Revenues</b>	<u>2,989,282</u>	<u>-</u>	<u>-</u>	<u>2,989,282</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	119,025	-	-	119,025
Public safety	195,294	-	-	195,294
Public works	585,748	-	-	585,748
Health and welfare	110,639	-	-	110,639
Culture and recreation	1,442,934	-	-	1,442,934
<b>Intergovernmental</b>	<u>2,319</u>	<u>-</u>	<u>-</u>	<u>2,319</u>
<b>Total Expenditures</b>	<u>2,455,959</u>	<u>-</u>	<u>-</u>	<u>2,455,959</u>
<b>Excess of Revenues Over Expenditures</b>	<u>533,323</u>	<u>-</u>	<u>-</u>	<u>533,323</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	310,853	-	-	310,853
Transfers out	(210,853)	(354,213)	(268,303)	(833,369)
<b>Total Other Financing Sources (Uses)</b>	<u>100,000</u>	<u>(354,213)</u>	<u>(268,303)</u>	<u>(522,516)</u>
<b>Net Change in Fund Balances</b>	633,323	(354,213)	(268,303)	10,807
<b>Fund Balances Beginning of Year</b>	<u>2,395,770</u>	<u>354,213</u>	<u>268,303</u>	<u>3,018,286</u>
<b>Fund Balances End of Year</b>	<u>\$ 3,029,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,029,093</u>

**Garfield County, Colorado**  
**General Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 7,315,288	\$ 7,030,767
Investments	-	11,353
Receivables:		
Property taxes	9,469,994	7,634,939
Interfund	270,405	420,034
Intergovernmental	560,107	359,999
Prepaid items	643	-
<b>Total Assets</b>	<u>\$ 17,616,437</u>	<u>\$ 15,457,092</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 180,838	\$ 481,602
Accrued expenditures	100,439	-
TIF payable	145,862	-
Interfund payable	1,409,785	732,868
Deferred revenue	9,469,994	7,655,861
<b>Total Liabilities</b>	<u>11,306,918</u>	<u>8,870,331</u>
<b>Fund Balances</b>		
Reserved for prepaid items	643	-
Unreserved	6,308,876	6,586,761
	<u>6,309,519</u>	<u>6,586,761</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 17,616,437</u>	<u>\$ 15,457,092</u>

**Garfield County, Colorado**  
**General Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Revenues</b>		
Property taxes	\$ 7,327,993	\$ 6,612,212
Sales taxes	1,243,430	1,088,813
Specific ownership	973,506	853,857
Other taxes	58,354	48,471
Intergovernmental	2,711,580	2,032,692
Licenses and permits	18,867	4,635
Charges for services	4,079,119	4,248,109
Fines and forfeitures	691,718	491,970
Investment earnings	539,073	672,594
Miscellaneous	208,260	21,341
<b>Total Revenues</b>	<u>17,851,900</u>	<u>16,074,694</u>
<b>Expenditures</b>		
<b>Current:</b>		
General government	7,536,109	6,869,684
Public safety	8,840,996	6,815,074
Public works	238,585	257,650
Health and welfare	1,315,503	1,321,403
Culture and recreation	204,965	200
<b>Total Expenditures</b>	<u>18,136,158</u>	<u>15,264,011</u>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over (Under) Expenditures</b>	<u>(284,258)</u>	<u>810,683</u>
<b>Other Financing Sources (Uses)</b>		
Sale of capital assets	7,016	1,335
Transfers in	100,000	100,000
Transfers out	(100,000)	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<u>7,016</u>	<u>(98,665)</u>
<b>Net Change in Fund Balances</b>	(277,242)	712,018
<b>Fund Balances Beginning of Year</b>	<u>6,586,761</u>	<u>5,874,743</u>
<b>Fund Balances End of Year</b>	<u>\$ 6,309,519</u>	<u>\$ 6,586,761</u>

**Garfield County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
<b>Taxes</b>					
General property	\$ 7,399,908	\$ 7,399,908	\$ 7,327,993	\$ (71,915)	\$ 6,612,212
Specific ownership	890,000	890,000	973,506	83,506	853,857
Cigarette	30,000	30,000	29,208	(792)	30,614
Penalty and interest	-	-	29,146	29,146	17,857
Sales	<u>1,135,303</u>	<u>1,135,303</u>	<u>1,243,430</u>	<u>108,127</u>	<u>1,088,813</u>
Total taxes	<u>9,455,211</u>	<u>9,455,211</u>	<u>9,603,283</u>	<u>148,072</u>	<u>8,603,353</u>
<b>Licenses and permits</b>					
Liquor	2,000	2,000	5,702	3,702	2,738
Concealed weapons	<u>980</u>	<u>980</u>	<u>13,165</u>	<u>12,185</u>	<u>1,897</u>
Total licenses and permits	<u>2,980</u>	<u>2,980</u>	<u>18,867</u>	<u>15,887</u>	<u>4,635</u>
<b>Intergovernmental</b>					
Payments in lieu of taxes	600,000	600,000	1,187,797	587,797	810,487
Mineral leasing	250,000	250,000	585,923	335,923	348,746
Mineral severance	120,000	120,000	123,045	3,045	31,287
Federal grants					
TRIDENT	24,000	24,000	28,043	4,043	33,722
SCAAP	-	92,000	92,468	468	184,443
Healthy Beginnings (CSBG)	37,000	37,000	37,879	879	53,770
Weed control	3,000	3,000	2,155	(845)	(46)
Workender program	20,000	62,982	83,048	20,066	11,112
Medicaid services	10,000	10,000	13,748	3,748	10,914
High density drug traffic assistance	4,000	4,000	4,326	326	-
DOD programs	-	2,750	9,125	6,375	-
State grants					
LEAF	8,000	8,000	4,929	(3,071)	4,470
Nursing	76,000	76,000	88,010	12,010	67,399
Ambulance	15,846	15,846	15,000	(846)	15,847
Search and rescue	-	6,926	6,926	-	37,674
Other	160,000	160,000	251,358	91,358	249,339
Rural resort	-	-	15,000	15,000	25,000
Tobacco	-	-	-	-	95,809
Dental	5,000	5,000	1,044	(3,956)	-
Emergency preparedness	-	28,626	15,037	(13,589)	-
Tuberculosis	12,300	12,300	15,775	3,475	-
Bioterrorism	-	-	43,990	43,990	-
Handicapped children	4,000	4,000	7,337	3,337	-
Healthy Beginnings (CSBG)	-	-	33,015	33,015	-
Code Rewrite	-	50,000	16,936	(33,064)	-
Veterans assistance	1,200	1,200	1,090	(110)	1,200
Pest and weed control	30,000	30,000	28,576	(1,424)	51,519
Miscellaneous - not awarded	<u>744,351</u>	<u>551,099</u>	<u>-</u>	<u>(551,099)</u>	<u>-</u>
Total intergovernmental	<u>2,124,697</u>	<u>2,154,729</u>	<u>2,711,580</u>	<u>556,851</u>	<u>2,032,692</u>

**Garfield County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual-Continued**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Charges for services					
Fees					
County clerk	920,350	920,350	1,247,013	326,663	1,115,027
County treasurer	675,400	675,400	769,930	94,530	684,847
Building department	525,000	525,000	575,177	50,177	649,950
Work release	30,000	30,000	16,915	(13,085)	26,156
Environment and health	16,000	16,000	14,894	(1,106)	18,350
Fairgrounds	38,000	38,000	60,550	22,550	477,081
Planning departments	65,000	65,000	67,987	2,987	80,513
Sheriff	122,400	122,400	118,620	(3,780)	146,754
Jail	156,400	156,400	207,551	51,151	159,529
Public trustee	-	-	112,332	112,332	111,284
Distraint	1,905	1,905	7,375	5,470	3,500
Public health nurse	600	600	240	(360)	20,989
WIC program	136,499	136,499	156,789	20,290	145,134
Healthy Beginnings	240,450	240,450	357,661	117,211	235,131
Immunization revenue	95,500	95,500	102,147	6,647	107,263
VINS	7,000	7,000	11,520	4,520	9,405
Maps and documents	22,000	22,000	22,159	159	32,270
EPSDT	22,000	22,000	18,114	(3,886)	22,151
Registrar	45,000	45,000	51,367	6,367	50,167
Work release test	8,000	8,000	3,549	(4,451)	7,778
Other	194,310	194,310	157,229	(37,081)	144,830
Total charges for services	<u>3,321,814</u>	<u>3,321,814</u>	<u>4,079,119</u>	<u>757,305</u>	<u>4,248,109</u>
Fines and forfeitures					
Useful public service	90,000	90,000	60,602	(29,398)	67,177
Day reporting	74,380	139,972	56,060	(83,912)	73,668
Courts/LEAF/DUI	24,500	24,500	11,279	(13,221)	27,631
Assessor	8,000	8,000	12,854	4,854	-
Community correction	352,853	428,846	436,909	8,063	210,248
Social service cases	136,750	136,750	114,014	(22,736)	113,246
Total fines and forfeitures	<u>686,483 #</u>	<u>828,068 #</u>	<u>691,718 #</u>	<u>(136,350)</u>	<u>491,970</u>
Miscellaneous					
Investment earnings	800,000	800,000	539,073	(260,927)	672,594
Rents and royalties	169,646	159,514	73,999	(85,515)	21,650
Refund of expenditures	192,163	192,163	114,213	(77,950)	(78,382)
Contributions and donations	35,000	35,000	10,048	(24,952)	76,494
Assessments	-	12,000	10,000	(2,000)	-
Other	-	-	-	-	1,579
Total miscellaneous	<u>1,196,809</u>	<u>1,198,677</u>	<u>747,333</u>	<u>(451,344)</u>	<u>693,935</u>
Total revenues	<u>16,787,994</u>	<u>16,961,479</u>	<u>17,851,900</u>	<u>890,421</u>	<u>16,074,694</u>

**Garfield County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual- Continued**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>					
<b>Current:</b>					
<b>General government</b>					
County commissioners	372,926	406,535	394,678	11,857	299,911
Grants to others	387,764	455,466	396,429	59,037	324,232
Attorney	523,502	553,313	504,802	48,511	455,472
Surveyor	48,861	49,151	24,065	25,086	9,854
Administration services	3,266,333	3,471,489	2,064,420	1,407,069	1,289,272
Clerk and recorder	739,525	845,825	798,313	47,512	699,834
Treasurer	362,783	370,480	356,750	13,730	316,828
Public trustee	70,731	76,634	55,384	21,250	45,667
Assessor	736,876	816,899	744,250	72,649	662,953
Board of equalization	34,023	34,023	30,949	3,074	18,468
<b>Maintenance</b>					
West/Fairgrounds	-	-	-	-	226,341
East	-	-	-	-	548,134
District attorney	1,201,542	1,208,102	1,208,101	1	931,888
Elections	92,380	92,380	81,485	10,895	109,801
Planning department	975,462	1,042,136	826,163	215,973	883,502
Microfilm/registrar	60,100	60,100	50,320	9,780	47,527
<b>Total general government</b>	<b>8,872,808</b>	<b>9,482,533</b>	<b>7,536,109</b>	<b>1,946,424</b>	<b>6,869,684</b>
<b>Public safety</b>					
Sheriff	2,314,895	3,540,493	3,111,791	428,702	2,025,057
Jail	4,609,872	4,727,297	4,614,388	112,909	3,935,392
Community corrections	-	251,716	185,623	66,093	603,382
Criminal justice	653,728	774,981	648,310	126,671	-
Coroner	137,512	141,924	133,502	8,422	107,708
County fire suppression	22,200	26,600	23,333	3,267	12,690
Animal control	22,940	37,190	26,626	10,564	-
Emergency preparedness	62,832	97,128	54,380	42,748	97,208
Emergency medical	10,561	20,461	7,968	12,493	13,764
Search and rescue	20,006	41,669	35,075	6,594	19,873
<b>Total public safety</b>	<b>7,854,546</b>	<b>9,659,459</b>	<b>8,840,996</b>	<b>818,463</b>	<b>6,815,074</b>
<b>Public works</b>					
Extension	136,757	120,023	98,093	21,930	111,910
Pest and weed	160,311	173,928	140,492	33,436	122,028
Television	-	-	-	-	23,712
<b>Total public works</b>	<b>297,068</b>	<b>293,951</b>	<b>238,585</b>	<b>55,366</b>	<b>257,650</b>
<b>Health and welfare</b>					
Nurse	1,029,855	1,025,904	886,098	139,806	949,796
Healthy beginnings	491,222	478,226	429,405	48,821	371,607
<b>Total health and welfare</b>	<b>1,521,077</b>	<b>1,504,130</b>	<b>1,315,503</b>	<b>188,627</b>	<b>1,321,403</b>

**Garfield County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual Continued**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Culture and recreation					
County fair	-	1,150	1,065	85	200
Operations - fairgrounds	240,212	244,644	203,900	40,744	-
<b>Total culture and recreation</b>	<u>240,212</u>	<u>245,794</u>	<u>204,965</u>	<u>40,829</u>	<u>200</u>
<b>Total Expenditures</b>	<u>18,785,711</u>	<u>21,185,867</u>	<u>18,136,158</u>	<u>3,049,709</u>	<u>15,264,011</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,997,717)</u>	<u>(4,224,388)</u>	<u>(284,258)</u>	<u>3,940,130</u>	<u>810,683</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	100,000	100,000	100,000	-	100,000
Transfers out	(100,000)	(100,000)	(100,000)	-	(200,000)
Sale of capital assets	-	-	7,016	7,016	1,335
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>7,016</u>	<u>7,016</u>	<u>(98,665)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,997,717)</u>	<u>\$ (4,224,388)</u>	<u>(277,242)</u>	<u>\$ 3,947,146</u>	<u>712,018</u>
<b>Fund Balances Beginning of Year</b>			<u>6,586,761</u>		<u>5,874,743</u>
<b>Fund Balances End of Year</b>			<u>\$ 6,309,519</u>		<u>\$ 6,586,761</u>

**Garfield County, Colorado**  
**Road and Bridge Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 6,994,834	\$ 5,707,753
Other cash	150	169
Receivables:		
Property taxes	459,090	872,314
Intergovernmental	900,006	517,519
Interfund	18,715	22,563
Inventory	89,751	91,486
<b>Total Assets</b>	<u>\$ 8,462,546</u>	<u>\$ 7,211,804</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 85,957	\$ 150,476
Accrued salaries and wages	39,857	-
Interfund payable	110,368	93,974
Deferred revenues	459,090	872,314
<b>Total Liabilities</b>	<u>695,272</u>	<u>1,116,764</u>
<b>Fund Balances</b>		
Reserved for inventory	89,751	91,486
Unreserved, undesignated	7,677,523	6,003,554
<b>Total Fund Balances</b>	<u>7,767,274</u>	<u>6,095,040</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,462,546</u>	<u>\$ 7,211,804</u>

**Garfield County, Colorado**  
**Road and Bridge Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Revenues</b>		
Property taxes	\$ 852,017	\$ 741,701
Sales taxes	1,856,644	1,634,234
Specific ownership taxes	101,514	89,359
Intergovernmental	3,003,222	2,858,259
Licenses and permits	417,097	228,178
Charges for services	50	794
Miscellaneous	44,449	(3,808)
<b>Total Revenues</b>	<u>6,274,993</u>	<u>5,548,717</u>
<b>Expenditures</b>		
<b>Current:</b>		
General government	11,250	-
Public works	4,778,739	4,998,505
<b>Debt Service:</b>		
Principal retirement	402,139	385,742
Interest and fiscal charges	9,637	25,678
<b>Total Expenditures</b>	<u>5,201,765</u>	<u>5,409,925</u>
<b>Excess of Revenues Over Expenditures</b>	1,073,228	138,792
<b>Other Financing Sources</b>		
Sale of capital assets	599,006	2,700
<b>Net Change in Fund Balances</b>	1,672,234	141,492
<b>Fund Balances Beginning of Year</b>	<u>6,095,040</u>	<u>5,953,548</u>
<b>Fund Balances End of Year</b>	<u>\$ 7,767,274</u>	<u>\$ 6,095,040</u>

**Garfield County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 1,466,930	\$ 1,241,056
Other cash	150	22,484
Receivables:		
Accounts	13,112	-
Property taxes	1,285,820	999,050
Intergovernmental	325,601	239,835
Interfund	19,771	2,459
<b>Total Assets</b>	<u>\$ 3,111,384</u>	<u>\$ 2,504,884</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 124,087	\$ 110,370
Accrued salaries and wages	31,791	-
Interfund payable	53,256	136,619
Deferred revenues	2,110,987	1,765,187
<b>Total Liabilities</b>	<u>2,320,121</u>	<u>2,012,176</u>
<b>Fund Balances</b>		
Unreserved, undesignated	791,263	492,708
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,111,384</u>	<u>\$ 2,504,884</u>

**Garfield County, Colorado**  
**Social Services Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Revenues</b>		
Property taxes	\$ 988,464	\$ 691,104
Specific ownership taxes	124,813	87,191
Intergovernmental	8,904,246	8,077,061
Investment earnings	16,919	20,693
Miscellaneous	5,500	7,868
<b>Total Revenues</b>	<u>10,039,942</u>	<u>8,883,917</u>
<b>Expenditures</b>		
<b>Current:</b>		
General government	14,345	-
Health and welfare	9,727,042	8,887,660
<b>Total Expenditures</b>	<u>9,741,387</u>	<u>8,887,660</u>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over (Under) Expenditures</b>	298,555	(3,743)
<b>Fund Balances Beginning of Year</b>	<u>492,708</u>	<u>496,451</u>
<b>Fund Balances End of Year</b>	<u>\$ 791,263</u>	<u>\$ 492,708</u>

**This page intentionally left blank.**

	Public Library	Library Capital Improvements	Retirement	Airport	Emergency Reserve	Commissary
<b>Assets</b>						
Equity in pooled cash and investments	\$ 303,880	\$ 411,764	\$ 225,930	\$ 113,518	\$ 978,735	\$ 48,069
Other cash and investments	150	-	-	-	-	-
Receivables:						
Accounts	-	-	15,771	7,544	-	-
Property taxes	-	-	366,717	-	-	-
Intergovernmental	279,567	-	-	-	-	-
Interfund	-	-	238	205,394	-	-
<b>Total Assets</b>	<b>\$ 583,597</b>	<b>\$ 411,764</b>	<b>\$ 608,656</b>	<b>\$ 326,456</b>	<b>\$ 978,735</b>	<b>\$ 48,069</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 9,912	\$ -	\$ -	\$ 55,800	\$ -	\$ 723
Accrued salaries and wages	15,615	-	-	149	-	-
Interfund payable	321	-	-	235,147	-	3,631
Deferred revenue	-	-	366,717	-	-	-
<b>Total Liabilities</b>	<b>25,848</b>	<b>-</b>	<b>366,717</b>	<b>291,096</b>	<b>-</b>	<b>4,354</b>
<b>Fund Balances</b>						
Reserved for emergencies	-	-	-	-	978,735	-
Unreserved	557,749	411,764	241,939	35,360	-	43,715
<b>Total Fund Balances</b>	<b>557,749</b>	<b>411,764</b>	<b>241,939</b>	<b>35,360</b>	<b>978,735</b>	<b>43,715</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 583,597</b>	<b>\$ 411,764</b>	<b>\$ 608,656</b>	<b>\$ 326,456</b>	<b>\$ 978,735</b>	<b>\$ 48,069</b>

Colorado  
 Balance Sheet  
 Revenue Funds  
 2003

Oil and Gas Impact	Off-site Road Improvement	Conservation Trust	Search and Rescue	Fair Board	Clerk and Recorder	Total Nonmajor Special Revenue Funds
\$ 31,328	\$ 282,129	\$ 288,868	\$ 10,137	\$ 94,901	\$ 14,178	\$ 2,803,437
-	-	-	-	-	-	150
-	-	-	-	1,257	-	24,572
-	-	-	-	-	-	366,717
-	-	37,849	-	-	-	317,416
-	-	-	-	-	-	205,632
<u>\$ 31,328</u>	<u>\$ 282,129</u>	<u>\$ 326,717</u>	<u>\$ 10,137</u>	<u>\$ 96,158</u>	<u>\$ 14,178</u>	<u>\$ 3,717,924</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,435
-	-	-	-	-	-	15,764
-	-	-	78	738	-	239,915
-	-	-	-	-	-	366,717
-	-	-	78	738	-	688,831
-	-	-	-	-	-	978,735
<u>31,328</u>	<u>282,129</u>	<u>326,717</u>	<u>10,059</u>	<u>95,420</u>	<u>14,178</u>	<u>2,050,358</u>
<u>31,328</u>	<u>282,129</u>	<u>326,717</u>	<u>10,059</u>	<u>95,420</u>	<u>14,178</u>	<u>3,029,093</u>
<u>\$ 31,328</u>	<u>\$ 282,129</u>	<u>\$ 326,717</u>	<u>\$ 10,137</u>	<u>\$ 96,158</u>	<u>\$ 14,178</u>	<u>\$ 3,717,924</u>

**Garfield County**  
**Combining Statement of Revenues,**  
**Nonmajor Special**  
**For the Year Ended**

	<b>Public Library</b>	<b>Library Capital Improvements</b>	<b>Retirement</b>	<b>Airport</b>	<b>Emergency Reserve</b>	<b>Commissary</b>
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ 426,715	\$ -	\$ -	\$ -
Sales taxes	1,679,678	-	-	-	-	-
Specific ownership taxes	-	-	56,085	-	-	-
Intergovernmental	3,036	-	-	98,809	11,946	-
Charges for services	-	-	-	230,886	-	-
Investment earnings	10,895	-	-	-	-	-
Contributions and donations	50	-	45,354	-	-	-
Miscellaneous	49,500	-	487	18,864	-	57,907
<b>Total Revenues</b>	<b>1,743,159</b>	<b>-</b>	<b>528,641</b>	<b>348,559</b>	<b>11,946</b>	<b>57,907</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	3,457	-	115,238	330	-	-
Public safety	-	-	136,861	-	-	55,877
Public works	-	-	51,034	497,354	37,360	-
Health and welfare	-	-	110,639	-	-	-
Culture and recreation	1,343,230	19,852	30,429	-	-	-
<b>Intergovernmental</b>	<b>-</b>	<b>-</b>	<b>2,319</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,346,687</b>	<b>19,852</b>	<b>446,520</b>	<b>497,684</b>	<b>37,360</b>	<b>55,877</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>396,472</b>	<b>(19,852)</b>	<b>82,121</b>	<b>(149,125)</b>	<b>(25,414)</b>	<b>2,030</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	210,853	-	100,000	-	-
Transfers out	(210,853)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(210,853)</b>	<b>210,853</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>185,619</b>	<b>191,001</b>	<b>82,121</b>	<b>(49,125)</b>	<b>(25,414)</b>	<b>2,030</b>
<b>Fund Balances Beginning of Year</b>	<b>372,130</b>	<b>220,763</b>	<b>159,818</b>	<b>84,485</b>	<b>1,004,149</b>	<b>41,685</b>
<b>Fund Balances End of Year</b>	<b>\$ 557,749</b>	<b>\$ 411,764</b>	<b>\$ 241,939</b>	<b>\$ 35,360</b>	<b>\$ 978,735</b>	<b>\$ 43,715</b>

Colorado  
Expenditures and Changes in Fund Balances  
Revenue Funds  
December 31, 2003

Oil and Gas Impact	Off-site Road Improvement	Conservation Trust	Search and Rescue	Fair Board	Clerk and Recorder	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426,715
-	-	-	-	16,029	-	1,695,707
-	-	-	-	-	-	56,085
-	-	149,342	-	-	-	263,133
-	-	-	-	-	-	230,886
-	2,753	-	119	1,001	-	14,768
-	-	-	2,270	30,010	-	77,684
-	83,100	-	268	-	14,178	224,304
-	85,853	149,342	2,657	47,040	14,178	2,989,282
-	-	-	-	-	-	119,025
-	-	-	2,556	-	-	195,294
-	-	-	-	-	-	585,748
-	-	-	-	-	-	110,639
-	-	-	-	49,423	-	1,442,934
-	-	-	-	-	-	2,319
-	-	-	2,556	49,423	-	2,455,959
-	85,853	149,342	101	(2,383)	14,178	533,323
-	-	-	-	-	-	310,853
-	-	-	-	-	-	(210,853)
-	-	-	-	-	-	100,000
-	85,853	149,342	101	(2,383)	14,178	633,323
31,328	196,276	177,375	9,958	97,803	-	2,395,770
\$ 31,328	\$ 282,129	\$ 326,717	\$ 10,059	\$ 95,420	\$ 14,178	\$ 3,029,093

**Garfield County, Colorado**  
**Public Library Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 303,880	\$ 278,875
Other cash and investments	150	150
Receivables:		
Intergovernmental	279,567	116,599
Interfund	-	4,177
<b>Total Assets</b>	<u>\$ 583,597</u>	<u>\$ 399,801</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 9,912	\$ 27,198
Accrued salaries and benefits	15,615	-
Interfund payable	321	473
<b>Total Liabilities</b>	<u>25,848</u>	<u>27,671</u>
<b>Fund Balances</b>		
Reserved for emergencies	-	20,000
Unreserved, undesignated	557,749	352,130
<b>Total Fund Balances</b>	<u>557,749</u>	<u>372,130</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 583,597</u>	<u>\$ 399,801</u>

**Garfield County, Colorado**  
**Public Library Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Sales taxes	\$ 1,534,065	\$ 1,534,065	\$ 1,679,678	\$ 145,613	\$ 1,459,647
Intergovernmental	-	-	3,036	3,036	12,247
Contributions and donations	500	500	50	(450)	-
Investment earnings	6,000	6,000	10,895	4,895	4,967
Miscellaneous	55,064	55,064	49,500	(5,564)	33,289
<b>Total Revenues</b>	<u>1,595,629</u>	<u>1,595,629</u>	<u>1,743,159</u>	<u>147,530</u>	<u>1,510,150</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	28,602	27,182	3,457	23,725	-
Culture and recreation	1,371,067	1,404,087	1,343,230	60,857	1,314,383
<b>Total Expenditures</b>	<u>1,399,669</u>	<u>1,431,269</u>	<u>1,346,687</u>	<u>84,582</u>	<u>1,314,383</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	195,960	164,360	396,472	232,112	195,767
<b>Other Financing (Uses)</b>					
Transfers out	(210,853)	(210,853)	(210,853)	-	(220,763)
<b>Net Change in Fund Balances</b>	<u>\$ (14,893)</u>	<u>\$ (46,493)</u>	185,619	<u>\$ 232,112</u>	(24,996)
<b>Fund Balances Beginning of Year</b>			372,130		397,126
<b>Fund Balances End of Year</b>			<u>\$ 557,749</u>		<u>\$ 372,130</u>

**Garfield County, Colorado**  
**Library Capital Improvement Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

---

---

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	<u>\$ 411,764</u>	<u>\$ 220,763</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>\$ 411,764</u>	<u>\$ 220,763</u>

**Garfield County, Colorado**  
**Library Capital Improvement Fund**  
**Schedule of Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	<u>2003</u>			<u>2002</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
<b>Expenditures</b>					
Culture and recreation	\$ -	\$ 19,853	\$ 19,852	\$ 1	\$ -
<b>Other Financing Sources</b>					
Transfers in	<u>210,853</u>	<u>210,853</u>	<u>210,853</u>	<u>-</u>	<u>220,763</u>
<b>Net Change in Fund Balances</b>	<u>\$ 210,853</u>	<u>\$ 191,000</u>	191,001	<u>\$ 1</u>	220,763
<b>Fund Balances Beginning of Year</b>			<u>220,763</u>		<u>-</u>
<b>Fund Balances End of Year</b>			<u>\$ 411,764</u>		<u>\$ 220,763</u>

**Garfield County, Colorado**  
**Retirement Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 225,930	\$ 196,289
Receivables:		
Accounts	15,771	-
Property taxes	366,717	439,948
Interfund	238	1,565
<b>Total Assets</b>	<u>\$ 608,656</u>	<u>\$ 637,802</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 38,036
Deferred property taxes	366,717	439,948
<b>Total Liabilities</b>	<u>366,717</u>	<u>477,984</u>
<b>Fund Balances</b>		
Unreserved, undesignated	241,939	159,818
<b>Total Liabilities and Fund Balances</b>	<u>\$ 608,656</u>	<u>\$ 637,802</u>

**Garfield County, Colorado**  
**Retirement Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Property taxes	\$ 429,961	\$ 429,961	\$ 426,715	\$ (3,246)	\$ 383,067
Specific ownership taxes	47,000	47,000	56,085	9,085	47,782
Intergovernmental	-	-	-	-	10,033
Other contributions	105,000	105,000	45,354	(59,646)	67,863
Miscellaneous	-	-	487	487	89
<b>Total Revenues</b>	<u>581,961</u>	<u>581,961</u>	<u>528,641</u>	<u>(53,320)</u>	<u>508,834</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	188,737	211,211	115,238	95,973	151,046
Public safety	128,472	148,049	136,861	11,188	120,030
Public works	54,200	54,194	51,034	3,160	53,100
Health and welfare	117,950	138,968	110,639	28,329	111,501
Culture and recreation	89,040	35,156	30,429	4,727	29,502
<b>Intergovernmental</b>	<u>2,348</u>	<u>2,430</u>	<u>2,319</u>	<u>111</u>	<u>-</u>
<b>Total Expenditures</b>	<u>580,747</u>	<u>590,008</u>	<u>446,520</u>	<u>143,488</u>	<u>465,179</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	1,214	(8,047)	82,121	90,168	43,655
<b>Other Financing Sources</b>					
Transfers in	-	-	-	-	100,000
<b>Net Change in Fund Balances</b>	<u>\$ 1,214</u>	<u>\$ (8,047)</u>	82,121	<u>\$ 90,168</u>	143,655
<b>Fund Balances Beginning of Year</b>			159,818		16,163
<b>Fund Balances End of Year</b>			<u>\$ 241,939</u>		<u>\$ 159,818</u>

**Garfield County, Colorado**  
***Airport Fund***  
***Comparative Balance Sheet***  
***December 31, 2003 and 2002***

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 113,518	\$ 140,128
Other cash and investments	-	135
Receivables:		
Accounts	7,544	-
Interfund	205,394	187,769
<b>Total Assets</b>	<u>\$ 326,456</u>	<u>\$ 328,032</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 55,800	\$ 6,751
Accrued salaries and wages	149	-
Interfund payable	235,147	236,796
<b>Total Liabilities</b>	<u>291,096</u>	<u>243,547</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>35,360</u>	<u>84,485</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 326,456</u>	<u>\$ 328,032</u>

**Garfield County, Colorado**  
**Airport Fund**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balances - Budget and Actual*  
*For the Year Ended December 31, 2003*  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Property taxes	\$ 25,620	\$ 25,620	\$ -	\$ (25,620)	\$ 4
Intergovernmental	224,500	-	98,809	98,809	209,988
Charges for services	174,524	198,344	230,886	32,542	207,596
Miscellaneous	6,320	5,000	18,864	13,864	100
<b>Total Revenues</b>	<u>430,964</u>	<u>228,964</u>	<u>348,559</u>	<u>119,595</u>	<u>417,688</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	3,131	4,636	330	4,306	-
Public works	474,526	526,982	497,354	29,628	461,578
<b>Total Expenditures</b>	<u>477,657</u>	<u>531,618</u>	<u>497,684</u>	<u>33,934</u>	<u>461,578</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(46,693)	(302,654)	(149,125)	153,529	(43,890)
<b>Other Financing Sources</b>					
Transfers in	100,000	100,000	100,000	-	100,000
<b>Net Change in Fund Balances</b>	<u>\$ 53,307</u>	<u>\$ (202,654)</u>	(49,125)	<u>\$ 153,529</u>	56,110
<b>Fund Balances Beginning of Year</b>			84,485		28,375
<b>Fund Balances End of Year</b>			<u>\$ 35,360</u>		<u>\$ 84,485</u>

**Garfield County, Colorado**  
***Emergency Reserve Fund***  
***Comparative Balance Sheet***  
***December 31, 2003 and 2002***

---

---

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 978,735	\$ 855,608
Intergovernmental receivable	-	148,541
	<u>978,735</u>	<u>1,004,149</u>
<b>Total Assets</b>	<u>\$ 978,735</u>	<u>\$ 1,004,149</u>
<b>Fund Balances</b>		
Reserved for emergencies	<u>\$ 978,735</u>	<u>\$ 1,004,149</u>

**Garfield County, Colorado**  
**Emergency Reserve Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Intergovernmental	\$ -	\$ 50,000	\$ 11,946	\$ (38,054)	\$ 454,170
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	-	-	-	-	244,021
Public works	-	80,000	37,360	42,640	-
<b>Total Expenditures</b>	-	80,000	37,360	42,640	244,021
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ (30,000)</u>	(25,414)	<u>\$ 4,586</u>	210,149
<b>Fund Balances Beginning of Year</b>			1,004,149		794,000
<b>Fund Balances End of Year</b>			<u>\$ 978,735</u>		<u>\$ 1,004,149</u>

**Garfield County, Colorado**  
**Commissary Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 48,069	\$ 43,566
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 723	\$ 1,430
Interfund payable	3,631	451
<b>Total Liabilities</b>	4,354	1,881
<b>Fund Balances</b>		
Unreserved, undesignated	43,715	41,685
<b>Total Liabilities and Fund Balances</b>	\$ 48,069	\$ 43,566

**Garfield County, Colorado**  
**Commissary Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Miscellaneous	\$ 58,000	\$ 58,000	\$ 57,907	\$ (93)	\$ 46,083
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	57,339	57,734	55,877	1,857	38,717
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 661</u>	<u>\$ 266</u>	2,030	<u>\$ 1,764</u>	7,366
<b>Fund Balances Beginning of Year</b>			<u>41,685</u>		<u>34,319</u>
<b>Fund Balances End of Year</b>			<u>\$ 43,715</u>		<u>\$ 41,685</u>

**Garfield County, Colorado**  
***Oil and Gas Impact Fund***  
***Comparative Balance Sheet***  
***December 31, 2003 and 2002***

---

---

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	<u>\$ 31,328</u>	<u>\$ 31,328</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>\$ 31,328</u>	<u>\$ 31,328</u>

**Garfield County, Colorado**  
**Oil and Gas Impact Fund**  
**Comparative Statement of Revenues and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Revenues</b>		
Property taxes	\$ -	\$ 12
<b>Fund Balances Beginning of Year</b>	<u>31,328</u>	<u>31,316</u>
<b>Fund Balances End of Year</b>	<u><u>\$ 31,328</u></u>	<u><u>\$ 31,328</u></u>

**Garfield County, Colorado**  
***Off-site Road Improvements Fund***  
***Comparative Balance Sheet***  
***December 31, 2003 and 2002***

---

---

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	<u>\$ 282,129</u>	<u>\$ 196,276</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>\$ 282,129</u>	<u>\$ 196,276</u>

**Garfield County, Colorado**  
**Off-site Road Improvements Fund**  
**Schedule of Revenues and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Investment earnings	\$ 1,205	\$ 2,952	\$ 2,753	\$ (199)	\$ 2,952
Miscellaneous	23,820	88,491	83,100	(5,391)	88,491
<b>Total Revenues</b>	\$ 25,025	\$ 91,443	85,853	\$ (5,590)	91,443
<b>Fund Balances Beginning of Year</b>			196,276		104,833
<b>Fund Balances End of Year</b>			\$ 282,129		\$ 196,276

**Garfield County, Colorado**  
**Conservation Trust Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 288,868	\$ 136,115
Intergovernmental receivable	37,849	41,260
<b>Total Assets</b>	<u>\$ 326,717</u>	<u>\$ 177,375</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>\$ 326,717</u>	<u>\$ 177,375</u>

**Garfield County, Colorado**  
**Conservation Trust Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Intergovernmental	\$ 150,000	\$ 150,000	\$ 149,342	\$ (658)	\$ 172,103
<b>Expenditures</b>					
Capital Outlay	-	-	-	-	1,739
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	149,342	<u>\$ (658)</u>	170,364
<b>Fund Balances Beginning of Year</b>			<u>177,375</u>		<u>7,011</u>
<b>Fund Balances End of Year</b>			<u>\$ 326,717</u>		<u>\$ 177,375</u>

**Garfield County, Colorado**  
*Search and Rescue Fund*  
**Comparative Balance Sheet**  
*December 31, 2003 and 2002*

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 10,137	\$ 9,958
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Interfund payable	\$ 78	\$ -
<b>Fund Balances</b>		
Unreserved, undesignated	<u>10,059</u>	<u>9,958</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,137</u>	<u>\$ 9,958</u>

**Garfield County, Colorado**  
**Search and Rescue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	<u>2003</u>			<u>2002</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
<b>Revenues</b>					
Contributions and donations	\$ 10,000	\$ 10,000	\$ 2,270	\$ (7,730)	\$ 9,290
Investment earnings	-	-	119	119	33
Miscellaneous	4,310	4,310	268	(4,042)	738
<b>Total Revenues</b>	14,310	14,310	2,657	(11,653)	10,061
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	-	9,275	2,556	6,719	103
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 14,310</u>	<u>\$ 5,035</u>	101	<u>\$ (4,934)</u>	9,958
<b>Fund Balances Beginning of Year</b>			9,958		-
<b>Fund Balances End of Year</b>			<u>\$ 10,059</u>		<u>\$ 9,958</u>

**Garfield County, Colorado**  
**Fair Board Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 94,901	\$ 88,871
Receivables:		
Accounts	1,257	-
Intergovernmental	-	(122)
Interfund	-	9,054
<b>Total Assets</b>	<u>\$ 96,158</u>	<u>\$ 97,803</u>
 <b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Interfund payable	\$ 738	\$ -
 <b>Fund Balances</b>		
Reserved for program purposes	<u>95,420</u>	<u>97,803</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 96,158</u>	<u>\$ 97,803</u>

**Garfield County, Colorado**  
**Fair Board Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Sales taxes	\$ 15,245	\$ 15,245	\$ 16,029	\$ 784	\$ 23,548
Investment earnings	-	-	1,001	1,001	1,059
Contributions and donations	50,810	50,810	30,010	(20,800)	105,942
<b>Total Revenues</b>	66,055	66,055	47,040	(19,015)	130,549
<b>Expenditures</b>					
<b>Current:</b>					
Culture and recreation	54,031	71,031	49,423	21,608	32,746
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$ 12,024	\$ (4,976)	(2,383)	\$ 2,593	97,803
<b>Fund Balances Beginning of Year</b>			97,803		-
<b>Fund Balances End of Year</b>			\$ 95,420		\$ 97,803

**Garfield County, Colorado**  
**Capital Expenditure Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 3,604,097	\$ 1,703,335
Cash held with trustee	1,906,293	-
Receivables:		
Accounts	30,817	-
Property taxes	1,031,797	2,566,366
Interfund	1,130,964	2,148,549
Prepaid items	3,250	-
<b>Total Assets</b>	<u>\$ 7,707,218</u>	<u>\$ 6,418,250</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 19,976	\$ 177,019
Interfund payable	28,121	10,093
Deferred revenue	1,031,797	2,566,366
<b>Total Liabilities</b>	<u>1,079,894</u>	<u>2,753,478</u>
<b>Fund Balances</b>		
Reserved for:		
Capital projects	6,624,074	3,664,772
Prepaid items	3,250	-
<b>Total Fund Balances</b>	<u>6,627,324</u>	<u>3,664,772</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,707,218</u>	<u>\$ 6,418,250</u>

**Garfield County, Colorado**  
**Capital Expenditures Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Property taxes	\$ 2,504,439	\$ 2,504,439	\$ 2,489,445	\$ (14,994)	\$ 2,390,779
Specific ownership taxes	315,000	315,000	329,143	14,143	307,431
Intergovernmental	-	202,000	65,159	(136,841)	-
Charges for services	1,880,740	1,706,238	1,706,234	(4)	-
Investment earnings	113,657	-	76,109	76,109	-
Miscellaneous	-	-	4,448	4,448	42,467
<b>Total Revenues</b>	<u>4,813,836</u>	<u>4,727,677</u>	<u>4,670,538</u>	<u>(57,139)</u>	<u>2,740,677</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	-	572,307	543,880	28,427	-
Public safety	-	191,254	169,833	21,421	-
Public works	-	20,552	12,552	8,000	-
Culture and recreation	-	40,253	35,016	5,237	-
<b>Capital Outlay</b>	855,398	-	-	-	1,855,680
<b>Debt Service:</b>					
Principal	460,000	460,000	460,000	-	-
Interest	1,510,172	1,109,222	1,109,221	1	-
<b>Total Expenditures</b>	<u>2,825,570</u>	<u>2,393,588</u>	<u>2,330,502</u>	<u>63,086</u>	<u>1,855,680</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,988,266</u>	<u>2,334,089</u>	<u>2,340,036</u>	<u>5,947</u>	<u>884,997</u>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	-	-	-	-	29,000
Transfers in	-	-	622,516	622,516	-
Transfers out	-	-	-	-	(892,975)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>622,516</u>	<u>622,516</u>	<u>(863,975)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,988,266</u>	<u>\$ 2,334,089</u>	<u>2,962,552</u>	<u>\$ 628,463</u>	<u>21,022</u>
<b>Fund Balances Beginning of Year</b>			<u>3,664,772</u>		<u>3,643,750</u>
<b>Fund Balances End of Year</b>			<u>\$ 6,627,324</u>		<u>\$ 3,664,772</u>

**Garfield County, Colorado**  
***Public Works Fund***  
***Comparative Balance Sheet***  
***December 31, 2003 and 2002***

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ -	\$ 732,904
Cash held with trustee	-	1,133,654
Interfund receivable	-	23,113
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 1,889,671</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 388,209
Interfund payable	-	1,233,159
<b>Total Liabilities</b>	<u>-</u>	<u>1,621,368</u>
<b>Fund Balances</b>		
Reserved for:		
Debt service	-	726,772
Unreserved, undesignated	-	(458,469)
<b>Total Fund Balances</b>	<u>-</u>	<u>268,303</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 1,889,671</u>

**Garfield County, Colorado**  
**Public Works Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<b>2003</b>	<b>2002</b>
<b>Revenues</b>		
Investment earnings	\$ -	\$ 120,296
Miscellaneous	-	279,242
<b>Total revenues</b>	<u>-</u>	<u>399,538</u>
<b>Expenditures</b>		
<b>Capital Outlay</b>	-	6,366,077
<b>Debt Service:</b>		
Principal retirement	-	150,000
Interest and fiscal charges	-	451,319
<b>Total Expenditures</b>	<u>-</u>	<u>6,967,396</u>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over (Under) Expenditures</b>	<u>-</u>	<u>(6,567,858)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	396
Transfers out	<u>(268,303)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(268,303)</u>	<u>396</u>
<b>Net Change in Fund Balances</b>	(268,303)	(6,567,462)
<b>Fund Balances Beginning of Year</b>	<u>268,303</u>	<u>6,835,765</u>
<b>Fund Balances End of Year</b>	<u>\$ -</u>	<u>\$ 268,303</u>

**Garfield County, Colorado**  
**Debt Service Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	2003	2002
<b>Assets</b>		
Investments	\$ -	\$ 1,094,663
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Interfund payable	\$ -	\$ 740,450
<b>Fund Balances</b>		
Reserved for debt service	-	354,213
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 1,094,663</u>

**Garfield County, Colorado**  
**Debt Service Fund**  
**Comparative Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Revenues</b>		
Investment earnings	\$ -	\$ 33,927
<b>Expenditures</b>		
<b>Debt Service:</b>		
Principal retirement	-	295,000
Interest and fiscal charges	-	711,560
<b>Total Expenditures</b>	<u>-</u>	<u>1,006,560</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>-</u>	<u>(972,633)</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	892,975
Transfers out	<u>(354,213)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(354,213)</u>	<u>892,975</u>
<b>Net Change in Fund Balances</b>	(354,213)	(79,658)
<b>Fund Balances Beginning of Year</b>	<u>354,213</u>	<u>433,871</u>
<b>Fund Balances End of Year</b>	<u>\$ -</u>	<u>\$ 354,213</u>

**Garfield County, Colorado**  
**Solid Waste Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in pooled cash and investments	\$ 2,180,646	\$ 2,010,885
Investments	250	250
Receivables:		
Accounts	159,478	124,695
Interfund	-	1,993
<b>Total Current Assets</b>	<u>2,340,374</u>	<u>2,137,823</u>
<b>Noncurrent Assets:</b>		
Capital Assets:		
Land	2,596	2,596
Depreciable capital assets, net	600,578	265,744
<b>Total Noncurrent Assets</b>	<u>603,174</u>	<u>268,340</u>
<b>Total Assets</b>	<u>2,943,548</u>	<u>2,406,163</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	15,926	22,061
Accrued salaries and wages	6,373	-
Interfund payable	848	2,732
Compensated absences payable	2,203	1,780
<b>Total Current Liabilities</b>	<u>25,350</u>	<u>26,573</u>
<b>Long-term Liabilities</b>		
Compensated absences payable	8,811	7,118
Landfill closure and postclosure care	186,653	172,689
<b>Total Long-term Liabilities</b>	<u>195,464</u>	<u>179,807</u>
<b>Total Liabilities</b>	<u>220,814</u>	<u>206,380</u>
<b>Net Assets</b>		
Invested in capital assets	603,174	268,340
Unrestricted	2,119,560	1,931,443
<b>Total Net Assets</b>	<u>\$ 2,722,734</u>	<u>\$ 2,199,783</u>

**Garfield County, Colorado**  
**Solid Waste Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Operating Revenues</b>		
Charges for services	\$ 1,066,400	\$ 764,541
Miscellaneous	1,465	(1,322)
<b>Total Operating Revenues</b>	<u>1,067,865</u>	<u>763,219</u>
<b>Operating Expenses</b>		
Personnel services	156,188	140,492
Payroll taxes	10,908	10,691
Employee benefits	45,839	49,126
Treasurer fees	10,312	9,384
Operating supplies	19,637	22,841
Building repair and maintenance	17,785	271
Professional services	51,407	51,711
State fees	13,990	12,140
Fuel and lubrication	25,455	13,018
Utilities	8,096	7,425
Other	(2,927)	311,360
Depreciation	74,260	38,197
Closure and postclosure care costs	13,964	21,395
<b>Total Operating Expenses</b>	<u>444,914</u>	<u>688,051</u>
<b>Operating Income</b>	622,951	75,168
Transfers out	(100,000)	(100,000)
<b>Change in Net Assets</b>	522,951	(24,832)
<b>Net Assets Beginning of Year</b>	<u>2,199,783</u>	<u>2,224,615</u>
<b>Net Assets End of Year</b>	<u>\$ 2,722,734</u>	<u>\$ 2,199,783</u>

**Garfield County, Colorado**  
**Solid Waste Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Net Income - Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Charges for services	\$ 943,960	\$ 940,000	\$ 1,066,400	\$ 126,400	\$ 764,541
Others	-	-	1,465	1,465	(1,322)
<b>Total Revenues</b>	<u>943,960</u>	<u>940,000</u>	<u>1,067,865</u>	<u>127,865</u>	<u>763,219</u>
<b>Expenditures</b>					
Personnel services	167,496	184,656	156,188	28,468	140,492
Payroll taxes	12,393	11,080	10,908	172	10,691
Employee benefits	65,035	53,907	45,839	8,068	49,126
Treasurer fees	8,000	8,000	10,312	(2,312)	9,384
Operating supplies	19,982	22,508	19,637	2,871	21,987
Dust control	-	1,600	-	1,600	854
Building repair and maintenance	18,650	18,250	17,785	465	271
Professional services	54,700	60,500	51,407	9,093	51,711
State fees	18,000	18,000	13,990	4,010	12,140
Fuel and lubrication	17,000	26,500	25,455	1,045	13,018
Utilities	8,980	11,010	8,096	2,914	7,425
Excavation	324,000	374,000	363,995	10,005	316,008
Lease payments	-	-	-	-	4,268
Transfer to other funds	100,000	100,000	100,000	-	100,000
Other	70,425	74,670	42,119	32,551	5,928
Contingency	6,480	5,253	53	5,200	-
<b>Total Expenditures</b>	<u>891,141</u>	<u>969,934</u>	<u>865,784</u>	<u>104,150</u>	<u>743,303</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 52,819</u>	<u>\$ (29,934)</u>	202,081	<u>\$ 232,015</u>	19,916
<b>Add: Capitalized purchases</b>			409,094		14,844
<b>Less:</b>					
Depreciation expense			(74,260)		(38,197)
Closure/post-closure care			<u>(13,964)</u>		<u>(21,395)</u>
<b>Change in Net Assets - GAAP Basis</b>			<u>\$ 522,951</u>		<u>\$ (24,832)</u>

**Garfield County, Colorado**  
**Solid Waste Fund**  
**Comparative Statement of Cash Flows**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,033,082	\$ 941,053
Cash payments to employees for services	(204,446)	(201,886)
Cash payments for goods and services	(149,781)	(410,286)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>678,855</u>	<u>328,881</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers out	(100,000)	(100,000)
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from sale of capital assets	-	-
Payments for capital acquisitions	(409,094)	(14,844)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(409,094)</u>	<u>(14,844)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	169,761	214,037
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>2,011,135</u>	<u>1,797,098</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 2,180,896</u>	<u>\$ 2,011,135</u>

(continued)

**Garfield County, Colorado**  
**Solid Waste Fund**  
**Comparative Statement of Cash Flows**  
**For the Years Ended December 31, 2003 and 2002**

(continued)

	2003	2002
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>		
<b>Operating Income</b>	\$ 622,951	\$ 75,168
<b>Adjustments:</b>		
Depreciation	74,260	38,197
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	(34,783)	177,835
Interfund receivable	1,993	(740)
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable	(6,135)	7,562
Interfund payable	(1,884)	849
Accrued wages	6,373	-
Compensated absences payable	2,116	(1,577)
Closure and post-closure liability	13,964	21,395
Loss on disposal of assets	-	10,192
<b>Net Cash Provided by (Used in) Operating Activities</b>	\$ 678,855	\$ 328,881

**Garfield County, Colorado**  
**Motor Pool Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>Restated 2002</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in pooled cash and investments	\$ 1,143,088	\$ 587,745
Receivables:		
Accounts	2,121	-
Interfund	196,822	371,348
<b>Total Current Assets</b>	<u>1,342,031</u>	<u>959,093</u>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b>		
Depreciable capital assets, net	521,177	517,864
<b>Total Assets</b>	<u>1,863,208</u>	<u>1,476,957</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	15,345	23,162
Accrued wages	1,044	-
Interfund payable	16	5,009
<b>Total Current Liabilities</b>	<u>16,405</u>	<u>28,171</u>
<b>Net Assets</b>		
Invested in capital assets	521,177	517,864
Unrestricted	1,325,626	930,922
<b>Total Net Assets</b>	<u>\$ 1,846,803</u>	<u>\$ 1,448,786</u>

**Garfield County, Colorado**  
**Motor Pool Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>Restated 2002</u>
<b>Operating Revenues</b>		
Charges for services	\$ 886,834	\$ 792,594
Miscellaneous	43,465	9,593
<b>Total Operating Revenues</b>	<u>930,299</u>	<u>802,187</u>
<b>Operating Expenses</b>		
Personal services	88,919	60,565
Operating supplies	192,913	134,846
Purchased services	73,187	95,611
Other	45,119	20,992
Depreciation	343,204	345,159
<b>Total Operating Expenses</b>	<u>743,342</u>	<u>657,173</u>
<b>Operating Income</b>	186,957	145,014
<b>Non-Operating Revenues</b>		
Gain on sale of capital assets	10,230	833
<b>Income Before Capital Contributions</b>	197,187	145,847
Capital contributions	200,830	255,862
<b>Change in Net Assets</b>	398,017	401,709
<b>Net Assets Beginning of Year</b>	1,448,786	906,334
<b>Prior Period Adjustment - Note 2C</b>	-	140,743
<b>Net Assets End of Year</b>	<u>\$ 1,846,803</u>	<u>\$ 1,448,786</u>

**Garfield County, Colorado**  
**Motor Pool Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Net Income - Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2003**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2002)**

	2003			2002	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Charges for services	\$ 774,100	\$ 774,100	\$ 886,833	\$ 112,733	\$ 792,594
Gain on sale of assets	24,000	24,000	10,230	(13,770)	833
Miscellaneous	7,160	7,160	43,466	36,306	9,593
<b>Total Revenues</b>	<u>805,260</u>	<u>805,260</u>	<u>940,529</u>	<u>135,269</u>	<u>803,020</u>
<b>Expenditures</b>					
Salaries and benefits	90,625	94,082	88,919	5,163	60,565
Supplies	162,087	203,960	192,913	11,047	134,846
Purchased services	68,975	82,490	73,187	9,303	95,611
Capital outlay	197,583	154,461	151,612	2,849	202,409
Other	-	48,528	45,119	3,409	-
<b>Total Expenditures</b>	<u>519,270</u>	<u>583,521</u>	<u>551,750</u>	<u>31,771</u>	<u>493,431</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 285,990</u>	<u>\$ 221,739</u>	388,779	<u>\$ 167,040</u>	309,589
<b>Add:</b> Capitalized purchases			151,612		181,417
Contributed capital assets			200,830		
<b>Less:</b>					
Depreciation expense			<u>(343,204)</u>		<u>(345,159)</u>
<b>Change in Net Assets - GAAP Basis</b>			<u>\$ 398,017</u>		<u>\$ 145,847</u>

**Garfield County, Colorado**  
**Motor Pool Fund**  
**Comparative Statement of Cash Flows**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,102,704	\$ 581,035
Cash payments to employees for services	(87,875)	(61,354)
Cash payments for goods and services	<u>(324,029)</u>	<u>(234,204)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>690,800</u>	<u>285,477</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from sale of capital assets	16,155	13,400
Payments for capital acquisitions	<u>(151,612)</u>	<u>(181,417)</u>
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(135,457)</u>	<u>(168,017)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	555,343	117,460
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>587,745</u>	<u>470,285</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 1,143,088</u>	<u>\$ 587,745</u>

(continued)

**Garfield County, Colorado**  
**Motor Pool Fund**  
**Comparative Statement of Cash Flows**

(continued)

	<u>2003</u>	<u>2002</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>		
<b>Operating Income</b>	\$ 186,957	\$ 145,014
<b>Adjustments:</b>		
Depreciation	343,204	345,159
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	(2,121)	150,194
Interfund receivable	174,526	(371,348)
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable	(7,817)	12,238
Wages payable	1,044	-
Interfund payable	(4,993)	5,009
Compensated absences payable	-	(789)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 690,800</u>	<u>\$ 285,477</u>
<b>Non-Cash Capital Items</b>		
Capital Assets Contributed	<u>\$ 200,830</u>	<u>\$ 255,862</u>

**Garfield County, Colorado**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For The Year Ended December 31, 2003**

	<b>Balance</b>			<b>Balance</b>
	<b>January 1, 2002</b>	<b>Additions</b>	<b>Deductions</b>	<b>December 31, 2003</b>
<b>County Treasurer</b>				
<b>Assets</b>				
Cash and investments	\$ 1,149,113	\$ 166,960,174	\$ 166,838,140	\$ 1,271,147
<b>Liabilities</b>				
Due to other governments	\$ 1,149,113	\$ 166,960,174	\$ 166,838,140	\$ 1,271,147
<b>County Clerk</b>				
<b>Assets</b>				
Cash	\$ 1,050,771	\$ 11,654,309	\$ 11,603,069	\$ 1,102,011
<b>Liabilities</b>				
Due to other governments	\$ 1,050,771	\$ 11,654,309	\$ 11,603,069	\$ 1,102,011
<b>County Sheriff Contraband</b>				
<b>Assets</b>				
Cash	\$ 34,865	\$ 172	\$ 4,200	\$ 30,837
<b>Liabilities</b>				
Due to other governments	\$ 34,865	\$ 172	\$ 4,200	\$ 30,837
<b>Total</b>				
<b>Assets</b>				
Cash	\$ 2,234,749	\$ 178,614,655	\$ 178,445,409	\$ 2,403,995
<b>Liabilities</b>				
Due to other governments	\$ 2,234,749	\$ 178,614,655	\$ 178,445,409	\$ 2,403,995



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON SUPPLEMENTARY INFORMATION

March 26, 2004

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

We have audited the basic financial statements of Garfield County, Colorado for the year ended December 31, 2003, and have issued our report thereon dated March 26, 2004. Our audit of such 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 financial statements taken as a whole. The accompanying Supplemental Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Chadwick, Steinkirchner, Davis + Co., P.C.*

**This page intentionally left blank.**

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Garfield
	YEAR ENDING : December 2003

This Information From The Records Of (example - City of _ or Cou County of Garfield	Prepared By: Accounting Department Phone: 970.945.1377 ext. 1310
--	---

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	584,096
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,267,211
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	43,200
3. Other local imposts (from page 2)	2,857,408	c. Other	
4. Miscellaneous local receipts (from page 2)	901,429	d. Total (a. through c.)	43,200
5. Transfers from toll facilities		4. General administration & miscellaneous	895,483
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	4,789,990
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	3,758,837	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	2,685,160	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	430,002	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	6,873,999	b. Redemption	
		c. Total (a. + b.)	411,776
		3. Total (1.c + 2.c)	411,776
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C)</b>	5,201,766

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	6,095,040	6,873,999	5,201,766	7,767,273	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2003

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assesments	866,257	a. Interest on investments	
b. Other local imposts:		b. Other	(30,538)
1. Sales Taxes	1,889,638	c. Transfers	
2. Traffic Fines	0	d. Capital Credits	
3. Specific Ownership Tax	101,514	e. Sale of Assets	599,005
		f. Fees/Licenses/Permits	307,401
5. From Cities/Counties	0	g. Service Performed	
6. Total (1. through 5.)	1,991,152	h. Refunds of Expenditures	25,561
c. Total (a. + b.)	2,857,408	i. Total (a. through h.)	901,429
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,513,220	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	430,002
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registration	111,940	d. Mineral Leasing	
d. (Specify) DOLA Grant	60,000	e. Pay Lieu of Tax	
e. (Specify)		f. Other Federal	
f. Total (a. through e.)	171,940	g. Total (a. through f.)	430,002
4. Total (1. + 2. + 3.f)	2,685,160	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		24,992	24,992
c. Construction:			
(1). Capacity Improvements			0
(2). System Preservation		153,496	153,496
(3). Safety And Other		405,609	405,609
(4). Total Construction (1)+(2)+(3)	0	559,104	559,104
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	584,096	584,096
			(Carry forward to page 1)

Notes and Comments:

Garfield County, Colorado

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2003

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>2003 Amount of Award Expended</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed Through Colorado Department of Health Care Policy and Financing: Medical Assistance Program	93.778	\$ 199,592
Passed Through Colorado Department of Public Health and Environment:		
Immunization Grants	93.268	90,792
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	41,663
Medical Assistance Program	93.778	6,638
Maternal and Child Health Services Block Grants to the States	93.994	154,720
Maternal and Child Health Federal Consolidated Programs	93.110	1,579
Family Planning Services	93.217	425
Passed Through Colorado Department of Human Services:		
Temporary Assistance for Needy Families	93.558	1,217,112
Child Support Enforcement (Title IV-D)	93.563	439,287
Low-Income Home Energy Assistance	93.568	135,005
Child Care and Development Block Grant	93.575	72,912
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	441,789
Child Welfare Services - State Grants	93.645	33,010
Foster Care - Title IV-E	93.658	501,873
Adoption Assistance	93.659	95,287
Social Services Block Grant	93.667	288,472
Independent Living	93.674	14,873
Medical Assistance Program	93.778	540,933
Passed Through Colorado Department of Local Affairs:		
Community Services Block Grant	93.569	37,879
Total Department of Health and Human Services		<u>4,313,841</u>
<b>DEPARTMENT OF TRANSPORTATION</b>		
Direct:		
Airport Improvement Program	20.106	109,312

Garfield County, Colorado

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS -CONTINUED

Year ended December 31, 2003

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>2003 Amount of Award Expended</u>
<b>DEPARTMENT OF AGRICULTURE</b>		
Passed Through Colorado Department of Human Services:		
Food Donation	10.569	20,483
Food Stamps	10.551	1,678,727
State Administrative Matching Grants for Food Stamp Program	10.561	135,255
Emergency Food Assistance Program (Administrative Costs)	10.568	1,917
Passed Through Colorado Department of Public Health and Environment:		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	<u>825,849</u>
Total Department of Agriculture		<u>2,662,231</u>
<b>DEPARTMENT OF JUSTICE</b>		
Passed Through Colorado Department of Public Safety:		
Bulletproof Vest Partnership Program	16.607	1,727
Passed Through City of Glenwood Springs, Colorado:		
High Intensity Drug Trafficking Assistance	16.729	<u>4,326</u>
Total Department of Justice		<u>6,053</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
Passed Through Colorado Department of Local Affairs:		
Homeland Security Preparedness Technical Assistance	97.007	15,037
<b>OFFICE OF NATIONAL PREPAREDNESS</b>		
Passed Through Colorado Department of Local Affairs:		
Emergency Management Performance Grant	83.552	<u>9,125</u>
Total Federal Award Expenditures		<u>\$ 7,115,599</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, 2003

---

**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 2003.

**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.

**This page intentionally left blank.**



**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 26, 2004

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

We have audited the basic financial statements of Garfield County, Colorado as of and for the year ended December 31, 2003, and have issued our report thereon dated March 26, 2004. 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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



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

March 26, 2004

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, 2003. 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, 2003.



Garfield County, Colorado

March 26, 2004

Page Two

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



Garfield County, Colorado  
March 26, 2004  
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, Steinkirchner, Davis + Co., P.C.*

Garfield County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2003

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Reportable condition(s) identified  
not considered to be material weaknesses?  
reported \_\_\_\_\_ yes ✓ none

Noncompliance material to financial statements  
noted? \_\_\_\_\_ yes ✓ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes ✓ no

Reportable condition(s) identified  
not considered to be material weaknesses?  
reported \_\_\_\_\_ yes ✓ none

Type of auditor's report issued on compliance  
for major programs: Unqualified Opinion

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)? \_\_\_\_\_ yes ✓ no

Identification of major programs:

CFDA	
<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	Food Stamps cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between  
Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes ✓ no

Garfield County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2003

---

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, 2003

---

There were no prior year findings.