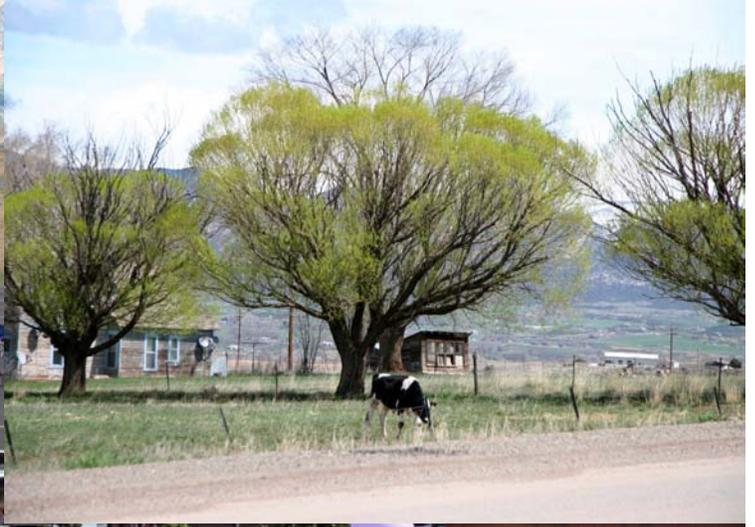


GARFIELD COUNTY, COLORADO

2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011





Garfield County, Colorado

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2011

Prepared by the Finance Department



Prepared by the Finance Department

Lisa Dawson, Director of Administrative Services

Ann Driggers, Assistant Director of Administrative Services

Cathleen Van Roekel, Finance Administrator

Bob Prendergast, Finance Administrator

Teresa Beecraft, Accounting Supervisor

Kelicia Costello, Accounting Supervisor

Jenny Langhorst, Accounting Supervisor

Michelle David, Accountant

If you have questions regarding this report, call or fax us at:

Phone: 970.945.7284 • Fax: 970.384.5011

Our mailing address is:

Garfield County

Finance Department

108 8th Street, Suite 201

Glenwood Springs, CO 81601

Contact us through our website:

www.garfield-county.com

Garfield County, Colorado
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2011

Table of Contents

Introductory Section

Transmittal Letter A1-A6
 GFOA Certificate of Achievement for Excellence in Financial Reporting..... A7
 List of Principal Officials A8-A9
 Organization Chart A10

Financial Section

Independent Auditor’s Report B1-B2
 Management’s Discussion and Analysis..... B3-B18

Basic Financial Statements

Governmental Wide Financial Statements

Statement of Net Assets C1
 Statement of Activities C2

Governmental Funds Financial Statements

Balance Sheet – Governmental Funds C3
 Reconciliation of the Governmental Funds Balance Sheet to the Statement
 of Net Assets C4
 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Governmental Funds C5
 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures and Changes in Fund Balances to the Statement of Activities..... C6

Proprietary Funds Financial Statements

Statement of Net Assets – Proprietary Funds C7
 Statement of Revenues, Expenses and Changes in Fund Net Assets –
 Proprietary Funds C8
 Statement of Cash Flows – Proprietary Funds..... C9

Fiduciary Funds Financial Statements

Statement of Changes in Fiduciary Assets and Liabilities C10

Notes to the Basic Financial Statements D1-D18

Required Supplementary Information

Major Governmental Funds

General Fund Schedule of Revenues, Expenditures and Changes in Fund
 Balances – Budget and Actual E1
 Road and Bridge Fund Schedule of Revenues, Expenditures and Changes
 in Fund Balances – Budget and Actual E2
 Human Services Fund Schedule of Revenues, Expenditures and Changes
 in Fund Balances – Budget and Actual E3
 Capital Expenditures Fund Schedule of Revenues, Expenditures and
 Changes in Fund Balances – Budget and Actual E4
 Oil and Gas Mitigation Fund Schedule of Revenues, Expenditures and
 Changes in Fund Balances – Budget and Actual E5
 Notes to Required Supplementary Information E6

Table of Contents (continued)

Supplementary Information

Non-major Special Revenue Funds

Combining Balance Sheet	F1-F2
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	F3-F4
<i>Airport Fund</i> : Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	F5
<i>Conservation Trust Fund</i> : Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	F6
<i>Grant Fund</i> : Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	F7
<i>Clerk and Recorder EFTF Fund</i> : Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	F8
<i>Traffic Study Fund</i> : Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	F9
<i>Retirement Fund</i> : Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	F10
<i>Traveler’s Highland PID</i> : Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	F11
<i>Public Health Fund</i> : Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	F12

Proprietary Funds

Major Enterprise Fund/Solid Waste Fund

Schedule of Revenues, Expenditures and Changes in Net Assets – Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis.....	F13
---	-----

Internal Service Fund/Motor Pool Fund

Schedule of Revenues, Expenditures and Changes in Net Assets – Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis.....	F14
---	-----

Fiduciary Funds/Agency Funds

Combining Statement of Changes in Assets and Liabilities	F15
--	-----

Local Highway Finance Report	F16-F17
---	---------

Statistical Section – Unaudited

Net Assets by Component	G1
Changes in Net Assets	G2
Fund Balances, Governmental Funds.....	G3
Revenues, Expenditures and Changes in Fund Balance, Governmental Funds	G4
General Government Tax Revenues by Source	G5
Assessed and Estimated Actual Value of Taxable Property.....	G6
Property Tax Rates – Direct & Overlapping Governments	G7
Property Tax Levies – Direct & Overlapping Governments	G8
Principal Taxpayers	G9
County Property Tax Levies and Collections	G10
General Government Revenues by Source	G11
Direct & Overlapping Governmental Activities Debt	G12
Computation of Legal Debt Margin – General Obligation Debt	G13
Ratios of Outstanding Debt by Type	G14

Table of Contents (continued)

Demographic and Economic Statistics.....	G15
Ten Principal Employers.....	G16
Positions by Department	G17
Capital Assets by Function/Program.....	G18
Operating Indicators by Function/Program	G19
Property Transfers – Total Dollar Volume.....	G20
Property Transfers – Total Unit Count	G21
Property Transfers – Average Property Prices.....	G22

Statutory Report Section – Single Audit Reports and Schedules

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.....	H1-H2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	H3-H4
Schedule of Findings and Questioned Costs	H5
Schedule of Prior Audit Findings and Questioned Costs.....	H6
Schedule of Expenditures of Federal Awards	H7-H8



INTRODUCTORY SECTION



Finance Department
108 Eighth Street, Suite 201
Glenwood Springs, Colorado 81601
970-945-7284

June 11, 2012

To the Citizens, Board of County Commissioners and the County Manager of Garfield County:

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of Garfield County, Colorado for the fiscal year ended December 31, 2011. This report was prepared in accordance with generally accepted accounting principles (GAAP) by the Finance Department of Garfield County. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial activity of the various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

This report is the result of the cooperative effort between the Finance Department and McMahan and Associates, L.L.C., our independent auditors. Colorado law requires that the financial statements of Garfield County be audited by an independent, external certified public accountant. Accordingly, the auditor's opinion has been included in the financial section of this report.

Garfield County is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1996 and the U.S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, the independent auditor's reports on the internal control and compliance with applicable laws, regulations, contracts, and grants is included in the single audit section located after the Statistical Section.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and an analysis to accompany the basic financial statements. This narrative is in the form of the Management's Discussion and Analysis (MD&A) and can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

REPORTING ENTITY

The County, for financial reporting purposes, includes all funds of the primary government, as well as all of its component units. Component units are legally separate entities which the primary government must disclose in its financial statements.

Blended component units are, from an accounting perspective, part of the primary government's operation and are included as part of the primary government. Garfield County

The Citizens of Garfield County
Board of County Commissioners
County Manager

has two blended component units: Garfield County Building Corporation and Garfield County Finance Authority.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to compliment that MD&A and should be read in conjunction with it. Garfield County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF GARFIELD COUNTY

Geography

Garfield County is located approximately 158 miles west of Denver and 88 miles east of Grand Junction. Garfield County resides both in the magnificent Colorado Rocky Mountains to the east and the plateaus to the west. It encompasses 2,958 square miles and has an estimated population of 57,900. Approximately 60 percent of the land is publicly owned and is controlled primarily by the U.S. Forest Service and the U.S. Bureau of Land Management. The County seat is located in Glenwood Springs.

Operating Structure

Garfield County, incorporated February 10, 1883, is a statutory county, defined as a service arm of the State, and derives its elected official structure and its powers from the State through enabling legislation. The three-member Board of County Commissioners serves as the legislative, policy-making and administrative body governing the unincorporated area of Garfield County. Commissioners are elected at large from one of three geographical districts and serve staggered four-year terms. In addition to having the power to levy taxes, the authority to represent the County, the responsibility for the care of County property and the management of its affairs, the Board has the exclusive responsibility and power to adopt the annual budget for operation of County government, including all offices, boards, commissions and other spending agencies funded in whole or in part by County appropriations.

Services

Garfield County provides the full range of services contemplated by State statute. These include:

- General government functions
- Public protection and safety
- Road and bridge operations
- Public health
- Human services
- Culture and recreation
- Planning and zoning
- Solid waste landfill disposal facility
- Airport operations

The Citizens of Garfield County
Board of County Commissioners
County Manager

Budgeting

The annual budget serves as the foundation for the County's financial planning and control. All activities, departments and funds of the County are prepared in compliance with State statute and generally accepted accounting principles. Supplemental appropriations are approved by the Board of County Commissioners as needed throughout the year. The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of County Commissioners. Expenditures may not legally exceed appropriations at the fund or elected official level. Detailed line item records provide management the capability to monitor budgets for all areas. Budgetary control is exercised through the use of system controls which restrict payments exceeding the budget.

Internal Control

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The valuation of costs and benefits requires estimates and judgments by management.

ECONOMIC CONDITION

Environment

The County provides a full range of traditional county services, including assessment and property tax administration; recording of vital documents and automobile registration; sheriff patrol and jail administration; court facilities; land use planning and building inspections; road maintenance and construction; welfare and public health services; a solid waste landfill disposal facility; airport operations; fairgrounds; and environmental health protection. The economy in the County continues to be dominated by energy development, tourism, ranching and farming.

Similar to other entities across the country, Garfield County is experiencing decreased demand for construction services, tourism, and recreation activity. As a result, sales tax is down almost 9% from 2010 and 32% from 2009. Although building permits increased 45% in 2011, they are down 40% from the high in 2007.

Similarly, due to the national recession, there has been a decline in natural gas production and price. With the gas industry as a primary driver of the local economy and the top ten taxpayers in Garfield County all coming from the industry, the financial health of Garfield County is significantly dependent upon and affected by the gas industry. Property tax dropped by 34% from \$70M in 2010 to \$46.6M in 2011. However, in preparation for this dramatic reduction in revenues, the County re-evaluated and prioritized its capital improvement projects, revisited all vacancies prior to the position being filled, and opted to

The Citizens of Garfield County
Board of County Commissioners
County Manager

withhold employee performance pay increases. In 2012, property tax revenues are forecast to rebound slightly with a projected increase of 11% to \$51.5m.

According to the Colorado Department of Labor and Employment, the unemployment rate for Garfield County at December 31, 2011 was 7.7%, which was equal to the state unemployment rate of 7.7% but lower than the national rate of 8.5%. Garfield County's unemployment rate at the end of 2010 was 9.5% indicating that Garfield County has experienced the affects of the national recession and downturn in the economy over the last few years.

LONG-TERM FINANCIAL PLANNING

In order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain a sound bond rating, the County maintains an unassigned fund balance in its general fund plus its oil and gas mitigation fund of at least one third of the County's total general fund expenditures. The unassigned fund balance in these two funds is 108% of the County's total general fund expenditures at the end of 2011. The County's unassigned fund balance in the general fund is 60% of regular general fund operating revenues, which also falls above the policy guidelines set by the Board of County Commissioners for budgetary and planning purposes (i.e., between 5 and 15 percent of total general fund revenues). Due to the volatile economy driven by the oil and gas industry, Garfield County strives to maintain an unassigned fund balance in the general fund in excess of these recommendations.

The general fund had an excess of revenues over expenditures of approximately \$10.5 million in 2011 and had an ending fund balance of approximately \$36.8 million. This fund balance should provide the County with sufficient working capital to meet the 2012 goals and objectives.

The County assiduously works to maintain a strong, diverse revenue base recognizing that a dependence upon any individual revenue source would cause revenues to become more vulnerable to economic cycles. Revenues are conservatively projected using trend analysis, estimates based on known assumptions, evaluation of the local economy and the primary drivers of that economy, and estimates from other governments (i.e., state and federal). Garfield County is forecasting a slow recovery in revenues over the next several years, primarily as a result from the stagnation in natural gas production and prices. Approximately 50% of the County's total revenue is related to property tax, and almost three quarters of property tax revenue is associated with the gas industry. Because of this, Garfield County has built up a healthy fund balance to assure stable levels of service to Garfield County citizens, stable employment and benefits for employees, and a strong assurance there is no need to return to tax payers for fee or tax increases to pay for the growing needs of the County during the downturn in our local economy.

The Citizens of Garfield County
Board of County Commissioners
County Manager

RELEVANT FINANCIAL POLICIES

Updated Investment Policy

Garfield County updated their investment policy to accommodate the changing economy and the statutory rating requirements on investments. The updated policy includes more flexibility in the ratings of our investments and a change in the bank selection credit criteria.

MAJOR INITIATIVES

In 2010, Garfield County entered into an agreement with the Colorado Department of Transportation (CDOT); Department of Local Affairs (DOLA); Town of Parachute; and two energy industry companies to fund the Parachute Parkway for a cost of \$2.8 million and the I-70 West Parachute Interchange for a cost of \$14.8 million. The funding allocation between these partners is as follows: CDOT \$6.0 million; DOLA \$8.0 million; Garfield County \$2.5 million; Town of Parachute \$500 thousand and the two energy industry companies \$600 thousand. The Parachute Parkway was constructed in 2011. The I-70 West Parachute Interchange began construction on March 19, 2012 and has an expected completion date of October 31, 2012. The scope of the project includes rehabilitation of an old US 6 bridge that crosses I-70; adding four new I-70 ramps with two roundabouts; resurfacing the road between the Parachute Parkway and Una Road; and installation of interchange lighting. The affect of this project will be to alleviate truck traffic from going through the Town of Parachute and cut down the amount of truck traffic using the current interchange.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Garfield County, Colorado for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the third consecutive year that Garfield County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, Garfield County also received the GFOA's Distinguished Budget Presentation Award for its budget document for the period beginning January 1, 2011. This was the second time Garfield County received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient

The Citizens of Garfield County
Board of County Commissioners
County Manager

in several categories, including a policy document, a financial plan, an operations guide and a communications device.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the Garfield County Finance Department. In addition, as a staff we are grateful for the assistance we receive from our independent auditors, McMahan and Associates, L.L.C.

In closing, I wish to acknowledge the leadership of the Board of County Commissioners, the County Manager, and the cooperation of each of the County's departments and elected officials as we work together to conduct the County's financial operations. The Board supports prudent fiscal management and stewardship in a responsible and progressive manner, and the strong financial condition of Garfield County can be attributed to its positive leadership.

Respectfully submitted,



Ann Driggers
Senior Finance Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Garfield County
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

ELECTED OFFICIALS

Commissioner, District # 1	Tom Jankovsky
Commissioner, District # 2	John Martin
Commissioner, District # 3	Mike Samson
County Assessor	Jim Yellico
County Clerk	Jean Alberico
County Coroner	Trey Holt
County Sheriff	Lou Vallario
County Surveyor	Scott Aibner
County Treasurer (Public Trustee)	Georgia Chamberlain

APPOINTED BY BOARD OF COUNTY COMMISSIONERS

County Attorney	Andrew Gorgey
County Manager	Ed Green

DEPARTMENT DIRECTORS

Assistant County Manager	Dale Hancock
Airport	Brian Condie
Criminal Justice	Rodney Hollandsworth
General Services	Dale Hancock
Building & Planning	Fred Jarman
Oil & Gas	Kirby Wynn
Public Works	Betsy Suerth
Engineering	Randy Withee
Facilities	Richard Alary
Fairgrounds	David Ebeler
Road & Bridge	Betsy Suerth
Administrative Services	Lisa Dawson
Finance	Lisa Dawson
Information Technology	Lisa Dawson
Procurement	Eugene Duran
Human Services	Mary Elliott Baydarian
Public Health	Mary Meisner
Human Resources	Katherine Ross

BOARD OF COUNTY COMMISSIONERS



John Martin



Tom Jankovsky

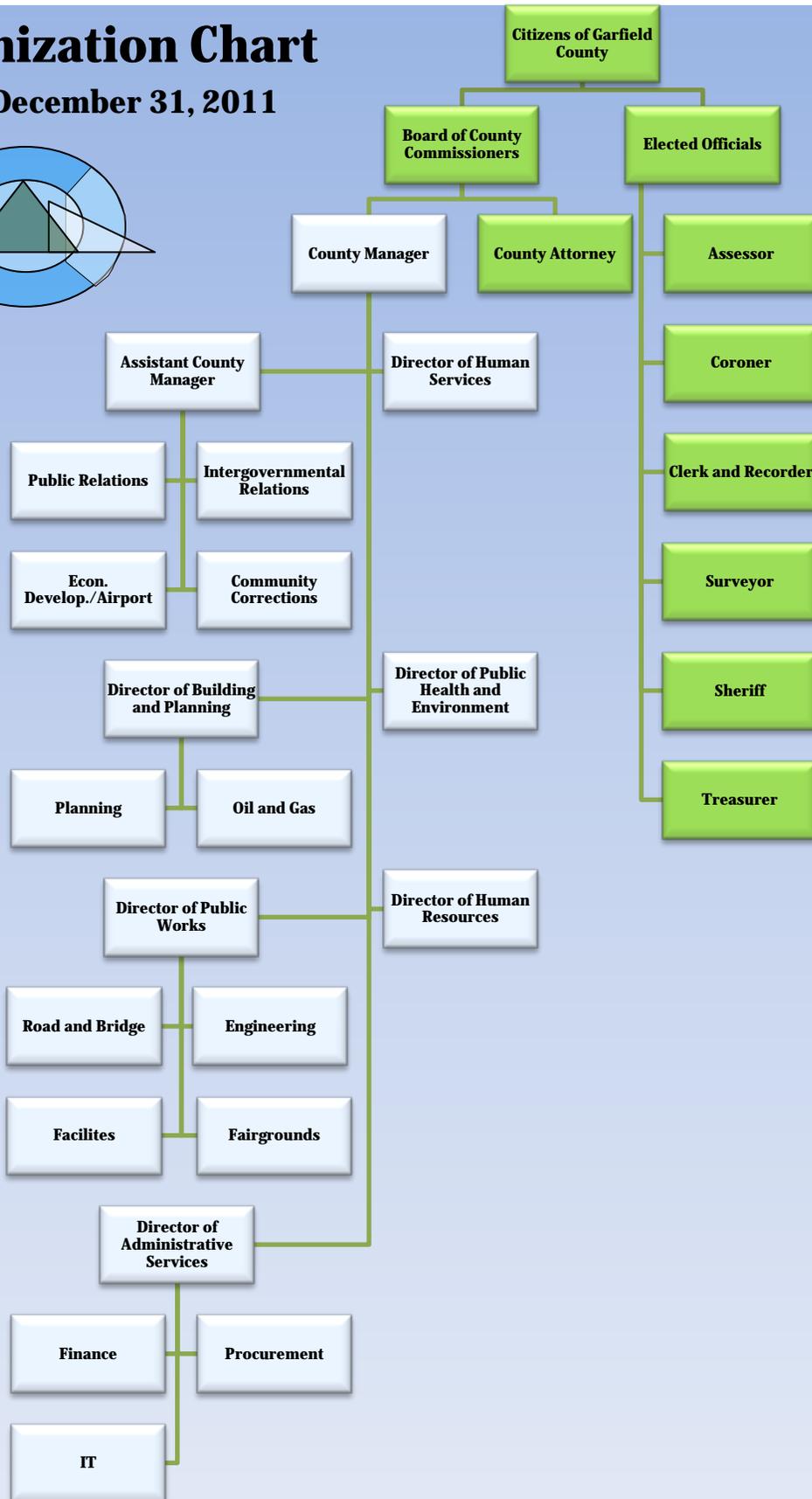
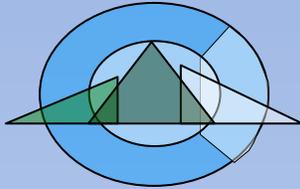


Mike Samson

Board of County Commissioners serve as both administrative and policy-making bodies for their counties. While, generally, boards have only those powers specifically conferred by the state general assembly, courts have held that they have such implied powers as may be necessary to carry out their specified powers. Constitutionally, the board also sits as the County Board of Equalization. The board also fills all vacancies in county offices other than those for county commissioners and for the public trustee. All powers of the county, as a legal entity, are exercised by the Board of County Commissioners and not by its individual members.

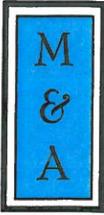
Organization Chart

as of December 31, 2011





FINANCIAL SECTION



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

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 the Garfield County, Colorado, Colorado (the "County"), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Garfield County, Colorado as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Member: American Institute of Certified Public Accountants

D. JERRY McMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

FRISCO
(970) 668-3481

**To the Board of County Commissioners
Garfield County, Colorado**

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary fund information in section E is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The budgetary fund 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining fund financial statements, individual non-major fund budgetary comparisons, the Local Highway Finance Report, and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the County's basic financial statements. The combining and individual non-major fund financial statements and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for the purpose 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 not a required part of the County's basic financial statements. Such information 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.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 8, 2012**

MANAGEMENT'S DISCUSSION AND ANALYSIS

	<u>Page</u>
Financial Highlights.....	B4
Overview of the Financial Statements	
Government-wide Financial Statements	B5
Fund Financial Statements.....	B5
Notes to the Basic Financial Statements.....	B6
Other Supplementary Information	B6
Financial Analysis of the County as a Whole	
Summary of Net Assets	B7
Summary of Changes in Net Assets.....	B8
Governmental Revenues	B9
Governmental Expenditures.....	B10
Business-type Activities.....	B11
Brief Analysis of the County's Governmental Funds.....	B11
Capital Assets and Long-Term Leases	B16
2012 Budget Considerations	B17
Contacting the County's Financial Management.....	B18

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, 2011. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- As of December 31, 2011, the County's total assets (\$486.0 million) exceeded its total liabilities (\$78.8 million) by \$407,200,194 (total net assets) for the calendar year reported. Total net assets increased by \$11,441,115 of which Human Services Fund had a prior period adjustment of \$1.1 million (as reported on page D17, Note 4G. Prior Period Adjustments) or 2.9% over 2010.
- Total net assets are comprised of the following:
 - (1) Capital assets including property and equipment, net of related debt and accumulated depreciation, totaled \$282,986,313.
 - (2) Net assets of \$82,885,831 are restricted by constraints imposed from outside the County such as inventories, debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net assets of \$41,328,050 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- Total governmental **revenues** in 2011 were \$101.3 million, which compares with 2010 total revenues of \$154.4 million. This represents a 34.4% decrease in revenue. Of this decrease, \$28.2 million was from grant revenues received from the FAA in 2010.
- Total governmental **expenditures** in 2011 were \$89.2 million which compares with 2010 total expenditures of \$127.0 million. This represents a 29.8% decrease in expenditures.
- The County's governmental funds reported total ending fund balance of \$117.8 million this year. This compares to the prior year ending fund balance of \$104.6 million showing an increase of \$13.3 million or 12.7% during 2011.
- At the end of the current calendar year, fund balance for the General Fund was \$36,807,359 or 78.3% of total General Fund expenditures. This compares to the prior year ending fund balance of \$28,100,133 showing an increase of \$8,707,226 or 31.0% during 2011.
- Overall, the County continues to maintain a strong financial position. In 2011, revenues declined substantially compared to 2010. For 2012 through 2016, we are projecting small gains over 2011 until the Oil and Gas Industry recovers from the recession. Therefore, the County has established a Zero Based Approach towards hiring until the economic downturn reverses. We are directing discretionary expenditures toward:
 - Ø Infrastructure enhancements to address the backlog caused by the past growth and Oil and Gas activities which primarily include roads and bridges
 - Ø Studies to analyze the various impacts of growth and possible opportunities for economic development
 - Ø Establishing a budget reserve for 2012 and beyond

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management 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
- (3) Notes to the Basic Financial Statements

The County also includes in this report additional information to supplement the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The County's annual report includes two government-wide financial statements. 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; health and welfare; culture and recreation; and maintenance and improvement of transportation, infrastructure, buildings, grounds, and public works. Business-type activities include the solid waste operations (landfill) and the County's motor pool.

The government-wide financial statements are presented on pages C1 and C2 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 ("major 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.

Garfield County governmental funds are comprised of the General Fund and 12 special revenue funds. The basic governmental fund financial statements are presented on pages C3 through C6 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 two County proprietary funds are the Solid Waste Fund (an enterprise fund) and the Motor Pool Fund (an internal services fund). These funds essentially encompass the same functions reported as business-type activities in the government-wide statements. The basic proprietary fund financial statements are presented on pages C7 through C9 of this report.

Fiduciary funds account for funds held in a trustee or agency for another party or entity. These funds do not “belong” to the County; therefore, only balance sheet accounts (assets and liability) accounts are used (not expenditure or revenue accounts). The County has no trustee funds. The County agency fund information is presented on pages C10 and F15 of this report.

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 D1 of this report.

OTHER SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary data including information concerning the County's budget presentations. Budgetary comparison statements are included as “Required Supplementary Information” for the Major Funds: General Fund, the Road and Bridge Fund, the Human Services Fund, the Capital Expenditures Fund, and the Oil and Gas Mitigation Fund (pages E1 – E5). Budgetary comparison schedules for all other governmental funds (Non-Major Funds) can be found in the Supplementary Information section of this report (pages F5 through F12). The Proprietary Fund budgetary comparison schedules are on pages F13 and F14. 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 pages F1 through F12 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County implemented the new financial reporting model used in this report beginning with the 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.

Assets: Total Assets for the County on December 31, 2011 were \$485,978,108 and Total Liabilities were \$78,777,914. The County's Net Assets at calendar year-end are \$407,200,194 with a 2.9% increase over December 31, 2010. The following provides a summary of the County's Net Assets (as presented on page C1):

SUMMARY OF NET ASSETS						
	Governmental Activities		Business-type Activities		TOTAL	
	2011	2010	2011	2010	2011	2010
Assets:						
Current assets	\$ 180,104,797	\$ 162,214,234	\$ 5,130,190	\$ 4,817,721	\$ 185,234,987	\$ 167,031,955
Restricted assets	1,715,852	1,715,949	-	-	1,715,852	1,715,949
Non-current assets	480,956	543,558	-	-	480,956	543,558
Capital assets	296,398,459	299,231,057	2,147,854	2,449,485	298,546,313	301,680,542
Total Assets	478,700,064	463,704,798	7,278,044	7,267,206	485,978,108	470,972,004
Liabilities:						
Current liabilities	60,504,551	57,447,971	122,954	118,942	60,627,505	57,566,913
Non-current liabilities	17,452,730	16,902,394	697,679	743,618	18,150,409	17,646,012
Total Liabilities	77,957,281	74,350,365	820,633	862,560	78,777,914	75,212,925
Net Assets:						
Invested in capital assets, net of debt	280,838,459	283,156,057	2,147,854	2,449,485	282,986,313	285,605,542
Restricted	82,885,831	58,337,205	-	-	82,885,831	58,337,205
Unrestricted	37,018,493	47,861,171	4,309,557	3,955,161	41,328,050	51,816,332
Total Net Assets	\$ 400,742,783	\$ 389,354,433	\$ 6,457,411	\$ 6,404,646	\$ 407,200,194	\$ 395,759,079

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities (for this calculation "Due within one year" is included in non-current liabilities) and is an indication of the ability to pay current obligations (debt over the next 12 months). The current ratio for governmental activities is 3:1 and 42:1 for business-type activities. For the County overall, the current ratio is 3:1 (assets are three times liabilities). These ratios are very strong.

The County reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$11.4 million for governmental activities and increased by \$53 thousand for business-type activities. The County's overall financial position improved during calendar year 2011 by \$11.4 million.

Note that approximately 70.1% of the governmental activities' net assets are invested in capital. Capital assets are tangible property used in the operation of the County such as land, roads and bridges, buildings, machinery, furnishings and equipment. The County uses these capital assets to provide services to its citizens. For business-type activities, the County has spent approximately 33.3% of its net assets on capital. These assets generate revenues for the Solid Waste Fund.

Changes in Net Assets: Governmental activities and business-type activities increased the County's net assets by \$11,441,115 or 2.9%. This increase included two prior period adjustments: 1) Human Services Fund reclassified certain accrued expenses and deferred revenues to assigned and restricted equity due to GASB 54. This prior period adjustment totaled \$1,119,552; and 2) Traveler's Highland PID was determined to be a blended component unit of the county which had a \$27,535 prior period adjustment (both of these prior period adjustments are located on D17, Note 4G. Prior Period Adjustment). The following table provides a summary of the County's changes in net assets for governmental and business-type activities in 2011 and 2010:

SUMMARY OF CHANGES IN NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program:						
Charges for services	\$ 5,776,902	\$ 7,122,764	\$ 1,295,525	\$ 1,308,440	\$ 7,072,427	\$ 8,431,204
Operating grants	24,503,184	25,110,324	30,508	7,862	24,533,692	25,118,186
Capital grants and contributions	5,420,767	31,779,071	-	-	5,420,767	31,779,071
General:						
Taxes	60,278,224	81,248,448	-	-	60,278,224	81,248,448
Other	840,967	805,113	-	-	840,967	805,113
Total Revenues	96,820,044	146,065,720	1,326,033	1,316,302	98,146,077	147,382,022
Program Expenses:						
General government	22,744,858	21,528,329	-	-	22,744,858	21,528,329
Public safety	21,947,452	21,446,288	-	-	21,947,452	21,446,288
Public works	18,576,728	19,661,900	-	-	18,576,728	19,661,900
Health and welfare	21,315,277	20,864,969	-	-	21,315,277	20,864,969
Culture and recreation	1,194,341	1,275,899	-	-	1,194,341	1,275,899
Interest	757,738	764,954	-	-	757,738	764,954
Solid waste	-	-	1,315,655	1,593,812	1,315,655	1,593,812
Total Expenses	86,536,394	85,542,339	1,315,655	1,593,812	87,852,049	87,136,151
Excess (Deficiency)	10,283,650	60,523,381	10,378	(277,510)	10,294,028	60,245,871
Transfers	(42,387)	(25,000)	42,387	25,000	-	-
Change in Net Assets	10,241,263	60,498,381	52,765	(252,510)	10,294,028	60,245,871
Beginning Net Assets	389,354,433	328,856,052	6,404,646	6,657,156	395,759,079	335,513,208
Prior Period Adjustment	1,147,087				1,147,087	
Beg. Net Assets (Restated)	390,501,520	328,856,052	6,404,646	6,657,156	396,906,166	335,513,208
Ending Net Assets	\$ 400,742,783	\$ 389,354,433	\$ 6,457,411	\$ 6,404,646	\$ 407,200,194	\$ 395,759,079

GOVERNMENTAL REVENUES

The County is heavily reliant on intergovernmental revenue, property taxes, and sales taxes to support governmental operations and capital. Total governmental revenue for 2011 was \$101.3 million compared with \$154.4 million in 2010.

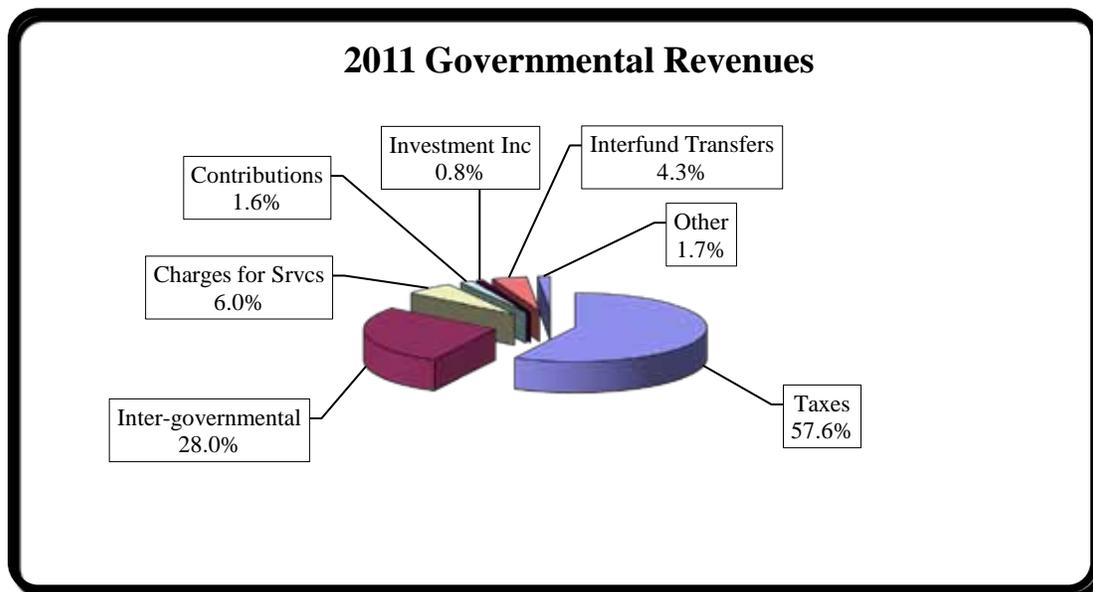
Property taxes are the largest revenue source with about \$47.8 million of revenues or 47.2% of total revenues. Sales Taxes are the third largest revenue source of governmental revenues with about \$7.9 million or 7.8% of total revenues. Starting in 2011, Sales Taxes are presented to include pass through revenue to other entities. Had this change been reflected in 2010 additional sales tax revenue of \$4.3 million and an equivalent amount of expense would have been reflected.

Intergovernmental revenue of \$28.4 million provided 28.0% of the County's total governmental revenues. Of this revenue, \$16.3 million relates to human services programs, \$3.4 million relates to Road and Bridge receiving funds from the State Highway Users Tax Fund, \$2.1 million relates to Oil and Gas severance taxes, and \$2.9 million relates to a grant received from the FAA for the runway upgrade.

Because of the County's healthy financial position, we have been able to earn \$0.8 million in interest earnings to support governmental activities. Also, note that program revenues cover 41.3% of governmental operating expenditures. This is a very high percentage and again relates to the social services grants and other grants mentioned above. This means that the government's taxpayers and the County's other general governmental revenues fund 58.7% of the governmental activities. As a result, the general economy and the County businesses have a major impact on the County's revenue streams.

Revenues by Source – Governmental Activities – year ended December 31, 2011.

Taxes	\$58,345,702
Intergovernmental	28,387,941
Charges for Services	6,126,498
Contributions	1,632,376
Investment Income	840,965
Interfund Transfers	4,368,469
Other Revenue	<u>1,572,647</u>
TOTAL	<u>\$101,274,598</u>

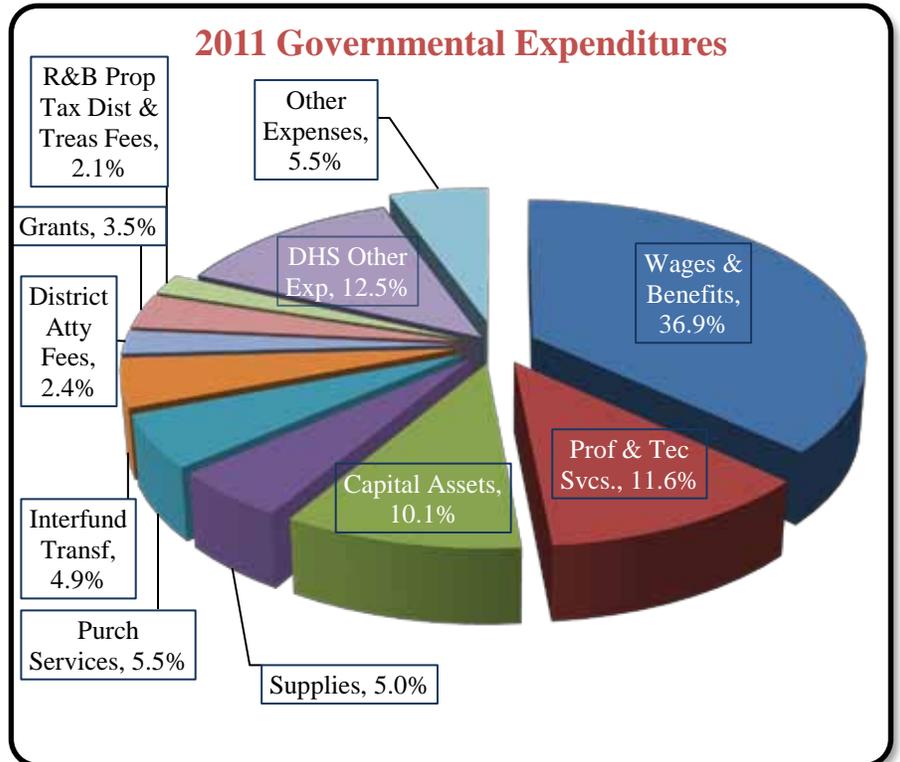


GOVERNMENTAL EXPENDITURES

Total Governmental Expenditures by Classification

Total governmental expenditures for 2011 were \$89.2 million compared with \$127.0 million in 2010. Expenditures for 2011 are broken down by classification as follows:

Wages & Benefits	\$32,870,926
Professional & Tec Svcs.	10,380,870
Capital Assets	9,032,339
Supplies	4,498,027
Purchased Services	4,864,178
Interfund Transfers	4,410,856
District Atty Fees	2,105,866
Grants	3,101,471
R&B Prop Tax Dist & Treas Fees	1,808,928
DHS Other Expenditures	11,173,702
Other Expenditures	4,904,916
TOTAL EXPENDITURES	\$89,152,079



Governmental Functional Expenses

The general government, public safety, public works, and health and welfare functions make up most of the total governmental activities expenses (97.8%). On a percentage basis of these four functions, public safety brings in the smallest amount of program revenues with \$20.3 million paid for with taxpayer dollars.

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

Government-wide Expenses				
Function	Total Cost of Services	% of Total	Net Cost of Services	% of Total
General government	\$ 22,744,858	26.3%	\$ 16,131,361	31.7%
Public safety	21,947,452	25.4%	20,313,714	40.0%
Public works	18,576,728	21.5%	9,240,842	18.2%
Health and welfare	21,315,277	24.6%	3,866,642	7.6%
Culture and recreation	1,194,341	1.4%	525,244	1.0%
Interest	757,738	0.8%	757,738	1.5%
Total	\$86,536,394		\$50,835,541	

Total net cost of services (\$50.8 million) is 58.7% of total costs of services (\$86.5 million). This means 58.7% of these services are paid for with taxpayer dollars and 41.3% are funded with charges/fees for services, grants and contributions (program revenues).

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The only enterprise fund is the County's solid waste management program (landfill). Operating revenues were \$1,326,032 and operating expenses were \$1,315,654 resulting in a change of net assets of \$10,378. Per the landfill design capacity study, it was determined that the landfill life was changed from 2062 to 2074 due to revision of 2010 data. This change had a positive effect on the annual landfill closure and post-closure amortization accrual costs.

Revenues were primarily from tipping fees (94.7%); the remainder (2.2%) was from recycled goods and (3.1%) for a transfer-in. Total expenditures were categorized as follows: 55.9% for wages and benefits and the remaining 44.1% were for operating costs. The Landfill's Fund Balance increase is primarily due to lower personnel (\$148k) and capital costs (\$519k) compared to 2010.

BRIEF ANALYSIS OF THE COUNTY'S GOVERNMENTAL FUNDS

The Governmental Funds with Garfield County are:

<u>Major:</u>	<u>Non-Major:</u>
General Fund	Airport Fund Retirement Fund
Road and Bridge Fund	Conservation Trust Fund Traveler's Highland PID Fund
Human Services Fund	Grant Fund Public Health Fund
Capital Expenditures Fund	Clerk and Recorder EFTF Fund
Oil and Gas Mitigation Fund	Traffic Study Fund

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 total ending net assets of \$400.7 million. Of this year-end total, \$37,018,493 is unrestricted indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the reserved fund balances) primarily includes: \$3,168,434 committed to emergencies; \$1,715,136 for COPS principal and interest payments; and \$78,002,261 for other purposes.

The total ending net assets of governmental funds showed an increase of \$11,388,350 over 2011 or a 2.9% increase. This increase included two prior period adjustments for \$1,147,087 (discussed on page D17, Note 4G. Prior Period Adjustment).

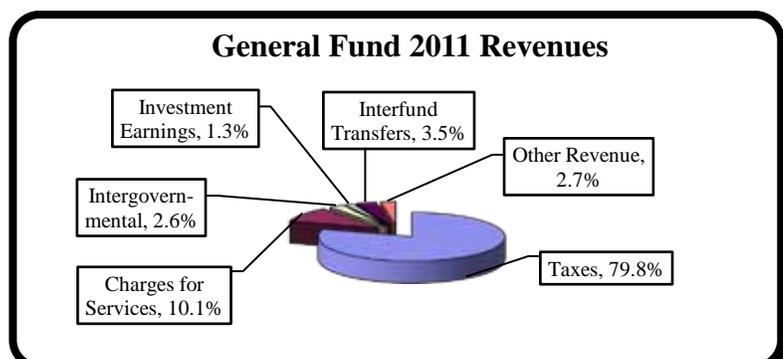
MAJOR GOVERNMENTAL FUNDS

General Fund

The **General Fund** is the County's primary operating fund and the largest source of day-to-day service delivery. In 2011, due to GASB #54, four smaller special revenue funds without a restricted or committed revenue source were combined with the General Fund for reporting purposes. These funds included Fair Board, Emergency Reserve, Livestock Auction, and the Commissary Funds. The General Fund's fund balance increased by over \$8.7 million, or 31.0%. Total revenues increased by 3.3% over 2010. This increase resulted mainly from Oil and Gas 2009 revenues ad valorem property taxes being paid two years in arrears.

Total **revenues** for the General Fund in 2011 were \$55.7 million. Taxes generated more than half this revenue, followed by charges and fees for services and interfund transfers. The following represents total General Fund revenues by classification:

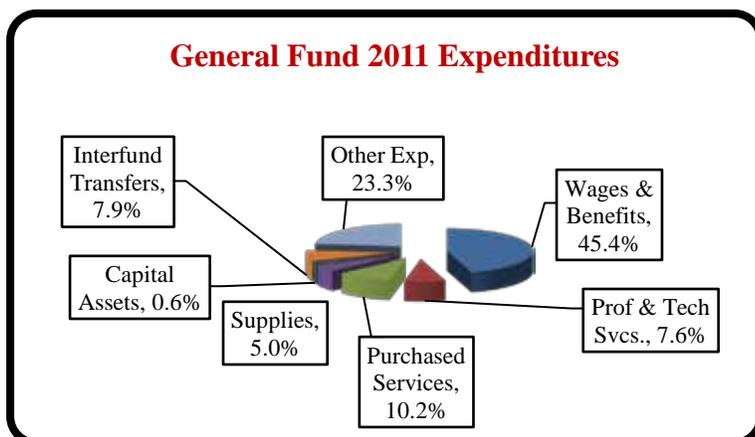
Taxes	\$44,494,527
Charges for Services	5,603,345
Intergovernmental	1,446,963
Investment Earnings	737,277
Contributions	717,925
Interfund Transfers	1,973,469
Other Revenue	<u>753,986</u>
TOTAL REVENUES	<u>\$55,727,492</u>



Total **expenditures** for the General Fund in 2011 (including interfund transfers to other funds) were \$47.0 million, a 1.2% increase over 2010 due to increased costs of goods and services. From 2010 to 2011, the functional costs in this fund changed by these amounts:

General government:	\$4,844,730 (29.7%) increase
Public safety:	\$290,889 (2.3%) increase
Public works:	(\$15,626) (8.9%) decrease
Health and welfare:	(\$89,997) (13.1%) decrease
Culture and recreation:	(\$141,749) (13.2%) decrease

This fund contains a total of 18 Departments and Elected Official offices. Wages and Benefits made up 45.4% of total expenditures while services provided for the County (professional and technical services, and purchased services) comprised 17.8% of the total. The following presents the total General Fund expenditures by classification:



Wages & Benefits	\$21,354,787
Prof & Tech Svcs.	3,586,468
Purchased Svcs.	4,791,681
Supplies	2,344,765
Capital Assets	273,997
Interfund Transfers	3,732,887
Other Expenses	10,935,681
TOTAL	
EXPENDITURES	<u>\$47,020,266</u>

General Fund Budgetary Highlights

The General Fund revenues were 2.5% under what was budgeted:

REVENUES

	2011 Adopted Budget	2011 Amended Budget	2011 Actuals	Over/(Under)	% Over/(Under)
Taxes	45,844,717	45,844,717	44,494,527	(1,350,190)	-2.95%
Charges for Services	5,404,817	5,418,317	5,603,345	185,028	3.41%
Intergovernmental	1,103,057	1,341,560	1,446,963	105,403	7.86%
Investment Income	1,130,015	1,130,015	737,277	(392,738)	-34.76%
Interfund Transfers	1,245,000	1,822,969	1,973,469	150,500	8.26%
Other Revenue	1,590,072	1,618,822	1,471,911	(146,911)	-9.08%
Totals	56,317,678	57,176,400	55,727,492	(1,448,908)	-2.53%

On the expenditure side, the General Fund came in at 14.16% under the budgeted amount as shown below:

EXPENDITURES

	2011 Adopted Budget	2011 Amended Budget	2011 Actuals	Over/(Under)	% Over/(Under)
Wages & Benefits	24,467,932	24,672,874	21,354,787	(3,318,087)	-13.45%
Professional & Technical Services	5,137,816	4,546,732	3,586,468	(960,264)	-21.12%
Purchased Services	5,479,150	5,645,914	4,791,681	(854,233)	-15.13%
Supplies	2,542,191	2,607,455	2,344,765	(262,690)	-10.07%
Property & Capital Assets	448,840	438,240	273,997	(164,243)	-37.48%
Interfund Transfers	3,640,000	3,742,500	3,732,887	(9,613)	-0.26%
Other Expenditures	12,933,514	13,124,483	10,935,681	(2,188,802)	-16.68%
Totals	54,649,443	54,778,198	47,020,266	(7,757,932)	-14.16%

During the year, there was a \$129 thousand increase in appropriations between the adopted and amended budgets, an increase of 0.24% with no major factors contributing to the increase.

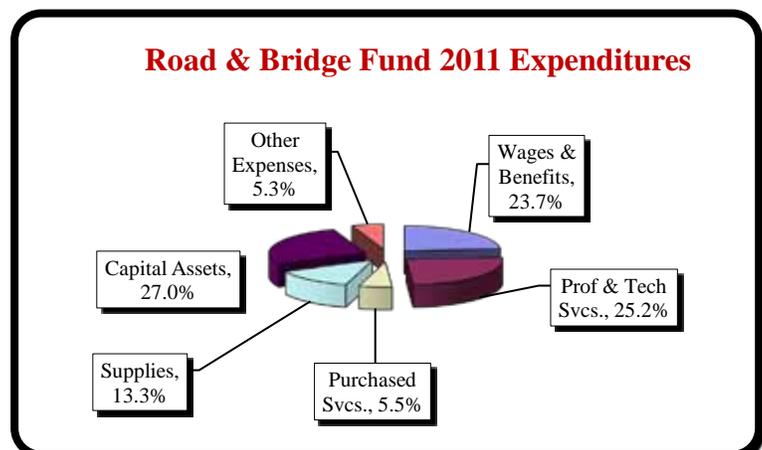
Actual expenditures were \$7.8 million under budget, which is the normal trend the County has experienced in previous years. Several key components influenced this under budget situation. Lower wages & benefits were primarily due to lower wages of \$2.2 million caused by vacancies and lower health insurance cost of \$619 thousand. Purchased services are less than budget due in part to lower custodial costs of \$213 thousand. Other expenditures less than budget are mostly due to two situations: 1) there were no incidents that could be expensed from the Sheriff's Office fire contingency of \$0.5 million; and 2) sales tax distribution was less than budget by \$1.0 million due to refunds and lower sales tax revenues collected. The remaining amount under budget is comprised of a multitude of smaller cost savings in many departments and offices.

Road and Bridge Fund

The **Road and Bridge** Fund performs construction, maintenance, and snow removal for all County roads and bridges. The fund balance decreased by \$1.2 million in 2011 but has an overall strong fund balance of \$20.9 million to be used for future road and bridge construction and maintenance. Total revenues in this fund (\$12.2 million) decreased by 47.3% over 2010 and total expenditures (\$13.4 million) decreased by 5.8% over 2010. In 2011, the County was significantly lower in revenues compared to 2010 and this is mostly due to a lower percentage of property taxes being allocated to the Road and Bridge Fund.

All expenditures in the Road and Bridge Fund are a Public Works function. Expenditures by classification were as follows:

Wages & Benefits	\$3,181,348
Prof & Tech Svcs.	3,383,138
Purchased Svcs.	739,464
Supplies	1,784,402
Capital Assets	3,624,091
Other Expenditures	717,422
TOTAL EXPENDITURES	\$13,429,865

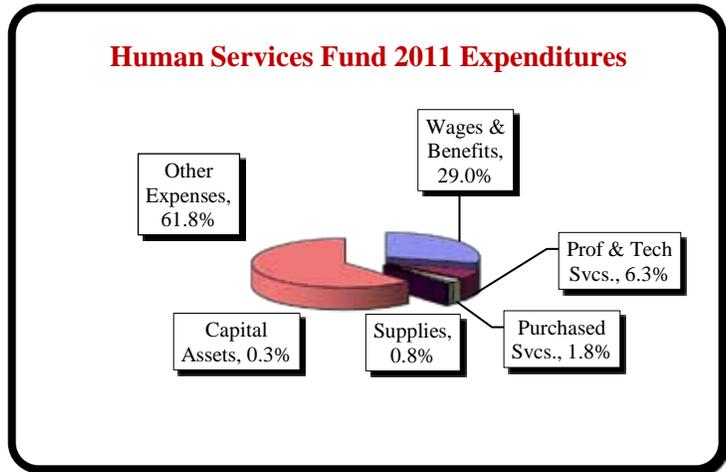


Human Services Fund

The **Human Services Fund (DHS)** provides and coordinates a variety of State mandated social services including public assistance, child support, and family service programs. This fund balance grew from \$7.5 million in 2010 to \$8.7 million in 2011 which included a prior period adjustment of \$1.1 million (see page D17, Note 4G. Prior Period Adjustment). Total revenues increased by \$90 thousand and total expenditures increased by \$433 thousand compared with 2010. A large portion of this increase occurred in the Food Assistance Benefits program (\$1.1 million) due to Oil and Gas downturn, lower wages (\$101 thousand), and fewer capital purchases (\$249 thousand) compared to 2010.

All expenditures in the Human Services Fund are a Health and Welfare function. Expenditures by classification were as follows:

Wages & Benefits	\$5,243,795
Prof & Tech Svcs.	1,143,277
Purchased Svcs.	328,273
Supplies	151,656
Capital Assets	59,497
Other Expenses	<u>11,173,702</u>
TOTAL	
EXPENDITURES	<u><u>\$18,100,200</u></u>

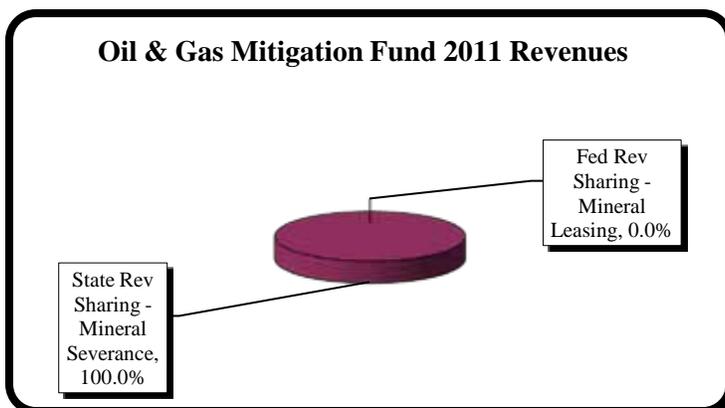


*Of the \$11.2 million for *Other Expenses*, \$1.4 million was related to the Child Welfare Block Grant, \$7.8 million for Food Benefits Assistance, \$578 thousand for Child Care Assistance, and \$759 thousand for the Old Age Pension program.

Oil and Gas Mitigation Fund

The **Oil and Gas Mitigation Fund** was established by the BOCC in 2006 for the purpose of the receipt and expenditure of specifically designated monies to be used to mitigate adverse property, social, and environmental impacts of oil and gas related activities. The fund balance increased by \$1.5 million in 2011 and has a strong fund balance of \$22.7 million to be used for future oil and gas related activities. Total revenues in this fund (\$2.1 million) decreased by 43.8% over 2010, primarily due to Federal Mineral Leasing funds being diverted to a newly formed Federal Mineral Leasing District. In 2011, there were no expenditures except for two interfund expenditures for \$618 thousand that occurred for oil and gas related activities: 1) \$100 thousand to Public Health Fund for Battlement Mesa Health Impact Study and 2) \$518 thousand to the General Fund for reimbursement of Federal Mineral Leasing expenditures per resolution No. 11-72.

Revenues by classification were as follows:



Fed Rev Sharing - Mineral Leasing	\$0
State Rev Sharing - Mineral Severance	2,079,304
TOTAL REVENUES	<u><u>\$2,079,304</u></u>

Capital Expenditures Fund

The **Capital Expenditures** fund balance decreased from \$22.4 million in 2010 to \$20.1 million in 2011, or a 10.6% decrease. The \$20.1 million represents a strong Capital Expenditure fund balance in order to acquire or construct new buildings and capital projects that are a result of oil and gas impacts and overall growth of the County.

Total **revenues** in this fund were \$1,673,175. Included in this total are \$236 thousand dollars from Property Taxes and \$695 thousand from a SCAAP Grant for the Sheriffs Office's jail central control board to be installed in 2012. Intergovernmental (\$335 thousand) and Contributions (\$310 thousand) were reimbursement grants for projects mentioned below (i.e., \$300 thousand contributions from Oil and Gas companies for the West Parachute Interchange; \$215 thousand intergovernmental revenues for LOVA Bike Trail; and \$82.5 thousand intergovernmental revenues for Fairgrounds Indoor Arena Solar Panels).

Total **expenditures** were \$4,047,370. Major capital expenditures during 2011 included the following:

Land Improvements:	
GWS Removal of two Houses and put in a Parking Lot	\$326,170
Rifle Fairgrounds Landscaping & Parking Lot Lighting	72,644
Building Improvements:	
Rifle Fairgrds Indoor Arena Solar Panels & Lighting Upgrade	97,291
GWS Remodel Treasurer's Office for Improved Efficiency	85,996
CIP: GWS CH Energy Performance Enhancements	717,060
CIP: GWS S.O. Energy Performance Enhancements	63,253
CIP: GWS CH & Admin Bldg Generators	189,373
Other Building and Land Improvements	135,281
Infrastructure:	
CIP: W. Parachute Interchange - Engineering	796,874
CIP: LOVA Bike Trail Phase #2 Completion	80,829
Computer Hardware:	
IT Network System Upgrades & Document Storage	91,398
VOIP in Rifle carryover from last year	26,179
Add'l Computer Equipment	16,425
Computer Software:	
BOCC purchased Granicus Video Audio Software	28,125
B&P installed Laser-Fiche Scanning Software	35,865
Furnishings: GWS Patrol Room Remodel	17,397
Rolling Stock: Rifle Fairgrounds Bobcat Buy Back	3,431
Vehicle: DHS Dodge Caravan for Senior Program	21,279
Service and Treasurer Fees	15,204
Certificate of Participation Principal and Interest Payments	<u>1,227,296</u>
TOTAL	<u>\$4,047,370</u>

CAPITAL ASSETS AND LONG-TERM LEASES

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, 2011, was \$296,398,459 and \$2,147,854 respectively. In 2011, Governmental activities major capital included a number of Road and Bridge projects: 1) completion of the Satank Bridge rehabilitation in Carbondale for \$651 thousand; 2) flood mitigation work on four separate roads for \$1.4 million; 3) CR300 and 6 & 24 Intersection Improvements west of Parachute for \$934 thousand; 4) engineering on the first phase of a two year \$14.8 million intergovernmental West Parachute Interchange project; 5) completion of phase #2 of the LOVA South Canyon bike trail for \$752 thousand. Other Governmental activities major capital included two Glenwood Springs projects: 1) energy performance contract work being done on the courthouse and Sheriff's Office jail for \$780 thousand and 2) the demolition of two houses on Pitkin Avenue and installation of a parking lot for \$326 thousand. Business-type activities showed a 12.3% decrease primarily due to slower economy and less need for cell construction. The overall decrease was 1.0% for the County as a whole. See "Note 3D Capital Assets" (pages D9 and D10) 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:

	CAPITAL ASSETS					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Non-depreciable assets:						
Construction in progress	\$ 4,623,897	\$ 3,595,448	\$ -	\$ -	\$ 4,623,897	\$ 3,595,448
Land	11,382,190	11,375,247	300,000	300,000	11,682,190	11,675,247
Total non-depreciable assets	\$ 16,006,087	\$ 14,970,695	\$ 300,000	\$ 300,000	\$ 16,306,087	\$ 15,270,695
Depreciable assets:						
Land improvements	51,578,062	49,921,155	1,307,754	1,152,128	52,885,816	51,073,283
Buildings	52,888,476	53,615,244	768,258	768,258	53,656,734	54,383,502
Building improvements	3,657,099	3,415,120	20,388	20,388	3,677,487	3,435,508
Machinery and equipment	22,621,828	22,474,633	1,974,097	1,991,040	24,595,925	24,465,673
Infrastructure	275,724,561	272,771,216	-	-	275,724,561	272,771,216
Total depreciable assets	406,470,026	402,197,368	4,070,497	3,931,814	410,540,523	406,129,182
Less accumulated depreciation	126,077,654	117,937,006	2,222,643	1,782,329	128,300,297	119,719,335
Book value - depreciable assets	280,392,372	284,260,362	1,847,854	2,149,485	282,240,226	286,409,847
Percentage depreciated	31%	29%	55%	45%	31%	29%
Book value - all assets	\$ 296,398,459	\$ 299,231,057	\$ 2,147,854	\$ 2,449,485	\$ 298,546,313	\$ 301,680,542

At December 31, 2011, the depreciable capital assets for governmental activities were 31% depreciated. This compares with 29% at December 31, 2010. With the County's Business-type activities, 55% of the asset values were depreciated by December 31, 2011 compared to 45% at December 31, 2010. During the calendar year 2011, the County continues to replace its capital assets at a constant level and has accumulated another year's worth of depreciation on those capital assets.

Long-term Leases (Certificates of Deposit)

During 2011, the County retired \$515,000 in certificates of participation.

	Outstanding Borrowings					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Certificates of participation	\$ 15,560,000	\$ 16,075,000	\$ -	\$ -	\$ 15,560,000	\$ 16,075,000
Landfill closure and postclosure care	-	-	666,100	722,454	666,100	722,454
Compensated absences	1,836,530	1,789,859	31,579	28,219	1,868,109	1,818,078
Total	\$ 17,396,530	\$ 17,864,859	\$ 697,679	\$ 750,673	\$ 18,094,209	\$ 18,615,532

See "Note 3G. Long-term Debt" (pages D12 and D13) for additional information about the County's long-term debt. We discuss the landfill closure and post-closure care liability in Note 3F. (page D12).

2012 BUDGET CONSIDERATIONS

The following factors could have a significant effect on the County's financial position or results of operations and were taken into account in developing the 2012 budget.

- The 2011 budget was prepared in one of the most challenging years in Garfield County history. A significant decline in revenues meant the County took aggressive steps to close the gap between revenues and expenditures. In 2012 revenues are expected to stabilize and although the economic environment continues to be challenging and recovery is forecast to remain sluggish at best, the 2012 budget will continue to meet the needs of the County, while maintaining its financial health. The budget contains sufficient resources to continue current levels of operations, enhance services as needed, maintain and replace current capital assets as needed, utilize all current forms of revenue generation available to the County, and it contains an emergency reserve equal to at least three percent of fiscal year spending, excluding bond service, as required by State Constitution.
- The 2012 budget estimates \$112.8 million in revenues (net of interfund transfers) and expenditures of \$115.8 million (net of interfund transfers). Shortfalls between revenue and expenditures exist as a result of sales tax refunds (see below for detail) which affect both revenues and expenditures. However, with adjustments made to cover these extraordinary items from fund balance, the County will have a balanced budget in 2012.
- The 2012 budgeted expenditures have increased approximately \$10.5 million or 10% over the 2011 Adopted Budget. This increase is more than accounted for by an infrastructure project of \$12.3 million, \$12 million of which is paid through intergovernmental grants. Fund balance is projected to decrease by 3% to \$104.6 million.
- Road and Bridge anticipates doing some catch-up road maintenance (due to the temporary decline in gas drilling in the County) for \$7.2 million in 2012. The Road and Bridge capital budget of \$8.4 million includes a bridge replacement for \$2.5 million, an intersection reconstruction for \$3.2 million and road and bridge realignment design for another \$1.4 million. Other capital items are Battlement Mesa drainage improvements for \$400,000 and \$830,000 of heavy equipment purchases.
- In 2012, the capital fund has budgeted expenditures for \$15.6 million that includes \$12.3 million of a \$15 million project for a West Parachute Interchange to be completed in fall of 2012. GWS Jail has in their budget a new Central Control Board for \$835,334 and Video Arraignment for \$35,000. A 2011 carry forward project of \$168,722

- provides for GWS Courthouse and Administrative generators project to be completed. IT has budgeted \$405,000 of capital projects for 2012.
- Construction of the new Elected Officials building in Glenwood Springs has been postponed until 2015 due to the economic times. This building will house the elected officials, and they will no longer reside in the courthouse. The courts are growing, and they need the extra space in the Glenwood Springs courthouse.
- In 2012, the Solid Waste Disposal Fund has capital budget to do Methane Monitoring and Mitigation at the landfill for \$250,000, dirt moving for \$500,000 and to rebuild North/South Septic Ponds for \$200,000.
- The 2012 Certificates of Participation principal and interest payments will be approximately \$1.6 million.
- On the operating side, the personnel budget of \$37 million will decrease by 1.13% from 2011. This is despite a projected increase in healthcare costs of 10%, which will take effect in the middle of the year. Total personnel budget accounts for 31% of the County's 2012 budgeted expenditures, below the target set of 33%. No pay increases are budgeted for 2012. However, \$700,000 has been set aside for potential use for this purpose. Its use is subject to separate review and approval by the BOCC and is entirely at their discretion.
- In 2012, a contribution of \$650,000 to support the RFTA transit service between Rifle and Glenwood Springs will be made. That contribution represents the County's fair share of the costs associated with the service.
- In the area of human service contributions, Garfield County will direct \$469,000 to various human service organizations in the area. This is the same amount as 2011.
- The Airport Runway Realignment Upgrade 3-year project of \$42 million was completed in 2011. In 2012, the Airport will complete a ten-year master plan for \$330,000. This plan will analyze how best to make use of the new upgrade which has positioned the Garfield County Regional Airport as a significant general aviation jet center. The airport will augment the economic vitality that currently exists in the western part of the County.
- In 2006, a new special revenue fund named "Oil and Gas Mitigation Fund" was set-up to deal with the impacts of a future downturn in oil and gas activities in the County. At the end of 2011, the Oil and Gas Mitigation fund balance was \$22.7 million. In 2012, there is no budgeted activity in the Oil and Gas Mitigation Fund. In order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain a sound bond rating, the County has determined it will maintain an unassigned fund balance in its General Fund and its Oil and Gas Mitigation Fund that is at least one third of the County's total General Fund expenditures.
- The County assiduously works to maintain a strong, diverse revenue base, recognizing that a dependence upon any individual revenue source would cause revenues to become more vulnerable to economic cycles. Revenues are conservatively projected using trend analysis, estimates based on known assumptions, evaluation of the local economy and the primary drivers of that economy, and estimates from other governments (i.e., state and federal).

Despite the reduction in revenues, the 2012 budget accomplishes a number of important initiatives and, because a balanced budget was achieved, the financial health of the County is not compromised. Furthermore, Garfield County aims to maintain total balances of at least \$100 million in its various operating and capital funds. A healthy fund balance assures stable and quality levels of services to our customers, stable employment for our staff, and assures there is no need to return to taxpayers for tax or fee increases.

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 please contact:

Ann Driggers
Garfield County Senior Finance Administrator
108 8th Street, Suite 201
Glenwood Springs, Colorado, 81601
970/945-7284 ext. #5
adriggers@garfield-county.com



BASIC FINANCIAL STATEMENTS

Garfield County, Colorado
Statement of Net Assets
December 31, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 125,744,556	\$ 4,953,063	\$ 130,697,619
Due from other governments	52,009,812	-	52,009,812
Accounts, taxes, and other receivables	2,076,012	195,327	2,271,339
Prepaid expenses	29,658	-	29,658
Inventory	58,165	-	58,165
Internal balances	186,594	(18,200)	168,394
Deferred charges	480,956	-	480,956
Restricted Assets			
Cash and investments	1,715,852	-	1,715,852
Capital Assets			
Capital assets not being depreciated	16,006,087	300,000	16,306,087
Capital assets - depreciable, cost	406,470,026	4,070,497	410,540,523
Accumulated depreciation	(126,077,654)	(2,222,643)	(128,300,297)
Total Assets	478,700,064	7,278,044	485,978,108
Liabilities			
Accounts payable	5,724,780	91,236	5,816,016
Accrued expenses	2,339,194	31,718	2,370,912
Unearned revenue	52,440,577	-	52,440,577
Non-current Liabilities			
Due within one year			
Accrued compensated absences	459,133	7,895	467,028
Certificates of participation	1,010,000	-	1,010,000
Accrued interest	56,200	-	56,200
Due longer than one year			
Accrued compensated absences	1,377,397	23,684	1,401,081
Certificates of participation	14,550,000	-	14,550,000
Landfill closure and postclosure obligations	-	666,100	666,100
Total Liabilities	77,957,281	820,633	78,777,914
Net Assets			
Invested in capital assets, net of related debt	280,838,459	2,147,854	282,986,313
Restricted for:			
Emergencies	3,168,434	-	3,168,434
Debt service	1,715,136	-	1,715,136
Other Purposes	78,002,261	-	78,002,261
Unrestricted	37,018,493	4,309,557	41,328,050
Total Net Assets	\$ 400,742,783	\$ 6,457,411	\$ 407,200,194

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

Garfield County, Colorado
Statement of Activities
For the Year Ended December 31, 2011

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 22,744,858	\$ 3,887,039	\$ 1,926,868	\$ 799,590	\$ (16,131,361)	\$ -	\$ (16,131,361)
Public safety	21,947,452	585,749	1,047,989	-	(20,313,714)	-	(20,313,714)
Public works	18,576,728	617,133	4,112,458	4,606,295	(9,240,842)	-	(9,240,842)
Health and welfare	21,315,277	192,590	17,241,163	14,882	(3,866,642)	-	(3,866,642)
Culture and recreation	1,194,341	494,391	174,706	-	(525,244)	-	(525,244)
Interest	757,738	-	-	-	(757,738)	-	(757,738)
Total Governmental Activities	86,536,394	5,776,902	24,503,184	5,420,767	(50,835,541)	-	(50,835,541)
Business-type Activities:							
Solid waste	1,315,655	1,295,525	30,508	-	-	10,378	10,378
Total	\$ 87,852,049	\$ 7,072,427	\$ 24,533,692	\$ 5,420,767	(50,835,541)	10,378	(50,825,163)
General Revenues:							
Property taxes levied for general government purposes					47,811,401	-	47,811,401
Sales taxes					7,937,089	-	7,937,089
Specific ownership taxes					2,450,430	-	2,450,430
Severance taxes					2,079,304	-	2,079,304
Investment earnings					840,967	-	840,967
Transfers					(42,387)	42,387	-
Total General Revenues and Transfers					61,076,804	42,387	61,119,191
Change in Net Assets					10,241,263	52,765	10,294,028
Net Assets Beginning of Year					389,354,433	6,404,646	395,759,079
Prior Period Adjustment - See Note 4G					1,147,087	-	1,147,087
Fund Balances Beginning of Year (Restated)					390,501,520	6,404,646	396,906,166
Net Assets End of Year					\$ 400,742,783	\$ 6,457,411	\$ 407,200,194

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

Garfield County, Colorado
Balance Sheet
Governmental Funds
December 31, 2011

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Capital Expenditures</u>	<u>Oil and Gas Mitigation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Cash and investments, unrestricted	\$ 38,676,633	\$ 22,685,908	\$ 8,938,572	\$ 18,709,436	\$ 23,178,663	\$ 10,146,704	\$ 122,335,916
Cash and investments, restricted	-	-	-	1,715,852	-	-	1,715,852
Accounts receivable	37,970,086	9,920,815	2,382,508	2,717,993	-	941,853	53,933,255
Prepays	29,658	-	-	-	-	-	29,658
Due from other funds	435,952	78,667	-	27,721	20,793	33,640	596,773
Inventory	-	58,166	-	-	-	-	58,166
Total Assets	<u>\$ 77,112,329</u>	<u>\$ 32,743,556</u>	<u>\$ 11,321,080</u>	<u>\$ 23,171,002</u>	<u>\$ 23,199,456</u>	<u>\$ 11,122,197</u>	<u>\$ 178,669,620</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 1,915,236	\$ 1,945,541	\$ 283,328	\$ 380,752	\$ 517,969	\$ 619,087	\$ 5,661,913
Accrued expenditures	1,325,752	204,983	280,326	78,002	-	434,826	2,323,889
Due to other governments	-	-	1,093	-	-	-	1,093
Due to other funds	181,531	142,506	47,682	11,625	-	18,129	401,473
Deferred revenue	36,882,451	9,507,611	2,009,145	2,643,290	-	1,398,080	52,440,577
Total Liabilities	<u>40,304,970</u>	<u>11,800,641</u>	<u>2,621,574</u>	<u>3,113,669</u>	<u>517,969</u>	<u>2,470,122</u>	<u>60,828,945</u>
Fund Balances							
Non-spendable	29,658	58,166	-	-	-	-	87,824
Spendable:							
Restricted	3,168,434	20,884,749	8,430,087	20,057,333	-	1,086,869	53,627,472
Committed	139,728	-	-	-	22,681,487	7,565,206	30,386,421
Assigned	-	-	269,419	-	-	-	269,419
Unassigned	33,469,539	-	-	-	-	-	33,469,539
Total Fund Balances	<u>36,807,359</u>	<u>20,942,915</u>	<u>8,699,506</u>	<u>20,057,333</u>	<u>22,681,487</u>	<u>8,652,075</u>	<u>117,840,675</u>
Total Liabilities and Fund Balances	<u>\$ 77,112,329</u>	<u>\$ 32,743,556</u>	<u>\$ 11,321,080</u>	<u>\$ 23,171,002</u>	<u>\$ 23,199,456</u>	<u>\$ 11,122,197</u>	<u>\$ 178,669,620</u>

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

Garfield County, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2011

Total Governmental Fund Balances	\$	117,840,675
 Amounts reported for governmental activities in the Statement of Net Assets are different because:		
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	416,754,211	
Less accumulated depreciation	(121,918,228)	294,835,983
Debt issuance costs and other deferred charges are not financial resources and therefore not reported in the funds. However, in the Statement of Net Assets the cost of these items are capitalized and expensed over their estimated lives through amortization:		
Deferred charges, net		480,956
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	401,473	
Interfund payables	(401,473)	-
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.		
		5,008,566
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	(15,560,000)	
Compensated absences	(1,807,197)	
Accrued interest	(56,200)	(17,423,397)
Net Assets of Governmental Activities	\$	400,742,783

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

Garfield County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Capital Expenditure</u>	<u>Oil and Gas Mitigation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues							
Taxes	\$ 44,494,527	\$ 7,774,134	\$ 2,719,684	\$ 236,170	\$ -	\$ 3,121,187	\$ 58,345,702
Licenses and permits	\$ 6,803	306,453	-	-	-	-	313,256
Intergovernmental	\$ 1,446,963	3,436,913	16,324,343	334,882	2,079,304	4,765,536	28,387,941
Charges for services	\$ 5,603,345	4,497	32,000	-	-	486,656	6,126,498
Fines and forfeitures	\$ 113,150	-	-	-	-	-	113,150
Investment income	\$ 737,277	-	5,580	97,123	-	985	840,965
Contributions	\$ 717,925	570,331	-	310,000	-	34,120	1,632,376
Miscellaneous	\$ 634,033	109,132	233,328	-	-	169,748	1,146,241
Total Revenues	<u>53,754,023</u>	<u>12,201,460</u>	<u>19,314,935</u>	<u>978,175</u>	<u>2,079,304</u>	<u>8,578,232</u>	<u>96,906,129</u>
Expenditures							
Current							
General government	21,132,283	-	-	1,596,233	-	856,337	23,584,853
Public safety	20,467,594	-	-	18,765	-	407,035	20,893,394
Public works	159,113	13,429,865	-	948,942	-	1,749,062	16,286,982
Health and welfare	595,067	-	18,100,200	21,279	-	2,688,975	21,405,521
Culture and recreation	933,322	-	-	234,855	-	175,000	1,343,177
Debt Service							
Principal retirement	-	-	-	515,000	-	-	515,000
Interest	-	-	-	708,096	-	-	708,096
Other charges	-	-	-	4,200	-	-	4,200
Total Expenditures	<u>43,287,379</u>	<u>13,429,865</u>	<u>18,100,200</u>	<u>4,047,370</u>	<u>-</u>	<u>5,876,409</u>	<u>84,741,223</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,466,644</u>	<u>(1,228,405)</u>	<u>1,214,735</u>	<u>(3,069,195)</u>	<u>2,079,304</u>	<u>2,701,823</u>	<u>12,164,906</u>
Other Financing Sources (Uses)							
Transfers in	1,973,469	-	-	695,000	-	1,700,000	4,368,469
Transfers out	(3,732,887)	-	-	-	(617,969)	(60,000)	(4,410,856)
Total Other Financing Sources (Uses)	<u>(1,759,418)</u>	<u>-</u>	<u>-</u>	<u>695,000</u>	<u>(617,969)</u>	<u>1,640,000</u>	<u>(42,387)</u>
Net Change in Fund Balances	8,707,226	(1,228,405)	1,214,735	(2,374,195)	1,461,335	4,341,823	12,122,519
Fund Balances Beginning of Year	28,100,133	22,171,320	6,365,219	22,431,528	21,220,152	4,282,717	104,571,069
Prior Period Adjustment - See Note 4G	-	-	1,119,552	-	-	27,535	1,147,087
Fund Balances Beginning of Year (Restated)	28,100,133	22,171,320	7,484,771	22,431,528	21,220,152	4,310,252	105,718,156
Fund Balances End of Year	<u>\$ 36,807,359</u>	<u>\$ 20,942,915</u>	<u>\$ 8,699,506</u>	<u>\$ 20,057,333</u>	<u>\$ 22,681,487</u>	<u>\$ 8,652,075</u>	<u>\$ 117,840,675</u>

The accompanying notes are an integral part of these 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, 2011

Net Changes In Fund Balances - Total Governmental Funds		\$ 12,122,519
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	\$ (9,509,192)	
Capital outlay	<u>7,210,287</u>	(2,298,905)
The County has sold assets which are shown at their sales price on governmental funds but are shown as a gain or loss on the sale of assets based upon sale price less the asset's book value.		
		(119,051)
Elimination of transfers between governmental funds:		
Transfers in	\$ 4,368,469	
Transfers out	<u>(4,368,469)</u>	-
The internal service fund, used by management to charge the the costs of the motor pool to individual funds, is not reported in the government-wide Statement of Activities. Governmental fund expenditures are reduced and the related internal service fund profit is eliminated.		
		121,654
Interest expense reported in the Statement of Activities does not require the use of current financial resources and therefore, is not reported as expenditures in governmental funds. This represents the change in accrued interest during the year netted with amortization of bond premiums and refunding losses.		
		(49,640)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Principal payments on debt		515,000
Capitalization and amortization of bond issuance costs is charged over time in the Statement of Net Assets.		
		(11,198)
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. This represents the change in compensated absences during the year.		
		(39,116)
Change In Net Assets of Governmental Activities		<u>\$ 10,241,263</u>

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

Garfield County, Colorado
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,953,063	\$ 3,408,639
Accounts receivables	195,327	152,569
Due from other funds	13,391	2,447
Total Current Assets	5,161,781	3,563,655
Non-current Assets		
Capital Assets:		
Land	300,000	-
Land improvements	1,307,754	-
Buildings	768,258	-
Improvements	20,388	-
Machinery and equipment	1,974,097	5,721,902
Accumulated depreciation	(2,222,643)	(4,159,426)
Total Non-current Assets	2,147,854	1,562,476
Total Assets	7,309,635	5,126,131
Liabilities		
Current Liabilities		
Accounts payable	91,236	62,867
Accrued expenses	31,718	14,212
Accrued compensated absences	7,895	8,800
Due to other funds	31,591	11,153
Total Current Liabilities	162,440	97,032
Non-current Liabilities		
Accrued compensated absences	23,684	20,533
Closure and postclosure obligations	666,100	-
Total Non-current Liabilities	689,784	20,533
Total Liabilities	852,224	117,565
Net Assets		
Invested in capital assets	2,147,854	1,562,476
Unrestricted	4,309,557	3,446,090
Total Net Assets	\$ 6,457,411	\$ 5,008,566

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

Garfield County, Colorado
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Operating Revenues		
Charges for services	\$ 1,295,525	\$ 1,804,215
Miscellaneous	30,507	31,855
Total Operating Revenues	<u>1,326,032</u>	<u>1,836,070</u>
Operating Expenses		
Personnel	498,717	284,241
Purchased services	309,439	191,650
Materials and supplies	84,525	582,109
Depreciation	477,332	665,107
Other	(54,359)	(5,880)
Total Operating Expenses	<u>1,315,654</u>	<u>1,717,227</u>
Operating Income (Loss)	10,378	118,843
Non-operating Revenues		
Sale of Capital Assets	-	2,811
Income Before Transfers In	10,378	121,654
Transfers in	42,387	-
Change in Net Assets	52,765	121,654
Net Assets Beginning of Year	<u>6,404,646</u>	<u>4,886,912</u>
Net Assets End of Year	<u><u>\$ 6,457,411</u></u>	<u><u>\$ 5,008,566</u></u>

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

Garfield County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,276,181	\$ 1,804,555
Cash received from other sources	30,508	31,855
Cash payments for personal services	(495,357)	(276,686)
Cash payments for goods and services	(384,892)	(754,637)
Net Cash Provided by Operating Activities	<u>426,440</u>	<u>805,087</u>
Cash Flows from Noncapital Financing Activities		
Transfers in (out)	26,615	215,814
Net Cash (Used in) Noncapital Financing Activities	<u>26,615</u>	<u>215,814</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from the sale of capital assets	-	2,811
Payments for capital acquisitions	(175,701)	(250,464)
Net Cash (Used in) Capital and Related Financing Activities	<u>(175,701)</u>	<u>(247,653)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	277,354	773,248
Cash and Cash Equivalents Beginning of Year	<u>4,675,709</u>	<u>2,635,391</u>
Cash and Cash Equivalents End of Year	<u>\$ 4,953,063</u>	<u>\$ 3,408,639</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 10,378	\$ 118,843
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation	477,332	665,107
(Increase) decrease in accounts receivable	(19,344)	339
Increase (decrease) in accounts payable	8,352	11,678
Accrued expenses	2,716	1,565
Compensated absences payable	3,360	7,555
Landfill closure and postclosure care	(56,354)	-
Net Cash Provided by Operating Activities	<u>\$ 426,440</u>	<u>\$ 805,087</u>

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

Garfield County, Colorado
Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended December 31, 2011

	<u>2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>2011</u>
Assets				
Cash and investments	\$ 5,446,456	\$ 610,889,398	\$ (611,119,891)	\$ 5,215,963
Due from other funds	-	2,106	-	2,106
Total Assets	<u>\$ 5,446,456</u>	<u>\$ 610,891,504</u>	<u>\$ (611,119,891)</u>	<u>\$ 5,218,069</u>
Liabilities				
Due to others	\$ 801,458	\$ 6,516,374	\$ (6,975,362)	\$ 342,470
Due to other funds	-	170,500	-	170,500
Due to other governments	4,644,998	604,204,630	(604,144,529)	4,705,099
Total Liabilities	<u>\$ 5,446,456</u>	<u>\$ 610,891,504</u>	<u>\$ (611,119,891)</u>	<u>\$ 5,218,069</u>

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



NOTES TO FINANCIAL STATEMENTS

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 - Summary of Significant Accounting Policies

1A. Reporting Entity

Garfield County ("County") was formed in 1883. 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, roads and bridges, solid waste disposal, public health, airport and human services.

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As required by GAAP, these financial statements present Garfield County, Colorado (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations. 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 Corporation later issued Certificates of Participation in 2006. 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.

Travelers Highland Public Improvement District – The Travelers Highland Public Improvement District (the "PID") was established in December 2009 for the purpose of infrastructure improvements located at County Road 300 and State Highway 6&24. The boundaries of the PID are within the County but costs relating to infrastructure within the PID are borne by the PID's citizens through a separate mill levy. The County's Board sits as *ex officio* as the PID Board. Although the PID is a separate legal entity, for financial reporting purposes, it is part of the County and is included in the Travelers Highlands PID Fund.

1B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements include the Statement of Net Assets and the Statement of Activities, which display information about the primary government (the County) and its component units. These statements present summaries of Governmental and Business-type Activities for the County accompanied by a total column. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

1B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are presented with an economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Accordingly, all of the County's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements. The County's governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues and other taxes. All other revenue items are considered to be measurable and available only when cash is received by the County.

The following are the County's major governmental fund types and 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.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The County reports the following major special revenue funds:

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.

Human 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, 2011
(Continued)

1B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Capital Expenditure Fund – This fund accounts for resources assessed to be used to acquire capital assets and for the construction of major capital projects, excluding capital assets acquired by proprietary funds. This special revenue fund also accumulates resources for certificate of participation payments.

Oil and Gas Mitigation Fund – This fund accounts for resources accumulated to offset the effects of oil and gas exploration and production within the County.

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 - These funds include agency funds which account for monies held on behalf of other governments and agencies that use the County as a depository or for property taxes collected on behalf of the other governments or agencies. Agency funds are excluded from reporting in the government-wide financial statements. No budgets are adopted for the County's agency funds.

Certain eliminations have been made in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The County applies all applicable GASB pronouncements, as well as private-sector standards issued on or before November 30, 1989, to the government-wide and fund financial statements, unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected not to apply private-sector standards issued after November 30, 1989, for its government-wide and enterprise fund financial statements.

Reconciliation of the Fund financial statements to the government-wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

1C. Cash, Cash Equivalents, and Investments

Except for cash held for third parties (i.e., the Clerk and Recorder and Sheriff's Drug Seizure 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 3 months of the date acquired by the County.

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

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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

1D. Receivables

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

1E. 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.

1F. 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.

1G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2011, 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 reported as non-spendable as this amount is not available for general appropriation.

1H. 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.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

1H. Capital 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 \$5,000. 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:

<u>Asset Class</u>	<u>Estimated Lives</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Land improvements	20 Years	20 Years
Buildings	50 Years	50 Years
Building improvements	5 - 20 Years	5 - 20 Years
Machinery and equipment	3 - 20 Years	3 - 20 Years
Infrastructure and roads	20 - 50 Years	---

1I. 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.

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."

1J. 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 the 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 are recognized as liabilities in the governmental fund financial statements "when due."

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

1K. 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 with bond issuance costs and reported as deferred charges. On the government-wide Statement of Activities and proprietary fund type Statement of Revenues, Expenses, and Changes in Fund Net Assets, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the bonds outstanding method. At the 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.

1L. 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. Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note 3I.

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.

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

1M. 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 and 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.

1N. 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.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

1O. 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.

1P. 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.

Note 2 – Stewardship, Compliance and Accountability

2A. 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 Board of County Commissioners. The County approved monthly changes to budgeted appropriations for the year ended December 31, 2011.

All unexpended annual appropriations lapse at year-end.

Note 3 – Detailed Notes in All Funds

3A. Deposits and Investments

The County's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the County's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the County's demand deposits was \$18,594,063 at year end.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

The County had the following investments and maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on Hand	<i>Not Rated</i>	\$ 4,700	\$ 4,700	-
Checking and Savings	<i>Not Rated</i>	16,873,511	16,873,511	-
Deposits held by Trustee	<i>Not Rated</i>	1,715,852	1,715,852	-
<i>Investments:</i>				
Pools	AAA-	50,482,886	50,482,886	-
Bonds	AA+	2,498,705	2,498,705	-
Money Market Mutual Fund	AAA-	35,844,941	35,844,941	-
Agencies	AAA	28,186,964	8,077,414	20,109,550
Treasuries	AAA	2,021,875	-	2,021,875
Total		<u>\$ 137,629,434</u>		

The Investment Pool represents investments in COLOTRUST and CSAFE which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The County has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the County diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The County coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the County has limited its interest rate risk.

Credit Risk. State law and County policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The County's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The County diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured or issued by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding County funds must provide the County a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Restricted Cash and Investments. The County has restricted \$1,715,852 for debt service which exceeds the requirements of the 2006 and 2001 Certificates of Participation.

3B. Receivables

Receivables at December 31, 2011, consisted of taxes, interest, accounts, and intergovernmental receivables arising from grants. Receivables are net of an allowance for uncollectibles. There was no allowance for uncollectibles at December 31, 2011.

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, 2011
(Continued)

The County had the following receivables at year end:

Governmental Funds				
	General Fund	Road and Bridge	Human Services	Capital Expenditures
Accounts	\$ 875,737	\$ 87,581	\$ 380,113	\$ 215,000
Taxes	37,059,264	9,833,234	2,002,395	2,502,993
Other	35,085	-	-	-
Total	\$ 37,970,086	\$ 9,920,815	\$ 2,382,508	\$ 2,717,993

Proprietary Funds			
	Other Governmental Funds	Solid Waste Disposal	Motor Pool
Accounts	\$ 329,927	\$ 195,327	\$ 152,569
Taxes	611,926	-	-
Total	\$ 941,853	\$ 195,327	\$ 152,569

3C. 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 entities.

3D. Capital Assets

Governmental Activities capital asset activity for the year ended December 31, 2011 follows:

	Balance 1/1/11	Additions	Deductions	Balance 12/31/11
Governmental Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 3,595,448	\$ 3,605,078	\$ (2,576,629)	\$ 4,623,897
Land	11,375,247	6,943	-	11,382,190
Total assets not being depreciated	<u>14,970,695</u>	<u>3,612,021</u>	<u>(2,576,629)</u>	<u>16,006,087</u>
Depreciable capital assets:				
Land improvements	49,921,155	1,962,875	(305,968)	51,578,062
Buildings	53,615,244	-	(726,768)	52,888,476
Building improvements	3,415,120	284,181	(42,202)	3,657,099
Machinery and equipment	22,474,633	1,224,958	(1,077,763)	22,621,828
Infrastructure	272,771,216	2,953,345	-	275,724,561
Total depreciable capital assets	<u>402,197,368</u>	<u>6,425,359</u>	<u>(2,152,701)</u>	<u>406,470,026</u>
Total capital assets	<u>417,168,063</u>	<u>10,037,380</u>	<u>(4,729,330)</u>	<u>422,476,113</u>
Accumulated depreciation:				
Land improvements	(2,068,335)	(1,457,571)	261,789	(3,264,117)
Buildings	(13,596,812)	(917,750)	726,768	(13,787,794)
Building improvements	(846,597)	(254,250)	42,202	(1,058,645)
Machinery and equipment	(11,768,620)	(2,390,088)	1,002,892	(13,155,816)
Infrastructure	(89,656,642)	(5,154,640)	-	(94,811,282)
Total accumulated depreciation	<u>(117,937,006)</u>	<u>(10,174,299)</u>	<u>2,033,651</u>	<u>(126,077,654)</u>
Governmental activities capital assets, net	<u>\$ 299,231,057</u>	<u>\$ (136,919)</u>	<u>\$ (2,695,679)</u>	<u>\$ 296,398,459</u>

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Governmental Activities depreciation expense classified by function follows:

General government	\$ 811,792
Public safety	1,242,756
Public works	7,770,284
Culture and recreation	95,961
Health and welfare	<u>253,506</u>
 Total governmental activities depreciation expense	 <u><u>\$ 10,174,299</u></u>

Business-type Activities capital asset activity for the year ended December 31, 2011 was as follows:

	<u>Balance 1/1/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/11</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Total assets not being depreciated	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Depreciable capital assets:				
Land improvements	1,152,128	155,626	-	1,307,754
Buildings	768,258	-	-	768,258
Buildings improvements	20,388	-	-	20,388
Machinery and equipment	1,991,040	22,069	(39,012)	1,974,097
Total depreciable capital assets	<u>3,931,814</u>	<u>177,695</u>	<u>(39,012)</u>	<u>4,070,497</u>
Total capital assets	<u>4,231,814</u>	<u>177,695</u>	<u>(39,012)</u>	<u>4,370,497</u>
Accumulated depreciation:				
Land improvements	(798,193)	(238,237)	-	(1,036,430)
Buildings	(130,291)	(38,414)	-	(168,705)
Buildings improvements	(15,040)	(1,406)	-	(16,446)
Machinery and equipment	(838,805)	(199,274)	37,017	(1,001,062)
Total accumulated depreciation	<u>(1,782,329)</u>	<u>(477,331)</u>	<u>37,017</u>	<u>(2,222,643)</u>
Business-type activities capital assets, net	<u>\$ 2,449,485</u>	<u>\$ (299,636)</u>	<u>\$ (1,995)</u>	<u>\$ 2,147,854</u>

At December 31, 2011, the County had \$13,668,429 of fully depreciated capital assets.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

3E. Interfund Balances and Transfers

Interfund balances at December 31, 2011, 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.

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 435,952	\$ 181,531
Road and Bridge Fund	78,667	142,506
Human Services Fund	-	47,682
Capital Expenditures Fund	27,721	11,625
Oil and Gas Mitigation	20,793	-
Nonmajor governmental funds	33,640	18,129
Solid Waste Fund	13,391	31,591
Motor Pool Fund	2,447	11,153
Jail Inmate Agency Fund	-	10,000
Grant Agency Fund	2,106	160,500
	<u>\$ 614,717</u>	<u>\$ 614,717</u>
Total	<u>\$ 614,717</u>	<u>\$ 614,717</u>

Interfund transfers for the year ended December 31, 2011, consisted of the following:

	<u>Transfer In</u>	<u>Transfer (Out)</u>
General Fund	\$ 1,973,469	\$ (3,732,887)
Capital Expenditures Fund	695,000	-
Oil and Gas Mitigation	-	(617,969)
Nonmajor governmental funds	1,700,000	(60,000)
Solid Waste Fund	42,387	-
	<u>\$ 4,410,856</u>	<u>\$ (4,410,856)</u>
Total	<u>\$ 4,410,856</u>	<u>\$ (4,410,856)</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) segregate money for anticipated capital projects, (4) provide additional resources for current operations or debt service, and (5) 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, 2011
(Continued)

3F. 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 \$2,162,661, with closure costs estimated to be \$1,377,995 and postclosure care cost estimated to be \$784,666. The \$666,100 reported as landfill closure and postclosure care liability at December 31, 2011, represents the cumulative amount reported to date based on the use of 30.8% of the capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,496,561 as the remaining estimated capacity is filled. These amounts are based on estimates of what it would cost to perform all closure and postclosure care in 2011. The County expects to close the landfill in the year 2074. Actual cost may be higher due to inflation, changes in technology, or changes in applicable laws or regulations.

The County is required by State and Federal laws and regulations to provide assurance that the County has the ability to meet its financial obligations relating to closure and postclosure monitoring of the landfill. The County is in compliance with these requirements. However, if the County's financial position significantly changes in the future and resources are not available, or costs significantly change (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.

3G. Long-term Debt

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. The Certificates of Participation are paid through a lease purchase agreement with the County. The lease is subject to annual appropriation. This issue requires semi-annual payments on June 1st and December 1st from \$17,000 to \$697,000 until December 1, 2024.

2006 Certificates of Participation – On January 19, 2006 the County, through the Garfield County Building Corporation, issued \$9,685,000 in Certificates of Participation with interest ranging from 3.70% to 4.10%. The net proceeds \$9,479,737 (after payment of \$222,869 in underwriting fees and other issuance costs) were used to provide an escrow for the advance refunding of \$8,810,000 of the 1999 Certificates of Participation. The securities were deposited with a trustee to provide for payment of the refunded 1999 certificates until they were retired. The Certificates of Participation are paid through a lease purchase agreement with the County. The lease is subject to annual appropriation. This issue requires semi-annual payments on June 1st and December 1st from \$7,995 to \$951,495 until December 1, 2023.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Annual lease requirements to amortize all certificates of participation outstanding, as of December 31, 2011 follow:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,010,000	\$ 674,396	\$ 1,684,396
2013	1,060,000	629,183	1,689,183
2014	1,105,000	585,973	1,690,973
2015	1,145,000	540,180	1,685,180
2016	1,200,000	492,620	1,692,620
2017 through 2021	6,785,000	1,664,150	8,449,150
2022 through 2024	<u>3,255,000</u>	<u>266,230</u>	<u>3,521,230</u>
	<u>\$ 15,560,000</u>	<u>\$ 4,852,732</u>	<u>\$ 20,412,732</u>

Changes in Long-term Obligations - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2011:

	<u>Outstanding</u> <u>1/1/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u> <u>12/31/11</u>	<u>Amounts Due</u> <u>in One Year</u>
Governmental Activities:					
Certificates of participation	\$ 16,075,000	\$ -	\$ (515,000)	\$ 15,560,000	\$ 1,010,000
Compensated absences	<u>1,789,859</u>	<u>583,629</u>	<u>(536,958)</u>	<u>1,836,530</u>	<u>459,133</u>
Total Governmental Activities	<u>\$ 17,864,859</u>	<u>\$ 583,629</u>	<u>\$ (1,051,958)</u>	<u>\$ 17,396,530</u>	<u>\$ 1,469,133</u>
Business-type Activities:					
Landfill closure & postclosure	722,454	\$ -	\$ (56,354)	\$ 666,100	\$ -
Compensated absences	<u>28,219</u>	<u>11,826</u>	<u>(8,466)</u>	<u>31,579</u>	<u>7,895</u>
Total Business-type Activities	<u>\$ 750,673</u>	<u>\$ 11,826</u>	<u>\$ (64,820)</u>	<u>\$ 697,679</u>	<u>\$ 7,895</u>

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.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

3H. Retirement Plans

Defined Contribution Plan 401(a): The County participates in the Colorado 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. Plan investment purchases are determined by the plan participant and therefore, the plan’s investment concentration varies between participants.

State statute assigns the authority to establish and amend the benefit provisions and contribution requirements of the plans that participate in CCOERA to the respective employer governments.

There are no unfunded past service liabilities. All full-time or part-time employees (working at least 30 hours per week and more than six months in any calendar year) are required to participate in the 401(a) retirement plan. The County and the employee are required to contribute 5.0% of employee compensation, excluding items defined in the CCOERA Plan Document (such as overtime) until the employee’s tenth anniversary of employment with the County, after which the contribution from each increases to 6%. 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. The 401(a) retirement plan is not available to employees until termination, retirement, or death.

During 2011, the County and employees made the required contribution amounting to \$1,166,547 each.

Defined Contribution Plan 457: The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by CCOERA. The plan is available to all full-time or part-time employees (working at least 30 hours per week and more than six months in any calendar year) and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or death. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan’s investment concentration varies between participants.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

3l. Fund Balance Disclosure

The County classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of County Commissioners. The County's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board's platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to the Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board approval, must be presented via a public process and again approval by the Board.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The County does not have a formal minimum fund balance policy. However, the County's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to the Board.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

As of December 31, 2011, fund balances are composed of the following:

	General Fund	Other Governmental Funds	Total Governmental Funds	Description
Non-spendable:				
Inventories	\$ -	\$ 58,166	\$ 58,166	
Prepaid expenses	29,658	-	29,658	
Restricted:				
Public Health	-	957,748	957,748	Legislative Restriction
Road and Bridge	-	20,884,749	20,884,749	Legislative Restriction
Human Services	-	8,430,087	8,430,087	Legislative Restriction
Conservation Trust	-	21,858	21,858	Legislative Restriction
Emergency Reserve	3,168,434	-	3,168,434	Legislative Restriction
Garfield County Grants	-	107,263	107,263	Federal and State Grant Restriction
Debt service	-	1,715,136	1,715,136	COPS Indenture
Other capital projects	-	18,342,197	18,342,197	Legislative Restriction
Committed:				
Airport	-	4,653,536	4,653,536	BOCC Resolution
Fair	62,571	-	62,571	BOCC Resolution
Clerk and Recorder EFTF	-	26,089	26,089	BOCC Resolution
Traffic Study	-	729,181	729,181	Traffic Impact Fees Resolution
Livestock Auction	42,011	-	42,011	BOCC Resolution
Commissary	35,146	-	35,146	BOCC Resolution
Retirement	-	2,029,642	2,029,642	BOCC Resolution
Oil and Gas Mitigation	-	22,681,487	22,681,487	BOCC Resolution
Traveler's Highland PID	-	126,758	126,758	BOCC Resolution
Assigned:				
Human Services	-	269,419	269,419	Grant Restriction
Unassigned	33,469,539	-	33,469,539	
Total Fund Balances	\$ 36,807,359	\$ 81,033,316	\$ 117,840,675	

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 4 - Other Notes

4A. 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.

4B. 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, 2011. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4C. 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.

One of the requirements of TABOR is for emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue (excluding bonded debt service). The County has restricted a portion of its December 31, 2011 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$3,168,434.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

4D. Possible Violation of State Statute

The Traveler's Highland PID Fund exceeded budgeted appropriations which may be a violation of state statutes.

4E. Construction Commitments

The County had the following contractual commitments at year end:

Fund	Project	Vendor	Contract Commitment	Completed	Retainage	Remaining
Capital	CH & SO Energy Perf Contract	Ennovate Corporation	\$ 787,922	\$ (780,017)	\$ 78,001	\$ 85,906
Capital	Admin. Bldg. & CH Standby Generators	JHL Industrial	353,000	(184,278)	-	168,722
Airport	Airport Runway Upgrade	Kelley Trucking	13,776,012	(13,776,012)	54,690	54,690
Airport	Airport Runway Upgrade	Fiore & Sons, Inc	15,743,828	(15,707,656)	315,180	351,352
R&B	Parachute Library Bike Trail	Martinez W. Constructors	192,670	(192,670)	10,929	10,929
R&B	BM Drainage	Martinez W. Constructors	102,551	(101,983)	5,127	5,695
R&B	Canyon Ck Flood Mitigation	Palisade Constructors Inc	358,826	(126,308)	12,630	245,148
R&B	Remaining Aggregate at Latham Pit	Lafarge West	371,443	(247,629)	-	123,814
Total			\$ 31,686,252	\$ (31,116,553)	\$ 476,557	\$ 1,046,256

4F. Subsequent Events

Management has evaluated subsequent events through June 08, 2012, the date these financial statements were available to be issued.

4G. Prior Period Adjustment

As part of the overall implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County identified and reclassified certain balances in the Human Services Fund which had grant-related restrictions to assigned and restricted equity. Previously, the County had classified these balances, totaling \$1,119,552, as accrued expenses and deferred revenue.

During the year, the County determined the Traveler's Highland PID should be reported as a blended component unit of the County. Consequently, the County is recording \$27,535 of prior year fund balance.

4H. Change in Accounting Principle (GASB 54)

As part of the overall implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County consolidated its Fair Board Fund, Emergency Reserve Fund, Commissary Fund, and Livestock Auction Fund into the General Fund. With this change of accounting principle there is no impact to Net Change in Fund Balance for Governmental Activities.



REQUIRED SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

General Fund – accounts for financing general administration and most of the services in Garfield County. Primary sources of revenue are sales tax, property tax, grants and fees.

Special Revenue Funds:

Road & Bridge Fund – accounts for financing County road and bridge construction and maintenance. Primary sources of revenue are the Highway User Tax (HUTF), sales tax, contributions and grants.

Human Services Fund – accounts for financing public welfare programs in Garfield County. Primary sources of revenue are from federal and state grants.

Capital Expenditures Fund – accounts for financing various capital improvement projects in Garfield County. Sources of revenue include property tax, grants and contributions.

Oil and Gas Mitigation Fund – accounts for revenues received from oil and gas activity. The revenues are to be used to offset impacts that are projected to exist after the oil and gas industry revenues decline.

Garfield County, Colorado
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ 36,569,599	\$ 36,569,599	\$ 36,444,861	\$ (124,738)
Specific ownership tax	2,217,890	2,217,890	1,915,414	(302,476)
Delinquent tax and interest	200,000	200,000	652,258	452,258
Sales tax	6,845,728	6,845,728	5,472,022	(1,373,706)
Other taxes	11,500	11,500	9,973	(1,527)
Licenses and permits	4,000	4,000	6,803	2,803
Intergovernmental				
Payment in lieu of taxes	425,000	425,000	421,704	(3,296)
Federal grants	110,000	284,476	226,728	(57,748)
State grants	502,057	510,084	670,677	160,593
Local grants	66,000	122,000	127,853	5,853
Charges for services				
Clerk and recorder	1,197,000	1,197,000	1,010,870	(186,130)
Building and planning	310,000	310,000	409,921	99,921
Sheriff's fees	374,500	374,500	543,020	168,520
Treasurer's fees	2,360,677	2,360,677	2,546,520	185,843
Livestock	450,000	450,000	389,899	(60,101)
Other fees	712,640	726,140	703,115	(23,025)
Fines and forfeitures	134,560	134,560	113,150	(21,410)
Investment income	1,130,015	1,130,015	737,277	(392,738)
Contributions	959,920	959,920	717,925	(241,995)
Miscellaneous	491,592	520,342	634,033	113,691
Total Revenues	<u>55,072,678</u>	<u>55,353,431</u>	<u>53,754,023</u>	<u>(1,599,408)</u>
Expenditures				
Current				
General government				
General	79,701	79,701	72,654	7,047
Board of county commissioners	3,186,864	3,674,833	3,070,294	604,539
Assessor	1,970,564	1,989,745	1,761,120	228,625
Clerk and recorder	1,864,065	1,895,525	1,613,181	282,344
Treasurer	966,178	989,421	835,042	154,379
Surveyor	51,792	51,792	45,477	6,315
County attorney	1,418,167	1,434,793	970,561	464,232
County manager	918,541	838,301	568,901	269,400
Finance	1,090,242	1,144,099	1,059,045	85,054
Human resources	639,447	639,447	466,271	173,176
Information technology	1,383,721	1,421,376	1,327,399	93,977
Purchasing	857,086	882,350	847,513	34,837
Oil and gas	461,109	471,109	276,913	194,196
General services	723,457	959,397	765,847	193,550
Facilities management	1,096,089	1,137,939	853,079	284,860
Building and planning	1,555,866	1,555,024	1,304,024	251,000
Engineering	274,319	274,319	250,468	23,851
Contingency and fund administration	805,641	805,641	849,320	(43,679)
Sales tax distribution	5,210,847	5,210,847	4,195,174	1,015,673
Public safety				
District attorney	2,224,910	2,224,910	2,105,866	119,044
Sheriff	9,127,203	9,026,050	7,988,468	1,037,582
Animal rescue	800,049	865,049	829,889	35,160
Emergency management	609,371	623,523	231,587	391,936
Fire suppression	85,318	85,318	79,760	5,558
Jail	8,373,846	8,472,112	6,925,194	1,546,918
Search and rescue	34,853	42,880	45,486	(2,606)
Victims advocate	151,588	151,588	155,578	(3,990)
Coroner	238,207	262,207	263,969	(1,762)
Emergency medical	15,000	15,000	766	14,234
Criminal justice services	2,532,080	1,812,580	1,723,495	89,085
Commissary	94,500	110,000	117,536	(7,536)
Health and welfare				
Health and welfare grants	668,164	668,164	595,067	73,097
Culture and recreation				
Extension	156,121	156,121	159,113	(2,992)
Livestock	463,000	463,000	393,668	69,332
Fairgrounds	581,537	601,537	539,654	61,883
Total Expenditures	<u>50,709,443</u>	<u>51,035,698</u>	<u>43,287,379</u>	<u>7,748,319</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,363,235</u>	<u>4,317,733</u>	<u>10,466,644</u>	<u>6,148,911</u>
Other Financing Sources (Uses)				
Transfers in	1,245,000	1,822,969	1,973,469	150,500
Transfers out	(3,940,000)	(3,742,500)	(3,732,887)	9,613
Total Other Financing Sources (Uses)	<u>(2,695,000)</u>	<u>(1,919,531)</u>	<u>(1,759,418)</u>	<u>160,113</u>
Net Change in Fund Balances	<u>\$ 1,668,235</u>	<u>\$ 2,398,202</u>	<u>\$ 8,707,226</u>	<u>\$ 6,309,024</u>
Fund Balances Beginning of Year			<u>28,100,133</u>	
Fund Balances End of Year			<u>\$ 36,807,359</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues				
Taxes				
Property tax revenue	\$ 5,015,000	\$ 5,015,000	\$ 5,064,205	\$ 49,205
Specific ownership tax	300,000	300,000	262,322	(37,678)
Delinquent tax and interest	25,000	25,000	117,017	92,017
Sales tax	2,814,984	2,814,984	2,193,780	(621,204)
Other taxes	100,000	100,000	136,810	36,810
Licenses and permits	150,000	150,000	306,453	156,453
Intergovernmental				
Federal grants	-	-	14,850	14,850
State grants	2,991,500	2,991,500	3,383,463	391,963
Local grants	39,400	39,400	38,600	(800)
Charges for services	7,500	7,500	4,497	(3,003)
Contributions	872,000	872,000	570,331	(301,669)
Miscellaneous	67,200	67,200	109,132	41,932
Total Revenues	<u>12,382,584</u>	<u>12,382,584</u>	<u>12,201,460</u>	<u>(181,124)</u>
Expenditures				
Current				
Public works				
Operations	5,059,056	5,117,066	4,427,847	689,219
Construction	-	-	1,005	(1,005)
Maintenance	7,576,230	7,977,675	4,965,309	3,012,366
Weed and pest	518,363	547,471	440,600	106,871
Capital outlay	4,410,000	8,984,000	3,595,104	5,388,896
Total Expenditures	<u>17,563,649</u>	<u>22,626,212</u>	<u>13,429,865</u>	<u>9,196,347</u>
Net Change in Fund Balances	<u>\$ (5,181,065)</u>	<u>\$ (10,243,628)</u>	<u>\$ (1,228,405)</u>	<u>\$ 9,015,223</u>
Fund Balances Beginning of Year			<u>22,171,320</u>	
Fund Balances End of Year			<u>\$ 20,942,915</u>	

Garfield County, Colorado
Human Services Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues				
Taxes				
Property tax revenue	\$ 2,500,000	\$ 2,500,000	\$ 2,495,089	\$ (4,911)
Specific ownership tax	30,000	30,000	131,161	101,161
Delinquent tax and interest	-	-	93,434	93,434
Intergovernmental				
Federal grants	14,640,441	16,165,584	14,952,987	(1,212,597)
State grants	1,234,475	1,234,475	1,212,175	(22,300)
Local grants	166,194	166,194	159,181	(7,013)
Charges for services	32,000	32,000	32,000	-
Investment income	-	-	5,580	5,580
Miscellaneous	78,000	118,000	233,328	115,328
Total Revenues	<u>18,681,110</u>	<u>20,246,253</u>	<u>19,314,935</u>	<u>(931,318)</u>
Expenditures				
Current				
Health and welfare				
Administration	1,358,271	1,445,359	1,303,370	141,989
Child care assistance	709,397	709,397	654,081	55,316
Child care quality and licensing	276,304	55,305	69,066	(13,761)
Child support enforcement	881,098	881,622	752,404	129,218
Child welfare block grant	3,542,945	3,544,188	3,251,658	292,530
Colorado works	1,264,048	1,264,829	843,788	421,041
CORE services	465,681	469,670	460,421	9,249
Fatherhood grant	-	1,042	1,042	-
Aid to needy disabled	75,000	75,000	38,294	36,706
Food benefits assistance	7,000,000	8,500,000	7,868,045	631,955
General assistance	10,000	10,000	1,759	8,241
Home care allowance	60,000	60,000	28,644	31,356
Low-income energy assistance program	496,913	496,913	320,396	176,517
Old age pension	820,000	820,000	758,813	61,187
Senior equip / caregiver	97,775	97,775	62,861	34,914
Single entry point	780,105	780,105	670,405	109,700
Employment first	17,079	17,079	6,145	10,934
DHS - local grants	97,600	97,600	96,991	609
DHS excess IV-E SB91-80	-	-	2,584	(2,584)
Senior programs	706,366	706,366	657,834	48,532
Other programs	-	220,999	135,078	85,921
Rural runaway homeless youth	70,416	70,563	51,906	18,657
Juvenile evaluation treatment ARRA	49,777	49,777	49,870	(93)
DHS excess parental fees SB94	6,960	6,960	14,745	(7,785)
Total Expenditures	<u>18,785,735</u>	<u>20,380,549</u>	<u>18,100,200</u>	<u>2,280,349</u>
Net Change in Fund Balances	<u>\$ (104,625)</u>	<u>\$ (134,296)</u>	<u>\$ 1,214,735</u>	<u>\$ 1,349,031</u>
Fund Balances Beginning of Year			6,365,219	
Prior Period Adjustment - See Note 4G			<u>1,119,552</u>	
Fund Balances Beginning of Year (Restated)			<u>7,484,771</u>	
Fund Balances End of Year			<u>\$ 8,699,506</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues				
Taxes				
Delinquent tax and interest	\$ -	\$ -	\$ 236,170	\$ 236,170
Intergovernmental				
Federal grants	-	49,966	-	(49,966)
State grants	22,500	105,000	159,882	54,882
Local grants	-	175,000	175,000	-
Investment income	35,000	35,000	97,123	62,123
Contributions	-	300,000	310,000	10,000
Total Revenues	<u>57,500</u>	<u>664,966</u>	<u>978,175</u>	<u>313,209</u>
Expenditures				
Current				
General government	1,957,818	2,052,818	1,596,233	456,585
Public safety	800,000	867,966	18,765	849,201
Public works	2,272,500	2,899,500	948,942	1,950,558
Health and welfare	27,000	27,000	21,279	5,721
Culture and recreation	113,000	255,500	234,855	20,645
Debt Service				
Principal retirement	515,000	515,000	515,000	-
Interest	695,560	695,560	708,096	(12,536)
Other charges	4,000	4,000	4,200	(200)
Total Expenditures	<u>6,384,878</u>	<u>7,317,344</u>	<u>4,047,370</u>	<u>3,269,974</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (6,327,378)</u>	<u>\$ (6,652,378)</u>	<u>\$ (3,069,195)</u>	<u>\$ 3,583,183</u>
Other Financing Sources (Uses)				
Transfers in	695,000	695,000	695,000	-
Total Other Financing Sources (Uses)	<u>695,000</u>	<u>695,000</u>	<u>695,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (5,632,378)</u>	<u>\$ (5,957,378)</u>	<u>\$ (2,374,195)</u>	<u>\$ 3,583,183</u>
Fund Balances Beginning of Year			<u>22,431,528</u>	
Fund Balances End of Year			<u>\$ 20,057,333</u>	

Garfield County, Colorado
Oil and Gas Mitigation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues				
Intergovernmental				
Federal grants	\$ 2,000,000	\$ -	\$ -	\$ -
State grants	500,000	2,079,304	2,079,304	-
Total Revenues	<u>2,500,000</u>	<u>2,079,304</u>	<u>2,079,304</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	2,500,000	2,079,304	2,079,304	-
Other Financing Sources (Uses)				
Transfers out	-	(617,969)	(617,969)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(617,969)</u>	<u>(617,969)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 2,500,000</u>	<u>\$ 1,461,335</u>	<u>\$ 1,461,335</u>	<u>-</u>
Fund Balances Beginning of Year			<u>21,220,152</u>	
Fund Balances End of Year			<u>\$ 22,681,487</u>	

Garfield County, Colorado
Note to Required Supplementary Information
For the Year Ended December 31, 2011

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County's Finance Department and approved by the Board of County Commissioners following a public hearing.

Any change in the total to a fund's budget requires approval of the Board of County Commissioners. All unexpended annual appropriations lapse at year-end. Budgets for these projects are appropriated in the following year.



SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Airport Fund – accounts for operations at the County airport.

Conservation Trust Fund – accounts for lottery revenues received from the State of Colorado to be used for the acquisition and development of parks and recreational sites within Garfield County.

Grant Fund –accounts for monies that Garfield County has received through grant funding to be used on behalf of Garfield County.

Clerk & Recorder EFTF Fund – accounts for the revenues and expenditures related to the collection of a surcharge, which is to be used solely to defray the costs of implementing and providing electronic filing and recording capabilities.

Traffic Study Fund – accounts for revenues received from building & planning activity related to subdivision development. The revenues are to be used to address traffic/road concerns in the areas in which the subdivisions were approved.

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

Traveler's Highland PID – accounts for all revenues and expenditures of real and personal property tax dollars collected from property located within the district for specific purposes supported by statute and governing documents of the PID.

Public Health Fund – accounts for all revenues and expenditures related to the administration of public health services and programs. This fund was set up pursuant to Senate Bill 08-194.

Garfield County, Colorado
 Combining Balance Sheet
 Non-major Special Revenue Funds
 December 31, 2011

	Airport	Conservation Trust	Grant	Clerk and Recorder EFTF	Traffic Study
Assets					
Cash and investments	\$ 5,054,469	\$ 195,017	\$ 710,211	\$ 25,937	\$ 729,179
Accounts receivable	133,533	-	94,375	-	-
Due from other funds	22,594	1,841	-	152	-
Total Assets	\$ 5,210,596	\$ 196,858	\$ 804,586	\$ 26,089	\$ 729,179
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 55,456	\$ 175,000	\$ 108,990	\$ -	\$ -
Accrued expenditures	378,535	-	-	-	-
Due to other funds	9,364	-	-	-	(2)
Deferred revenue	113,705	-	588,333	-	-
Total Liabilities	557,060	175,000	697,323	-	(2)
Fund Balances					
Spendable:					
Restricted	-	21,858	107,263	-	-
Committed	4,653,536	-	-	26,089	729,181
Total Fund Balances	4,653,536	21,858	107,263	26,089	729,181
Total Liabilities and Fund Balances	\$ 5,210,596	\$ 196,858	\$ 804,586	\$ 26,089	\$ 729,179

Retirement	Traveler's Highland PID	Public Health	Total Non-major Special Revenue Funds
\$ 2,028,907	\$ 202,719	\$ 1,200,265	\$ 10,146,704
500,599	71,058	142,288	941,853
735	-	8,318	33,640
\$ 2,530,241	\$ 273,777	\$ 1,350,871	\$ 11,122,197
\$ -	\$ 75,961	\$ 203,680	\$ 619,087
-	-	56,291	434,826
-	-	8,767	18,129
500,599	71,058	124,385	1,398,080
500,599	147,019	393,123	2,470,122
-	-	957,748	1,086,869
2,029,642	126,758	-	7,565,206
2,029,642	126,758	957,748	8,652,075
\$ 2,530,241	\$ 273,777	\$ 1,350,871	\$ 11,122,197

Garfield County, Colorado
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-major Special Revenue Funds
 For the Year Ended December 31, 2011

	Airport	Conservation Trust	Grant	Clerk and Recorder EFTF	Traffic Study
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,457,600	184,070	474,880	-	-
Charges for services	310,300	-	-	-	15,766
Investment income	-	97	103	-	785
Contributions	-	-	-	-	-
Miscellaneous	82,054	-	-	13,705	-
Total Revenues	<u>3,849,954</u>	<u>184,167</u>	<u>474,983</u>	<u>13,705</u>	<u>16,551</u>
Expenditures					
Current					
General government	-	-	467,720	6,995	-
Public safety	-	-	-	-	-
Public works	1,526,475	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	175,000	-	-	-
Total Expenditures	<u>1,526,475</u>	<u>175,000</u>	<u>467,720</u>	<u>6,995</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,323,479</u>	<u>9,167</u>	<u>7,263</u>	<u>6,710</u>	<u>16,551</u>
Other Financing Sources (Uses)					
Transfers in	-	-	100,000	-	-
Transfers out	-	-	-	(60,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>(60,000)</u>	<u>-</u>
Net Change in Fund Balances	2,323,479	9,167	107,263	(53,290)	16,551
Fund Balances Beginning of Year	2,330,057	12,691	-	79,379	712,630
Prior Period Adjustment - See Note 4G	-	-	-	-	-
Fund Balances Beginning of Year (Restated)	2,330,057	12,691	-	79,379	712,630
Fund Balances End of Year	<u>\$ 4,653,536</u>	<u>\$ 21,858</u>	<u>\$ 107,263</u>	<u>\$ 26,089</u>	<u>\$ 729,181</u>

Retirement	Traveler's Highland PID	Public Health	Non-major Special Revenue Funds
\$ 2,662,086	\$ 187,814	\$ 271,287	\$ 3,121,187
125	-	648,861	4,765,536
-	-	160,590	486,656
-	-	-	985
-	-	34,120	34,120
73,477	-	512	169,748
<u>2,735,688</u>	<u>187,814</u>	<u>1,115,370</u>	<u>8,578,232</u>
381,622	-	-	856,337
407,035	-	-	407,035
133,996	88,591	-	1,749,062
243,894	-	2,445,081	2,688,975
-	-	-	175,000
<u>1,166,547</u>	<u>88,591</u>	<u>2,445,081</u>	<u>5,876,409</u>
<u>1,569,141</u>	<u>99,223</u>	<u>(1,329,711)</u>	<u>2,701,823</u>
-	-	1,600,000	1,700,000
-	-	-	(60,000)
<u>-</u>	<u>-</u>	<u>1,600,000</u>	<u>1,640,000</u>
1,569,141	99,223	270,289	4,341,823
460,501	-	687,459	4,282,717
-	27,535	-	27,535
460,501	27,535	687,459	4,310,252
<u>\$ 2,029,642</u>	<u>\$ 126,758</u>	<u>\$ 957,748</u>	<u>\$ 8,652,075</u>

Garfield County, Colorado
Airport Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues				
Intergovernmental				
Federal grants	\$ 2,050,001	\$ 2,050,001	\$ 2,931,263	\$ 881,262
State grants	333,575	333,575	526,337	192,762
Charges for services	311,021	311,021	310,300	(721)
Miscellaneous	13,250	13,250	82,054	68,804
Total Revenues	<u>2,707,847</u>	<u>2,707,847</u>	<u>3,849,954</u>	<u>1,142,107</u>
Expenditures				
Current				
Public works				
Personnel costs	255,361	255,361	239,856	15,505
Purchased services	141,935	141,935	118,408	23,527
Operating costs	271,062	271,062	274,112	(3,050)
Other expenses	-	-	249	(249)
Capital outlay	2,104,890	2,129,045	893,850	1,235,195
Total Expenditures	<u>2,773,248</u>	<u>2,797,403</u>	<u>1,526,475</u>	<u>1,270,928</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,401)	(89,556)	2,323,479	2,413,035
Other Financing Sources (Uses)				
Transfers in	500,000	-	-	-
Net Change in Fund Balances	<u>\$ 434,599</u>	<u>\$ (89,556)</u>	<u>\$ 2,323,479</u>	<u>\$ 2,413,035</u>
Fund Balances Beginning of Year			<u>2,330,057</u>	
Fund Balances End of Year			<u>\$ 4,653,536</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, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues				
Intergovernmental				
State grants	\$ 190,000	\$ 190,000	\$ 184,070	\$ (5,930)
Investment income	500	500	97	(403)
Total Revenues	<u>190,500</u>	<u>190,500</u>	<u>184,167</u>	<u>(6,333)</u>
Expenditures				
Current				
Culture and recreation	175,000	175,000	175,000	-
Total Expenditures	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 15,500</u>	<u>\$ 15,500</u>	\$ 9,167	<u>\$ (6,333)</u>
Fund Balances Beginning of Year			<u>12,691</u>	
Fund Balances End of Year			<u>\$ 21,858</u>	

Garfield County, Colorado
Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues				
Intergovernmental				
Federal grants	\$ -	\$ 1,323,039	\$ 470,880	\$ (852,159)
State grants	-	-	4,000	4,000
Investment income	-	-	103	103
Total Revenues	<u>-</u>	<u>1,323,039</u>	<u>474,983</u>	<u>(848,056)</u>
Expenditures				
Current				
General government	-	1,323,039	467,720	855,319
Total Expenditures	<u>-</u>	<u>1,323,039</u>	<u>467,720</u>	<u>855,319</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	7,263	7,263
Other Financing Sources (Uses)				
Transfers in	-	100,000	100,000	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 107,263</u>	<u>\$ 7,263</u>
Fund Balances Beginning of Year			<u>-</u>	
Fund Balances End of Year			<u>\$ 107,263</u>	

Garfield County, Colorado
Clerk and Recorder EFTF Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues				
Miscellaneous	\$ 16,500	\$ 16,500	\$ 13,705	\$ (2,795)
Total Revenues	<u>16,500</u>	<u>16,500</u>	<u>13,705</u>	<u>(2,795)</u>
Expenditures				
Current				
General government				
Clerk and recorder	<u>7,800</u>	<u>7,800</u>	<u>6,995</u>	<u>805</u>
Total Expenditures	<u>7,800</u>	<u>7,800</u>	<u>6,995</u>	<u>805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,700	8,700	6,710	(1,990)
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 8,700</u>	<u>\$ (51,300)</u>	<u>\$ (53,290)</u>	<u>\$ (1,990)</u>
Fund Balances Beginning of Year			<u>79,379</u>	
Fund Balances End of Year			<u>\$ 26,089</u>	

Garfield County, Colorado
Traffic Study Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ 15,766	\$ 15,766
Investment income	-	-	785	785
Total Revenues	-	-	16,551	16,551
Expenditures				
Current				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	\$ 16,551	<u>\$ 16,551</u>
Fund Balances Beginning of Year			<u>712,630</u>	
Fund Balances End of Year			<u>\$ 729,181</u>	

Garfield County, Colorado
Retirement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ 2,500,000	\$ 2,500,000	\$ 2,495,089	\$ (4,911)
Specific ownership tax	150,000	150,000	131,161	(18,839)
Delinquent tax and interest	20,000	20,000	35,836	15,836
Intergovernmental				
State grants	-	-	125	125
Miscellaneous	45,000	45,000	73,477	28,477
Total Revenues	<u>2,715,000</u>	<u>2,715,000</u>	<u>2,735,688</u>	<u>20,688</u>
Expenditures				
Current				
General government	410,776	407,179	381,622	25,557
Public safety	531,481	531,481	407,035	124,446
Public works	150,090	150,090	133,996	16,094
Health and welfare	262,538	268,901	243,894	25,007
Total Expenditures	<u>1,354,885</u>	<u>1,357,651</u>	<u>1,166,547</u>	<u>191,104</u>
Net Change in Fund Balances	<u>\$ 1,360,115</u>	<u>\$ 1,357,349</u>	<u>\$ 1,569,141</u>	<u>\$ 211,792</u>
Fund Balances Beginning of Year			<u>460,501</u>	
Fund Balances End of Year			<u>\$ 2,029,642</u>	

Garfield County, Colorado
Traveler's Highland PID
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Property tax revenue	\$ -	\$ 168,000	\$ 173,800	\$ 5,800
Specific ownership tax	-	6,000	10,372	4,372
Delinquent tax and interest	-	2,000	3,642	1,642
Total Revenues	<u>-</u>	<u>176,000</u>	<u>187,814</u>	<u>11,814</u>
Expenditures				
Current				
Public works	-	88,203	88,591	(388)
Total Expenditures	<u>-</u>	<u>88,203</u>	<u>88,591</u>	<u>(388)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ 87,797</u>	<u>\$ 99,223</u>	<u>\$ 11,426</u>
Fund Balances Beginning of Year			-	
Prior Period Adjustment- See Note 4G			<u>27,535</u>	
Fund Balances Beginning of Year (Restated)			27,535	
Fund Balances End of Year			<u>\$ 126,758</u>	

Garfield County, Colorado
Public Health Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Taxes				
Sales tax	\$ 348,120	\$ 348,120	\$ 271,287	\$ (76,833)
Intergovernmental				
Federal grants	347,122	347,122	304,154	(42,968)
State grants	320,980	320,980	314,124	(6,856)
Local grants	-	31,105	30,583	(522)
Charges for services	132,000	132,000	160,590	28,590
Contributions	-	120,859	34,120	(86,739)
Miscellaneous	-	-	512	512
Total Revenues	<u>1,148,222</u>	<u>1,300,186</u>	<u>1,115,370</u>	<u>(184,816)</u>
Expenditures				
Current				
Health and welfare	<u>2,434,547</u>	<u>2,779,688</u>	<u>2,445,081</u>	<u>334,607</u>
Total Expenditures	<u>2,434,547</u>	<u>2,779,688</u>	<u>2,445,081</u>	<u>334,607</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,286,325)	(1,479,502)	(1,329,711)	149,791
Other Financing Sources (Uses)				
Transfers in	<u>1,500,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 213,675</u>	<u>\$ 120,498</u>	<u>\$ 270,289</u>	<u>\$ 149,791</u>
Fund Balances Beginning of Year			<u>687,459</u>	
Fund Balances End of Year			<u>\$ 957,748</u>	



PROPRIETARY FUNDS

Enterprise Fund:

Solid Waste Disposal Fund – accounts for all the expenses of Garfield County's solid waste management operations. Sources of revenue include fees, grants and miscellaneous revenues from recycled goods.

Internal Service Fund:

Motor Pool Fund – accounts for the repair and maintenance costs for all the County's vehicles and equipment. The primary source of revenue is charges to various departments based on actual usage.

Garfield County, Colorado
Solid Waste Fund
Schedule of Revenues, Expenditures and Changes in Net Assets -
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues				
Charges for services	\$ 1,130,000	\$ 1,130,000	\$ 1,295,524	\$ 165,524
Others	-	-	30,508	30,508
Transfers in	-	42,000	42,387	387
Total Revenues	<u>1,130,000</u>	<u>1,172,000</u>	<u>1,368,419</u>	<u>196,419</u>
Expenditures				
Personnel	570,246	581,267	498,716	82,551
Purchased services	439,076	436,076	309,440	126,636
Materials and supplies	137,370	140,370	84,525	55,845
Capital outlay	259,000	359,000	177,695	181,305
Total Expenditures	<u>1,405,692</u>	<u>1,516,713</u>	<u>1,070,376</u>	<u>446,337</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures - Non-GAAP Basis	<u>\$ (275,692)</u>	<u>\$ (344,713)</u>	\$ 298,043	<u>\$ 642,756</u>
Add:			175,700	
Capitalized purchases				
Closure/post-closure care			56,354	
Less:				
Depreciation expense			<u>(477,332)</u>	
Change in Net Assets - GAAP Basis			<u>\$ 52,765</u>	

Garfield County, Colorado
Motor Pool Fund
Schedule of Revenues, Expenditures and Changes in Net Assets -
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues				
Charges for services	\$ 1,814,000	\$ 1,814,000	\$ 1,804,215	\$ (9,785)
Others	-	-	31,855	31,855
Sale of capital assets	5,000	5,000	2,811	(2,189)
Total Revenues	<u>1,819,000</u>	<u>1,819,000</u>	<u>1,838,881</u>	<u>19,881</u>
Expenditures				
Personnel	294,099	294,099	284,241	9,858
Purchased services	247,245	247,245	191,650	55,595
Materials and supplies	505,200	655,200	582,109	73,091
Capital outlay	472,075	472,075	244,584	227,491
Total Expenditures	<u>1,518,619</u>	<u>1,668,619</u>	<u>1,302,584</u>	<u>366,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures - Non-GAAP Basis	<u>\$ 300,381</u>	<u>\$ 150,381</u>	\$ 536,297	<u>\$ 385,916</u>
Add:				
Capitalized purchases			250,464	
Less:				
Depreciation expense			(665,107)	
Change in Net Assets - GAAP Basis			<u>\$ 121,654</u>	



FIDUCIARY FUNDS

Agency Funds:

Section 125 Plan Fund – accounts for employee flex benefit transactions.

Jail Inmate Fund – accounts for the monies held on behalf of clients (inmates) while they are serving their sentences.

Grants Fund – accounts for monies held on behalf of various entities that have received grant funding for which Garfield County's role is to administer.

Agency Fund – accounts for monies held on behalf of clients in Community Correction residential facilities; asset forfeiture funds; and the Collaborative Management Program serving "at risk" youth.

County Treasurer Fund – accounts for the monies collected (principally tax collections) by the Garfield County Treasurer for various local government entities within the County.

County Clerk Fund – accounts for the monies collected by the Garfield County Clerk for recording, licenses, and motor vehicle transactions.

Garfield County, Colorado
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	Balance 1/1/11	Additions	Deductions	Balance 12/31/11
Section 125 Plan				
Assets				
Cash and investments	\$ 66,591	\$ 186,572	\$ (193,700)	\$ 59,463
Liabilities				
Due to others	\$ 66,591	\$ 186,572	\$ (193,700)	\$ 59,463
Jail Inmate				
Assets				
Cash and investments	\$ 33,049	\$ -	\$ (21,032)	\$ 12,017
Liabilities				
Due to other funds	\$ -	\$ 10,000	\$ -	\$ 10,000
Due to others	33,049	(10,000)	(21,032)	2,017
	\$ 33,049	\$ -	\$ (21,032)	\$ 12,017
Grants				
Assets				
Cash and investments	\$ 264,146	\$ 264,686	\$ (480,423)	\$ 48,409
Due from other funds	-	2,106	-	2,106
	\$ 264,146	\$ 266,792	\$ (480,423)	\$ 50,515
Liabilities				
Due to other funds	\$ -	\$ 160,500	\$ -	\$ 160,500
Due to others	264,146	106,292	(480,423)	(109,985)
	\$ 264,146	\$ 266,792	\$ (480,423)	\$ 50,515
Agency				
Assets				
Cash and investments	\$ 437,672	\$ 6,233,510	\$ (6,280,207)	\$ 390,975
Liabilities				
Due to others	\$ 437,672	\$ 6,233,510	\$ (6,280,207)	\$ 390,975
County Treasurer				
Assets				
Cash and investments	\$ 4,375,455	\$ 584,724,515	\$ (584,663,282)	\$ 4,436,688
Liabilities				
Due to other governments	\$ 4,375,455	\$ 584,724,515	\$ (584,663,282)	\$ 4,436,688
County Clerk				
Assets				
Cash and investments	\$ 269,543	\$ 19,480,115	\$ (19,481,247)	\$ 268,411
Liabilities				
Due to other governments	\$ 269,543	\$ 19,480,115	\$ (19,481,247)	\$ 268,411
Total				
Assets				
Cash and investments	\$ 5,446,456	\$ 610,889,398	\$ (611,119,891)	\$ 5,215,963
Due from other funds	-	2,106	-	2,106
	\$ 5,446,456	\$ 610,891,504	\$ (611,119,891)	\$ 5,218,069
Liabilities				
Due to others	\$ 801,458	\$ 6,516,374	\$ (6,975,362)	\$ 342,470
Due to other funds	-	170,500	-	170,500
Due to other governments	4,644,998	604,204,630	(604,144,529)	4,705,099
	\$ 5,446,456	\$ 610,891,504	\$ (611,119,891)	\$ 5,218,069



**ANNUAL SCHEDULE OF REVENUES AND
EXPENDITURES FOR ROADS, BRIDGES, AND
STREETS**

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
Garfield County
YEAR ENDING :
December 2011

This Information From The Records Of Garfield County, Colorado
Prepared By: Bob Prendergast, Sr. Financial Analyst
Phone: (970) 625-5912

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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,596,109
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,768,200
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	1,101,901	b. Snow and ice removal	1,692,564
3. Other local imposts (from page 2)	8,080,587	c. Other (weed and pest control)	440,600
4. Miscellaneous local receipts (from page 2)	722,561	d. Total (a. through c.)	2,133,164
5. Transfers from toll facilities		4. General administration & miscellaneous	2,932,393
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,101,901
a. Bonds - Original Issues		6. Total (1 through 5)	14,531,767
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	9,905,049	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,383,463	2. Notes:	
D. Receipts from Federal Government (from page 2)	14,850	a. Interest	
E. Total receipts (A.7 + B + C + D)	13,303,362	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	14,531,767

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	22,171,320	13,303,362	14,531,767	20,942,915	0

Notes and Comments:

Highway law enforcement and safety per the County Sheriff is approximately 33% of the Patrol operating expenditures for the year. Ending Balance for Local Road and Street Fund Balance agrees to audited R&B 120 fund as of 12/31/11.

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2011

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	5,181,222	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	2,193,780	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses (permits)	443,263	f. Charges for Services	113,628
5. Specific Ownership &/or Other	262,322	g. Other Misc. Receipts for CR300 6&24	507,077
6. Total (1. through 5.)	2,899,365	h. Other (O&G reimb & \$39k for Weed Cntrl)	101,856
c. Total (a. + b.)	8,080,587	i. Total (a. through h.)	722,561
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,138,688	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	0	d. Federal Transit Admin	0
d. Other (Specify) DOW PILT & DOL	241,225	e. U.S. Corps of Engineers	0
e. Other (Specify) Weed & Pest	3,550	f. Other Federal	14,850
f. Total (a. through e.)	244,775	g. Total (a. through f.)	14,850
4. Total (1. + 2. + 3.f)	3,383,463	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		1,005	1,005
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		2,891,987	2,891,987
(3). System Preservation		703,117	703,117
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,595,104	3,595,104
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,596,109	3,596,109
			(Carry forward to page 1)

Notes and Comments:



STATISTICAL SECTION

The information in this Statistical Section of the Comprehensive Annual Financial Report is intended, when possible, to provide information about Garfield County's economic condition in the following areas.

Financial Trends - information used to understand and assess how a government's financial position has changed over time.

Revenue Capacity - information used to understand and assess the government's ability to generate own-source revenue.

Debt Capacity - information used to understand and assess the government's debt burden and its ability to issue additional debt.

Demographic and Economic Data - information used to understand the government's socioeconomic environment and facilitate comparisons of financial statement information of time or among governments.

Operating Information - information used to understand the government's operations and resources, therefore providing a context for understanding and assessing its economic condition.

Most of the data comes directly from current and prior Garfield County financial reports. Data which comes from other sources is noted on the individual tables.

Garfield County, Colorado
Net Assets by Component
Last Nine Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Government Activities									
Invested in Capital Activities	280,838,459	283,156,057	250,489,399	220,875,579	211,312,473	34,906,555	32,037,931	28,117,424	26,902,564
Restricted									
Debt Service	1,715,136	1,715,136	1,715,136	1,698,566	1,718,566	1,746,108			
Emergency Reserve	3,168,434	2,283,434	2,183,434	1,183,434	1,183,434	1,183,434	1,183,434	978,735	978,735
Other Reserves	78,002,261			2,168,542	-	359,022	286,408	701,666	1,065,437
Unrestricted	37,018,493	102,199,806	74,468,083	57,803,515	51,195,085	36,657,110	26,744,226	23,464,832	22,925,632
<i>Subtotal</i>	<u>400,742,783</u>	<u>389,354,433</u>	<u>328,856,052</u>	<u>283,729,636</u>	<u>265,409,558</u>	<u>74,852,229</u>	<u>60,251,999</u>	<u>53,262,657</u>	<u>51,872,368</u>
Business-Type Activities									
Invested in Capital Activities	2,147,854	2,449,485	2,534,580	2,206,023	1,763,134	490,927	667,561	612,028	603,174
Unrestricted	4,309,557	3,955,161	4,122,576	4,921,490	4,492,462	4,349,463	3,753,524	3,049,556	2,119,560
<i>Subtotal</i>	<u>6,457,411</u>	<u>6,404,646</u>	<u>6,657,156</u>	<u>7,127,513</u>	<u>6,255,596</u>	<u>4,840,390</u>	<u>4,421,085</u>	<u>3,661,584</u>	<u>2,722,734</u>
Total Net Assets	<u>407,200,194</u>	<u>395,759,079</u>	<u>335,513,208</u>	<u>290,857,149</u>	<u>271,665,154</u>	<u>79,692,619</u>	<u>64,673,084</u>	<u>56,924,241</u>	<u>54,595,102</u>

information not available prior to 2003

Source:
Garfield County Finance Department (CAFR)
Statement of Net Assets includes GASB 34 Adjustments

Garfield County, Colorado
Change in Net Assets
Last Nine Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	
Program Revenues										
Governmental Activities										
Taxes	60,278,224	81,248,448	66,374,680	53,837,077	47,784,502	35,072,798	25,366,651	19,010,387	18,523,830	information not available prior to 2003
Charges for Services:										
General government	3,887,039	5,027,586	4,301,231	4,278,503	4,446,637	4,727,895	3,821,532	3,070,969	3,029,125	
Public safety	585,749	852,418	870,048	997,190	1,051,964	1,275,640	1,010,073	1,040,246	936,170	
Public works	617,133	516,827	657,436	846,880	845,346	722,197	849,057	417,343	648,033	
Health and welfare	192,590	193,125	213,468	272,035	230,813	149,619	-	174,669	763,859	
Culture and recreation	494,391	532,808	483,090	608,532	450,811	443,686	92,538	47,242	60,550	
Operating Grants	24,503,184	25,110,324	24,081,281	18,846,379	18,331,005	20,461,821	15,765,710	15,503,101	14,861,056	
Unrestricted Grants	-	-	-	15,061	3,170	25,417	-	-	-	
Capital Grants	5,420,767	31,779,071	27,499,105	8,924,108	2,229,017	895,342	1,102,656	1,875,910	364,798	
Investment Income	840,967	805,113	1,564,116	3,104,676	3,607,306	2,249,096	1,051,837	601,995	646,869	
Miscellaneous Revenues and transfers	(42,387)	(25,000)	-	27,943	(6,194,057)	-	-	410,651	843,213	
Total Governmental Revenues	96,777,657	146,040,720	126,044,455	91,758,384	72,786,514	66,023,511	49,060,054	42,152,513	40,677,503	
Business Type Activities										
Charges for Services:										
Solid waste disposal	1,295,525	1,308,440	1,363,718	2,306,000	1,987,931	1,548,008	1,363,199	1,448,091	1,067,865	
Operating Grants	30,508	7,862	45,110	13,654	4,685	-	-	-	-	
Capital Grants	-	-	-	-	-	-	29,505	-	-	
Miscellaneous Revenues and transfers	42,387	25,000	-	(27,943)	300,000	-	-	-	(100,000)	
Total Business Type Revenues	1,368,420	1,341,302	1,408,828	2,291,711	2,292,616	1,548,008	1,392,704	1,448,091	967,865	
Total Primary Government Revenues	98,146,077	147,382,022	127,453,283	94,050,095	75,079,130	67,571,519	50,452,758	43,600,604	41,645,368	
Program Expenses										
Governmental Activities										
General Government	22,744,858	21,528,329	17,605,504	17,699,368	12,630,123	9,803,166	8,908,172	9,336,872	7,934,545	
Public Safety	21,947,452	21,446,288	21,164,697	17,958,161	15,519,455	13,091,923	11,418,247	9,602,933	8,366,927	
Public Works	18,576,728	19,661,900	20,732,738	20,351,512	19,928,299	12,436,163	7,754,095	4,572,600	5,393,354	
Health and Welfare	21,315,277	20,864,969	19,260,828	15,331,392	12,423,860	11,507,565	10,420,656	11,199,914	11,051,020	
Culture and Recreation	1,194,341	1,275,899	1,294,917	1,363,837	3,226,937	3,604,810	2,502,182	2,289,927	1,987,995	
Interest on Long Term Debt	757,738	764,954	859,356	734,037	1,012,466	979,659	1,067,360	1,088,290	1,116,720	
Total Governmental Expenses	86,536,394	85,542,339	80,918,040	73,438,307	64,741,140	51,423,286	42,070,712	38,090,536	35,850,561	
Business Type Activities										
Solid Waste	1,315,655	1,593,812	1,879,185	1,419,793	877,411	1,128,703	633,206	509,241	444,914	
Total Business Type Expenses	1,315,655	1,593,812	1,879,185	1,419,793	877,411	1,128,703	633,206	509,241	444,914	
Total Primary Government Expenses	87,852,049	87,136,151	82,797,225	74,858,100	65,618,551	52,551,989	42,703,918	38,599,777	36,295,475	
Net Revenue (Expense)										
Governmental Activities	10,241,263	60,498,381	45,126,415	18,320,077	8,045,374	14,600,225	6,989,342	4,061,977	4,826,942	
Business-Type Activities	52,765	(252,510)	(470,357)	871,918	1,415,205	419,305	759,498	938,850	522,951	
Total Primary Government	10,294,028	60,245,871	44,656,058	19,191,995	9,460,579	15,019,530	7,748,840	5,000,827	5,349,893	
Change in Net Assets	10,294,028	60,245,871	44,656,057	19,191,995	(173,051,377)	15,019,530	7,748,840	7,672,515	5,349,893	
Net Assets Beginning	396,906,166	335,513,208	290,857,150	271,665,154	262,204,575	64,673,089	56,924,244	51,923,414	49,245,209	
Restatement of Capital Assets	-	-	-	-	182,511,956	-	-	(2,671,688)	-	
Net Assets Ending	407,200,194	395,759,079	335,513,208	290,857,149	271,665,154	79,692,619	64,673,084	56,924,241	54,595,102	

Source:
Garfield County Finance Department (CAFR)
Statement of Net Assets includes GASB 34 Adjustments

Garfield County, Colorado
Fund Balances, Governmental Funds
Last Nine Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund Balances									
Non-spendable	29,658	5,000	5,000	5,000	5,000	5,187	5,000	-	643
Spendable:									
Restricted	3,168,434	-	-	-	-	-	-	-	-
Committed	139,728	-	-	-	-	-	-	-	-
Assigned	-	-	-	750,501	-	-	-	-	-
Unassigned	33,469,539	25,668,175	18,237,620	16,891,743	17,188,347	16,922,255	11,142,142	7,282,610	6,308,876
Total General Fund Balances	36,807,359	25,673,175	18,242,620	17,647,244	17,193,347	16,927,442	11,147,142	7,282,610	6,309,519
Other Governmental Fund Balances									
Non-spendable	58,166	80,371	110,164	69,255	93,166	48,496	48,496	89,751	93,001
Spendable:									
Restricted	50,459,038	3,998,570	3,898,570	2,882,000	2,902,000	3,288,564	1,469,842	6,474,639	7,602,809
Committed	25,593,157	-	-	-	-	-	-	-	-
Assigned	4,922,955	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Restricted/Committed (Special Rev Funds)	**	74,818,953	54,876,891	41,289,004	33,110,998	19,134,788	15,305,530	10,866,594	10,519,144
Total Other Governmental Fund Balances	81,033,316	78,897,894	58,885,625	44,240,259	36,106,164	22,423,352	16,775,372	17,430,984	18,214,954
Total Fund Balances	117,840,675	104,571,069	77,128,245	61,887,503	53,299,511	39,399,290	27,971,010	24,713,594	24,524,473

Info not available prior to 2003

Source:
Garfield County Finance Department (CAFR)
Statement of Fund Balances does not include GASB 34 Adjustments.

** Prior to 2011 were Unreserved, Undesignated: Special Revenue Funds and are now categorized as Restricted/Committed since a breakdown was unavailable for prior years

Garfield County, Colorado
Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Last Ten Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUES										
Taxes	58,345,702	77,695,901	54,886,105	50,713,122	45,335,372	35,209,210	25,366,651	19,010,387	18,523,830	16,459,212
Licenses and Permits	313,256	276,702	307,342	389,330	341,942	363,494	406,811	359,370	435,964	232,813
Intergovernmental	29,062,531	57,167,499	41,800,237	29,290,487	20,279,569	20,740,097	16,533,366	17,128,408	14,947,340	13,826,553
Charges for services	6,126,498	7,561,750	6,492,155	6,997,362	7,000,564	6,663,990	5,109,135	4,549,371	6,016,289	4,456,499
Fines and forfeitures	113,150	131,621	92,809	38,086	42,071	37,040	33,684	28,273	691,718	491,970
Interest	854,215	805,117	1,592,133	3,123,801	3,621,237	2,258,471	1,051,837	601,995	646,869	-
Contributions	934,536	1,450,810	19,115,900	282,009	723,248	20,906	41,256	52,463	77,684	67,863
Miscellaneous	1,156,241	1,056,321	1,757,774	881,184	1,635,111	725,679	511,426	425,663	486,961	1,520,689
TOTAL REVENUES	96,906,129	146,145,721	126,044,455	91,715,381	78,979,114	66,018,887	49,054,166	42,155,930	41,826,655	37,055,599
CURRENT EXPENDITURES										
General Government	23,584,853	18,130,293	17,802,193	17,485,665	14,583,442	12,056,525	12,526,831	9,110,683	8,224,609	7,020,730
Public safety	20,893,394	23,832,515	21,618,762	26,379,461	16,585,334	12,794,517	11,131,307	9,285,671	9,206,123	7,204,181
Public works	16,286,982	52,926,697	48,412,993	21,045,605	16,808,393	13,095,939	7,530,498	7,773,453	5,615,624	4,309,393
Public health and welfare	21,405,521	21,100,046	19,177,014	15,237,693	12,127,151	11,753,619	10,578,331	11,255,666	11,153,184	10,155,620
Culture and recreation	1,343,177	1,470,398	1,218,442	1,293,037	3,279,415	3,583,214	2,325,417	2,769,861	1,682,915	1,376,831
Capital outlay	-	-	-	-	-	-	-	-	-	10,275,064
Debt Service										
Principal	515,000	495,000	1,760,000	850,000	810,000	820,000	640,000	475,000	862,139	830,742
Interest	708,096	718,559	810,111	850,986	886,636	870,576	1,070,254	1,090,616	1,118,858	777,137
Other	4,200	4,389	4,200	-	-	212,762	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	2,319	-
TOTAL EXPENDITURES	84,741,223	118,677,897	110,803,715	83,142,447	65,080,371	55,187,152	45,802,638	41,760,950	37,865,771	41,949,698
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,164,906	27,467,824	15,240,740	8,572,934	13,898,743	10,831,735	3,251,528	394,980	3,960,884	(4,894,099)
Transfers In	4,368,469	8,270,412	7,000,000	2,155,000	2,815,000	1,464,500	304,699	173,000	1,033,369	100,000
Transfers Out	(4,410,856)	(8,295,412)	(7,000,000)	(2,155,000)	(2,815,000)	(1,464,500)	(304,699)	(173,000)	(933,369)	-
Net debt proceeds	-	-	-	-	-	219,456	-	-	-	-
Sales of Assets	-	-	-	15,061	1,461	377,090	5,888	5,706	606,022	-
	(42,387)	(25,000)	-	15,061	1,461	596,546	5,888	5,706	706,022	100,000
NET CHANGE IN FUND BALANCE	12,122,519	27,442,824	15,240,740	8,587,995	13,900,204	11,428,281	3,257,416	400,686	4,666,906	(4,794,099)
Fund Balance January 1	105,718,156	77,128,245	61,887,505	53,299,510	39,399,305	27,971,010	24,713,594	24,524,473	19,857,567	24,651,667
Restatement of Accounts Receivable	-	-	-	-	-	-	-	(211,565)	-	-
Fund Balance December 31	117,840,675	104,571,069	77,128,245	61,887,505	53,299,509	39,399,291	27,971,010	24,713,594	24,524,473	19,857,568
Ratio of Debt Service Expenditures/ Total Non-Capital Expenditures	1.58%	1.63%	3.45%	2.53%	2.86%	3.32%	4.23%	4.29%	5.29%	5.08%

Source:
Garfield County Finance Department (CAFR)
Revenues, Expenditures and Changes in Fund Balance does not include GASB 34 adjustments

Garfield County, Colorado
General Government Tax Revenues By Source (1)
Last Ten Fiscal Years

Fiscal Year	Current Property Tax	Sales Tax	Specific Ownership Tax	Other / Severance Taxes	Total
2011	47,811,401	7,937,089	2,450,430	2,079,304	60,278,224
2010	71,027,575	4,076,742	2,447,030	3,697,101	81,248,448
2009	46,242,238	5,739,317	2,753,079	11,640,046	66,374,680
2008	39,053,677	7,954,973	3,539,875	3,288,552	53,837,077
2007	34,982,156	7,258,326	2,949,567	2,594,453	47,784,502
2006	24,101,668	8,677,251	2,293,879	-	35,072,798
2005	17,139,366	6,654,724	1,572,561	-	25,366,651
2004	12,393,801	5,078,295	1,472,486	65,805	19,010,387
2003	12,084,634	4,795,781	1,585,061	58,354	18,523,830
2002	Breakdown of data not available				16,459,212
	(3)	(2)			

Source:

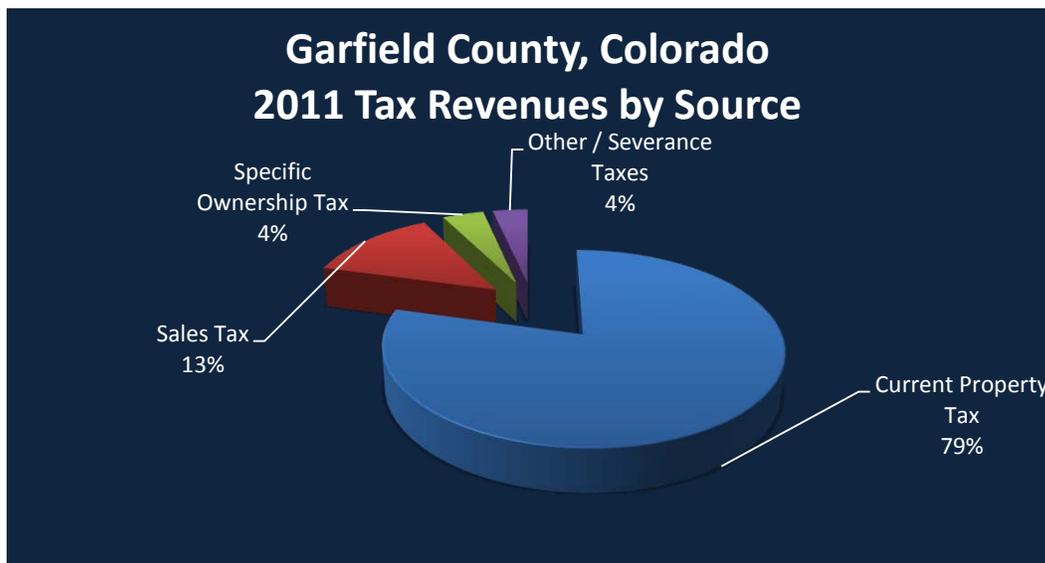
Garfield County Finance Department (CAFR)

General Government Tax Revenues by Source does not include GASB 34 adjustments

(1) The TABOR (Article X Section 20) amendment to the Colorado State Constitution limits revenue increases and has other specific requirements.

(2) Sales tax is collected by the vendor on most classes of goods and is remitted to the State of Colorado. The State distributes Garfield County's percentage, which is set by statute, or that remittance to the County on a monthly basis.

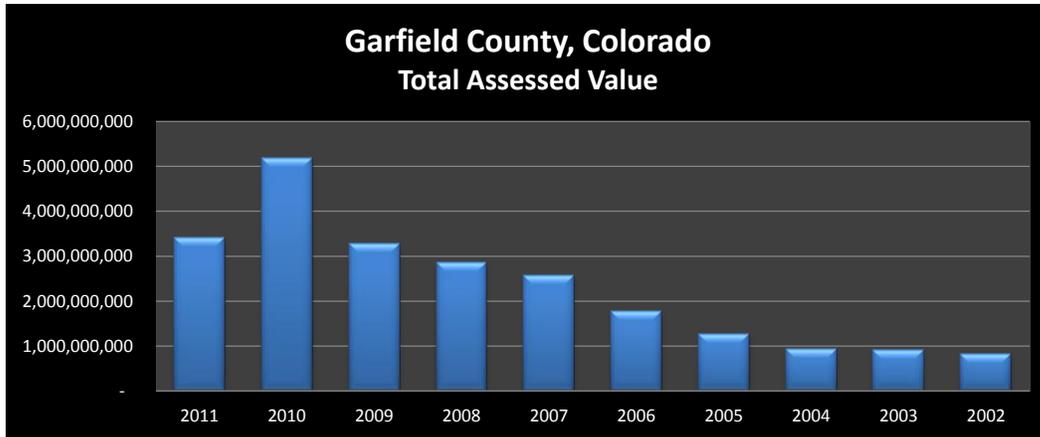
(3) Full reappraisals of all Garfield County properties are completed on a bi-yearly basis.



Garfield County, Colorado
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Levy Year	Real Property	Personal Property	Oil and Gas	State Assessed and Other Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value	Base Year for Valuation
2011	1,250,724,610	643,428,730	1,439,552,250	78,238,900	3,410,442,960	13.655%	14,431,798,760	23.63%	2010
2010	1,230,812,312	787,335,350	3,069,871,590	76,407,700	5,164,426,952	13.655%	16,570,909,484	31.17%	2009
2009	933,425,320	448,851,040	1,826,010,970	62,297,700	3,270,585,030	13.655%	11,503,072,591	28.43%	2008
2008	894,456,710	284,102,650	1,624,439,890	56,637,900	2,859,637,150	13.655%	10,256,009,497	27.88%	2007
2007	739,350,790	199,540,810	1,575,593,720	51,865,300	2,566,350,620	13.655%	8,516,846,884	30.13%	2006
2006	709,530,780	136,828,340	875,571,220	50,921,500	1,772,851,840	13.655%	7,217,870,672	24.56%	2005
2005	613,371,960	86,517,270	505,063,900	50,849,370	1,255,802,500	13.655%	6,021,121,860	20.86%	2004
2004	593,750,150	74,168,420	202,755,670	53,047,360	923,721,600	13.655%	5,449,882,676	16.95%	2003
2003	561,346,640	68,588,850	232,159,180	54,200,880	916,295,550	13.655%	4,804,960,270	19.07%	2002
2002	527,878,380	51,222,520	185,039,620	53,532,700	817,673,220	13.655%	4,466,368,358	18.31%	2001

Source: Garfield County Assessor's Office, Abstract of Assessments



Garfield County, Colorado
Property Tax Rates - Direct and Overlapping Governments
Per \$1,000 Assessed Valuation (Mill Levy)

Levy Year	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Collection Year	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Garfield County	13.655	13.655	13.655	13.655	13.655	13.655	13.655	13.655	13.655	13.655	13.655
School Districts											
Roaring Fork (RE-1)	30.992	30.984	33.942	34.246	37.009	37.265	41.246	33.709	34.556	34.809	41.325
Rifle (RE-2)	14.465	14.132	15.730	14.932	14.932	14.932	21.084	26.640	24.745	25.933	27.387
Parachute (16)	7.698	5.233	7.199	8.596	9.905	9.936	15.978	18.881	17.086	19.998	28.257
Debeque (JT-49)	5.762	5.638	7.646	8.416	8.717	16.433	25.248	35.057	35.405	34.931	38.304
Ealge (RE-50J)	19.474	19.402	20.414	20.051	23.050	19.595	21.080	21.120	21.981	21.655	22.312
Cities and Towns											
Town of Carbondale	3.594	3.594	3.594	3.594	3.594	3.594	3.721	3.706	3.865	4.010	4.016
City of Glenwood Springs	3.752	3.721	4.641	4.417	5.004	4.863	5.482	5.334	5.955	5.815	7.431
Town of New Castle	7.899	7.670	6.908	6.908	6.906	6.906	6.906	6.906	6.906	6.906	6.906
Town of Parachute	10.016	8.366	11.372	10.702	10.541	8.591	11.362	11.256	11.368	11.615	13.101
City of Rifle	5.261	5.261	5.261	5.261	5.261	5.261	5.261	5.261	5.261	5.261	5.261
Town of Silt	8.973	8.973	8.973	8.973	8.973	8.973	8.973	8.973	8.973	8.973	10.221
Fire Districts											
Burning Mountains Fire	6.102	6.102	6.102	6.102	6.102	6.102	6.102	6.102	6.102	4.625	4.625
Carbondale Fire	7.246	7.229	7.694	7.699	8.154	8.162	8.367	5.135	5.168	5.237	4.903
Debeque Fire	4.000	2.555	4.000	-	-	-	-	-	-	-	-
Glenwood & Rural Fire	7.933	9.022	7.706	7.430	8.497	8.256	8.843	8.282	8.818	8.961	10.868
Grand Valley Fire	3.267	3.267	3.267	3.267	3.267	3.267	3.267	3.267	3.267	3.267	3.267
Gypsum Fire	6.833	6.833	6.833	6.833	6.833	6.833	7.127	7.367	7.367	7.353	7.253
Rifle & Rural Fire	6.284	6.284	6.259	6.388	6.388	6.569	6.734	6.734	5.600	5.600	5.600
Water and Sanitation Districts											
Basalt Water	0.044	0.044	0.055	0.055	0.067	0.068	0.072	0.072	0.072	0.072	0.082
Bluestone Water	0.006	0.006	0.009	0.011	0.013	0.024	0.037	0.059	0.050	0.058	0.098
Colo River Conservation	0.188	0.166	0.199	0.191	0.221	0.230	0.252	0.255	0.255	0.253	0.281
Consolidated Metro	-	-	-	-	-	11.860	13.202	13.893	10.221	6.210	14.376
Mid Valley Metro	2.356	2.334	3.290	3.466	0.221	6.232	6.993	8.000	8.512	11.167	8.000
Roaring Fork Water	3.7900	3.7905	4.1110	4.1110	4.1110	4.1110	4.1110	4.1110	4.1110	4.1110	4.9410
Silt Water	0.590	0.525	0.679	0.671	0.904	0.892	1.044	1.069	1.102	1.097	1.166
Spring Valley Sanitation	4.013	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	2.000
West Divide Water	0.048	0.048	0.075	0.077	0.077	0.099	0.137	0.200	0.193	0.200	0.248
West Glenwood Sanitation	3.830	4.920	4.920	5.318	6.418	6.564	6.949	7.123	7.905	8.151	9.637
Yellow Jacket	0.197	0.169	0.209	0.161	0.185	0.185	0.220	0.230	0.259	0.259	0.259
River Park Metro	45.000	45.000	45.000	45.000	45.000	45.000	45.000	-	-	-	-
Colleges											
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Special Districts											
Glenwood GID	2.074	2.010	2.253	2.084	2.091	1.921	2.277	2.373	2.447	2.273	2.445
Grand River Hospital	5.597	5.597	5.597	5.597	5.597	5.597	5.597	5.726	5.597	5.597	5.597
Grand Valley Cemetery	0.011	0.011	0.018	0.022	0.027	0.050	0.075	0.113	0.096	0.113	0.174
Parachute/Battlement Pks & Rec	1.200	1.260	1.790	1.600	3.080	3.080	3.570	3.670	3.284	3.323	3.628
Rifle DDA	3.774	3.774	3.774	3.774	3.774	3.774	3.774	3.774	3.774	3.774	-
Glenwood Meadows #2	4.000	5.000	5.000	5.000	5.000	5.000	-	-	-	-	-
Glenwood Meadows #3	4.000	5.000	5.000	5.000	5.000	5.000	-	-	-	-	-
Landis Creek Metro #1	35.000	35.000	35.000	35.000	-	-	-	-	-	-	-
Landis Creek Metro #2	35.000	35.000	35.000	35.000	-	-	-	-	-	-	-
GarCo Library	0.864	1.000	1.000	1.000	-	-	-	-	-	-	-
Rifle Metro Park	-	-	-	-	-	-	0.994	1.031	0.976	1.573	1.831
Traveler's Highland	50.000	50.000	-	-	-	-	-	-	-	-	-

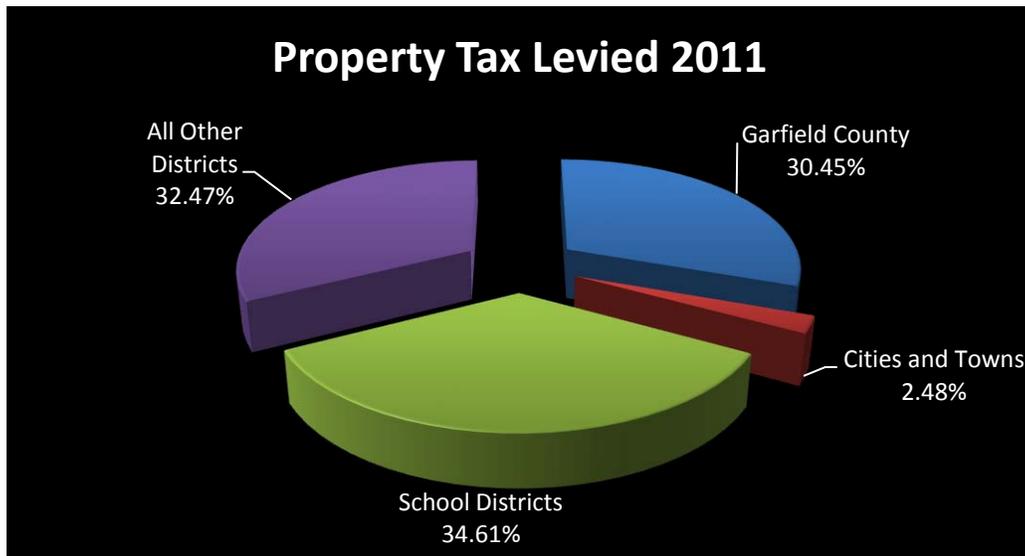
Source: Garfield County Assessor's Office, Abstract of Assessments

Garfield County, Colorado
Property Tax Levies - Direct and Overlapping Governments
Per \$1,000 Assessed Valuation (Mill Levy)

Property Tax Levied

Levy Year	Collection year	Garfield County	Cities and Towns	School Districts	All Other Districts	Total
2010	2011	46,569,598	3,792,593	52,934,023	49,664,782	152,960,996
2009	2010	70,520,252	3,649,832	65,970,392	77,226,213	217,366,689
2008	2009	44,659,836	2,958,917	51,214,791	50,322,352	149,155,896
2007	2008	39,046,737	2,748,863	47,744,366	40,640,720	130,180,686
2006	2007	35,045,196	2,361,003	45,548,224	35,016,973	117,971,396
2005	2006	24,208,292	2,194,124	35,890,187	24,385,827	86,678,430
2004	2005	17,147,984	2,019,098	34,315,139	17,283,352	70,765,573
2003	2004	12,613,418	1,881,783	26,670,219	11,596,403	52,761,823
2002	2003	12,512,014	1,826,200	25,697,564	11,305,758	51,341,536
2001	2002	11,165,326	1,720,359	24,053,340	9,858,197	46,797,222
2000	2001	8,364,084	1,668,709	21,547,157	7,501,129	39,081,079

Source: Garfield County Assessor's Office



**Garfield County, Colorado
Principal Taxpayers
Current Year and Nine Years Ago**

2010 Assessed - Payable in 2011

Taxpayer	Type of Business	Rank	Assessed Value	Percentage of Total Assessed Value
Williams Production	Utility	1	877,643,020	25.73%
Encana Oil & Gas	Utility	2	366,842,110	10.76%
Bill Barrett Corporation	Utility	3	153,967,320	4.51%
Petroleum Development	Utility	4	68,926,510	2.02%
Bargath Inc	Utility	5	72,829,530	2.14%
Oxy USA Inc	Utility	6	57,977,080	1.70%
Noble energy	Utility	7	53,073,370	1.56%
Enterprise Gas Processing	Utility	8	52,473,310	1.54%
Chevron	Utility	9	48,358,220	1.42%
Antero Resources	Utility	10	31,414,070	0.92%
Total Principal Taxpayers			1,783,504,540	52.30%
All Other Taxpayers			1,626,938,420	48%
Total Assessed Valuation			<u>3,410,442,960</u>	<u>100%</u>

2001 Assessed - Payable in 2002

Taxpayer	Type of Business	Rank	Assessed Value	Percentage of Total Assessed Value
Williams Production RMT Company	Utility	1	122,422,010	3.59%
Ballard Petroleum LLC	Utility	2	23,236,630	2.84%
Mesa Hydrocarbons Inc	Utility	3	16,066,440	1.96%
Public Service Company of CO	Utility	4	14,960,700	1.83%
American Soda LLP	Utility	5	24,070,000	2.94%
Tom Brown Inc	Utility	6	8,918,480	1.09%
Qwest Corporation	Utility	7	8,181,600	1.00%
Grand Valley Gathering	Utility	8	6,051,270	0.74%
Holy Cross Energy	Utility	9	4,978,200	0.61%
Calpine Natural Gas Company	Utility	10	4,589,570	0.56%
Total Principal Taxpayers			233,474,900	17.17%
All Other Taxpayers			3,176,968,060	86.42%
Total Assessed Valuation			<u>3,410,442,960</u>	<u>100%</u>

Source: Garfield County Assessor's Office

Garfield County, Colorado
County Property Tax Levies and Collections
Last Ten Fiscal Years

Year of Collection	Fiscal Year	Total Tax Levy	Current Tax Collected	Percent of Levy Collected	Amount of Levy Collected in Subsequent Years *	Total Tax Collections	Percent of Total Tax Collected to Tax Levy
2011	2010	46,569,598	45,921,711	98.61%	-	45,921,711	98.61%
2010	2009	70,520,252	69,065,977	97.94%	14,252	69,080,229	97.96%
2009	2008	44,659,836	43,890,163	98.28%	226,529	44,116,692	98.78%
2008	2007	39,046,737	38,419,912	98.39%	382,706	38,802,618	99.37%
2007	2006	35,045,196	34,176,739	97.52%	581,316	34,758,055	99.18%
2006	2005	24,208,292	23,768,803	98.18%	(5,633)	23,763,170	98.16%
2005	2004	17,147,984	16,953,538	98.87%	(2,698)	16,950,840	98.85%
2004	2003	12,613,418	12,354,016	97.94%	14,523	12,368,539	98.06%
2003	2002	12,512,014	12,202,383	97.53%	15,804	12,218,187	97.65%
2002	2001	11,165,326	10,992,682	98.45%	(64,033)	10,928,649	97.88%

Source:
Garfield County Assessor's Office
Garfield County Treasurer's Office

* Note: Amount Collected in Subsequent Years only shows amounts collected since 2009, a breakdown of previous years was unavailable.

Garfield County, Colorado
General Government Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Miscellaneous	Contributions	Interest	Total
2011	58,345,702	313,256	29,062,531	6,126,498	113,150	1,156,241	934,536	854,215	96,906,129
2010	81,248,448	276,702	57,167,499	7,561,750	131,621	1,056,321	1,450,810	805,117	149,698,268
2009	66,374,680	307,342	41,800,237	6,492,155	92,809	1,757,774	19,115,900	1,592,133	137,533,030
2008	53,837,077	389,330	29,290,487	6,997,362	38,086	881,184	282,009	3,123,801	94,839,336
2007	47,784,502	341,942	20,279,569	7,000,564	42,071	1,635,111	723,248	3,621,237	81,428,244
2006	35,072,798	363,494	20,740,097	6,663,990	37,040	725,674	20,906	2,258,471	65,882,470
2005	25,366,651	406,811	16,533,366	5,109,135	33,684	511,426	41,256	1,051,837	49,054,166
2004	19,010,387	359,370	17,128,408	4,549,371	28,273	425,663	52,463	601,995	42,155,930
2003	18,523,830	435,964	14,947,340	6,016,289	691,718	486,961	77,684	646,869	41,826,655
2002	16,459,212	232,813	13,826,553	4,456,499	491,970	848,095	67,863	672,594	37,055,599

Source:

Garfield County Finance Department (CAFR)

General Government Revenues by Source does not include GASB 34 adjustments

Garfield County, Colorado
Direct and Overlapping Governmental Activities Debt
December 31, 2011

Taxing Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to Garfield County	County Share of Direct and Overlapping Debt
Direct: Garfield County	15,560,000	100%	15,560,000
Overlapping:			
School Districts			
Garfield County School District No. 16	34,295,000	100%	34,295,000
Garfield County School District No. RE-1	97,204,984	59.8%	58,128,580
Garfield County School District No. RE-2	108,439,154	100%	108,439,154
Cities and Towns			
City of Glenwood Springs	44,542,595	100%	44,542,595
City of Rifle	5,645,272	100%	5,645,272
Town of New Castle	1,317,587	100%	1,317,587
Town of Parachute	192,991	100%	192,991
Fire Districts			
Carbondale & Rural Fire Protection District	5,669,998	89%	5,046,298
Glenwood Rural Fire	555,000	100%	555,000
Water and Sanitation Districts			
Mid Valley Metro District	675,000	7.36%	49,680
West Glenwood Sanitation	700,000	100%	700,000
Special Districts			
Glenwood Meadows Metropolitan District No. 1	4,138,684	100%	4,138,684
Glenwood Meadows Metropolitan District No. 3	10,690,000	100%	10,690,000
Grand River Hospital	10,536,376	99%	10,431,012
Total Overlapping Debt	<u>324,602,640</u>		<u>284,171,853</u>
Total Direct and Overlapping Debt	<u>340,162,640</u>		<u>299,731,853</u>

Source: Debt amounts and percentages are provided by each taxing entity.

Garfield County, Colorado
Computation of Legal Debt Margin
General Obligation Debt
Last Ten Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Computation of legal debt limit:										
Taxable assessed valuation	3,410,442,960	5,164,426,952	3,270,585,030	2,859,637,150	2,566,350,620	1,772,851,840	1,255,802,500	923,721,600	916,295,550	817,673,220
Plus exempt property	193,607,070	249,245,270	193,319,840	191,153,620	132,985,490	132,985,490	111,467,320	96,110,220	97,736,790	88,027,350
Total assessed value	3,604,050,030	5,413,672,222	3,463,904,870	3,050,790,770	2,699,336,110	1,905,837,330	1,367,269,820	1,019,831,820	1,014,032,340	905,700,570
Legal debt limit percentage	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
	54,060,750	81,205,083	51,958,573	45,761,862	40,490,042	28,587,560	20,509,047	15,297,477	15,210,485	13,585,509
 Amount of debt applicable to debt limit:										
Total long-term borrowings	15,560	16,075	16,075,000	18,330,000	19,180,000	19,990,000	19,935,000	20,575,000	21,050,000	21,912,139
Less:										
Certificates of participation	(15,560)	(16,075)	(16,075,000)	(18,330,000)	(19,180,000)	(19,990,000)	(19,935,000)	(20,575,000)	(21,050,000)	(21,510,000)
Lease purchase obligations	-	-	-	-	-	-	-	-	-	(402,139)
Net borrowings applicable to the debt limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	54,060,750	81,205,083	51,958,573	45,761,862	40,490,042	28,587,560	20,509,047	15,297,477	15,210,485	13,585,509

Source:
Colorado Revised Statute 30-26-301
Garfield County Finance Department (CAFR)

Note: Garfield County has had no general obligation bonded debt in the last ten years. Therefore, the historical table "Ratios of General Bonded Debt" is not included.

Garfield County, Colorado
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income *	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	General Obligation Bonds	Capital Leases			
2011	-	15,560,000	-	-	-	15,560,000	1.17%	\$ 269
2010	-	16,075,000	-	-	-	16,075,000	1.18%	\$ 285
2009	-	16,075,000	-	-	-	16,075,000	1.07%	\$ 286
2008	-	18,330,000	-	-	-	18,330,000	1.10%	\$ 321
2007	-	19,180,000	-	-	-	19,180,000	1.01%	\$ 348
2006	-	19,990,000	-	-	-	19,990,000	0.94%	\$ 377
2005	-	19,935,000	-	-	-	19,935,000	0.87%	\$ 393
2004	-	20,575,000	-	-	-	20,575,000	0.99%	\$ 418
2003	-	21,050,000	-	-	-	21,050,000	1.01%	\$ 436
2002	-	21,912,139	402,139	-	-	22,314,278	1.68%	\$ 472

Source: Garfield County Finance Department (CAFR)

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Demographic and Economic Statistics on page G15 for personal income and population data.

Garfield County, Colorado
Demographic and Economic Statistics
Last Ten Fiscal Years

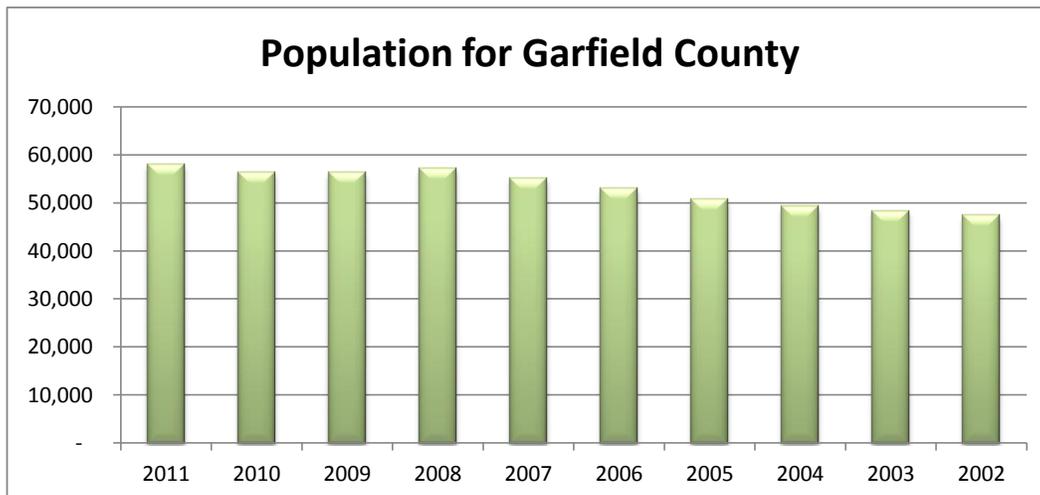
Fiscal Year	(1) Population	(2) School Enrollment (K-12)	Percent of School Enrollment to Population	(3) Total Labor Force	(3) Un-employment Rate	(4) Total Personal Income (in thousands)	(4) Per Capita Income	(5) Retail Sales
2011	* 57,900	11,275	19.47%	33,173	8.80%	1,326,885	28,277	1,011,597,000
2010	56,389	11,325	20.08%	32,605	10.00%	1,363,951	37,277	910,277,000
2009	56,298	11,508	20.44%	34,731	7.90%	1,508,517	37,099	905,039,000
2008	57,050	11,578	20.29%	37,035	3.10%	1,661,981	41,890	1,245,723,000
2007	55,063	10,859	19.72%	35,394	2.40%	1,897,575	40,003	1,195,146,000
2006	52,969	10,484	19.79%	33,649	2.90%	2,118,760	37,127	1,054,394,000
2005	50,663	10,026	19.79%	30,069	3.80%	2,297,179	33,796	846,085,690
2004	49,254	9,872	20.04%	28,239	4.30%	2,088,581	31,506	694,483,087
2003	48,290	9,688	20.06%	27,035	5.00%	2,092,686	28,783	612,812,110
2002	47,259	9,533	20.17%	26,777	4.60%	1,326,885	28,356	592,376,000

Source:

- (1) US Census Bureau Estimate - Colorado Department of Labor and Employment website
- (2) Colorado Department of Education website - Colorado Education Statistics section
- (3) Colorado Department of Labor and Employment website - Labor Market Analysis section
- (4) Bureau of Economic Analysis - Regional Economic Accounts section
- (5) Colorado Department of Revenue - Colorado Department of Labor and Employment website

* Estimate from Colorado Department of Local Affairs (DOLA)

** Information not yet available



**Garfield County, Colorado
Ten Principal Employers
Current Year and Three Years Ago ***

2011 Principal Employers

Employer	Rank	Type of Business	Number of Employees	Percentage of Total
Valley View Hospital	1	Healthcare	902	3.09%
Roaring Fork School District RE-1	2	Schools	750	2.57%
Garfield County School District RE-2	3	Schools	737	2.53%
Colorado Mountain College	4	College	523	1.79%
Garfield County	5	Government	481	1.65%
Wal-Mart	6	Retail	423	1.45%
City Market	7	Retail	348	1.19%
Grand River Hospital & Medical Center	8	Medical	344	1.18%
City of Glenwood Springs	9	Government	337	1.16%
Garfield County School District 16	10	Schools	163	0.56%
Total employed by principal employers			4,106	14.07%
Employed by other employers			26,155	85.9258%
Total employed in Garfield County			<u>30,261</u>	<u>100%</u>

2008 Principal Employers

Employer	Rank	Type of Business	Number of Employees	Percentage of Total
Roaring Fork School District RE-1	1	Schools	671	2.30%
Valley View Hospital	2	Healthcare	620	2.13%
Garfield County School District RE-2	3	Schools	500	1.71%
Garfield County	4	Government	477	1.64%
Wal-Mart	5	Retail	450	1.54%
City Market	6	Retail	403	1.38%
City of Glenwood Springs	7	Government	198	0.68%
Garfield County School District 16	8	Schools	174	0.60%
Holy Cross Energy	9	Utility	169	0.58%
Lowe's	10	Retail	140	0.48%
Total employed by principal employers			3,802	13.03%
Employed by other employers			32,087	86.9678%
Total employed in Garfield County			<u>35,889</u>	<u>100.00%</u>

* A 10-year comparison was not provided due to statistics prior to 2008 not being available from all employers

Source: Colorado Department of Labor website & individual employers

Gas industry personnel and consultants revealed that employee counts are not monitored by county and the industry experiences large swings in employees based on production levels. Additionally, the Oil and Gas industry hires numerous subcontractors which would not be included in the employee count.

Garfield County, Colorado
Positions by Department
Last Seven Fiscal Years

	2011		2010		2009		2008		2007		2006		2005			
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time		
General Government																
Board of Commissioners	3	-	3	-	3	-	3	-	3	-	3	-	3	-		
Assessor	21	-	23	1	23	1	20	1	17	1	17	1	17	1		
Clerk and Recorder	23	1	25	2	25	3	24	3	22	3	20	3	18	3		
Treasurer	8	1	7	1	7	1	7	1	7	1	7	-	7	-		
Surveyor	1	-	1	-	1	-	1	-	1	-	1	-	1	-		
County Attorney	10	1	10	1	10	-	10	-	8	-	7	-	7	-		
County Manager	5	-	6	-	6	-	6	-	5	-	6	-	6	-		
Finance	9	1	9	1	9	-	8	-	7	-	7	-	6	-		
Human Resources	5	-	4	1	4	1	4	1	4	1	4	1	4	1		
Information Technology	11	-	11	-	10	-	9	-	8	-	8	-	7	-		
Purchasing	3	-	3	-	3	-	2	-	2	-	1	-	1	-		
Oil & Gas	2	-	3	-	3	-	2	-	2	-	1	1	1	1		
General Services																
General Ops	1	-	1	-	1	-	1	-	1	-	1	-	1	-		
Facilities Maintenance	2	-	2	-	2	-	2	-	2	-	2	-	2	-		
Building & Planning	13	1	16	1	17	-	16	-	14	-	11	-	11	-		
Engineering	2	-	2	-	2	-	2	-	2	-	2	-	2	-		
Total General Government	119	5	126	8	126	6	117	6	105	6	98	6	94	6		
Culture and Recreation																
Fairgrounds	3	-	3	-	3	-	3	-	3	-	2	-	2	-		
Total Culture and Recreation	3	-	3	-	3	-	3	-	3	-	2	-	2	-		
Health and Welfare																
Health Department	25	5	23	6	22	5	22	5	20	5	18	4	18	4		
Dept of Human Services	84	1	89	4	87	8	87	5	81	4	68	12	63	10		
Total Health and Welfare	109	6	112	10	109	13	109	10	101	9	86	16	81	14		
Public Safety																
Coroner	1	-	1	-	1	-	1	-	1	-	1	-	1	-		
Criminal Justice Services	19	-	19	-	19	-	18	-	17	-	14	-	14	-		
Commissary	-	-	-	-	-	2	-	2	-	2	-	2	-	2		
Sheriff	151	-	149	2	145	2	143	4	131	4	113	1	105	1		
Total Public Safety	171	-	169	2	165	4	162	6	149	6	128	3	120	3		
Public Works																
Public Works	1	1	-	-	-	-	-	-	-	-	-	-	-	-		
Road and Bridge	47	3	48	2	49	1	44	2	41	2	46	2	43	2		
Airport	3	-	3	-	2	2	1	2	1	2	1	1	1	1		
Total Public Works	51	4	51	2	51	3	45	4	42	4	47	3	44	3		
Business-type Activities																
Solid Waste Disposal	9	-	14	-	8	4	7	4	3	4	3	4	3	4		
Total Solid Waste	9	-	14	-	8	4	7	4	3	4	3	4	3	4		
Intergovernmental Services																
Motor Pool	4	-	4	-	4	-	4	-	2	-	2	-	2	-		
Total Intergovernmental	4	-	4	-	4	-	4	-	2	-	2	-	2	-		
Library																
Library			not a part of county government after 2006										29	17	29	17
Total Library													29	17	29	17
Total Budgeted Employees	466	15	479	22	466	30	447	30	405	29	395	49	375	47		

Information not available prior to 2005

Source: Garfield County Budget Documents

Garfield County, Colorado
Capital Assets By Function/Program
Last Ten Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Buildings	4	4	4	4	4	4	4	4	4	4
Public Safety										
Buildings	4	4	3	3	2	1	1	1	1	1
Equipment (pieces)	113	113	107	93	81	69	54	51	48	46
Public Works										
Buildings	9	9	8	8	6	6	6	6	6	6
Infrastructure (road miles maintained)	941	941	937	926	927	933	938	943	939	953
Road Maintenance Equipment	181	181	179	161	160	161	154	146	139	132
Public Health and Welfare										
Buildings	4	4	3	3	3	2	2	2	2	2
Culture and Recreation										
Buildings	3	3	3	3	3	3	3	3	2	2
Business-Type Activities										
Buildings	2	2	2	2	2	2	2	2	2	2
Waste Compaction/Movement (pieces)	19	19	17	15	15	13	11	10	10	10
Intergovernmental										
Buildings	1	1	1	1	1	1	1	1	1	1
Library										
Library	-	-	-	-	-	6	6	6	6	6

Source: Garfield County Finance Department

Garfield County, Colorado
Operating Indicators By Function/Program
Last Ten Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Number of Employees	124	134	132	123	111	104	100	Information not available prior to 2005		
Building(s) Sq. footage	33,471	31,211	31,385	31,385	25,965	30,106	27,882	Information not available prior to 2005		
Service Level										
Tax notices	29,350	29,316	30,289	51,471	50,586	51,252	50,173	48,947	47,603	46,343
Documents recorded	16,026	16,584	19,085	20,562	26,039	24,946	23,498	22,263	26,083	23,152
Number of active voters	21,081	24,047	23,851	22,955	19,501	18,130	16,752	15,798	13,953	13,134
Parcels assessed	31,468	30,289	51,471	50,586	51,252	50,173	48,947	47,603	46,343	44,438
Building permits issued	311	218	293	401	525	498	408	392	365	376
Public Safety										
Number of Employees	171	171	169	168	155	131	123	Information not available prior to 2005		
Building(s) Sq. footage	99,768	99,768	81,010	74,091	80,620	70,948	56,964	Information not available prior to 2005		
Service Level										
Calls for Law Enforcement Service	90,754	93,276	92,203	83,624	84,948*	101,530*	100,808	97,971	95,645	88,437
Jail bookings	2,717	2,515	2,899	3,231	3,721	3,799	3,270	3,420	2,735	2,458
Useful Public Service Clients Sentenced	1,156	1,087	1,183	1,674	1,896	1,730	1,779	1,625	1,488	1,429
Public Works										
Number of Employees	55	53	54	49	46	50	47	Information not available prior to 2005		
Building(s) Sq. footage	51,875	51,875	51,875	51,875	Information not available prior to 2008					
Service Level										
Miles of road maintained	942	941	937	926	927	933	938	943	939	953
Health and Welfare										
Number of Employees	115	122	122	119	110	102	95	Information not available prior to 2005		
Building(s) Sq. footage	43,396	43,396	35,251	35,251	35,251	41,896	41,896	Information not available prior to 2005		
Service Level										
Immunizations	12,660	12,349	14,801	9,213	10,293	15,259	15,629	Information not available prior to 2005		
Birth Certificates	816	866	964	992	991	945	816	803	871	855
Death Certificates	296	281	292	261	277	289	268	271	310	279
Human Services Caseload	8,427	5,331	4,359	3,344	3,014	3,334	Information not available prior to 2006			
Culture and Recreation										
Number of Employees	3	3	3	3	3	2	2	Information not available prior to 2005		
Building(s) Sq. footage	39,500	39,500	39,500	39,500	Information not available prior to 2008					
Service Level										
Fairground service days	365	365	365	365	365	365	365	365	365	365
County Fair attendance (estimate)	4,000	4,000	4,000	3,000	5,000	6,000	8,000	10,000	Information not available prior to 2004	
Business-type Activities										
Number of Employees	9	14	12	11	7	7	7	Information not available prior to 2005		
Building(s) Sq. footage	4,821	4,821	4,821	4,821	Information not available prior to 2008					
Service Level										
Cubic yds of landfill space consumed	72,589	77,127	53,800	87,106	89,252	60,040	55,771	56,053	40,780	33,608
Intergovernmental										
Number of Employees	4	4	4	4	2	2	2	Information not available prior to 2005		
Building(s) Sq. footage	Information not available									
Library										
Number of Employees	**	**	**	**	**	46	46	Information not available prior to 2005		
Building(s) Sq. footage	**	**	**	**	**	46,745	46,745	Information not available prior to 2005		

Source:

Garfield County departments and documents

Colorado Department of Public Health & Environment - Birth and Death Certificates for 2011 are considered "provisional" and could change.

*Numbers are projected for year based on seven months of data for current year.

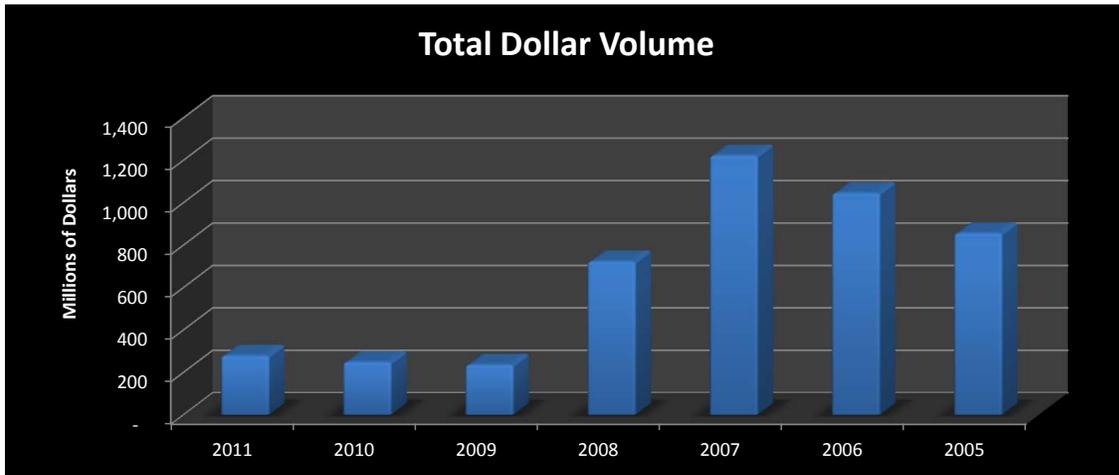
**Library became separate entity after 2006.

Garfield County, Colorado
Property Transfers (All Types) - Total Dollar Volume
Last Seven Fiscal Years

Dollar Volume							
Month	2011	2010	2009	2008	2007	2006	2005
January	17,481,300	11,461,500	16,624,800	69,205,900	92,346,900	53,279,100	55,518,500
February	16,374,200	12,503,900	14,143,900	102,818,300	53,852,300	41,301,100	36,032,100
March	26,954,300	24,342,200	10,759,800	48,078,900	93,135,200	87,858,300	51,237,500
April	24,004,500	21,940,200	20,680,100	85,697,500	98,420,300	66,939,000	55,945,300
May	18,828,200	17,487,500	15,653,500	61,858,400	121,937,600	96,372,600	69,472,000
June	22,964,600	20,376,300	28,415,500	72,589,200	106,104,300	89,135,600	89,577,700
July	27,370,900	24,709,600	24,760,700	68,893,800	157,463,100	100,260,500	69,683,500
August	35,724,600	21,049,700	21,537,650	56,415,900	103,403,600	101,278,900	71,598,100
September	18,404,300	17,782,700	17,315,200	55,872,200	94,217,300	91,258,700	98,475,300
October	26,725,300	20,320,900	18,898,900	35,180,900	104,331,100	85,807,900	76,845,900
November	22,498,600	19,163,600	13,072,600	28,896,600	72,937,800	127,843,600	102,825,400
December	21,741,800	37,739,700	34,301,900	37,660,100	124,476,100	104,042,100	78,755,300
Total	279,072,600	248,877,800	236,164,550	723,167,700	1,222,625,600	1,045,377,400	855,966,600

Information not available prior to 2005

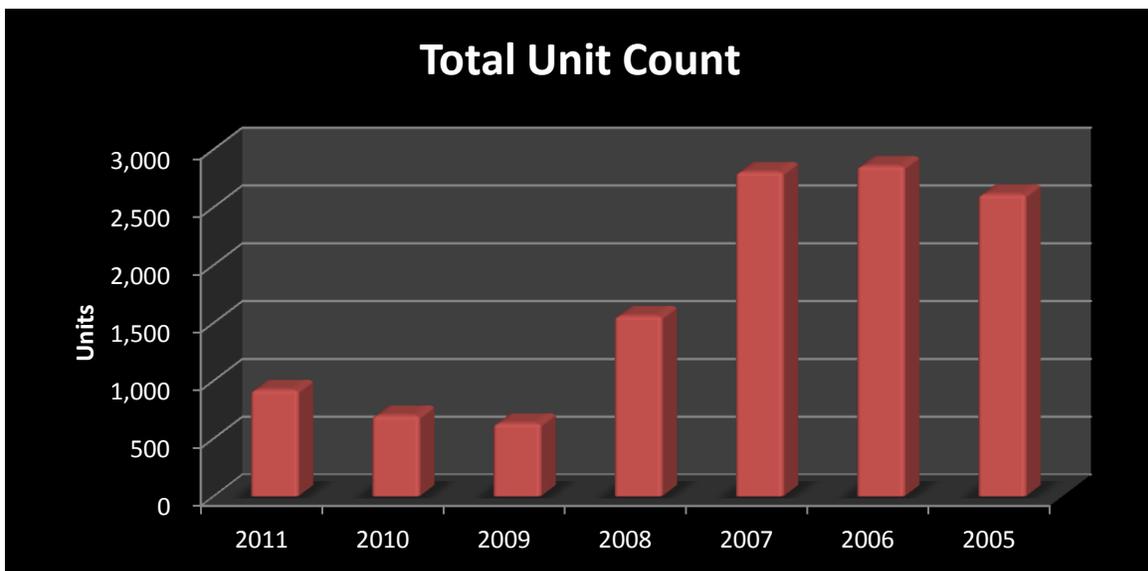
Source: Land Title Market Analysis Report



Garfield County, Colorado
Property Transfers (All Types) - Unit Count
Last Seven Fiscal Years

Month	Unit Count							Information not available prior to 2005
	2011	2010	2009	2008	2007	2006	2005	
January	56	34	38	169	237	158	148	Information not available prior to 2005
February	43	33	46	125	138	125	140	
March	80	61	33	120	237	227	206	
April	87	63	43	171	244	211	203	
May	68	61	43	179	313	261	217	
June	72	68	75	153	268	267	253	
July	83	69	64	153	312	282	238	
August	92	56	57	140	252	318	234	
September	83	55	61	120	232	292	266	
October	91	60	57	95	228	259	253	
November	77	58	46	65	166	241	224	
December	89	81	68	70	178	215	230	
Total	921	699	631	1,560	2,805	2,856	2,612	

Source: Land Title Market Analysis Report



Garfield County, Colorado
Property Transfers (All Types) - Average Property Prices
Last Seven Fiscal Years

Average Property Prices

Month	2,011	2,010	2,009	2,008	2,007	2,006	2,005
January	312,166	337,103	437,495	409,502	389,649	337,209	375,125
February	380,795	378,906	307,476	822,546	390,234	330,409	257,372
March	336,929	399,052	326,055	400,658	392,976	387,041	248,726
April	275,914	348,257	480,933	501,155	403,362	317,246	275,593
May	276,885	286,680	364,035	345,578	389,577	369,244	320,147
June	318,953	299,651	378,873	474,439	395,912	333,841	354,062
July	329,770	358,110	386,886	450,286	504,689	355,534	292,788
August	388,311	375,888	377,854	402,971	410,332	318,487	305,975
September	221,739	323,322	283,856	465,602	406,109	312,530	370,208
October	293,685	338,682	331,560	370,325	457,593	331,305	303,739
November	292,190	330,407	284,187	444,563	439,384	530,471	459,042
December	244,290	465,922	504,440	538,001	699,304	483,917	342,414
Annual Average	305,969	353,498	371,971	468,802	439,927	367,269	325,433

Information not available prior to 2005

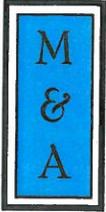
Source: Land Title Market Analysis Report





STATUTORY REPORT SECTION

Single Audit Reports and Schedules



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

Board of County Commissioners Garfield County, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Garfield County, Colorado (the "County") as of and for the year ended December 31, 2011, which collectively comprise Garfield County, Colorado's basic financial statements and have issued our report thereon dated June 08, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Member: American Institute of Certified Public Accountants

D. JERRY McMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

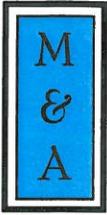
FRISCO
(970) 668-3481

**Board of County Commissioners
Garfield County, Colorado**

This report is intended solely for the information and use of management, others within the entity, 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.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 8, 2012**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

**Board of County Commissioners
Garfield County, Colorado**

Compliance

We have audited the compliance of the Garfield County, Colorado (the "County") 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, 2011. The County'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 the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County 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, 2011.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Member: American Institute of Certified Public Accountants

D. JERRY MCMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

FRISCO
(970) 668-3481

**Board of County Commissioners
Garfield County, Colorado**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 8, 2012**

Garfield County, Colorado
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness identified	None noted
Reportable condition identified that is not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Material weaknesses that are not considered to be significant deficiencies	None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	None noted

Major programs:

Special Supplemental Nutrition Program for Women, Infants and Children	CFDA #10.557
State Medicaid Fraud and Control units	CFDA #10.775
Medical Assistance Program	CFDA #93.778
Child Care and Development Block Grant	CFDA #93.575
Child Care Mandatory and Matching Funds of the Child Care and Dev. Fund	CFDA #93.596
Child Care - American Recovery and Reinvestment Act	CFDA #93.713
Foster Care – Title IV-E	CFDA #93.658
Energy Efficiency and Conservation Block Grant	CFDA #81.128

Dollar threshold used to identify Type A from Type B programs	\$315,195
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

**Garfield County, Colorado
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011**

Note: There were no findings for the fiscal year ended December 31, 2010.

Garfield County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 2011

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Agriculture:			
Passed through Colorado Department of Human Services:			
Temporary Emergency Food Assistance Program (TEFAP) Administration	10.568	No	154
Food Donation	10.569	No	53,262
Food Assistance Administration	10.561	No	469,962
Passed through Colorado Department of Public Health and Environment:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	Yes	1,109,081
Total Department of Agriculture			<u>1,632,459</u>
Department of Health and Human Services:			
Passed through Colorado Department of Health Care Policy and Financing:			
State Medicaid Fraud and Control Units	93.775	Yes	19,675
Children's Health Insurance Program	93.767	No	1,509
Medical Assistance Program	93.778	Yes	290,270
Passed through Colorado Department of Human Services:			
Transition Living Homeless Youth	93.550	No	15,990
Family Preservation and Support	93.556	No	40,375
Temporary Assistance for Needy Families	93.558	No	1,092,904
Child Support Enforcement (Title IV-D - Administration)	93.563	No	675,786
Low-Income Home Energy Assistance	93.568	No	323,405
Child Care and Development Block Grant	93.575	Yes	79,186
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Yes	404,378
Child Welfare Services - State Grants	93.645	No	44,033
Foster Care - Title IV-E	93.658	Yes	581,259
Adoption Assistance	93.659	No	87,296
Social Services Block Grant	93.667	No	296,870
Child Abuse and Neglect Discretionary Activities	93.670	No	20,102
Independent Living	93.674	No	6,422
Medical Assistance Program	93.778	Yes	322,207
Adjustment to Federal Assistance	93.XXX	No	(9,129)
Passed through Colorado Department of Public Health and Environment:			
Public Health Emergency Preparedness	93.069	No	39,839
Maternal and Child Health Federal Consolidated Programs	93.110	No	
Immunization Grants	93.268	No	30,053
Center for Disease Control and Prevention - Investigations and Technical Assistance (West Nile)	93.283	No	3,550
Maternal and Child Health Block Grant	93.994	No	9,472
Passed through Colorado Department of Local Affairs:			
American Recovery and Reinvestment Act	93.713	Yes	70,613
Total Department of Health and Human Services			<u>4,446,065</u>
Department of Housing and Urban Development			
MFHC CDBG Grant for building in Rifle	14.228	No	22,500
Total Department of Housing and Urban Development			<u>22,500</u>
Department of Transportation (FAA):			
Recreation Trails Program	20.219	No	40,000
Airport Improvement Program	20.106	No	2,931,263
Total Department of Transportation (FAA)			<u>2,971,263</u>
Department of Environmental Protection Agency:			
Performance Partnership Grant for indoor radon testing	66.605	No	6,381
Total of Department of Environmental Protection Agency			<u>6,381</u>
Department of Energy:			
Energy Efficiency and Conservation Block Grant	81.128	Yes	1,059,213
Total Department of Energy			<u>1,059,213</u>

Garfield County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 2011
(Continued)

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Justice:			
Passed through Colorado Department of Public Safety:			
State Criminal Alien Assistance Program (SCAAP)	16.606	No	314,773
Bulletproof Vest Partnership Program	16.607	No	4,492
Passed through City of Glenwood Springs, Colorado:			
Victims of Crime Act (VOCA)	16.575	No	43,089
High Intensity Drug Trafficking Assistance (HIDTA)	16.729	No	5,654
Total Department of Justice			<u>368,008</u>
Department of Veterans Affairs:			
Veterans Information and Assistance	64.115	No	600
Total Department of Veterans Affairs			<u>600</u>
Total Federal Financial Assistance			<u>\$ 10,506,489</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 2011.

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Garfield County and is presented on the modified accrual basis of accounting. 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.

Note 2. Determining the Name of Non-cash Awards Expended:

Fair market value of assistance at the time of disbursement to the recipient, or the assessed value provided by the state or federal agency.

Note 3. Pass Through Sub recipients:

The County had no sub recipients as of December 2011.



GARFIELD COUNTY, COLORADO
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011