



BASIC FINANCIAL STATEMENTS

Garfield County, Colorado
Statement of Net Assets
December 31, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and investments	\$ 83,801,523	\$ 5,189,098	\$ 88,990,621
Due from other governments	40,869,299	-	40,869,299
Accounts, taxes, and other receivables	34,154,455	148,891	34,303,346
Prepaid expenses	5,000	-	5,000
Inventory	110,164	-	110,164
Restricted Assets			
Cash and investments	1,715,960	-	1,715,960
Non-Current Assets			
Deferred charges	606,964	-	606,964
Capital Assets			
Capital assets not being depreciated	43,981,079	362,627	44,343,706
Capital assets - depreciable, cost	338,762,063	3,456,397	342,218,460
Accumulated depreciation, net	<u>(115,683,743)</u>	<u>(1,284,444)</u>	<u>(116,968,187)</u>
Total Assets	<u>428,322,764</u>	<u>7,872,569</u>	<u>436,195,333</u>
Liabilities			
Current Liabilities			
Accounts payable	5,751,547	178,597	5,930,144
Accrued expenses	3,862,005	44,213	3,906,218
Unearned revenue	71,456,864	-	71,456,864
Non-current Liabilities			
Due within one year			
Accrued compensated absences	440,630	9,362	449,992
Certificates of participation	495,000	-	495,000
Accrued interest	63,775	-	63,775
Due longer than one year			
Accrued compensated absences	1,321,891	28,084	1,349,975
Certificates of participation	16,075,000	-	16,075,000
Landfill closure and postclosure obligations	<u>-</u>	<u>955,157</u>	<u>955,157</u>
Total Liabilities	<u>99,466,712</u>	<u>1,215,413</u>	<u>100,682,125</u>
Net Assets			
Invested in capital assets, net of related debt	250,489,399	2,534,580	253,023,979
Restricted for:			
Emergencies	2,183,434	-	2,183,434
Debt service	1,715,136	-	1,715,136
Unrestricted	<u>74,468,083</u>	<u>4,122,576</u>	<u>78,590,659</u>
Total Net Assets	<u>\$ 328,856,052</u>	<u>\$ 6,657,156</u>	<u>\$ 335,513,208</u>

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

Garfield County, Colorado
Statement of Activities
For the Year Ended December 31, 2009

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants, Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 17,605,504	\$ 4,301,231	\$ 1,772,624	\$ 858,935	\$ (10,672,714)	\$ -	\$ (10,672,714)
Public safety	21,164,697	870,048	664,999	-	(19,629,650)	-	(19,629,650)
Public works	20,732,738	657,436	5,922,876	26,640,170	12,487,744	-	12,487,744
Health and welfare	19,260,828	213,468	15,489,471	-	(3,557,889)	-	(3,557,889)
Culture and recreation	1,294,917	483,090	231,311	-	(580,516)	-	(580,516)
Interest	859,356	-	-	-	(859,356)	-	(859,356)
Total Governmental Activities	80,918,040	6,525,273	24,081,281	27,499,105	(22,812,381)	-	(22,812,381)
Business-type Activities:							
Solid waste	1,879,185	1,363,718	45,110	-	-	(470,357)	(470,357)
Total	<u>\$ 82,797,225</u>	<u>\$ 7,888,991</u>	<u>\$ 24,126,391</u>	<u>\$ 27,499,105</u>	(22,812,381)	(470,357)	(23,282,738)
General Revenues							
Property taxes levied for general government purposes					39,155,496	-	39,155,496
Property taxes levied for capital expenditures					7,086,742	-	7,086,742
Sales taxes					5,739,317	-	5,739,317
Specific ownership taxes					2,753,079	-	2,753,079
Severance taxes					11,640,046	-	11,640,046
Investment earnings					1,564,116	-	1,564,116
Total General Revenues					67,938,796	-	67,938,796
Change in Net Assets					45,126,415	(470,357)	44,656,058
Net Assets Beginning of Year					283,729,637	7,127,513	290,857,150
Net Assets End of Year					<u>\$ 328,856,052</u>	<u>\$ 6,657,156</u>	<u>\$ 335,513,208</u>

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

Garfield County, Colorado
Balance Sheet
Governmental Funds
December 31, 2009

	<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	\$ 20,502,518	\$ 14,368,123	\$ 5,977,822	\$ 15,849,023	\$ 17,523,051	\$ 7,290,985	\$ 81,511,522
Cash and investments, restricted	-	-	-	1,715,960	-	-	1,715,960
Accounts receivable	40,915,386	15,888,234	2,954,052	11,821,374	-	2,766,976	74,346,022
Due from other governments	84,696	-	510,853	-	-	-	595,549
Prepays	5,000	-	-	-	-	-	5,000
Due from other funds	45,329	141	-	1,293	-	-	46,763
Inventory	-	110,164	-	-	-	-	110,164
Total Assets	\$ 61,552,929	\$ 30,366,662	\$ 9,442,727	\$ 29,387,650	\$ 17,523,051	\$ 10,057,961	\$ 158,330,980
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 1,936,952	\$ 482,687	\$ 317,064	\$ 549,938	\$ -	\$ 2,003,562	\$ 5,290,203
Accrued expenditures	1,150,498	1,806,948	723,300	156,778	-	549,053	4,386,577
Due to other governments	-	-	19,254	-	-	-	19,254
Due to other funds	1,293	46,420	-	386	-	1,738	49,837
Deferred revenue	40,221,566	14,775,426	3,576,363	11,821,374	-	1,062,135	71,456,864
Total Liabilities	43,310,309	17,111,481	4,635,981	12,528,476	-	3,616,488	81,202,735
Fund Balances							
Reserved for:							
Emergencies	-	-	-	-	-	2,183,434	2,183,434
Prepays	5,000	-	-	-	-	-	5,000
Inventory	-	110,164	-	-	-	-	110,164
Debt service	-	-	-	1,715,136	-	-	1,715,136
Unreserved:							
Undesignated, reported in:							
General Fund	18,237,620	-	-	-	-	-	18,237,620
Special revenue funds	-	13,145,017	4,806,746	15,144,038	17,523,051	4,258,039	54,876,891
Total Fund Balances	18,242,620	13,255,181	4,806,746	16,859,174	17,523,051	6,441,473	77,128,245
Total Liabilities and Fund Balances	\$ 61,552,929	\$ 30,366,662	\$ 9,442,727	\$ 29,387,650	\$ 17,523,051	\$ 10,057,961	\$ 158,330,980

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, 2009

Total Governmental Fund Balances	\$	77,128,245
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Long-term receivables represent amounts due which are earned but not yet received.		
This represents amounts due from the Town of Silt for and public works building.		80,000
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	377,522,649	
Less accumulated depreciation	<u>(112,589,558)</u>	264,933,091
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		606,964
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	49,837	
Interfund payables	<u>(49,837)</u>	-
An internal service fund is used by management to charge the costs of the motor pool to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.		
		4,487,047
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	(16,570,000)	
Compensated absences	(1,745,520)	
Accrued interest	<u>(63,775)</u>	<u>(18,379,295)</u>
Net Assets of Governmental Activities	\$	<u><u>328,856,052</u></u>

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, 2009

	<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	\$ 33,701,324	\$ 11,239,885	\$ 822,254	\$ 7,829,807	\$ -	\$ 1,292,835	\$ 54,886,105
Licenses and permits	3,598	303,744	-	-	-	-	307,342
Intergovernmental	4,306,683	3,683,582	14,665,253	100,465	11,640,046	7,404,208	41,800,237
Charges for services	5,646,630	1,114	8,000	-	-	836,411	6,492,155
Fines and forfeitures	92,809	-	-	-	-	-	92,809
Investment income	1,464,917	-	21,601	97,392	-	8,223	1,592,133
Contributions	1,050	19,036,941	-	32,320	-	45,589	19,115,900
Miscellaneous	728,342	700,482	55,594	41	-	273,315	1,757,774
Total Revenues	<u>45,945,353</u>	<u>34,965,748</u>	<u>15,572,702</u>	<u>8,060,025</u>	<u>11,640,046</u>	<u>9,860,581</u>	<u>126,044,455</u>
Expenditures							
Current							
General government	16,254,248	-	-	1,186,991	-	360,954	17,802,193
Public safety	19,564,184	-	-	1,521,537	-	533,041	21,618,762
Public works	147,427	36,240,787	-	754,791	-	11,269,988	48,412,993
Health and welfare	2,273,818	-	16,005,686	-	-	897,510	19,177,014
Culture and recreation	410,300	-	-	51,535	-	756,607	1,218,442
Debt Service							
Principal retirement	-	-	-	1,760,000	-	-	1,760,000
Interest	-	-	-	810,111	-	-	810,111
Other charges	-	-	-	4,200	-	-	4,200
Total Expenditures	<u>38,649,977</u>	<u>36,240,787</u>	<u>16,005,686</u>	<u>6,089,165</u>	<u>-</u>	<u>13,818,100</u>	<u>110,803,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,295,376</u>	<u>(1,275,039)</u>	<u>(432,984)</u>	<u>1,970,860</u>	<u>11,640,046</u>	<u>(3,957,519)</u>	<u>15,240,740</u>
Other Financing Sources (Uses)							
Transfers in	150,000	-	-	-	-	6,850,000	7,000,000
Transfers out	(6,850,000)	-	-	-	-	(150,000)	(7,000,000)
Total Other Financing Sources (Uses)	<u>(6,700,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,700,000</u>	<u>-</u>
Net Change in Fund Balances	595,376	(1,275,039)	(432,984)	1,970,860	11,640,046	2,742,481	15,240,740
Fund Balances Beginning of Year	17,647,244	14,530,220	5,239,730	14,888,314	5,883,005	3,698,992	61,887,505
Fund Balances End of Year	<u>\$ 18,242,620</u>	<u>\$ 13,255,181</u>	<u>\$ 4,806,746</u>	<u>\$ 16,859,174</u>	<u>\$ 17,523,051</u>	<u>\$ 6,441,473</u>	<u>\$ 77,128,245</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, 2009

Net Changes In Fund Balances - Total Governmental Funds \$ 15,240,740

**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	\$ (7,778,496)	
	Capital outlay	<u>36,400,507</u>	28,622,011

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 assets book value. (58,656)

Elimination of transfers between governmental funds:

	Transfers in	\$ 7,000,000	
	Transfers out	<u>(7,000,000)</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. 71,199

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. (49,245)

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		1,760,000
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Capitalization and amortization of bond issuance costs and premium on issuance 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. (298,436)

The County forgave \$150,000 of long term debt to the Town of Silt that was owed on the purchase of a County building. This is a use of resources and results in a government wide expense. (150,000)

Change In Net Assets of Governmental Activities \$ 45,126,415

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

Garfield County, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2009

	Business-type Activities Enterprise Fund	Governmental Activities - Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,189,098	\$ 2,290,001
Accounts receivables	148,891	140,508
Due from other funds	-	3,286
Total Current Assets	5,337,989	2,433,795
Non-Current Assets		
Capital Assets:		
Construction in progress	62,627	-
Land	300,000	-
Land Improvements	1,152,128	-
Buildings	771,158	-
Improvements	20,388	-
Machinery and Equipment	1,512,723	5,220,492
Accumulated depreciation	(1,284,444)	(3,094,186)
Total Non-Current Assets	2,534,580	2,126,306
Total Assets	7,872,569	4,560,101
Liabilities		
Current Liabilities		
Accounts payable	178,597	43,531
Accrued expenses	44,213	12,310
Accrued compensated absences	9,362	5,100
Due to other funds	-	212
Total Current Liabilities	232,172	61,153
Non-current Liabilities		
Accrued compensated absences	28,084	11,901
Closure and postclosure obligations	955,157	-
Total Long-term Liabilities	983,241	11,901
Total Liabilities	1,215,413	73,054
Net Assets		
Invested in capital assets	2,534,580	2,126,306
Unrestricted	4,122,576	2,360,741
Total Net Assets	\$ 6,657,156	\$ 4,487,047

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, 2009

	Business-type Activities Enterprise Fund	Governmental Activities - Internal Service Fund
Operating Revenues		
Charges for services	\$ 1,363,718	\$ 1,606,573
Miscellaneous	23,480	5,795
Total Operating Revenues	<u>1,387,198</u>	<u>1,612,368</u>
Operating Expenses		
Personnel	757,628	259,535
Purchased services	438,325	66,211
Materials & Supplies	116,872	468,410
Depreciation	363,233	934,387
Other	203,128	4,840
Total Operating Expenses	<u>1,879,186</u>	<u>1,733,383</u>
Operating Income (Loss)	(491,988)	(121,015)
Non-Operating Revenues		
Grant revenue	21,631	-
Income Before Capital Contributions and Transfers In	(470,357)	(121,015)
Capital contributions	-	192,214
Change in Net Assets	(470,357)	71,199
Net Assets Beginning of Year	<u>7,127,513</u>	<u>4,415,848</u>
Net Assets End of Year	<u><u>\$ 6,657,156</u></u>	<u><u>\$ 4,487,047</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, 2009

	Business-type Activities Enterprise Fund	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,482,606	\$ 1,584,942
Cash received from other sources	23,479	5,798
Cash payments personal services	(754,560)	(254,988)
Cash payments for goods and services	(476,839)	(522,520)
Net Cash Provided by Operating Activities	<u>274,686</u>	<u>813,232</u>
Cash Flows from Noncapital Financing Activities		
Grants and contributions	21,631	-
Transfers in (out)	-	(3,074)
Net Cash (Used in) Noncapital Financing Activities	<u>21,631</u>	<u>(3,074)</u>
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	(691,790)	(703,777)
Net Cash (Used in) Capital and Related Financing Activities	<u>(691,790)</u>	<u>(703,777)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(395,473)	106,381
Cash and Cash Equivalents Beginning of Year	<u>5,584,571</u>	<u>2,183,620</u>
Cash and Cash Equivalents End of Year	<u>\$ 5,189,098</u>	<u>\$ 2,290,001</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ (491,988)	\$ (121,015)
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation	363,233	934,387
(Increase) decrease in accounts receivable	118,888	(21,629)
Increase (decrease) in accounts payable	68,922	17,229
Accrued expenses	8,424	(287)
Compensated absences payable	3,068	4,547
Landfill closure and postclosure care	204,139	-
Net Cash Provided by Operating Activities	<u>\$ 274,686</u>	<u>\$ 813,232</u>
Non-Cash Capital Items		
Capital assets contributed	<u>\$ -</u>	<u>\$ 192,214</u>

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

Garfield County, Colorado
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Cash and investments	<u>\$ 6,585,812</u>	<u>\$ 4,719,810</u>
Liabilities		
Due to others	499,177	130,578
Due to other governments	<u>6,086,635</u>	<u>4,589,232</u>
Total Liabilities	<u>\$ 6,585,812</u>	<u>\$ 4,719,810</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, 2009

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.

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

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, 2009
(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 funds:

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

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

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.

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.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009
(Continued)

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

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; and for monies held by the Sheriff's office for inmates. 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 three 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, 2009
(Continued)

1C. Cash, Cash Equivalents, and Investments

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, 2009, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

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, 2009
(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 five thousand dollars. 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 & Roads	20 - 50 Years	---

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

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 and capital leases 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, 2009
(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 against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type Statement of Activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. At 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. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management’s intent to set aside these resources for specific services.

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

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, 2009
(Continued)

10. 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, 2009.

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 \$19,003,661 at year end.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009
(Continued)

The County had the following investments and maturities:

	<u>Standard & Poors Rating</u>	<u>Carrying Amounts</u>	<u>Less than one year</u>	<u>Less than five years</u>
<i>Deposits:</i>				
Cash on Hand	<i>Not Rated</i>	\$ 16,823	\$ 16,823	\$ -
Checking	<i>Not Rated</i>	11,201,585	11,201,585	-
Savings	<i>Not Rated</i>	23,947	23,947	-
CD	<i>Not Rated</i>	6,045,346	6,045,346	-
Deposits held by Trustee	<i>Not Rated</i>	1,715,960	1,715,960	-
<i>Investments:</i>				
Pools	<i>AAAm</i>	43,231,065	43,231,065	-
Agencies	<i>AAA</i>	33,440,087	-	33,440,087
Treasuries	<i>AAA</i>	<u>1,617,580</u>	-	1,617,580
Total		<u>\$ 97,292,393</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 \$1,715,960 for debt service which exceeds the requirements of the 2006 and 2001 Certificates of Participation.

3B. Receivables

Receivables at December 31, 2009, consisted of taxes, interest, accounts, and intergovernmental receivables arising from grants.

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

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009
(Continued)

The County had the following receivables at year end:

	Governmental Funds				
	General Fund	Road and Bridge	Human Services	Capital Expenditures	Other Governmental Funds
Accounts	\$ 689,680	\$ 654,611	\$ -	\$ -	\$ 1,780,570
Taxes	40,219,815	15,211,560	2,954,052	11,821,374	986,406
Other	5,891	22,063	-	-	-
Allowance	-	-	-	-	-
Total	\$ 40,915,386	\$ 15,888,234	\$ 2,954,052	\$ 11,821,374	\$ 2,766,976

	Proprietary Funds	
	Solid Waste Disposal	Motor Pool
Accounts	\$ 148,891	\$ 140,508
Taxes	-	-
Other	-	-
Allowance	-	-
Total	\$ 148,891	\$ 140,508

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, 2009 follows:

	Balance 1/1/09	Additions	Deductions	Balance 12/31/09
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 2,216,383	33,862,727	(1,534,501)	\$ 34,544,609
Land	9,436,470	-	-	9,436,470
Total assets not being depreciated	<u>11,652,853</u>	<u>33,862,727</u>	<u>(1,534,501)</u>	<u>43,981,079</u>
Depreciable capital assets:				
Land improvements	9,294,285	9,450	-	9,303,735
Buildings	47,329,083	209,263	-	47,538,346
Building improvements	1,850,972	1,267,867	-	3,118,839
Machinery and equipment	17,096,630	3,600,764	(580,421)	20,116,973
Infrastructure	258,684,170	-	-	258,684,170
Total depreciable capital assets	<u>334,255,140</u>	<u>5,087,344</u>	<u>(580,421)</u>	<u>338,762,063</u>
Total capital assets	<u>345,907,993</u>	<u>38,950,071</u>	<u>(2,114,922)</u>	<u>382,743,142</u>
Accumulated depreciation:				
Land improvements	(1,339,601)	(452,721)	-	(1,792,322)
Buildings	(12,477,817)	(792,931)	-	(13,270,748)
Building improvements	(410,908)	(209,414)	-	(620,322)
Machinery and equipment	(8,166,668)	(2,310,574)	402,693	(10,074,549)
Infrastructure	(84,978,561)	(4,947,241)	-	(89,925,802)
Total accumulated depreciation	<u>(107,373,555)</u>	<u>(8,712,881)</u>	<u>402,693</u>	<u>(115,683,743)</u>
Governmental activities capital assets, net	<u>\$ 238,534,438</u>	<u>\$ 30,237,190</u>	<u>\$ (1,712,229)</u>	<u>\$ 267,059,399</u>

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009
(Continued)

Governmental activities depreciation expense classified by function follows:

General government	\$ 669,761
Public safety	1,231,564
Public works	6,416,164
Culture and recreation	139,369
Health and welfare	<u>256,023</u>
 Total governmental activities depreciation expense	 <u><u>\$ 8,712,881</u></u>

Business-Type Activities Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Balance 1/1/09</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/09</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 62,627	\$ -	\$ -	\$ 62,627
Land	300,000	-	-	300,000
Total assets not being depreciated	<u>362,627</u>	<u>-</u>	<u>-</u>	<u>362,627</u>
Depreciable capital assets:				
Land improvements	724,477	427,651	-	1,152,128
Buildings	771,158	-	-	771,158
Buildings improvements	20,388	-	-	20,388
Machinery and equipment	1,248,584	264,139	-	1,512,723
Total depreciable capital assets	<u>2,764,607</u>	<u>691,790</u>	<u>-</u>	<u>3,456,397</u>
Total capital assets	<u>3,127,234</u>	<u>691,790</u>	<u>-</u>	<u>3,819,024</u>
Accumulated depreciation:				
Land improvements	(328,836)	(169,343)	-	(498,179)
Buildings	(56,361)	(38,415)	-	(94,776)
Buildings improvements	(10,678)	(2,181)	-	(12,859)
Machinery and equipment	(525,336)	(153,294)	-	(678,630)
Total accumulated depreciation	<u>(921,211)</u>	<u>(363,233)</u>	<u>-</u>	<u>(1,284,444)</u>
Business-type activities capital assets, net	<u><u>\$ 2,206,023</u></u>	<u><u>\$ 328,557</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,534,580</u></u>

3E. Interfund Balances and Transfers

Interfund balances at December 31, 2009, 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	\$ 45,329	\$ 1,293
Road and Bridge Fund	141	46,420
Capital Expenditures Fund	1,293	386
Non-major governmental funds	-	1,738
Motor Pool Fund	<u>3,286</u>	<u>212</u>
 Total	 <u><u>\$ 50,049</u></u>	 <u><u>\$ 50,049</u></u>

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009
(Continued)

Interfund transfers for the year ended December 31, 2009, consisted of the following:

	Transfer In	Transfer (Out)
General Fund	\$ 150,000	\$ (6,850,000)
Non-major governmental funds	6,850,000	(150,000)
Total	\$ 7,000,000	\$ (7,000,000)

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.

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 \$2,093,999, with closure costs estimated to be \$1,334,245 and postclosure care cost estimated to be \$759,754. The \$955,157 reported as landfill closure and postclosure care liability at December 31, 2009, represents the cumulative amount reported to date based on the use of 46% of the capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,138,842 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2009. The County expects to close the landfill in the year 2040. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to 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

1999 Certificates of Participation - On October 1, 1999, the County, through the Garfield County Building Corporation, issued \$12,780,000 in Certificates of Participation with interest ranging from 4.30% to 5.75%. The net proceeds of \$12,263,869 (after payment of \$516,131 in underwriting fees and other issuance costs) were used to purchase U.S. Government Securities. The securities were deposited with a bond agent to provide for construction of a jail facility. The Certificates of Participation are paid through a lease purchase agreement with the County. The lease is subject to annual appropriation. The County refunded \$8,810,000 of these certificates with the issuance of the 2006 Certificates of Participation. This issue requires semi-annual payments on June 1st and December 1st. The Certificates retired on December 1, 2009 through the payment of an early redemption premium totaling \$8,900.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009
(Continued)

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 3.75% to 4.10%. The net proceeds \$9,479,737 (after payment of \$222,869 in underwriting fees and other issuance costs, and a premium of \$17,606) 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 can be 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.

Annual lease requirements to amortize all certificates of participation outstanding, as of December 31, 2009 follow:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 495,000	\$ 718,558	\$ 1,213,558
2011	515,000	695,558	1,210,558
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 through 2019	6,245,000	2,205,270	8,450,270
2020 through 2024	6,140,000	757,910	6,897,910
	<u>\$ 16,570,000</u>	<u>\$ 6,266,848</u>	<u>\$ 22,836,848</u>

Changes in Long-term Obligations - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2009:

	<u>Outstanding 1/1/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/09</u>	<u>Amounts Due in One Year</u>
Governmental Activities:					
Certificates of participation	\$ 18,330,000	\$ -	\$ (1,760,000)	\$ 16,570,000	\$ 495,000
Compensated absences	1,447,084	749,562	(434,125)	1,762,521	440,630
Total Governmental Activities	<u>\$ 19,777,084</u>	<u>\$ 749,562</u>	<u>\$ (2,194,125)</u>	<u>\$ 18,332,521</u>	<u>\$ 935,630</u>
Business-type Activities:					
Landfill closure & postclosure	751,018	\$ 204,139	\$ -	\$ 955,157	\$ -
Compensated absences	34,378	13,381	(10,313)	37,446	9,362
Total Business-type Activities	<u>\$ 785,396</u>	<u>\$ 217,520</u>	<u>\$ (10,313)</u>	<u>\$ 992,603</u>	<u>\$ 9,362</u>

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009
(Continued)

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.

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. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

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 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.

During 2009, the County and employees made the required contribution amounting to \$1,146,192 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, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. 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, 2009
(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, 2009. 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 District has reserved a portion of its December 31, 2009 year end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$2,183,434.

Garfield County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009
(Continued)

4D. Possible Violation of State Statute

The Public Health 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:

<u>Fund</u>	<u>Project</u>	<u>Vendor</u>	<u>Contract Commitment</u>	<u>Completed</u>	<u>Retainage</u>	<u>Remaining</u>
Capital	DHS Annex in Rifle	Neenan	\$ 2,184,741	\$ (662,404)	\$ 47,015	\$ 1,569,352
Capital	Sheriff Annex in Rifle	CMC	3,485,650	(1,377,901)	109,763	2,217,512
R&B	CR #204	ACC	21,428,999	(20,894,225)	1,071,450	1,606,224
Airport	Airport Upgrade	Kelley Trucking	11,431,762	(4,131,316)	413,132	7,713,578
Airport	Airport W&S	Palisade Constructors	1,439,035	(270,419)	27,042	1,195,658
		Total	<u>\$ 39,970,187</u>	<u>\$ (27,336,265)</u>	<u>\$ 1,668,402</u>	<u>\$ 14,302,324</u>