

***ELBERT COUNTY,
COLORADO***

**FINANCIAL STATEMENTS
December 31, 2002**

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**Board of County Commissioners
Elbert County, Colorado**

Independent Auditors' Report

We have audited the accompanying general-purpose financial statements of Elbert County, Colorado, as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of Elbert County Colorado's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the Emergency Telephone Service Authority, a component unit of Elbert County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

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

In our opinion, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Elbert County, Colorado, as of December 31, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.




**Board of County Commissioners
Elbert County, Colorado**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2002, on our consideration of Elbert County, Colorado's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

August 15, 2003


BONDI & Co. LLP

GENERAL PURPOSE FINANCIAL STATEMENTS

ELBERT COUNTY, COLORADO
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS

December 31, 2002

(With comparative totals for December 31, 2001)

	Governmental Fund Types				Fiduciary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
ASSETS AND OTHER DEBITS					
Cash with Treasurer	\$ 806,675	\$ 2,437,022	\$ 26,874	\$ 157,299	\$ 1,823,642
Investments	-	-	-	-	-
Accounts receivable	22,753	79,207	-	-	-
User fees receivable	-	-	-	-	-
Property taxes receivable	2,667,086	3,139,090	-	-	-
Inventory of supplies	16,228	282,174	-	-	-
Other assets	-	-	-	-	-
Property and equipment	-	-	-	-	-
Amount Available in the Debt Service Fund					
Amount to be provided for payment of general long-term debt	-	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>3,512,742</u>	<u>5,937,493</u>	<u>26,874</u>	<u>157,299</u>	<u>1,823,642</u>
LIABILITIES AND EQUITY					
LIABILITIES					
Warrants payable	99,483	563,564	-	-	-
Accounts payable	681,510	323,754	-	-	26,402
Due to other governments	-	-	-	-	849,049
Other liabilities	-	-	-	-	73,497
Escrow deposits held by public trustee	-	-	-	-	103,460
Deferred property tax revenue	2,667,086	3,139,090	-	-	-
Other deferred revenue	-	22,122	-	-	-
Compensated absences	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Special assessment debt	-	-	-	-	-
Total liabilities	<u>3,448,079</u>	<u>4,048,530</u>	<u>-</u>	<u>-</u>	<u>1,052,408</u>
EQUITY					
Investment in general fixed assets	-	-	-	-	-
Fund balance					
Reserved	-	967,561	26,874	157,299	-
Unreserved					
Designated for subsequent year's expenditures	64,663	343,560	-	-	197,000
Designated for facilities	-	-	-	-	-
Undesignated	-	577,842	-	-	574,234
Total equity	<u>64,663</u>	<u>1,888,963</u>	<u>26,874</u>	<u>157,299</u>	<u>771,234</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 3,512,742</u>	<u>\$ 5,937,493</u>	<u>\$ 26,874</u>	<u>\$ 157,299</u>	<u>\$ 1,823,642</u>

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

Account Groups		Totals (Memorandum Only)	Component Units	Totals (Memorandum Only)		
General Fixed Assets	General Long-Term Debt	Primary Government 2002	Emergency Telephone Service Authority	Reporting Entity 2002	Primary Government 2001	Reporting Entity 2001
\$ -	\$ -	\$ 5,251,512	\$ 30,280	\$ 5,281,792	\$ 6,208,097	\$ 6,429,286
-	-	-	228,878	228,878	-	212,176
-	-	101,960	-	101,960	125,350	125,350
-	-	-	22,384	22,384	-	17,764
-	-	5,806,176	-	5,806,176	5,936,995	6,388,805
-	-	298,402	-	298,402	294,307	294,307
-	-	-	-	-	-	1,437
10,812,411	-	10,812,411	64,989	10,877,400	10,740,816	11,545,485
-	26,874	26,874	-	26,874	-	-
-	1,282,723	1,282,723	-	1,282,723	2,200,058	2,205,402
<u>10,812,411</u>	<u>1,309,597</u>	<u>23,580,058</u>	<u>346,531</u>	<u>23,926,589</u>	<u>25,505,623</u>	<u>27,220,012</u>
-	-	663,047	-	663,047	683,400	683,400
-	-	1,031,666	3,103	1,034,769	257,677	264,254
-	-	849,049	-	849,049	719,037	719,929
-	-	73,497	-	73,497	69,121	69,121
-	-	103,460	-	103,460	80,047	80,047
-	-	5,806,176	-	5,806,176	5,936,995	6,381,155
-	-	22,122	-	22,122	17,926	17,926
-	202,974	202,974	-	202,974	162,919	168,263
-	733,551	733,551	-	733,551	1,822,139	1,822,139
-	373,072	373,072	-	373,072	215,000	215,000
-	1,309,597	9,858,614	3,103	9,861,717	9,964,261	10,421,234
10,812,411	-	10,812,411	64,989	10,877,400	10,740,816	11,545,485
-	-	1,151,734	-	1,151,734	1,475,355	1,491,855
-	-	605,223	-	605,223	1,496,805	1,724,585
-	-	-	87,704	87,704	-	-
-	-	1,152,076	190,735	1,342,811	1,828,386	2,036,853
<u>10,812,411</u>	<u>-</u>	<u>13,721,444</u>	<u>343,428</u>	<u>14,064,872</u>	<u>15,541,362</u>	<u>16,798,778</u>
<u>\$ 10,812,411</u>	<u>\$ 1,309,597</u>	<u>\$ 23,580,058</u>	<u>\$ 346,531</u>	<u>\$ 23,926,589</u>	<u>\$ 25,505,623</u>	<u>\$ 27,220,012</u>

ELBERT COUNTY, COLORADO
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - ALL GOVERNMENTAL FUND TYPES AND
EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended December 31, 2002
(With comparative totals for year ended December 31, 2001)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUE				
Taxes	\$ 3,058,961	\$ 3,678,634	\$ -	\$ 357,740
Licenses and permits	647,331	-	-	-
Intergovernmental	200,240	2,853,015	-	-
Charges for services	1,083,769	-	-	-
Net investment income	163,684	9,235	-	-
Miscellaneous	76,665	155,786	43,241	49,151
Total revenue	<u>5,230,650</u>	<u>6,696,670</u>	<u>43,241</u>	<u>406,891</u>
EXPENDITURES				
Current				
General government	3,949,346	164,863	18,012	-
Public safety	2,517,675	-	-	-
Public works	-	5,890,047	-	416,125
Public health and welfare	288,263	577,022	-	-
Culture and recreation	124,654	-	-	-
Auxiliary services	83,832	-	-	-
Debt service	-	-	29,000	615,726
Total expenditures	<u>6,963,770</u>	<u>6,631,932</u>	<u>47,012</u>	<u>1,031,851</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,733,120)</u>	<u>64,738</u>	<u>(3,771)</u>	<u>(624,960)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	46,595	-	-
Bond proceeds	-	-	-	175,000
Bond issuance costs	-	-	-	(23,001)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>46,595</u>	<u>-</u>	<u>151,999</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>(1,733,120)</u>	<u>111,333</u>	<u>(3,771)</u>	<u>(472,961)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,797,783</u>	<u>1,777,630</u>	<u>30,645</u>	<u>630,260</u>
FUND BALANCE - END OF YEAR	<u>\$ 64,663</u>	<u>\$ 1,888,963</u>	<u>\$ 26,874</u>	<u>\$ 157,299</u>

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

Fiduciary Fund Type	Totals (Memorandum Only)		Component Units	Totals (Memorandum Only)	
	Primary Government 2002	Emergency Telephone Service Authority		Reporting Entity 2002	Primary Government 2001
Expendable Trust					
\$ -	\$ 7,095,335	\$ -	\$ 7,095,335	\$ 6,005,451	\$ 6,516,851
-	647,331	-	647,331	952,700	952,700
-	3,053,255	-	3,053,255	2,832,041	2,862,461
216,883	1,300,652	154,703	1,455,355	1,175,063	1,297,419
-	172,919	3,304	176,223	306,950	318,669
-	324,843	-	324,843	253,425	253,460
<u>216,883</u>	<u>12,594,335</u>	<u>158,007</u>	<u>12,752,342</u>	<u>11,525,630</u>	<u>12,201,560</u>
-	4,132,221	-	4,132,221	3,454,354	3,454,354
-	2,517,675	107,348	2,625,023	1,759,316	1,815,731
40,522	6,346,694	-	6,346,694	4,532,065	4,532,065
-	865,285	-	865,285	789,528	789,528
-	124,654	-	124,654	128,168	452,908
-	83,832	-	83,832	97,973	97,973
-	644,726	-	644,726	740,745	740,745
<u>40,522</u>	<u>14,715,087</u>	<u>107,348</u>	<u>14,822,435</u>	<u>11,502,149</u>	<u>11,883,304</u>
<u>176,361</u>	<u>(2,120,752)</u>	<u>50,659</u>	<u>(2,070,093)</u>	<u>23,481</u>	<u>318,256</u>
-	46,595	-	46,595	32,490	32,490
-	175,000	-	175,000	215,000	215,000
-	(23,001)	-	(23,001)	(45,229)	(45,229)
-	-	-	-	207,790	207,790
-	-	-	-	(207,790)	(207,790)
<u>-</u>	<u>198,594</u>	<u>-</u>	<u>198,594</u>	<u>202,261</u>	<u>202,261</u>
176,361	(1,922,158)	50,659	(1,871,499)	225,742	520,517
594,873	4,831,191	227,780	5,058,971	4,574,804	4,732,776
<u>\$ 771,234</u>	<u>\$ 2,909,033</u>	<u>\$ 278,439</u>	<u>\$ 3,187,472</u>	<u>\$ 4,800,546</u>	<u>\$ 5,253,293</u>

ELBERT COUNTY, COLORADO
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
Year Ended December 31, 2002
(With comparative totals for year ended December 31, 2001)

	<u>Governmental Fund Types</u>		
	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUE			
Taxes	\$ 3,144,586	\$ 3,058,961	\$ (85,625)
Licenses and permits	738,600	647,331	(91,269)
Intergovernmental	215,554	200,240	(15,314)
Charges for service	1,138,460	1,083,769	(54,691)
Net investment income	200,500	163,684	(36,816)
Miscellaneous	20,000	76,665	56,665
Total revenue	<u>5,457,700</u>	<u>5,230,650</u>	<u>(227,050)</u>
EXPENDITURES			
Current			
General government	3,714,368	3,949,346	(234,978)
Public safety	2,096,894	2,517,675	(420,781)
Public works	-	-	-
Public health and welfare	328,031	288,263	39,768
Culture and recreation	129,586	124,654	4,932
Auxiliary services	99,407	83,832	15,575
Debt service	-	-	-
Total expenditures	<u>6,368,286</u>	<u>6,963,770</u>	<u>(595,484)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(910,586)</u>	<u>(1,733,120)</u>	<u>(822,534)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	-	-
Bond issuance costs	-	-	-
Capital leases	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>(910,586)</u>	<u>(1,733,120)</u>	<u>(822,534)</u>
FUND BALANCE - BEGINNING OF YEAR	1,797,783	1,797,783	-
FUND BALANCE - END OF YEAR	<u>\$ 887,197</u>	<u>\$ 64,663</u>	<u>\$ (822,534)</u>

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

Governmental Fund Types

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ 3,452,961	\$ 3,678,634	\$ 225,673	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,997,138	2,853,015	(144,123)	-	-	-
-	-	-	-	-	-
-	9,235	9,235	-	-	-
125,950	155,786	29,836	-	43,241	43,241
<u>6,576,049</u>	<u>6,696,670</u>	<u>120,621</u>	<u>-</u>	<u>43,241</u>	<u>43,241</u>
140,000	164,863	(24,863)	-	18,012	(18,012)
-	-	-	-	-	-
6,051,645	5,890,047	161,598	-	-	-
518,000	577,022	(59,022)	-	-	-
100,000	-	100,000	-	-	-
-	-	-	-	-	-
-	-	-	-	29,000	(29,000)
<u>6,809,645</u>	<u>6,631,932</u>	<u>177,713</u>	<u>-</u>	<u>47,012</u>	<u>(47,012)</u>
<u>(233,596)</u>	<u>64,738</u>	<u>298,334</u>	<u>-</u>	<u>(3,771)</u>	<u>(3,771)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	46,595	46,595	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>46,595</u>	<u>46,595</u>	<u>-</u>	<u>-</u>	<u>-</u>
(233,596)	111,333	344,929	-	(3,771)	(3,771)
1,777,630	1,777,630	-	-	30,645	-
<u>\$ 1,544,034</u>	<u>\$ 1,888,963</u>	<u>\$ 344,929</u>	<u>\$ -</u>	<u>\$ 26,874</u>	<u>\$ (3,771)</u>

ELBERT COUNTY, COLORADO
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
Year Ended December 31, 2001
(with comparative totals for year ended December 31, 2000)
(Continued)

	Governmental Fund Types		
	Capital Projects Funds		
	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUE			
Taxes	\$ -	\$ 357,740	\$ 357,740
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for service	-	-	-
Net investment income	-	-	-
Miscellaneous	-	49,151	49,151
Total revenue	<u>-</u>	<u>406,891</u>	<u>406,891</u>
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	188,336	416,125	(227,789)
Public health and welfare	-	-	-
Culture and recreation	-	-	-
Auxiliary services	-	-	-
Debt service	-	615,726	(615,726)
Total expenditures	<u>188,336</u>	<u>1,031,851</u>	<u>(843,515)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(188,336)</u>	<u>(624,960)</u>	<u>(436,624)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	207,336	175,000	(32,336)
Bond issuance costs	(19,000)	(23,001)	(4,001)
Capital leases	-	-	-
Transfers (out)	-	-	-
Total other financing sources(uses)	<u>188,336</u>	<u>151,999</u>	<u>(36,337)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(472,961)</u>	<u>(472,961)</u>
FUND BALANCE - BEGINNING OF YEAR	630,260	630,260	-
FUND BALANCE - END OF YEAR	<u>\$ 630,260</u>	<u>\$ 157,299</u>	<u>\$ (472,961)</u>

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

Fiduciary Fund Types			Totals		
Expendable Trust Fund			(Memorandum Only)		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 6,597,547	\$ 7,095,335	\$ 497,788
-	-	-	738,600	647,331	(91,269)
-	-	-	3,212,692	3,053,255	(159,437)
139,799	216,883	77,084	1,278,259	1,300,652	22,393
-	-	-	200,500	172,919	(27,581)
-	-	-	145,950	324,843	178,893
<u>139,799</u>	<u>216,883</u>	<u>77,084</u>	<u>12,173,548</u>	<u>12,594,335</u>	<u>420,787</u>
-	-	-	3,854,368	4,132,221	(277,853)
-	-	-	2,096,894	2,517,675	(420,781)
195,799	40,522	155,277	6,435,780	6,346,694	89,086
-	-	-	846,031	865,285	(19,254)
-	-	-	229,586	124,654	104,932
-	-	-	99,407	83,832	15,575
-	-	-	-	644,726	(644,726)
<u>195,799</u>	<u>40,522</u>	<u>155,277</u>	<u>13,562,066</u>	<u>14,715,087</u>	<u>(1,153,021)</u>
<u>(56,000)</u>	<u>176,361</u>	<u>232,361</u>	<u>(1,388,518)</u>	<u>(2,120,752)</u>	<u>(732,234)</u>
-	-	-	207,336	175,000	(32,336)
-	-	-	(19,000)	(23,001)	(4,001)
-	-	-	-	46,595	46,595
(200,000)	-	200,000	(200,000)	-	200,000
<u>(200,000)</u>	<u>-</u>	<u>200,000</u>	<u>(11,664)</u>	<u>198,594</u>	<u>210,258</u>
(256,000)	176,361	432,361	(1,400,182)	(1,922,158)	(521,976)
594,873	594,873	-	4,800,546	4,831,191	-
<u>\$ 338,873</u>	<u>\$ 771,234</u>	<u>\$ 432,361</u>	<u>\$ 3,400,364</u>	<u>\$ 2,909,033</u>	<u>\$ (521,976)</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

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

Reporting Entity

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

As required by generally accepted accounting principles (GAAP), these financial statements present the County (the primary government) and its component units. The first component unit, the Elbert County Emergency Telephone Service Authority (Authority) is discretely reported in a separate column to emphasize that they are legally separate from the County. The second component unit, the Chaparral Valley Improvement District 2 is a blended component unit. Both component units have a December 31 year end.

The County had several entity changes during the twelve months ended December 31, 2003. This is the first year the Chaparral Valley Improvement District 2 is blended into these financial statements. In previous years the Library District has been a component unit of the County. In addition, for the year ended December 31, 2002, the Amanda Pines Bond fund is reported as a debt service fund. In previous years, this fund was reported as part of the Treasurer's assets and liabilities.

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

