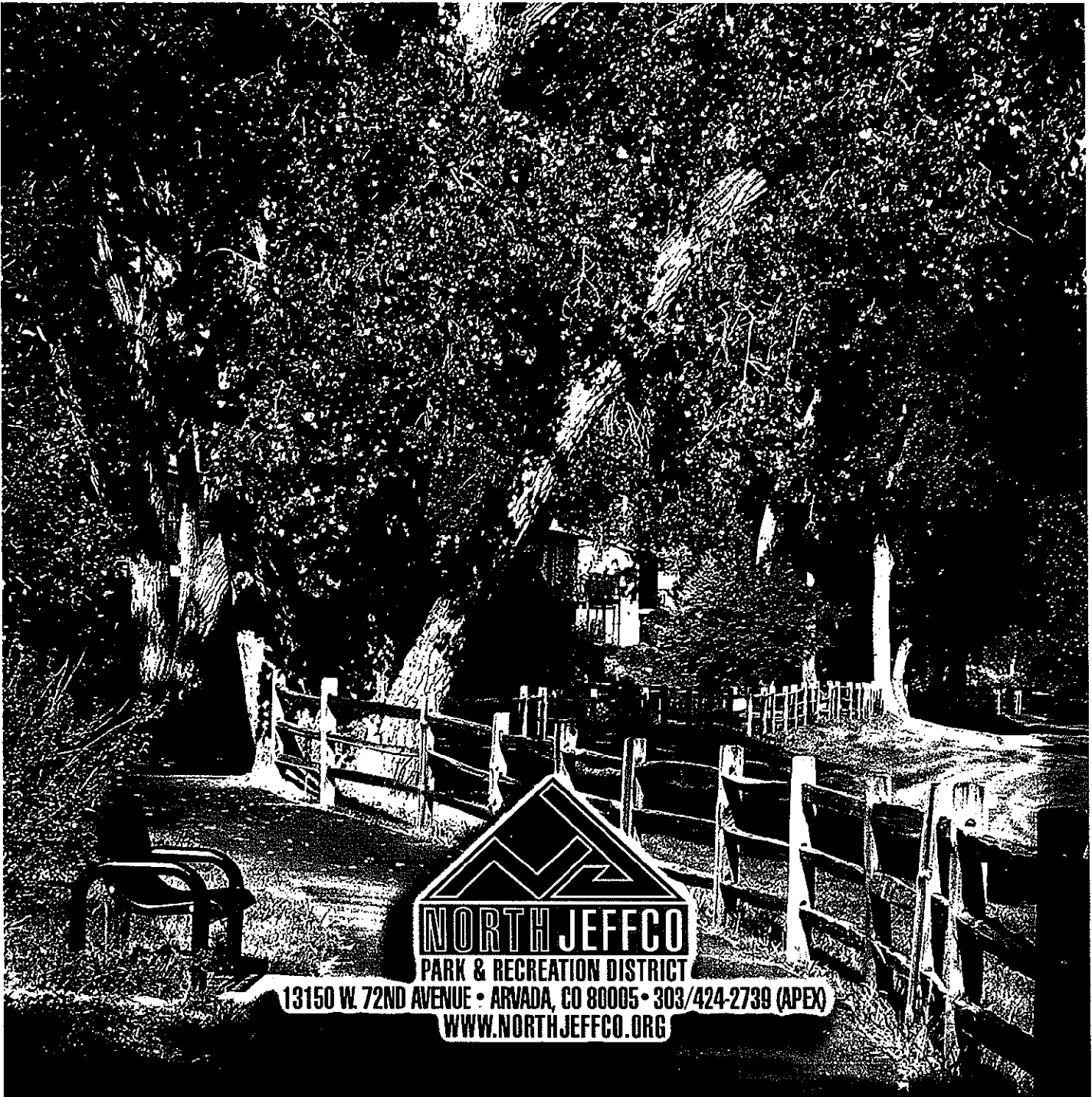


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Comprehensive
Annual Financial Report
for fiscal year ended December 31, 2004



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Comprehensive
Annual Financial Report
for fiscal year ended December 31, 2004

NORTH JEFFCO PARK AND RECREATION DISTRICT, COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2004

Report Prepared and Issued By
Gary R. Higbee, Chief Finance Officer
Terri Fabrizio, Assistant Finance Officer

**NORTH JEFFCO PARK AND RECREATION DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended December 31, 2004**

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INTRODUCTORY SECTION

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GOVERNMENT FINANCE OFFICERS
ASSOCIATION
CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

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**NORTH JEFFCO PARK AND RECREATION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Board of Directors
Carolyn Jacobs, President
Bob Loveridge, Vice President
Janice G. Eckhardt, Treasurer/Secretary
Lawrence R. McGinley, Director
John "Kibby" McKibbon, Director

Executive Director
Mike Miles



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June 16, 2005

President, Board Members
and District Citizens
North Jeffco Park and Recreation District
13150 West 72nd Avenue
Arvada, Colorado 80005

Ladies and Gentlemen:

Section 29-1-6 of the Colorado Revised Statutes requires that all general-purpose local governments with revenues or expenditures exceeding \$100,000 publish and file with the State Auditor's office a complete set of financial statements, within six months of the close of each fiscal year. Said financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of North Jeffco Park and Recreation District for the fiscal year ended December 31, 2004.

This report consists of management's representations concerning the finances of North Jeffco Park and Recreation District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of North Jeffco Park and Recreation District has established a comprehensive internal control framework designed to both protect the government's assets from loss, theft, or misuses and compile sufficient reliable information for the preparation of North Jeffco Park and Recreation District's financial statements in conformity with GAAP. Given that the cost of internal controls should not outweigh their benefits, North Jeffco Park and Recreation District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

North Jeffco Park and Recreation District's financial statements have been audited by McMahan and Associates, LLC, a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of North Jeffco Park and Recreation District for the fiscal year ended

Home of the



President, Board Members
and District Citizens
North Jeffco Park and Recreation District
June 16, 2005

The district is made up of distinctly different fiscal and accounting entities, each with its own separate set of accounts and each functioning independently of the others. This report includes all funds and account groups of North Jeffco Park and Recreation District. The district consists of 13 full-time centers and facilities and a number of part-time or seasonal facilities. Staff and programs provide a variety of recreational services for the youth, adults, and seniors of the community. The services encompass a broad range of activities, including, youth services, adult and youth sports, senior programs, racquet sports, fitness/wellness, gymnastics, aquatics, outdoor recreation, art, ice-skating, and golf.

The annual budget along with a Five-Year Capital Plan serves as the foundation for North Jeffco Park and Recreation District's financial planning and control. The district's executive director is required by October 15 each year to submit a proposed budget to the board for the ensuing year. Upon receiving the proposed budget for the year, the board is required to publish a "Notice of Budget". This notice identifies a budget hearing date for public input to the budget process. The deadline for the board to adopt the new budget is December 15. The appropriated budget is prepared by fund, function (e.g., Apex Center), and division (e.g., Ice). Division heads may make transfers of appropriations within a division, with the approval of the executive director. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page B-6 as part of the basic financial statements for the governmental funds. For governmental funds with appropriated annual budgets, other than the General Fund, this comparison is presented in the governmental fund subsection of this report, which starts on page D-3.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which North Jeffco Park and Recreation District operates.

Local Economy: North Jeffco Park and Recreation District continues to enjoy a favorable economic environment, and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. Major industries with headquarters or divisions located within the district boundaries, or in close proximity, include computer hardware, brewery, medical manufacturing, and shopping centers. The State of Colorado has a major presence within the greater Denver metropolitan area with defense and space agency manufacturing.

Long-Term Financial Planning: In 2004, the district completed the final year of the 2001 - 2004 Operations Master Plan, which was adopted by the board in 2001. The 2001 - 2004 Operations Master Plan is Phase I of a two-phase plan to address the

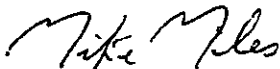
President, Board Members
and District Citizens
North Jeffco Park and Recreation District
June 16, 2005

2003. This was the eleventh consecutive year that North Jeffco received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

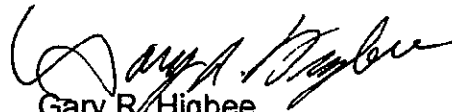
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the cooperation and dedicated services of the entire staff of the finance and administrative divisions. We would like to express our appreciation to all members of the divisions who assisted and contributed to the preparation of this report. Credit must also be given to the district President and governing board for their unfailing support for maintaining the highest standards of professionalism in the management of North Jeffco Park and Recreation District's finances.

Respectfully submitted,



Mike Miles
Executive Director

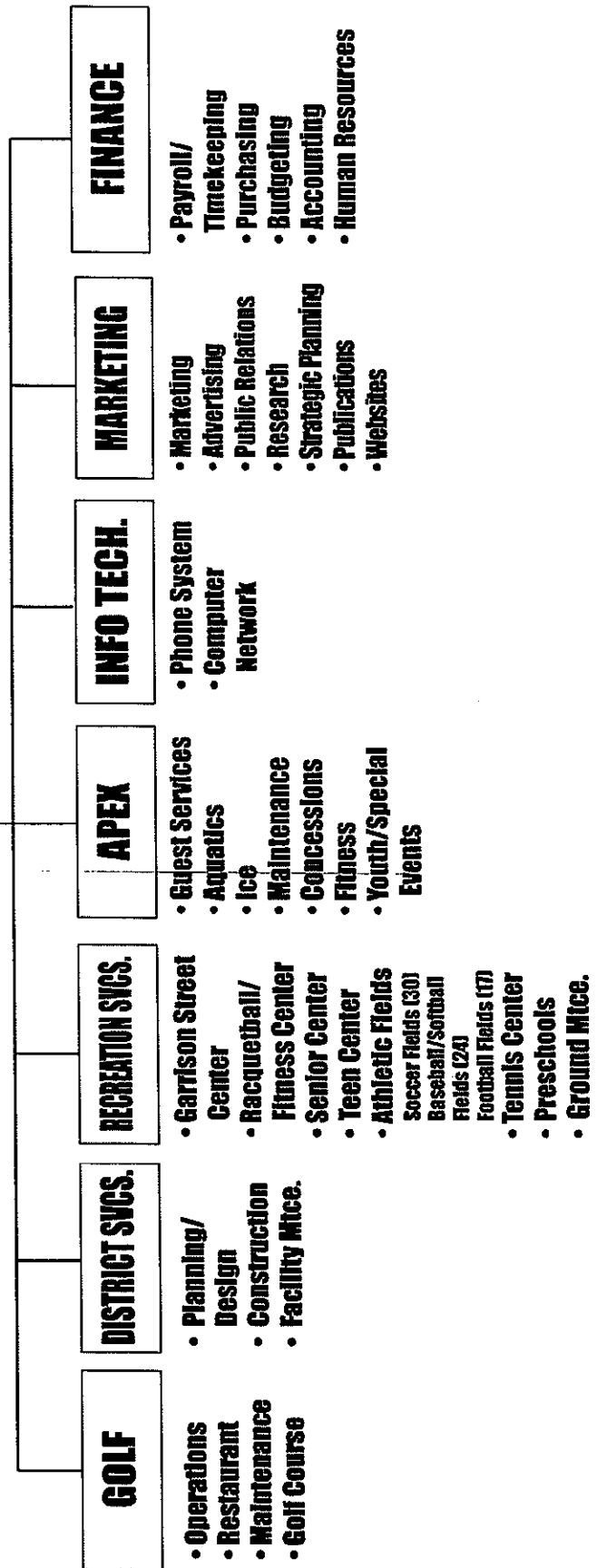


Gary R. Higbee
Chief Finance Officer

CITIZENS

BOARD OF DIRECTORS

EXECUTIVE DIRECTOR



FINANCIAL SECTION

REPORT OF INDEPENDENT AUDITOR

MANAGEMENT'S DISCUSSION AND
ANALYSIS

BASIC FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITOR

