
FINANCIAL SECTION

This section contains the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, Required Supplementary Information, and the Combining and Individual Fund Statements and Schedules.



In our opinion, the primary government financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the Required Supplementary Information, as listed in the accompanying table of contents, are not a required part of the County's basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the primary government financial statements. The introductory section, combining and individual fund statements and schedules, supplementary schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the County's basic financial statements. Exhibits B-1 through E-3 of the combining and individual fund statements and schedules and the supplementary schedules have been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, are fairly stated in all material respects in relation to the primary government financial statements taken as a whole. The introductory and statistical sections and Exhibits F-1 and F-2 of the combining and individual fund statements and schedules, have not been audited, and accordingly we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2004 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

KPMG LLP Jeff Smith & Co.

December 22, 2004