

La Plata County, Colorado

Comprehensive Annual Financial Report For the Year Ended December 31, 2006



Photo by: Larry Woodson

LA PLATA COUNTY, COLORADO

Comprehensive Annual Financial Report

for the Year Ended December 31, 2006

Prepared by the La Plata County Finance Department

INTRODUCTORY SECTION

La Plata County, Colorado
Comprehensive Annual Financial Report
For The Year Ended December 31, 2006

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(Unaudited)**

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July 30, 2007

To the Citizens of La Plata County and the Honorable Members of the Board of County Commissioners:

State law requires that all general-purpose local governments publish within seven months of the close of each fiscal year a complete set of financial statements 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 (CAFR) of the County (the County) for the fiscal year ended December 31, 2006.

This report consists of management's representations concerning the finances of the County. 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 the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the County'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.

The County's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2006 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2006 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the CAFR.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the "Single Audit Section" of the CAFR.

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

Profile of the Government

The County, incorporated in 1874, is located in the southwestern part of Colorado, and has been experiencing considerable economic and population growth the past 14 years. The County has an area of 1,683 square miles and a population of 48,023 (2006 State Demographer's estimate), an increase of 15,194 (47%) since 1990. The County is empowered to levy a property tax on both real and personal property located within its boundaries. The local economy is heavily tourism-based, and Durango, the County seat, is the home of Fort Lewis College, a four year liberal arts state institution of approximately 4,400 students. The County is the leading producer of coal bed methane gas in the State of Colorado, and a significant portion of the County's revenues are related to the energy industry.

The County operates as a statutory County, with a three-member Board of Commissioners (the Board). Board members are elected by district but represent the entire County and serve up to two four-year staggered terms. Additionally, there are six other elected officials: the Sheriff, Clerk and Recorder, Assessor, Treasurer/Public Trustee, Coroner, and Surveyor. There are no term limits on the elected positions other than the Commissioners. In addition to their many other responsibilities, the Board's responsibilities for financial matters include the adoption of financial policies, adopting the budget and any budget amendments, hiring the County manager, the County attorney, and selecting the external auditor. The County manager is responsible for carrying out the policies and resolutions of the Board and for overseeing the day-to-day operations of the non-elected departments, including hiring of department heads.

Financial Entity. The financial reporting entity, (the government) includes all the funds and account groups of the primary government as well as all of its component units. The County provides the full range of services required by state statutes as well as many ancillary services. This includes public safety consisting of the sheriff, jail, coroner, building inspection and district attorney; land use planning; property valuation, tax collection and distribution; vehicle licensing, construction and maintenance of roads and bridges; health and human services, and administrative services

Some legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government as blended component units. Accordingly, the Durango Hills Road Improvement District is reported as a special revenue fund of the primary government. The La Plata County Finance Authority was created to provide financing options for office space acquisition and is therefore included as a blended component unit of the County. In contrast, the District Attorney of the Sixth Judicial District is reported as a discrete component unit of the primary government.

Budgetary Controls. La Plata County maintains budgetary controls to ensure compliance with the annual budget. State law requires the adoption of budgets for all anticipated expenditures. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. However, the Board further monitors expenditures at the spending authority (elected official/department head) level within individual funds. Department heads have the flexibility to transfer funding within their respective budgets with

county manager and finance coordination. The Finance Department also monitors expenditures and informs the department heads, the County manager and the Board if there is potential for expenditure overruns. The statements and schedules included in the financial section of this report demonstrate that the County remains successful in meeting its responsibility for sound financial management.

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 the County operates.

Local economy. Financially, fiscal year 2006 showed continued improvement over previous years. For budget year 2006, the County's assessed valuation increased nearly \$350 million over 2005, which provided more than \$3 million more in property tax collections. Property tax valuation related to the extraction of coal bed methane gas comprises nearly 60% of the County's overall property tax collections. The producers in La Plata County continue to permit and drill additional wells and one of the largest producers, BP America, has recently announced plans for a major expansion of local support facilities for their operations.

County sales tax continued to show steady growth during the year. Growth in County sales tax for 2006 was 11% over 2005. Tourism contributes an estimated 28% to the local economy and visitor statistics have been promising with visits to Mesa Verde National Park and riders on the Durango and Silverton Narrow Gauge Railroad both showing increases in 2006 over 2005. Enplanements at the Durango La Plata County Airport are up 11.8% over the previous year.

Statistics from the Four Corners Economic Quarterly published by the Office of Economic Analysis and Business Research at Fort Lewis College support the prospect of steady growth in La Plata County. Items of interest from the latest report include

- Retail sales for La Plata County were up 9.2% in 2006
- Employment growth continued in 2006 with an increase of 7.2%
- The real estate and construction sectors of the economy continue to show growth. The median residential real estate price increased by 14% (unadjusted for inflation) in 2006. Average prices increased 13% over 2005.

The local construction sector is very strong, and construction costs in the community are currently estimated to be increasing at the rate of 1% per month. The new Mercy Regional Medical Center opened in 2006. Adjacent to the Mercy campus is the first phase of the new Three Springs development, which when fully completed will include a large commercial element and over 2,000 residential homes in the Grandview area. The Southern Ute Indian Tribe is constructing a new casino and hotel, and undertaking a major renovation and expansion of an equestrian and events center, all located near the Town of Ignacio in southeastern La Plata County. Durango Mountain Resort is proceeding with a major expansion of commercial and residential space.

According to the Office of State Planning and Budgeting, the Colorado economic recovery continues, in concert with broader national economic conditions. In 2006, Colorado employment rose 2.4%, a net increase of 52,800 new jobs. Unemployment dropped to 4.3%, well below the 5% rate in 2005. Personal income grew 6.4% in Colorado through the third quarter of 2006. Wages and salary income rose 7% through the third quarter of 2006, reflecting a reasonably

strong labor market, growth in the labor force and inflation. Retail trade sales in Colorado rose 5.7% and are forecast to continue at this pace in 2007 and 2008. Historically, the Colorado economy has tended to lag the national economy, so any serious downturn in the national condition will eventually work its way to Colorado. Colorado is now no longer as vulnerable to a correction in the information technology section as it was in the early 2000s, because IT employment has continued to shrink. Colorado, especially the areas located adjacent to Denver, has been hit harder by the national softening of the real estate market, and Colorado currently ranks first in per-capita (9.2 households per thousand) in foreclosure filings. High energy prices have led an economic boom on the Western Slope. Indicators are expected to continue at positive, sustainable levels moving forward.

Long-Term Financial Planning

The County budget includes a five-year capital improvement program. Projections for capital investment during the next five years include more than \$34 million projected for new facilities and capital equipment and \$44.6 million for road and bridge improvements. The Board of County Commissioners recently approved a \$17 million, 84-bed, expansion of the jail facility. Long-term, the County will need to address the issue of crowding and security issues at the main courthouse location. The County is also addressing the conversion of radio frequencies from the old UHF frequencies to the newer 800 mhz frequencies. State and federal funding is assisting in this conversion, which is projected to cost in excess of \$1 million. For 2007, the County intends to complete several major road projects, including work on CR 234 and overlays on several heavily used County roads. From a revenue management standpoint, one of the issues that management continues to monitor closely is the ongoing impact of natural gas development in the County. For budget year 2007, taxes on natural gas extracted within La Plata County will provide 62% of property tax revenues. Several gas operators in the County have recently applied for approvals to increase the density of wells, which may impact both short and long-term well production. Given that the quantity of natural gas is finite, the County must develop a long-term strategy to backfill the inevitable decline in production.

Cash Management. Cash that is temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury and government agencies, and local government investment pools. The County's investment policy places highest priority on legality, safety, liquidity and lastly on yield. Since minimizing risk is of the highest priority, all deposits were either insured by the federal depository insurance or were collateralized. The Treasurer earned investment income of \$2,106,064 in 2006, which was \$1,060,983 more than in 2005. This reflects the recovering of interest rates in 2006 and the planned increases in fund balances.

Risk Management. The County is a member of two self funded insurance pools administered by County Technical Services, Incorporated (CTSI): The County Workers' Compensation Pool, and Colorado Counties Casualty and Property Pool. Each pool is governed by a board of directors elected by County representatives of the pool. CTSI requires that loss prevention programs be implemented on becoming a member. La Plata County participates in the seminar and workshop program, which provides loss prevention information and teaches County employees safety work skills.

The County is partially self-insured for employee health and medical insurance. The County also provides life insurance and vision and dental care. The medical self-insurance fund pays all medical claims for employees and covered dependents up to \$50,000 per individual per illness in

a calendar year. Aggregate and individual stop-loss coverage is carried with Anthem/Blue Cross Colorado, who also acts as the County's claims administrator.

Pension and other post-employment benefits. The County participates in a multi-employer defined contribution plan administered by Colorado County Officials and Employees Retirement Association (CCOERA). The employee is required to contribute 5%-6% percent of their base income (based upon tenure with the County), and the County matches a corresponding percentage. The County does not provide any post-employment benefits.

Fiduciary Responsibilities: The County acts as an agent in collecting property taxes for other governments located in La Plata County. These funds are held until disbursement to the appropriate agency in the general agency fund.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to La Plata County for its comprehensive annual financial report for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious international award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. La Plata County has received a Certificate of Achievement for the last seventeen (17) consecutive fiscal years (1989-2005) ended December 31st. We believe the 2006 report conforms to the Certificate of Achievement requirements and we are submitting it to the GFOA for review.

The preparation of this financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for their individual and team efforts in the preparation of the report. Also, I would like to extend my appreciation to the partners and staff of the firm of Chadwick, Steinkirchner Davis & Co for their assistance. Our Elected Officials, Department Heads, and staff all promote an organizational culture of fiscal responsibility. Finally, the leadership, support and commitment to fiscal responsibility of the Board of County Commissioners in the financial planning and execution of the County's operations is greatly appreciated.



Karla J. Distel, CMA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

La Plata County
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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



A handwritten signature in black ink, appearing to read "Thomas J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

LIST OF COUNTY OFFICIALS

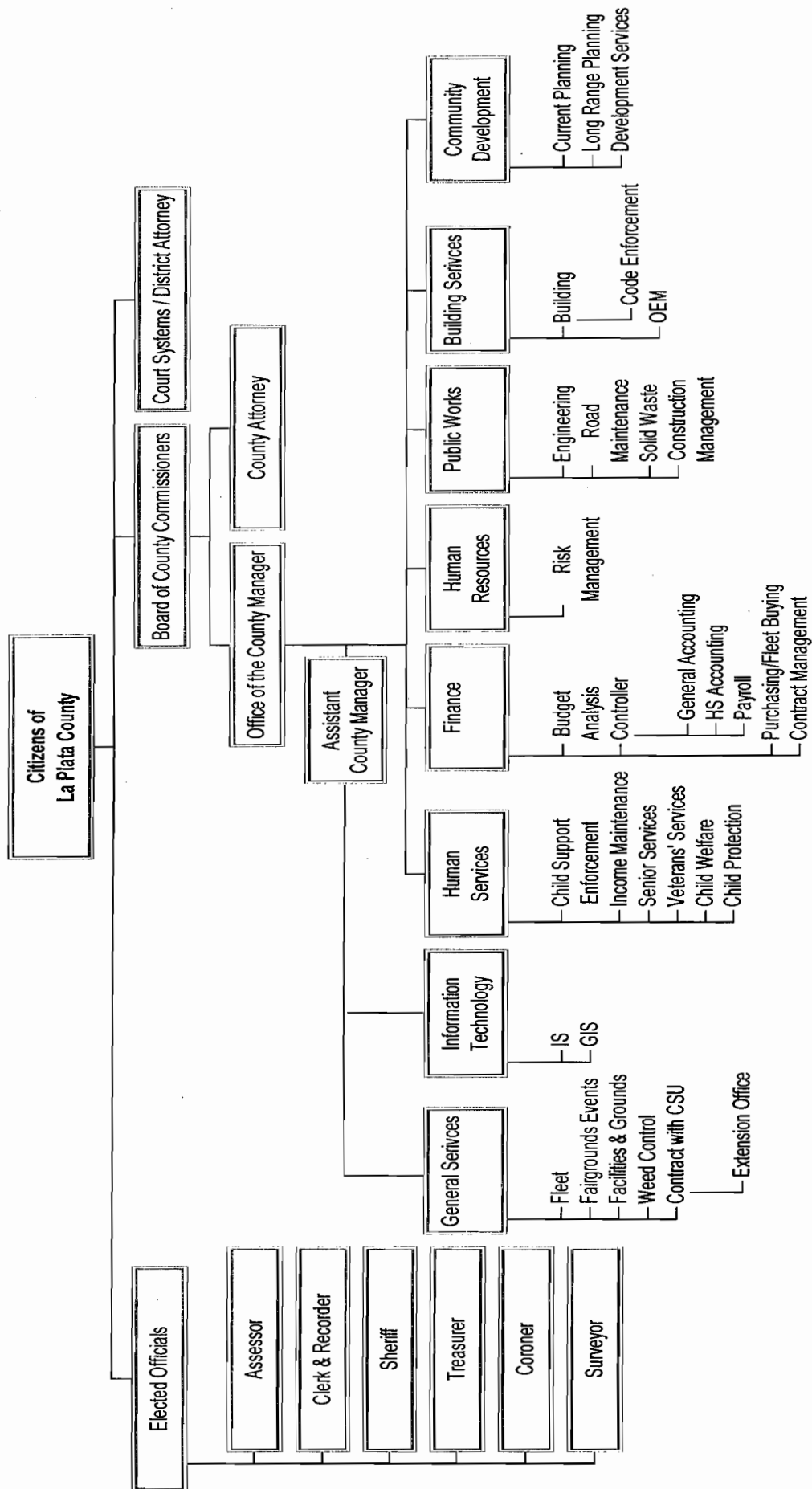
ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Commissioner-2006	Sheryl Ayers
Commissioner-2006	Robert A. Lieb
Commissioner	Wallace "Wally" White
Commissioner-2007	Joelle Riddle
Commissioner-2007	Kellie Hotter
Assessor	Craig Larson
Clerk & Recorder	Linda Daley
Coroner	Carol Huser, MD
Sheriff	Duke Schirard
Surveyor	Larry Connolly
Treasurer & Public Trustee	Ed Murray

APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>
County Manager	Michael Scannell
Assistant County Manager	Joanne Spina
Director of Information Services	Alan Andrews
Director of Human Services-Retired 2007	Pat Carlson
Director of Human Services	Lezlie Mayer
Director of Public Works	Jim Davis
Director of Finance	Karla Distel
Director of Human Resources	Kelli Ganevsky
Director of Building & Emergency Services	Butch Knowlton
Director of Community Development Services	Nancy Lauro
Director of General Services	Al Thye
County Attorney (Contracted)	Goldman, Robbins & Nicholson, LLC and Rogers Law Firm, LLC

La Plata County Organizational Chart



FINANCIAL SECTION

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

July 18, 2007

Honorable Board of County Commissioners
La Plata County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of La Plata County, Colorado, as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and the aggregate remaining fund information of La Plata County, Colorado as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Road and Bridge Fund, and the Social Services Fund for the year then ended in conformity with U.S. generally accepted accounting principles.



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July 18, 2007
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The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. 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 financial statements that collectively comprise La Plata County's basic financial statements. The introductory section, individual major fund financial statements and schedules presented as supplementary information, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The individual major fund financial statements and schedules presented as supplementary information, combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2007 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 grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Chadwick, Steinkirchner, Davis & Co., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of La Plata County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended December 31, 2006. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by \$101,579,066 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$52,092,382 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net assets of \$23,561,851 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Net assets of \$10,093,468 are unrestricted, but are invested in a joint venture.
 - (4) The balance of unrestricted net assets of \$15,831,365 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of \$38,452,181 this year. This compares to the prior year ending fund balance of \$29,963,986 showing an increase of \$8,488,195 during the current year.
- At the end of the current calendar year, unreserved fund balance for the General Fund was \$12,778,086 or 44% of total General Fund expenditures
- Overall, the County continues to maintain a strong financial position.

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

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or

December 31, 2006

paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by taxes and other governmental revenues and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, and streets.

The government-wide financial statements are presented on pages 12 & 13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The County also presents its budget to actual statements for the general fund, road and bridge fund and the social services fund as basic financial statements.

The basic governmental fund financial statements are presented on pages 14 through 20 of this report.

Individual fund information for non-major governmental funds and combining statements are found in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the fees are charged. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal services funds to account for its fleet and insurance functions. Because these services predominantly benefit governmental rather than external activities, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements are presented on pages 21-23 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget presentations. Budgetary comparison schedules are included as "required

supplementary information" for the general, road and bridge and social services funds. Budgetary comparisons for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final budgets. Required supplementary information begins on page 48 of this report.

Other Supplementary Information

As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in the supplementary section of this report beginning on page 48. The County has also chosen to present comparative balance sheets for each of the governmental funds.

Financial Analysis of the County as a Whole

The County implemented the new financial reporting model used in this report beginning with the calendar year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the County as a whole.

Overall, the County's financial position continues to remain strong, and has improved over the prior year. This improvement can be demonstrated in a number of different areas, as detailed below.

The County's net assets at calendar year-end are \$101,579,066. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities 2006	Percentage of Total 2006	Governmental Activities 2005	Governmental Activities 2004	Governmental Activities 2003
Assets:					
Current assets	\$ 71,299,272	52.1%	\$ 57,551,405	\$ 49,297,350	\$ 47,132,143
Investment in joint venture	10,093,468	7.4%	9,589,802	8,372,347	8,963,342
Capital assets	55,377,383	40.5%	49,327,293	42,907,848	29,055,951
Total assets	136,770,123	100.0%	116,468,500	100,577,545	85,151,436
Liabilities:					
Current liabilities	30,451,047	86.5%	26,252,677	22,380,298	19,024,749
Long-term liabilities	4,740,010	13.5%	4,627,552	5,892,121	2,458,250
Total liabilities	35,191,057	100.0%	30,880,229	28,272,419	21,482,999
Net assets:					
Invested in capital assets, net of debt	52,092,382	51.3%	45,072,293	36,815,975	27,295,951
Restricted	23,561,851	23.2%	19,030,174	18,482,270	18,000,258
Unrestricted	25,924,833	25.5%	21,485,803	17,006,881	18,372,228
Total net assets	\$ 101,579,066	100.0%	\$ 85,588,270	\$ 72,305,126	\$ 63,668,437

The largest portion of the County's net assets (51.3%) reflects its investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
La Plata County, Colorado
December 31, 2006

assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.9 to 1. This ratio is a bit misleading since the accounting rules require that the County recognize as a current asset the amount of property taxes for calendar year 2006 with an offsetting amount reported in deferred revenue as a current liability. If you remove those amounts from the current ratio calculation, the adjusted ratio is 9.4 to 1, which demonstrates the liquid position of the County.

The County reported positive balances in net assets. Net assets increased \$15,990,796 for governmental activities, an 18.7% increase. A significant component of the County's revenue is property taxes associated with the extraction of natural gas. Because of the variability in the two factors which determine the amount of tax collected on natural gas production, price and volume, it has been the County's practice to utilize the growth in property taxes related to gas production for capital and infrastructure improvements.

The following table provides a summary of the County's changes in net assets :

Summary of Changes in Net Assets					
2006					
	Governmental Activities	Percentage of Total	2005	Difference	2004
Revenues:					
Program:					
Charges for services	\$ 4,152,403	6.6%	\$ 2,888,692	\$ 1,263,711	\$ 2,885,302
Operating grants	12,390,828	19.8%	12,056,298	(334,530)	7,967,447
Capital grants	4,392,191	7.0%	1,773,879	(2,618,312)	3,533,185
General:					
Taxes	36,088,809	57.7%	31,662,900	4,425,909	25,671,890
Other	5,513,869	8.8%	3,315,041	2,198,828	2,478,478
Total revenues	62,538,100	100.0%	51,696,810	10,841,290	42,536,302
Program Expenses:					
General government	8,776,033	18.9%	7,985,491	(790,542)	6,973,916
Public safety	12,529,335	26.9%	11,205,953	(1,323,382)	10,363,443
Auxiliary services	3,055,270	6.6%	2,740,837	(314,433)	2,301,220
Public works	11,240,436	24.1%	8,407,331	(2,833,105)	7,692,460
Health and welfare	4,703,319	10.1%	4,570,764	(132,555)	4,295,664
Community programs	6,106,905	13.1%	3,322,796	(2,784,109)	2,680,824
Interest and fiscal charges	136,007	0.3%	180,491	44,484	120,222
Total expenses	46,547,305	100.0%	38,413,663	(8,133,642)	34,427,749
Change in net assets	15,990,795		13,283,147	<u>\$ 2,707,648</u>	8,108,553
Beginning net assets	85,588,271		72,305,125		64,196,572
Ending net assets	<u>\$101,579,066</u>		<u>\$ 85,588,271</u>		<u>\$ 72,305,125</u>

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes provided 36.8% of the County's total governmental revenues. Sales taxes are the second largest revenue source with nearly \$12.9 million of revenues or 21% of the total. Because of the County's healthy financial position, we have been able to earn more than \$2.1 in interest earnings to support governmental activities in 2006. Also, note that program revenues cover 45% of governmental operating expenses. This means that the government's property and sales taxpayers fund the largest share of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety, general government and public works functions make up nearly three-fourths of the total governmental activities expenses. Public safety costs total over \$12.5 million dollars or 27% of the total expenditures. General government makes up approximately 19% and public works is slightly more than 24% of total costs.

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

	Governmental Activities 2006			2005 Net Cost	Decrease (Increase)	2004 Net Cost
	Total Cost of Services	Net Cost of Services	Net Cost % of Total			
General government	8,776,033	\$ 3,961,135	15.5%	\$ 2,220,424	\$(1,740,711)	\$ 3,314,751
Public safety	12,529,335	11,174,915	43.6%	10,321,675	(853,240)	9,307,097
Auxiliary services	3,055,270	2,377,344	9.3%	2,315,441	(61,903)	1,555,372
Public works	11,240,436	4,099,411	16.0%	4,147,816	48,405	1,988,028
Change in joint venture		(503,666)	-2.0%			
Health and welfare	4,703,319	1,279,621	5.0%	1,257,565	(22,056)	964,366
Community programs	6,106,905	3,087,116	12.1%	2,468,837	(618,279)	2,200,984
Interest	136,007	136,007	0.5%	180,491	44,484	120,222
Total	<u>\$ 46,547,305</u>	<u>\$ 25,611,883</u>	<u>100.0%</u>	<u>\$ 22,912,249</u>	<u>\$(2,699,634)</u>	<u>\$ 19,450,820</u>

After reducing gross expenses by program revenues, public safety totals 43.6% of the net cost of services and the general government function's net costs are 15.5% of the total net cost of services.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$38,452,181. Of this year-end total, \$20,466,671 is unreserved indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include: \$4,209,884 committed to fund program purposes, \$1,185,000 set aside for emergency purposes, \$425,143 reserved for debt service, and \$11,759,657 committed to capital projects.

The total ending fund balances of governmental funds show an increase of \$8,488,195 or 28% above the prior year. This increase is primarily related to the increase in fund balance of the general fund, resulting from expending less than budgeted and higher than budgeted sales tax revenues.

Major Governmental Funds

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by over \$4.1 million. By comparison, in calendar year 2005, the fund balance increased over \$2.75 million.

Property taxes collections in the General Fund increased nearly 19% over that of calendar 2005. This increase relates to the County's assessed valuation increasing from \$2,134,482 in collection year 2005 to \$2,483,085,200 in collection year 2006 (related to increased valuation in the oil & gas industry). Sales taxes totaled nearly \$12.9 million. State and federal revenues were \$2.2 million above calendar 2005, primarily due to increased pass-through grantee funding for the Crossroads Mental Health Center. Most other revenue streams were consistent with that of calendar 2005.

The General Fund's ending unreserved fund balance of nearly \$12.8 million, is considered more than adequate, representing nearly 28% of 2007 budgeted general fund expenditures and transfers out to other funds.

The Road and Bridge fund's fund balance increased by \$2.1 million in 2006. This fund received approximately the same property taxes in 2006 but more in intergovernmental grants. The County also collected nearly \$2 million in negotiated road impact fees which will be used to fund future infrastructure improvements. This fund spent nearly \$13 million building, improving and maintaining County roads and bridges, which was about \$1.8 million more than in 2005. The social services fund spent nearly \$4.7 million in providing services to clients, about \$349,000 more than in 2005. The capital improvement fund balance increased by \$3.96million, related to a planned increase of the fund balance.

Budgetary Highlights

The General Fund – The revenue budget was increased slightly less than \$0.5 million over the original budget, primarily related to grant funding and pass-through development impact fees. Actual property taxes sales, and other tax collections were \$1.6 million above the final budget. Intergovernmental revenues were \$706,000 more than budgeted, related to increases in grant funding and state shared revenues.

Investment earnings in the General Fund were more than \$1.8 million, which was twice as much than budgeted, due to increased balances and improving interest rates. In total, the County realized 109% of the final revenue budget.

The expenditure side of the original budget for the General Fund was revised about \$1 million or 3%, mostly related to additional funding for public service agencies. The County spent 91% of the final amended general fund expenditure budget. In many cases, budget surpluses resulted from staff vacancies. We also believe that our staff and management exercise extreme diligence in spending public funds, and most budget appropriations have historically been underspent, a practice which continued in 2006.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation for governmental activities as of December 31, 2006, was \$48,956,624. The net capital assets for the internal service fund, which is reported with the governmental activities on the statement of net assets is \$6,420,758. The total increase in this net investment was 12%. See Note 3-D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities			
	Governmental Funds	Internal Service	Total	
	@ 12/31/2006	Funds @ 12/31/2006	@ 12/31/2006	2005
Non-depreciable assets:				
Land	\$ 2,769,561	\$ -	\$ 2,769,561	\$ 2,769,561
Construction in progress	404,436	-	404,436	352,532
Total non-depreciable	3,173,997	-	3,173,997	3,122,093
Depreciable assets:				
Buildings	28,550,059	-	28,550,059	25,482,775
Improvements	7,748,991	-	7,748,991	7,695,716
Machinery and equipment	3,121,246	10,538,438	13,659,684	11,708,959
Infrastructure	13,876,612	-	13,876,612	11,132,777
Total depreciable assets	53,296,908	10,538,438	63,835,346	56,020,227
Less accumulated depreciation	7,514,281	4,117,680	11,631,961	9,761,674
Book value - depreciable assets	45,782,627	6,420,758	52,203,385	46,258,553
Percentage depreciated	14%	39%	18%	17%
Book value - all assets	\$ 48,956,624	\$ 6,420,758	\$ 55,377,382	\$ 49,380,646

At December 31, 2006, the depreciable capital assets for governmental activities were 17% depreciated. This compares slightly less favorably to the December 31, 2005 percentage of 14%. This percentage is considered very low, which is a positive factor.

The major changes to the construction in progress, land and buildings asset classes relates to the following projects:

- The development and design of an 84-bed expansion at the La Plata County jail facility.
- The remodel of an existing facility to allow use as a separate campus for some of the Human Services staff.
- Completing construction, in cooperation with another local government, on a joint maintenance facility for Road and Bridge shop purposes.

The County has capitalized our current year infrastructure costs of over \$2.7 million including the following major projects:

- The replacement of an inadequate bridge on CR 141 at a cost of \$495,000.
- Work on the "Self's Hill" section of CR 234 at cost of \$1.813million. This project will realign several dangerous curves on a major arterial.
- The reconstruction of a section of CR 214 and development of bike/pedestrian lanes on CR 204.

Long-term Debt

During the year, the County retired the entire balance outstanding on the 1986 sales tax revenue bonds (\$585,000). The County also retired \$355,000 in certificates of participation issued by the La Plata County Finance Authority in 2004 for the acquisition of the Old Main Professional Building.

Outstanding Borrowings

	Governmental Activities		% Change
	2006	2005	
Sales tax revenue bonds	\$ -	\$ 615,000	-100.00%
Certificates of participation	3,285,000	3,640,000	-9.75%
Landfill closure and postclosure care	1,133,500	1,157,610	-2.08%
Pollution remediation costs	300,000	-	
Compensated absences	1,188,079	991,511	19.83%
Total	<u>\$ 5,906,579</u>	<u>\$ 6,404,121</u>	-7.77%

The accrual for pollution remediation is new and represents the anticipated costs to evaluate the scope of soil and groundwater contamination at the La Plata County Detention facility. See Note 3-F for additional information about the County's long-term debt. We discuss the landfill closure and postclosure care liability in Note 3-G and the pollution remediation costs in Note 3-H.

Economic Factors and Next Year's Budget

For budget year 2007, the County's assessed valuation increased nearly \$525 million, which will result in \$4.5 million more in property tax collections. Property tax valuation related to the extraction of coal bed methane gas comprises nearly 66% of the County's overall property tax collections. The producers in La Plata County continue to permit and drill additional wells and one of the largest producers, BP America, has recently announced plans for a major expansion of local support facilities for their operations. Severance taxes collected on production on wells located in La Plata County is the largest contributor (more than 50%) to the State of Colorado's severance tax fund, and La Plata County receives a portion of those funds back in the form of direct distribution and grant programs. The County has entered into road impact fee agreements with several extraction companies to assist in the mitigation of the impacts of drilling impacts upon County roads.

County sales tax continues to show steady growth during the year. Growth in County sales tax for 2006 was 11% over 2005. Tourism contributes an estimated 28% to the local economy and visitor statistics have been promising with visits to Mesa Verde National Park and riders on the Durango and Silverton Narrow Gauge Railroad both showing increases in 2006 over 2005. Enplanements at the Durango La Plata County Airport are up 11.8% over the previous year.

Statistics from the Four Corners Economic Quarterly published by the Office of Economic Analysis and Business Research at Fort Lewis College support the prospect of steady growth in La Plata County. Items of interest from the latest report include

- Retail sales for La Plata County were up 9.2% in 2006
- Employment growth continued in 2006 with an increase of 7.2%
- The real estate and construction sectors of the economy continue to show growth. The median residential real estate price increased by 14% (unadjusted for inflation) in 2006. Average prices increased 13% over 2005.

The local construction sector is very strong, and construction costs in the community are currently estimated to be increasing at the rate of 1% per month. The new Mercy Regional Medical Center opened in 2006, and adjacent to the Mercy campus work has begun on the initial construction of the first phase of the Three Springs Development. The development, when completed, will include a large commercial element and over 2,000 residential homes. Durango Mountain Resort is proceeding with a major expansion of commercial and residential space. The Southern Ute Indian Tribe is constructing a new casino and hotel, and a major renovation and expansion of an equestrian and events center, all located near the Town of Ignacio in southeastern La Plata County.

The ongoing drought in the region continues to concern community leaders with the potential for devastating wildfires, such as the Missionary Ridge and Valley fires of 2002. The County is a participant in a statewide cost sharing pool for wildfire suppression. Because of the dependence upon property collections related to gas production, the County will be engaging a specialized consultant to project the balance of untapped gas reserves. The County has also adopted a practice of utilizing property taxes related to gas production over a baseline fiscal year 2000 amount only for capital construction.

The County's 2007 budget has been prepared with consideration of these and other economic factors and community needs, and projects both increased revenues and expenditures for budget year 2007. Most significantly, in early 2007 the Board of County Commissioners authorized an 84-bed expansion at the La Plata County Detention Facility. This project is estimated to cost nearly \$17 million and will be constructed in 2007 and 2008. In 2004, the Board of County Commissioners adopted a "Reserves Policy" which defines an acceptable level of reserves to be maintained to cover unexpected expenditures, shortfalls in revenue, and to provide cash flow for the early part of the year before property taxes are collected. After construction of the jail expansion, it is expected unreserved fund balance will remain within acceptable levels as defined by policy. Because of local and regional pressure upon wages, the County will be undertaking a market wage study in 2007 to position the County to recruit and retain the best employees.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Director at 1060 E. 2nd Avenue, Durango, CO 81301.

BASIC FINANCIAL STATEMENTS

La Plata County, Colorado
Statement of Net Assets
December 31, 2006

	Primary Government Governmental Activities	Component Unit
Assets		
Current Assets		
Cash	\$ 423,988	\$ 216,955
Equity in treasurer's cash and investments	38,576,170	-
Restricted cash and investments	114,724	-
Cash held by Trustee	492,918	
Receivables:		
Accounts	243,712	1,023
Taxes	25,580,313	-
Loans	110,200	-
Deposits	4,275	-
Intergovernmental	5,030,757	153,417
Due from component unit	150,000	
Escrow amounts	55,000	-
Due from primary government	-	75,916
Inventory	517,215	-
Investment in joint venture	10,093,468	
Capital Assets		
Nondepreciable capital assets	3,173,997	-
Depreciable capital assets, net	52,203,386	99,885
Total Assets	<u>136,770,123</u>	<u>547,196</u>
Liabilities		
Current Liabilities		
Accounts payable	1,416,927	4,911
Accrued expenses	317,715	23,506
Contracts payable	309,109	-
Intergovernmental payable	1,076,123	823
Accrued interest payable	8,867	-
Due to primary government	-	150,000
Deposits payable	23,340	-
Unearned revenue	25,855,704	4,142
Liabilities payable from restricted assets	114,724	-
Claims payable	161,969	-
Compensated absences payable	247,878	15,607
Landfill closure and post-closure care costs payable	558,691	
Certificates of participation payable	360,000	
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	940,201	46,821
Landfill closure/post-closure costs (net of current portion)	574,809	-
Pollution remediation costs	300,000	
Certificates of participation payable (net of current portion)	2,925,000	-
Total Liabilities	<u>35,191,057</u>	<u>245,810</u>
Net Assets		
Invested in capital assets, net of related debt	52,092,382	99,885
Restricted for:		
Capital improvements	11,759,657	-
Debt service	425,143	-
Program purposes	10,192,051	-
Emergencies	1,185,000	50,000
Unrestricted	25,924,833	151,501
Total Net Assets	<u>\$ 101,579,066</u>	<u>\$ 301,386</u>

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Activities
For the Year Ended December 31, 2006

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Component Unit
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Governmental Activities		
Primary Government							
Governmental Activities							
General government	\$ 8,776,033	\$ 2,895,256	\$ 1,567,454	\$ 352,188	\$ (3,961,135)	\$ -	
Public safety	12,529,335	688,195	666,225	-	(11,174,915)	-	
Auxiliary services	3,055,270	487,274	190,653	-	(2,377,344)	-	
Public works	11,240,436	81,678	3,019,343	4,040,003	(4,099,411)	-	
Public works-increase (decrease) in joint venture			503,666		503,666		
Health and welfare	4,703,319	-	3,423,698	-	(1,279,621)	-	
Community programs	6,106,905	-	3,019,789	-	(3,087,116)	-	
Interest and fiscal charges	136,007	-	-	-	(136,007)	-	
Total Governmental Activities	46,547,305	4,152,403	12,390,828	4,392,191	(25,611,884)	-	
Component Unit							
Office of the District Attorney	\$ 2,034,378	\$ -	\$ 827,776	\$ -	-	(1,206,602)	
General Revenues							
Property taxes levied for general government purposes					23,038,002	-	
Sales taxes					12,874,145	-	
Lodgers taxes					176,662	-	
Operational funding from primary government--unrestricted					-	1,172,713	
Investment earnings					2,106,064	-	
Gain (loss) on disposition of assets					17,057	-	
Miscellaneous					3,390,749	133,816	
Total General Revenues					41,602,679	1,306,529	
Change in Net Assets					15,990,795	99,927	
Net Assets Beginning of Year					85,588,272	201,459	
Net Assets End of Year					\$ 101,579,066	\$ 301,386	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Balance Sheet
Governmental Funds
December 31, 2006

	General	Road and Bridge	Social Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 422,488	\$ 1,100	\$ 400	\$ -	\$ -	\$ 423,988
Equity in treasurer's cash and investments	12,353,500	7,526,867	1,459,079	11,122,469	2,421,758	34,883,673
Restricted cash and investments	58,106	-	56,618	-	-	114,724
Cash held by Trustee	-	-	-	-	492,918	492,918
Receivables:						
Accounts	114,729	9,204	19,646	92,674	1,650	237,903
Taxes	22,253,650	2,132,266	1,141,213	-	53,184	25,580,313
Loans	110,200	-	-	-	-	110,200
Deposits	4,275	-	-	-	-	4,275
Intergovernmental	2,895,937	887,302	211,700	1,035,818	-	5,030,757
Component unit	150,000	-	-	-	-	150,000
Escrow amounts	-	-	-	55,000	-	55,000
Interfund	92,881	-	-	-	144,505	237,386
Inventory	101,468	304,358	-	-	-	405,826
Total Assets	\$ 38,557,234	\$ 10,861,097	\$ 2,888,656	\$ 12,305,961	\$ 3,114,015	\$ 67,726,963
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 431,558	\$ 255,359	\$ 177,850	\$ 477,915	\$ 9,078	\$ 1,351,760
Accrued salaries and wages	263,853	42,783	-	-	-	306,636
Contracts payable	9,528	280,896	-	18,685	-	309,109
Intergovernmental payable	989,532	14,727	71,864	-	-	1,076,123
Interfund payable	144,505	-	-	-	92,881	237,386
Deposits payable	23,340	-	-	-	-	23,340
Deferred revenues	22,355,056	2,257,266	1,141,213	48,985	53,184	25,855,704
Liabilities payable from restricted assets	58,106	-	56,618	-	-	114,724
Total Liabilities	24,275,478	2,851,031	1,447,545	545,585	155,143	29,274,782
Fund Balances						
Reserved for:						
Inventory	101,468	304,358	-	-	-	405,826
Emergencies	-	-	-	-	1,185,000	1,185,000
Program purposes	1,402,202	2,807,682	-	-	-	4,209,884
Capital improvements	-	-	-	11,760,376	(719)	11,759,657
Debt service	-	-	-	-	425,143	425,143
Unreserved:						
Undesignated, reported in:						
General fund	12,778,086	-	-	-	-	12,778,086
Special revenue funds	-	4,898,026	1,441,111	-	1,349,448	7,688,585
Total Fund Balances	14,281,756	8,010,066	1,441,111	11,760,376	2,958,872	38,452,181
Total Liabilities and Fund Balances	\$ 38,557,234	\$ 10,861,097	\$ 2,888,656	\$ 12,305,961	\$ 3,114,015	\$ 67,726,963

See accompanying notes to the basic financial statements

La Plata County, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2006

Total Governmental Fund Balances		\$ 38,452,181
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the government-wide 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	\$ 67,009,343	
Less accumulated depreciation	<u>(11,631,960)</u>	55,377,383
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	\$ 237,386	
Interfund payables	<u>(237,386)</u>	-
The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net assets.		
		10,093,468
An internal service fund is used by management to charge the costs of employee medical self-insurance and fleet management costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		
Non-capital assets	\$ 3,809,695	
Non-capital liabilities	<u>238,215</u>	3,571,480
Accrued interest on sales tax revenue bonds is not accrued at the fund level but is reported on the government-wide statement of net assets.		
		(8,867)
Liabilities that are not due and payable in the current period and therefore are not reported in the funds but are reported on the government-wide statement of net assets.		
Certificates of participation	\$ (3,285,000)	
Landfill closure and post-closure care	(1,133,500)	
Pollution remediation costs	(300,000)	
Compensated absences	<u>(1,188,079)</u>	(5,906,579)
Net Assets Of Governmental Activities		<u>\$ 101,579,066</u>

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Road and Bridge	Social Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 33,059,890	\$ 1,917,194	\$ 1,055,850	\$ -	\$ 55,873	\$ 36,088,807
Intergovernmental	5,444,122	5,488,716	3,423,698	1,622,818	-	15,979,354
Licenses and permits	736,092	81,678	-	-	-	817,770
Charges for services	3,290,254	-	-	-	-	3,290,254
Fines and forfeitures	2,518	-	-	-	-	2,518
Investment earnings	1,879,693	-	-	-	69,119	1,948,812
Miscellaneous	663,381	2,446,998	257,469	5,452	14,925	3,388,225
Total Revenues	45,075,950	9,934,586	4,737,017	1,628,270	139,917	61,515,740
Expenditures						
Current:						
General government	7,762,799	-	-	-	732,054	8,494,853
Public safety	12,247,107	-	-	-	-	12,247,107
Auxiliary services	2,739,962	-	-	-	-	2,739,962
Public works	87,070	7,541,964	-	-	232,641	7,861,675
Health and welfare	-	-	4,731,187	-	-	4,731,187
Community programs	6,106,905	-	-	-	-	6,106,905
Capital Outlay	-	5,364,696	138,526	4,084,945	167,016	9,755,183
Debt Service:						
Principal retirement	-	-	-	-	970,000	970,000
Interest and fiscal charges	-	-	-	-	139,172	139,172
Agent fees	-	-	-	-	2,000	2,000
Total Expenditures	28,943,843	12,906,660	4,869,713	4,084,945	2,242,883	53,048,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,132,107	(2,972,074)	(132,696)	(2,456,675)	(2,102,966)	8,467,696
Other Financing Sources (Uses)						
Sale of capital assets	-	-	-	20,499	-	20,499
Transfers in	2,302,191	5,082,400	42,768	7,000,000	2,943,714	17,371,073
Transfers out	(14,332,155)	-	-	(601,559)	(2,437,359)	(17,371,073)
Total Other Financing Sources (Uses)	(12,029,964)	5,082,400	42,768	6,418,940	506,355	20,499
Net Change in Fund Balances	4,102,143	2,110,326	(89,928)	3,962,265	(1,596,611)	8,488,195
Fund Balances Beginning of Year	10,179,613	5,899,740	1,531,039	7,798,111	4,555,483	29,963,986
Fund Balances End of Year	\$ 14,281,756	\$ 8,010,066	\$ 1,441,111	\$ 11,760,376	\$ 2,958,872	\$ 38,452,181

See accompanying notes to the basic financial statements

La Plata 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, 2006*

Net Changes In Fund Balances - Total Governmental Funds		\$ 8,488,195
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 capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense (incl internal svc funds)	\$ (2,407,454)	
Capital outlay	<u>7,155,178</u>	4,747,724
Governmental funds do not report the net cost of capital assets disposed of but the cost is reported on the statement of activities		(4,358)
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		503,666
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.		
Transfers in	\$ 17,371,073	
Transfers out	<u>(17,371,073)</u>	-
Interest expense 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.		
Liability @ 12/31/06	\$ 8,867	
Liability @ 12/31/05	<u>14,032</u>	5,165
Internal service funds are used by management to charge the costs of fleet management and self insurance to individual funds. The net revenue of certain activities (excluding depreciation) of internal service funds is reported with governmental activities.		1,752,861
The (increase) decrease in landfill closure and postclosure care costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/06	\$ 1,133,500	
Liability @ 12/31/05	<u>1,157,610</u>	24,110
The (increase) decrease in pollution remediation costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/06	\$ 300,000	
Liability @ 12/31/05	<u>-</u>	(300,000)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Sales tax revenue bonds		615,000
Certificates of participation		355,000
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.		
Liability @ 12/31/06	\$ 1,188,079	
Liability @ 12/31/05	<u>991,511</u>	(196,568)
Change In Net Assets of Governmental Activities		\$ 15,990,795

See accompanying notes to the basic financial statements

La Plata County, Colorado
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 31,420,960	\$ 31,420,960	\$ 33,059,890	\$ 1,638,930
Intergovernmental	4,669,926	4,737,753	5,444,122	706,369
Licenses and permits	727,500	727,500	736,092	8,592
Charges for services	2,587,100	2,996,665	3,290,254	293,589
Fines and forfeitures	3,000	3,000	2,518	(482)
Investment earnings	900,000	900,000	1,879,693	979,693
Miscellaneous	471,718	471,718	663,381	191,663
Total Revenues	40,780,204	41,257,596	45,075,950	3,818,354
Expenditures				
Current:				
General government	8,860,155	8,941,659	7,762,799	1,178,860
Public safety	12,671,380	12,861,071	12,247,107	613,964
Auxiliary services	3,083,369	3,205,257	2,739,962	465,295
Public works	92,000	92,000	87,070	4,930
Community programs	6,193,208	6,798,608	6,106,905	691,703
Total Expenditures	30,900,112	31,898,595	28,943,843	2,954,752
Excess of Revenues Over Expenditures	9,880,092	9,359,001	16,132,107	6,773,106
Other Financing Sources (Uses)				
Transfers in	1,875,488	1,875,488	2,302,191	426,703
Transfers out	(14,206,066)	(14,206,066)	(14,332,155)	(126,089)
Total Other Financing Sources (Uses)	(12,330,578)	(12,330,578)	(12,029,964)	300,614
Net Change in Fund Balances	\$ (2,450,486)	\$ (2,971,577)	4,102,143	\$ 7,073,720
Fund Balances Beginning of Year			10,179,613	
Fund Balances End of Year			\$ 14,281,756	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Road and Bridge Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 1,923,810	\$ 1,923,810	\$ 1,917,194	\$ (6,616)
Intergovernmental	5,744,000	5,744,000	5,488,716	(255,284)
Licenses and permits	53,000	53,000	81,678	28,678
Charges for services	-	-	-	-
Miscellaneous	331,700	335,595	2,446,998	2,111,403
Total Revenues	<u>8,052,510</u>	<u>8,056,405</u>	<u>9,934,586</u>	<u>1,878,181</u>
Expenditures				
Current:				
Public works				
Maintenance of condition/snow & ice removal	6,680,046	6,806,360	5,999,956	806,404
Flood mitigation/debris removal	140,000	140,000	40,177	99,823
Engineering	1,186,223	1,340,253	959,141	381,112
General administration	648,747	641,347	542,690	98,657
Capital Outlay	<u>8,787,374</u>	<u>8,666,674</u>	<u>5,364,696</u>	<u>3,301,978</u>
Total Expenditures	<u>17,442,390</u>	<u>17,594,634</u>	<u>12,906,660</u>	<u>4,687,974</u>
(Deficiency) of Revenue (Under) Expenditures	<u>(9,389,880)</u>	<u>(9,538,229)</u>	<u>(2,972,074)</u>	<u>6,566,155</u>
Other Financing Sources (Uses)				
Transfers in	<u>5,014,200</u>	<u>5,014,200</u>	<u>5,082,400</u>	<u>68,200</u>
Total Other Financing Sources (Uses)	<u>5,014,200</u>	<u>5,014,200</u>	<u>5,082,400</u>	<u>68,200</u>
Net Change in Fund Balances	<u>\$ (4,375,680)</u>	<u>\$ (4,524,029)</u>	<u>2,110,326</u>	<u>\$ 6,634,355</u>
Fund Balances Beginning of Year			<u>5,899,740</u>	
Fund Balances End of Year			<u>\$ 8,010,066</u>	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Social Services Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 1,009,849	\$ 1,009,849	\$ 1,055,850	\$ 46,001
Intergovernmental	5,792,983	5,792,983	3,423,698	(2,369,285)
Miscellaneous	-	-	257,469	257,469
Total Revenues	6,802,832	6,802,832	4,737,017	(2,065,815)
Expenditures				
Current:				
Health and welfare	7,688,008	7,692,008	4,731,187	2,960,821
Capital Outlay	-	-	138,526	(138,526)
Total Expenditures	7,688,008	7,692,008	4,869,713	2,822,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	(885,176)	(889,176)	(132,696)	895,006
Other Financing Sources				
Transfers in	7,600	7,600	42,768	35,168
Net Change in Fund Balances	\$ (877,576)	\$ (881,576)	(89,928)	\$ 930,174
Fund Balances Beginning of Year			1,531,039	
Fund Balances End of Year			\$ 1,441,111	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Net Assets
Internal Service Funds
December 31, 2006

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Equity in treasurer's cash and investments	\$ 3,692,497
Accounts receivable	5,809
Inventory	111,389
Total Current Assets	3,809,695
Noncurrent Assets:	
Capital Assets:	
Depreciable capital assets, net	6,420,758
Total Assets	\$ 10,230,453
Liabilities	
Current Liabilities:	
Accrued payroll	11,079
Accounts payable	65,167
Accrued incurred/unreported claims	161,969
Total Current Liabilities	238,215
Net Assets	
Invested in capital assets	6,420,758
Unrestricted	3,571,480
Total Net Assets	\$ 9,992,238

See accompanying notes to the basic financial statements

La Plata County, Colorado
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2006*

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	\$ 2,020,643
Insurance deposits	2,104,596
Total Operating Revenues	4,125,239
Operating Expenses	
Equipment maintenance	1,026,963
Depreciation	1,205,722
Medical claims	1,803,586
Total Operating Expenses	4,036,271
Operating Income (Loss)	88,968
Non-Operating Revenues	
Gain (loss) on sale of capital assets	917
Capital grant	300,000
Investment earnings	157,254
Total Non-Operating Revenues (Expenses)	458,171
Loss before Contributions	547,139
Total Contributions	0
Change in Net Assets	547,139
Net Assets Beginning of Year	9,445,099
Net Assets End of Year	\$ 9,992,238

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2006

	<u>Governmental Activities - Internal Service Funds</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash received from customers	\$ 4,120,480
Cash payments for goods and services	(966,803)
Cash payments for claims	<u>(1,739,619)</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,414,058</u>
Cash Flows from Capital and Related Financing Activities	
Cash sales of capital assets	214,980
Cash from capital grant	300,000
Payments for capital acquisitions	<u>(1,520,787)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(1,005,807)</u>
Cash Flows from Investing Activities	
Investment earnings	<u>157,254</u>
Net Increase (Decrease) in Cash and Cash Equivalents	565,505
Cash and Cash Equivalents Beginning of Year	<u>3,126,992</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 3,692,497</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 88,968
Adjustments:	
Depreciation	1,205,722
(Increase) Decrease in Assets:	
Accounts receivable	(4,759)
Inventory	(5,088)
Increase (Decrease) in Liabilities:	
Accounts payable	62,803
Accrued incurred/unreported claims	63,967
Accrued wages	<u>2,445</u>
Net Cash Provided by Operating Activities	<u>\$ 1,414,058</u>
Non-cash Investing, Capital and Financing Activities	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements

La Plata County, Colorado
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	<u>\$ 1,931,786</u>	<u>\$ 1,989,093</u>
Liabilities		
Accounts payable	\$ 67,020	\$ 37,879
Due to component unit	75,916	137,729
Deposits held for others	<u>1,788,850</u>	<u>1,813,485</u>
Total Liabilities	<u>\$ 1,931,786</u>	<u>\$ 1,989,093</u>

See accompanying notes to the basic financial statements

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

La Plata County, Colorado (the County) was formed in 1874 and operates under Colorado State Statutes as a statutory county. The County has a governing board of three elected Commissioners. The offices of Assessor, Clerk, Coroner, Sheriff, Surveyor and Treasurer also are elected positions. The County provides the following services as authorized by State Statutes: public safety (police and jail), transportation, health and social services, community development, property tax assessment, property tax collection and distribution, extension services, recording and election services, and other general and administrative services.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The County's component units are presented either as "blended" or "discretely presented." If blended, it is reported as if it were a fund of the County throughout the year. It is included at both the government-wide and fund financial reporting levels. Discretely presented component units are reported only at the government-wide financial reporting level.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component unit. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the blended component units follows:

The ***Durango Hills Local Improvement District (the District)***, a legally separate entity from the County, is governed by a three-member board composed of the sitting County Commissioners. For financial statement reporting purposes, the Durango Hills Local Improvement District is blended because the District's governing body consists of the County Commissioners. The activities of the Durango Hills Local Improvement District are reported in the County's financial report as the special revenue fund, "Local Improvement District."

The financial data of the ***La Plata County Finance Authority (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. The

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Authority was incorporated as a nonprofit corporation in the State of Colorado in 2004. The purpose of the Authority is to facilitate financing for the County (see Note 3-F). Although the Authority is a separate legal entity, for financial reporting purposes it is considered part of the County and is reported in the La Plata County Finance Authority Debt Service and Finance Authority Capital Projects Funds.

A brief description of the discretely presented component unit follows:

The ***Office of the District Attorney of the Sixth Judicial District (the DA)***, a legally separate entity from the County, is governed by a separately elected District Attorney, however the DA's budget is approved by the Boards of County Commissioners of La Plata, Archuleta and San Juan Counties. Since the County provides over 80% of the operational funding for the DA's activities, it is considered fiscally dependent upon the County. The DA does not issue separate financial statements.

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and County's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental activities of the County and its discretely presented component unit at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

financial statements are provided for governmental and proprietary funds.

Major individual governmental funds are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's four 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 requires Colorado counties to maintain this individual fund. This fund records costs related to County road and bridge construction and maintenance. By state law, a portion of the road and bridge property tax is allocated to cities and towns for use in their road and street activities.

Social Services Fund – State law requires Colorado counties to maintain this individual fund. This fund accounts for numerous state and federal public welfare programs that the County administers.

Capital Projects Fund – The County established this fund in 1985 to provide for continuing capital improvements. The general fund transfers sales tax monies amounting to at least \$1.5 million annually to fund these improvements. The expenditures are limited to continuing capital and major capital improvements determined by the Board of County Commissioners.

In addition, the County reports the following fund types:

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The County's only proprietary funds are internal service funds.

Internal Service Funds – the County's internal service funds are used to accumulate and account for the County's self-insurance program and vehicle/equipment maintenance and replacement. The two internal service funds are the **Employee Medical Self-Insurance fund** and the **Capital Equipment Replacement Fund**.

Fiduciary Funds – Fiduciary fund reporting focuses on net assets. The County's fiduciary fund is an agency fund.

Discretely Presented Component Unit – the Office of the District Attorney maintains four governmental funds, all reported as major funds. The following are descriptions of these funds:

General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund.

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For the Year Ended December 31, 2006

Victim's Assistance Fund – This fund accounts for monies received from the United States government to provide direct services and compensatory payments to victims of crime.

Federal Victim's Compensation Fund – This fund accounts for monies from the State of Colorado and the State Court system to provide direct services and compensatory payments to victims of crime.

State Victim's Compensation Fund – This fund accounts for monies from the State of Colorado and the Colorado State Judicial system to provide services such as medical, legal and counseling services to victims of crime.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The agency fund reports its assets and liabilities on the accrual basis.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the tax collections are remitted by the collector to the

La Plata County, Colorado
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collection agency. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Delinquent property taxes are considered fully collectible, since they are typically sold to investors if unpaid by the property owner or mortgage holder. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reclassified as “*unearned revenue*” on the government-wide statement of net assets.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

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. With the exception of certain restricted funds, the County pools all cash on an entity-wide basis for management and investment purposes. Each fund has an interest in the pool which is available upon demand. Equity in the pool has been treated the same as any other demand deposit or investment with a maturity of three months or less.

The County maintains centralized bank accounts to maximize investment yields. Investment earnings are attributed, with few exceptions, to the general fund regardless of the source of the funds. Exceptions are determined by law, bond covenants, or official board action.

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

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Investment Risk:

Credit Risk. The Treasurer is authorized by Colorado statutes and resolutions of the Board of County Commissioners to invest in the following investment instruments, subject to certain limitations:

- U.S. Treasury Obligations
- Federal Instrumentality Securities
- Corporate bonds
- Prime Commercial Paper
- Eligible Banker's Acceptances
- Repurchase Agreements
- Local Government Investment Pools
- Money market mutual funds
- Non-negotiable certificates of deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Colorado statutes require that any public depository which accepts and holds public funds maintain, as security for public deposits accepted and held by it, not insured by federal depository insurance, eligible collateral having a market value, at all times, equal to at least one hundred two percent of the amount of public deposits. Banking institutions are monitored by the State of Colorado Banking Commission and must report monthly on all public deposits held. Pledged collateral must be held in joint custody of the bank and the State of Colorado Banking Commission in accordance with the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank. The pledged collateral cannot be released unless approval is obtained by the banking commission. Savings and Loan institutions are monitored by the State of Colorado Commissioner of Savings and Loan Associations and must report quarterly on all public deposits held. The Colorado State Auditor has determined that there is no custodial credit risk for public deposits collateralized under the PDPA. The County's formal investment policy provides that all banks and savings banks eligible to provide depository and other banking services must be a member of the FDIC and shall qualify as a depository of public funds as defined by Colorado State Statute.

Interest rate risk is the risk that fair value losses will arise resulting from increasing interest rates. The County's formal investment policy provides that investments shall be limited to maturities not exceeding five years from the date of purchase. Further, it provides that the county shall maintain at least 25 percent of its total investment portfolio in instruments maturing in 120 days or less.

Concentration of credit risk—The County's formal investment policy places no limit on the amount the County may invest in any one issuer.

Foreign currency risk. The County does not invest in any foreign investments.

1-E-2 Receivables

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

1-E-3 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.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented on an average cost basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at an average cost basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

1-E-5 Restricted Assets

These assets primarily consist of cash being held in trust by the Department of Social Services for individuals totaling \$56,618 and La Plata County jail inmate commissary funds of \$58,106.

1-E-6 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 government fund financial statements.

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 County's infrastructure consists of roads constructed in calendar 2003--2006. The County has capitalized roads and infrastructure prospectively, beginning January 1, 2003. All other roads and infrastructure will be retroactively capitalized no later than calendar year 2007. Improvements to capital assets are capitalized. 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.

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:

Estimated Lives by Asset Class	Governmental Activities	Discretely Presented Component Unit
Buildings	60 Years	---
Improvements	30 Years	---
Machinery and equipment	5 - 30 Years	5-15 Years
Infrastructure	60 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.

La Plata County, Colorado
Notes to the Basic Financial Statements
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1-E-7 Compensated Absences

The County accrues a liability for compensated absences when the County's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered, when the obligation relates to rights that vest or accumulate, when payment of the compensation is probable and when the amount can be reasonably estimated. In accordance with these criteria, the County has accrued a liability for annual leave that has been earned but not taken by County employees.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Proprietary Funds – Accumulated vested sick pay and vacation pay at December 31, 2006, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

1-E-8 Other 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 these funds. Bonds, landfill closure and post-closure care costs and pollution remediation costs are recognized as a liability in the governmental fund financial statements when due.

1-E-9 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 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.

1-E-10 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

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

adjusted by any bond issuance deferral 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. It should be noted that while the "Investment in Joint Venture" is a component of unrestricted net assets, it does not represent available, spendable resources, since the dissolution of the airport joint venture is highly unlikely.

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

1-E-11 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 insurance deposits and internal charges for fleet maintenance and repair. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

1-E-12 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 the after 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 funds reported in the governmental activities column are eliminated.

1-E-13 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.

1-E-14 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 2 - Stewardship, Compliance and Accountability

2-A. Budgetary Information – Colorado State Statutes require the adoption of annual budgets for all funds, including enterprise funds.

The legal level of budgetary control (the level at which the Board of County Commissioners must approve any over expenditures of appropriations or transfers of appropriated amounts) is maintained at the fund level in all funds. For management purposes, line item budgets are grouped into departments, and departments are assigned to a "spending authority", which is typically an elected official or department head. More than one department may be assigned to a spending authority. Management is able to amend the budget by transferring monies within the individual line items within a spending authority without seeking approval of the Board of County Commissioners. The Board of County Commissioners may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another.

All unexpended annual appropriations lapse at year-end.

In accordance with state statute, the Board of County Commissioners may authorize supplemental expenditures during the year, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. Several supplemental appropriations were adopted during 2006.

2-B. Excess of Expenditures over Appropriations

Expenditures and transfers out within the Tribal Impact Mitigation Fund exceeded the budget of \$250,000 by \$1,389,445. This was due to an intended draw down of these funds to \$0, so that they could be transferred to other taxing entities and other funds, and was done by resolution of the authorizing board. No budget was adopted for the Finance Authority Capital Project fund, but reimbursements were made to other funds were made pursuant to the trust agreement for \$107,468.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Disclosures related to custodial credit risk, interest rate risk, credit risk and concentration of credit risk are included in note 1-E-1, above.

Deposits - At year-end, the carrying amount of the County's deposits was \$2,129,852 and the bank balance was \$3,400,853. Of the bank balance, \$605,700 was covered by federal depository insurance and \$2,795,153 was uninsured but collateralized with securities held by a third party in the name of the Colorado Public Deposit Protection Act (CPDPA).

The carrying amount of deposits for the Office of the District Attorney of the Sixth Judicial District, a discretely presented component unit was \$216,955 and the bank balance was \$235,485. Of the bank balance, \$141,797 was covered by federal depository insurance and \$93,688 was uninsured but collateralized with securities held by a third party in the name of the CPDPA.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Investments – As of December 31, 2006, the County's investments were as follows:

	Maturities (Yrs)	S&P/ Moody Rating	% of Portfolio	Fair Value/ Carrying Amount
Local government investment pool-ColoTrust Plus	-	AAAm/none	43.49	\$ 16,780,066
Local government investment pool-CSafe	-	AAAm/none	13.38	5,162,289
United States Treasury notes	1.27	AAA/Aaa	11.55	4,456,800
Federal Home Loan Mortgage Corporation (FHLMC)	1.07	AAA/Aaa	10.31	3,976,850
Federal Home Loan Bank (FHLB)	2.83	AAA/Aaa	9.04	3,490,150
Federal National Mortgage Association (FNMA)	2.27	AAA/Aaa	8.37	3,229,473
Federal Farm Credit Bank (FFCB)	1.64	AAA/Aaa	2.60	1,002,800
Commerical paper--GE Capital	1.28	AAA/Aaa	1.27	488,900
Total			100.00	\$ 38,587,328

The local government investment pools ColoTrust Plus and CSAFE conform to Colorado Statutes CRS 24-705-601 & 701 and are registered local government investment pools with the Colorado Division of Securities and meet Standard and Poor's Investment guidelines to achieve AAAM rating, the highest attainable rating for a local government investment pool.

Cash & Investment Reconciliation:

Description	Carrying Amounts		Cash and Cash Equivalents
Cash on hand	\$ 822,406	From Statement of Net Assets:	
Deposits	2,129,852	Cash & Cash Deposits	\$ 423,988
Investments	38,587,328	Equity in treasurer's cash and investments	38,576,170
Total	<u>\$ 41,539,586</u>	Cash held by Trustee	492,918
		Restricted cash and investments	114,724
		From Statement of Fiduciary Assets and Liabilities	1,931,786
		Total	<u>\$ 41,539,586</u>

3-B. Receivables

Receivables at December 31, 2006, consisted of taxes, interest, accounts (billings for user charges) 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.

3-C. Property Taxes

Property taxes attach as an enforceable lien on property as of December 31 and are levied on January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15, or in full on April 30. The County, through the La Plata County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

3-D. Capital Assets

Capital asset activity for governmental activities (excluding internal service funds) for the year ended December 31, 2006, was as follows:

	Balance 1/1/2006	Additions	Deductions	Balance 12/31/2006
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,769,561	\$ -	\$ -	\$ 2,769,561
Construction in progress	352,532	404,436	352,532	404,436
Total capital assets not being depreciated	3,122,093	404,436	352,532	3,173,997
Depreciable capital assets:				
Buildings	25,420,475	3,129,584	-	28,550,059
Improvements	7,695,716	53,275	-	7,748,991
Machinery and equipment	1,959,783	1,176,580	15,117	3,121,246
Infrastructure	11,132,777	2,743,835	-	13,876,612
Total depreciable capital assets	46,208,751	7,103,274	15,117	53,296,908
Total capital assets	49,330,844	7,507,710	367,649	56,470,905
Accumulated depreciation:				
Buildings	4,481,188	535,873	-	5,017,061
Improvements	453,511	251,572	-	705,083
Machinery and equipment	1,039,048	183,010	10,758	1,211,300
Infrastructure	349,560	231,277	-	580,837
Total accumulated depreciation	6,323,307	1,201,732	10,758	7,514,281
Governmental activities capital assets, net	\$ 43,007,537	\$ 6,305,978	\$ 356,891	\$ 48,956,624

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3-D. Capital Assets (Continued)

The following are the changes in capital asset activity in the internal service funds for the year ended December 31, 2006:

	Adjusted Balance 01/1/2006	Additions	Deductions	Balance 12/31/2006
Internal service funds:				
Depreciable capital assets:				
Machinery and equipment	\$ 9,749,176	\$ 1,520,787	\$ 731,525	\$ 10,538,438
Total depreciable capital assets	9,749,176	1,520,787	731,525	10,538,438
Accumulated depreciation:				
Machinery and equipment	3,429,420	1,205,722	517,462	4,117,680
Total accumulated depreciation	3,429,420	1,205,722	517,462	4,117,680
Internal service funds capital assets, net	<u>\$ 6,319,756</u>	<u>\$ 315,065</u>	<u>\$ 214,063</u>	<u>\$ 6,420,758</u>

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2006

	Balance 1/1/2006	Additions	Deductions	Balance 12/31/2006
Depreciable capital assets:				
Improvements	\$ 23,334	\$ -	\$ -	\$ 23,334
Machinery and equipment	107,252	26,442	-	133,694
Less accumulated depreciation	(41,319)	(15,824)	-	(57,143)
Component units capital assets, net	<u>\$ 89,267</u>	<u>\$ 10,618</u>	<u>\$ -</u>	<u>\$ 99,885</u>

	From governmental assets	From internal service fund assets	Total
Governmental activities depreciation expense			
General government	\$ 311,317	\$ 33,711	\$ 345,028
Public safety	208,303	322,131	530,434
Auxiliary services	310,807	57,465	368,272
Public works	371,304	781,040	1,152,344
Health and welfare	-	11,376	11,376
Total governmental activities depreciation expense	<u>\$ 1,201,731</u>	<u>\$ 1,205,723</u>	<u>\$ 2,407,454</u>

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2006, 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.

Payable to:	Payable from:		
	General fund	Non-major governmental funds	Total
General fund	\$ -	\$ 92,881	\$ 92,881
Non-major governmental funds	144,505	-	144,505
Total	\$ 144,505	\$ 92,881	\$ 237,386

Interfund transfers for the year ended December 31, 2006, consisted of the following:

Transfer to	Transfers From:			Total
	General fund	Capital projects funds	Non-major governmental fund	
General fund	\$ -	\$ -	\$ 2,302,191	\$ 2,302,191
Road and bridge fund	5,000,000	-	82,400	5,082,400
Human Services fund	-	-	42,768	42,768
Capital projects fund	7,000,000	-	-	7,000,000
Non-major governmental funds	2,332,155	601,559	10,000	2,943,714
Totals	\$ 14,332,155	\$ 601,559	\$ 2,437,359	\$ 17,371,073

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to 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.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

3-F. Long-Term Debt

2004 La Plata County Finance Authority Certificates of Participation - \$3,985,000 Series 2004 Certificates of Participations, proceeds used to acquire and renovate a downtown Durango office building, the Old Main Post Office (OMPO). Immediately subsequent to the purchase, the Finance Authority entered into a lease-purchase agreement with La Plata County for the OMPO. The OMPO is being used as office space for County staff.

Interest rates on the Certificates of Participation (COPs) range from 2.00% to 3.750%. Funding is to be provided for by base rentals paid by the County to the Authority. Annual debt service requirements to amortize all obligations as of December 31, 2006 follow:

Year	Principal	Interest	Total
2007	\$ 360,000	\$ 102,089	\$ 462,089
2008	375,000	92,613	467,613
2009	385,000	81,681	466,681
2010	400,000	69,506	469,506
2011	415,000	56,103	471,103
2012-2014	1,350,000	76,225	1,426,225
	<u>\$ 3,285,000</u>	<u>\$ 478,217</u>	<u>\$ 3,763,217</u>

A schedule, by years, of future minimum lease payments under the lease agreement, together with the present value of the net minimum lease payments as of December 31, 2006 follows:

Year	Facility Lease
2007	\$ 462,089
2008	467,613
2009	466,681
2010	469,506
2011	471,103
2012-2014	1,426,225
Total minimum lease payments	3,763,217
Less amounts representing interest	478,216
Present value of minimum lease payments	<u>\$ 4,241,433</u>

Because the Finance Authority is considered part of the primary government of the County, the capital assets and long-term obligations arising from the capital lease transaction are not reported in the individual fund statements, but are reported as governmental activities in the government-wide financial statements.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2006:

Governmental Activities	1/1/2006	Additions	Reductions	12/31/2006	in One Year
2000 sales tax revenue bonds	\$ 615,000	\$ -	\$ 615,000	\$ -	\$ -
Compensated absences	991,511	1,896,068	1,699,500	1,188,079	297,020
Certificates of Participation	3,640,000	-	355,000	3,285,000	360,000
Environmental cleanup costs	-	300,000	-	300,000	-
Landfill closure and postclosure care costs	1,157,610	120,788	144,898	1,133,500	549,500
Total Governmental Activities	\$ 6,404,121	\$ 2,316,856	\$ 2,814,398	\$ 5,906,579	\$ 1,206,520
Component Unit:					
Compensated absences	\$ 56,805	\$ 66,889	\$ 61,266	\$ 62,428	\$ 15,607

The landfill closure and postclosure care liability is being retired by the landfill closure fund. The certificates of participation will be paid in the form of annual base rentals paid by the County's governmental funds. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The pollution remediation costs will be paid for by general revenues.

Note 3-G - Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. In addition to operating expenditures related to current activities of the landfills, an expense provision and related liability (reported at the government-wide financial reporting level) are being recognized based on the estimated future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. The estimated liability for landfill closure and postclosure care costs has a balance of \$1,133,500 as of December 31, 2006, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 6,000	100%	\$ 6,000
Marvel	6,000	100%	6,000
Gun Club	6,000	100%	6,000
Durango	487,000	100%	487,000
Bayfield	628,500	100%	628,500
Totals	\$ 1,133,500		\$ 1,133,500

The estimated total current cost of the landfill closure and postclosure care of \$1,133,500 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2006. However, the actual cost of closure and postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations. Any future inflation costs and

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future taxpayers.

The Tiffany, Marvel, Gun Club and Durango landfills were all closed prior to January 11, 1992, and the Bayfield landfill was closed in April 1994. The County is not currently operating, nor does it intend to operate in the future, landfills.

3-H. Pollution Investigation and Remediation

The County is owner of several properties that are or may be environmentally contaminated, including contamination caused by other parties who may be responsible for the costs of mitigating any environmental issues in accordance with State and Federal laws. The County has hired consultants to evaluate the nature and extent of contamination, if any, including the performance of site assessments and site investigations, with the goals of assessing the nature and extent of contamination and designing remediation plans, if necessary. Additionally, the County has hired special environmental legal counsel to assist in the investigation of the nature and extent of contamination and to separately evaluate the potential of cost recovery from private parties and third-party insurers. Management has estimated that the possibility of payments relative to pre-cleanup activities and legal services that are material to the financial statements as being probable, and has recorded a liability in the government wide statements in the amount of \$300,000.

The estimated total current cost of pollution investigation pre-cleanup activities of \$300,000 is based on the amount that would be paid if all equipment, facilities, and services required to do the known pollution investigation were acquired as of December 31, 2006. However, the actual cost of pollution investigation may be higher or lower due to inflation, changes in technology, or changes in laws and regulations, and if studies establish that the scope of the required investigation or cleanup is greater than is known at this time. Any future inflation costs and additional costs of investigation and remediation, if any, that might arise from changes in pollution investigation, compliance, and remediation requirements (due to changes in technology or more rigorous regulations, or the need for active remediation for example) may need to be covered by charges to future taxpayers."

3-I. Compensated Absences

County employees accumulate four hours of sick leave per pay period and eight to eleven hours of annual leave (which includes holiday pay) per pay period, depending on length of service. In the event of retirement or termination, an employee is paid 100% of accumulated annual leave. Upon retirement only, an employee is paid 25% of accumulated sick leave. Career status employees may convert sick leave to annual leave on a four to one ratio after more than 720 hours of sick leave have been accumulated. Varying amounts, ranging from 200 hours to 320 hours of annual leave may be carried over from one year to the next.

3-J. Lease Obligations

On November 21, 2005, the County entered into a lease agreement as lessee with Southwest Colorado Mental Health Center, Inc. (SWCMHC) for a one-acre parcel of land in the Three Springs development area. The lease agreement was done to facilitate the construction of a mental health facility by the County on property owned by SWCMHC. The County was recipient of an energy impact grant from the State of Colorado to provide construction funding in the amount of \$1,500,000 for the Crossroads Mental Health Center. Total construction cost was approximately \$2,800,000 and the balance of the funding came from fundraising efforts of SWCMHC. Terms of the grant agreement require that the County hold title to the property for 10 years. The term of the ground lease is for 10 years and requires an annual lease payment of \$10. Upon completion of the facility, the County and SWCMHC entered into a facility lease agreement with the County as lessor and SWCMHC as lessee for the term of 10 years and an annual lease payment of \$10. At the conclusion of the facility lease, if SWCMHC remains a tenant in good standing,

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

title to the Crossroads facility will revert to SWCMHC without further compensation. As such, the construction of the Crossroads facility did not meet the County's criteria for capitalization and is not being depreciated.

3-K. Pensions

The County provides pension benefits for its full-time employees through an agent multi-employer public retirement system, the Colorado County Officials and Employee Retirement Association (CCOERA) a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate upon completion of one year of employment, and the employee and employer contribution percentages are equal and vary based upon length of service from 5% to 6%. The County's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous plan participation. The participants in this plan are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options. Contributions for, and interest forfeited by, employees who leave employment before 5 years of service are used to reduce current contribution requirements. Ten year historical trend information about the plan is available in a separately issued financial report.

The County's total payroll in calendar 2006 was \$16,473,990. The County's contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$15,315,923. Both the County and the covered employees made the required contributions, amounting to \$847,586 from the County and \$847,586 from employees, or \$1,695,172 total.

3-L. Net Assets/Fund Balances

Net Assets - Net assets on the government-wide statement of net assets as of December 31, 2006 are as follows:

	Governmental Activities and Internal Service Funds	Discretely Presented Component Unit
Investments in capital assets, net of related debt:		
Cost of capital assets	\$ 67,009,343	\$ 157,028
Less accumulated depreciation	11,631,961	57,143
Book value	55,377,382	99,885
Less capital related debt	3,285,000	-
Investments in capital assets, net of related debt	<u>\$ 52,092,382</u>	<u>\$ 99,885</u>

Fund Balances - The County records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. Following is a list of significant reserves used by the County and a description of each:

Reserve for Inventory - used to segregate that portion of fund balance represented by inventories of consumable supplies and materials.

Reserve for Revolving Loan Activities - used to segregate that portion of fund balance restricted by Board action for Revolving Loan Activities, specifically those intended to provide moderately priced housing.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Reserve for Emergencies - a reserve for declared emergencies. On November 3, 1992, Colorado voters approved an amendment to the State Constitution known as the Taxpayer's Bill of Rights (TABOR). The amendment is a tax limitation, revenue and spending limitation and a debt limitation. This amendment requires that the County reserve a certain percentage of its fiscal year spending, as defined in the amendment, for declared emergencies. Emergency, as defined in the amendment, excludes economic conditions, revenue shortfalls or salary or fringe benefits increases. For 2006, the amount of fiscal year spending to be reserved is three percent of non-federal revenues. Unused reserves carry over to subsequent years. The County carries its emergency reserve, as required and defined in TABOR, in the special revenue fund "emergency reserve fund."

Reserve for Program Purposes - used to segregate that portion of fund balance restricted specifically for lawful purposes of the particular fund.

Reserve for Road Improvements - the County collects road impact fees as part of the development approval process. State law requires that these funds be segregated and used solely to offset the costs of that development. The road impact fees are deposited into the Road and Bridge fund, tracked by improvement area, and are reported as a reservation of the fund balance. The reservation of fund balance is also adjusted by interest allocation.

Reserve for Capital Improvements - used to segregate that portion of fund balance restricted for acquisition of capital improvements.

Reserve Debt Service - used to segregate a portion of fund balance for debt service resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

Note 4 - Risk Management

Medical Claims - In 1984, the County began a self-insurance program for medical claims. The purpose of the program is to pay medical claims of County employees and their covered dependents and minimize annual medical insurance costs to the County. Medical claims exceeding \$50,000 per covered individual or 120% of the annual contributions for the group are covered by a private insurance carrier. The County does not report excess insurance risks as liabilities unless it is probable that those risks will not be covered by the excess insurance. The claims are funded through payroll withholdings from employees and County matching funds. There were no material changes in insurance coverage, and there were no settlements in excess of insurance coverage for the last three fiscal years.

The claims liability of \$161,969 reported in the employee medical self insurance fund is based upon claims reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred as of December 31, 2006 and the amount of the loss can be reasonably estimated.

Changes in the funds claims liability amount in calendar 2006 and 2005 were:

	<u>2006</u>	<u>2005</u>
Liability at January 1	\$ 98,002	\$ 126,635
Current year claims & changes in estimates	1,479,648	1,309,197
Claim Payments	<u>1,739,619</u>	<u>1,533,834</u>
Balance at December 31	<u>\$ 161,969</u>	<u>\$ 98,002</u>

County Workers' Compensation Pool - The County is exposed to various risks of loss related to injuries of employees while on the job. In 1985, 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

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. 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 the Pool will purchase excess insurance through commercial companies for members' claims in excess of a 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 liability, property and casualty losses. During 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County 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 County pays an annual contribution to CAPP for its liability, property and casualty insurance coverage. 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 the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

For both the CWCP and CAPP pools, losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. Both pools have indicated the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. There also exists the potential for return of contributions should the results of pool operations result in surpluses in excess of those required by State law and the bylaws of the pools; however, any return of contribution is not probable. As such, the contributions to both pools have been reported as expenditures or expenses. Separately issued financial reports for both pools are available by contacting the administrative agent, County Technical Services, Inc. at their headquarters in Denver, Colorado. There were no material reductions in insurance coverages provided to La Plata County, nor were there any settlements on behalf of La Plata County in excess of insurance coverage for the last three fiscal years.

Note 5 - Contingent Liabilities

Grant Programs - 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. The primary programs include Community Development Block Grants, Colorado Department of Human Services, and Colorado Department of Local Affairs grants. 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.

An audit in accordance with the Federal Single Audit Act of 1984 was conducted for the calendar year 2006, but state agencies may still examine individual state programs. Pending the resolution of the findings and questioned costs of such audits, the amount, if any, of disallowed expenditures cannot be determined.

Legal Issues -- The County was a defendant in several lawsuits at December 31, 2006. In the opinion of the County attorney and County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

LaPlata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Contractual Commitments - The County has entered into certain long-term contracts with various parties in order to provide services to residents of the County. A summary of those significant contracts follows:

Humane Society Operations - In 1979, the County entered into a contract with the La Plata County Humane Society and the City of Durango to provide necessary funding for operations and facilities at the animal shelter. The County and City provide equal funding for operations. Additionally, in 1993 the County and the Humane Society entered into an agreement in which the Humane Society provides dog control services in the County, and the County contributes toward the costs of services provided. In 2006, funding by the County for both responsibilities totaled \$191,593.

Insurance Pools - As indicated above, the County is a member of the Colorado Counties Worker's Compensation Pool and Colorado Counties Casualty and Property Pool for purposes of insurance coverage. These pools have a legal obligation for claims against their members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance contracts are direct liabilities of their participating members. Ultimate liability to the County resulting from claims not covered by these insurance pools is not presently determinable.

Energy Impact Assistance Funds/Gaming Funds - The County has entered into contracts with the Colorado Department of Local Affairs for the expenditure of Energy and Mineral Impact Assistance grant funds (EIAF) and for the expenditure of Local Government Gaming Impact Funds (LGIF). A summary of these commitments is presented below:

Grant	Period	County Funds	Grant Funds	Description
EIAF #4734	10/06/2004-12/31/2007	\$490,000	\$500,000	Repaving of a section of CR 234
EIAF #5121	11/10/2005-12/31/2007	0	489,848	Construction of an 800 Mhz radio tower
EIAF #5389	2/27/2006-12/31/2007	750,000	1,000,000	Reconstruction of a section of CR 213
EIAF #5500	11/01/2006-12/31/2007	8,500,000	1,000,000	Construction of a Human Services Building
EIAF #5603	12/19/2006-12/31/2008	800,000	1,310,000	Improvements to a section of CR 213
EIAF #5824	03/21/2007-12/31/2007	0	1,500,000	Repaing of sections of CRs 521 and 318
LGGF #06-492	11/30/2006-12/31/2007	72,788	291,153	Sheriff Public Safety
LGGF #06-493	11/3/2006-12/31/2007	0	41,428	District attorney
LGGF #06-491	11/3/2006-12/31/2007	395,325	350,000	Road Improvements
Totals		<u>\$11,008,113</u>	<u>\$6,482,429</u>	

Contract to Purchase Real Estate - On February 25, 2006, the County entered into an agreement to purchase 7.3 acres of land in the City of Durango located near existing County property. The contracted purchase price is \$2,750,000 and the anticipated closing date is March 30, 2008. The County has placed a \$55,000 earnest payment in escrow, and the balance of \$2,695,000 will be paid at closing. The County intends to use the property to expand County facilities.

Note 6 - Joint Venture

The County is a participant with the City of Durango (the City) in a joint venture to operate the Durango-LaPlata County Airport. Pursuant to an intergovernmental agreement, the Airport Commission was created. The commission consists of six members, three of which are appointed by the Board of County Commissioners. The airport manager is employed by the concurrent action of the City Council and the Board of County Commissioners. The County and the City each have a 50 percent interest in all airport property. Per a 2002 agreement, fiscal administration of the airport was delegated to the City.

The County's equity interest in the Durango-LaPlata County Airport was \$10,093,468 at December 31, 2006. Complete financial statements for the airport operations can be found in the joint venture's separately issued financial statements for the year ended December 31, 2006.

LaPlata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 7 - Tax, Spending and Debt Limitations

In 1992 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, also known as TABOR (Taxpayers Bill of Rights), 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 Colorado Revised Statutes, 29-1-301, also include an annual property tax growth limitation of 5.5%.

At the November 5, 2002 general election, the voters authorized the County to collect and retain all revenues received during the period beginning January 1, 2003 and extending forward through perpetuity which exceed both the TABOR amendment and C.R.S. 29-1-301.

Note 8 - Schedule of Expenditures of Federal Awards

The County, pursuant to the requirements of the Single Audit Act Amendments of 1996 and the US Office of Management and Budget Circular A-133, prepares a "Schedule of Expenditures of Federal Awards". This schedule is prepared on a basis inconsistent with the County's financial statements. Specifically, the "Schedule of Expenditures of Federal Awards" includes health and welfare payments made through the mechanism of Electronic Benefit Transactions (EBT), whereas the financial statements exclude these EBT transactions. Additionally, the financial statements differentiate between the County (primary government) and its discretely reported components units (the reporting entity), while the "Schedule of Expenditures of Federal Awards" consolidates all expenditures of federal awards within the reporting entity.

La Plata awards some federal funds to subgrantees, as shown below:

CFDA & Program	Subgrantee	Amount Awarded
14.219—Community Development Block Grant	Region 9 Economic Development District	\$670,490

Note 9 –Subsequent Events

On April 30, 2007, the Board of County Commissioners authorized the construction of an 84-bed maximum-security expansion at the La Plata County jail, estimated to cost nearly \$17 million. The expansion will be funded utilizing existing reserves and will materially draw down unreserved fund balances. In 2004, the Board of County Commissioners adopted a "Reserves Policy" which defines an acceptable level of reserves to be maintained to cover unexpected expenditures, shortfalls in revenue, and to provide cash flow for the early part of the year before property taxes are collected. After construction of the jail expansion, it is expected unreserved fund balance will remain within acceptable levels as defined by policy.

La Plata County, Colorado
Combining Balance Sheet - by Fund Type
Nonmajor Governmental Funds
December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Assets				
Equity in treasurer's cash and investments	\$ 2,397,371	\$ -	\$ 24,387	\$ 2,421,758
Cash held by Trustee	-	92,162	400,756	492,918
Receivables:				
Accounts	1,650	-	-	1,650
Property taxes	53,184	-	-	53,184
Interfund	144,505	-	-	144,505
Total Assets	\$ 2,596,710	\$ 92,162	\$ 425,143	\$ 3,114,015
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 9,078	\$ -	\$ -	\$ 9,078
Interfund payable	-	92,881	-	92,881
Deferred revenues	53,184	-	-	53,184
Total Liabilities	62,262	92,881	-	155,143
Fund Balances				
Reserved for:				
Emergencies	1,185,000	-	-	1,185,000
Debt service	-	-	425,143	425,143
Capital projects	-	(719)	-	(719)
Unreserved, undesignated	1,349,448	-	-	1,349,448
Total Fund Balances	2,534,448	(719)	425,143	2,958,872
Total Liabilities and Fund Balances	\$ 2,596,710	\$ 92,162	\$ 425,143	\$ 3,114,015

La Plata County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - by Fund Type
Nonmajor Governmental Funds
For the Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 55,873	\$ -	\$ -	\$ 55,873
Investment earnings	44,507	3,916	20,696	69,119
Miscellaneous	14,925	-	-	14,925
Total Revenues	<u>115,305</u>	<u>3,916</u>	<u>20,696</u>	<u>139,917</u>
Expenditures				
Current:				
Public works	232,641	-	-	232,641
Capital Outlay	59,548	107,468	-	167,016
Debt Service:				
Principal retirement	-	-	970,000	970,000
Interest and fiscal charges	-	-	139,172	139,172
Agent fees	-	-	2,000	2,000
Total Expenditures	<u>1,024,243</u>	<u>107,468</u>	<u>1,111,172</u>	<u>2,242,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(908,938)</u>	<u>(103,552)</u>	<u>(1,090,476)</u>	<u>(2,102,966)</u>
Other Financing Sources (Uses)				
Transfers in	1,962,155	-	981,559	2,943,714
Transfers out	(2,437,359)	-	-	(2,437,359)
Total Other Financing Sources (Uses)	<u>(475,204)</u>	<u>-</u>	<u>981,559</u>	<u>506,355</u>
Net Change in Fund Balances	<u>(1,384,142)</u>	<u>(103,552)</u>	<u>(108,917)</u>	<u>(1,596,611)</u>
Fund Balances Beginning of Year	<u>3,918,590</u>	<u>102,833</u>	<u>534,060</u>	<u>4,555,483</u>
Fund Balances End of Year	<u>\$ 2,534,448</u>	<u>\$ (719)</u>	<u>\$ 425,143</u>	<u>\$ 2,958,872</u>

La Plata County, Colorado
General Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	2006	2005
Assets		
Cash and cash deposits	\$ 422,488	\$ 364,727
Equity in treasurer's cash and investments	12,353,500	9,337,680
Restricted cash and investments	58,106	46,594
Receivables:		
Accounts	114,729	103,446
Property taxes	22,253,650	18,432,460
Loans	110,200	110,200
Deposits	4,275	2,275
Intergovernmental	2,895,937	1,310,854
Component unit	150,000	150,000
Interfund	92,881	-
Inventory	101,468	75,649
Total Assets	<u>\$ 38,557,234</u>	<u>\$ 29,933,885</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 431,558	\$ 340,768
Accrued salaries and benefits	263,853	252,420
Contracts payable	9,528	7,485
Intergovernmental payable	989,532	163,678
Interfund payable	144,505	134,556
Deposits payable	23,340	23,525
Deferred revenue	22,355,056	18,785,246
Liabilities payable from restricted assets	58,106	46,594
Total Liabilities	<u>24,275,478</u>	<u>19,754,272</u>
Fund Balances		
Reserved for:		
Inventory	101,468	75,649
Public trustee	26,738	26,738
Prisoner commissary	18,416	18,416
Law enforcement	357,182	357,182
Revolving loan activities	255,041	381,419
Conservation trust	744,825	620,417
Unreserved, undesignated	12,778,086	8,699,792
Total Fund Balances	<u>14,281,756</u>	<u>10,179,613</u>
Total Liabilities and Fund Balances	<u>\$ 38,557,234</u>	<u>\$ 29,933,885</u>

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget		Actual	Variance Favorable (Unfavorable)	2005 Actual
	As Adopted	Final			
Revenues:					
Taxes					
General property & delinquent taxes	\$ 18,103,810	\$ 18,103,810	\$ 18,372,250	\$ 268,440	\$ 15,487,195
Specific ownership	1,130,000	1,130,000	1,636,833	506,833	1,464,436
Sales tax	12,020,750	12,020,750	12,874,145	853,395	11,558,412
Lodger's tax	166,400	166,400	176,662	10,262	166,360
Total Taxes	31,420,960	31,420,960	33,059,890	1,638,930	28,676,403
Intergovernmental Revenue					
Federal Revenue:					
Payment In Lieu of Taxes	475,000	475,000	556,139	81,139	551,526
Local Law Enforcement Block Grant	9,000	9,000	-	(9,000)	-
Senior Services-Older American Act	105,366	173,193	125,852	(47,341)	148,069
Senior Services-USDA	13,000	13,000	19,042	6,042	4,126
HIDTA grant	225,000	225,000	199,567	(25,433)	190,643
Bulletproof vest grant	4,000	4,000	12,372	8,372	-
Homeland Security	-	-	131,431	131,431	22,059
Federal mineral leasing	-	-	25,242	25,242	-
State Revenues:					
Office of Emergency Management	8,000	8,000	12,900	4,900	30,567
Lottery Funds	225,000	225,000	222,045	(2,955)	269,004
Community Services Block Grant-passed thru	20,000	20,000	-	(20,000)	-
Community Services Block Grant-for Sr. Svcs	5,000	5,000	7,762	2,762	4,971
Community Development Block Grant	450,000	450,000	670,490	220,490	765,420
Juvenile Accountability Incentive Block	9,800	9,800	-	(9,800)	-
VALE Grant	2,500	2,500	-	(2,500)	5,000
Cigarette taxes	25,000	25,000	35,516	10,516	32,238
Search and rescue monies	5,000	5,000	14,733	9,733	19,114
Search and rescue tier III	7,000	7,000	-	(7,000)	-
Mineral severance tax	60,000	60,000	363,036	303,036	451,750
DOW Impact assistance	2,500	2,500	3,864	1,364	3,426
Local Government Limited Gaming grants	295,223	295,223	295,223	-	295,223
Energy Impact Assistance grants	1,500,000	1,500,000	1,459,878	(40,122)	40,122
Great Outdoors Colorado grants	-	-	16,557	16,557	17,652
Beanpole (MNT) grant	-	-	38,747	38,747	86,734
Veteran's Services	1,200	1,200	1,200	-	1,200
Planning Department Grant-TDR	-	-	-	-	36,735
Predator Control Reimbursement	2,000	2,000	1,883	(117)	4,531
Miscellaneous state grants	-	-	12,410	12,410	4,538
Local Government Revenue:					
Southern Ute Payment in Lieu of Taxes	60,000	60,000	292,015	232,015	188,075
City of Durango contribution to TDR study	-	-	-	-	5,000
SWCMHC contribution for Crossroads center	1,150,000	1,150,000	889,421	(260,579)	30,765
Local match for senior services	-	-	31,486	31,486	9,327
Local government contributions for senior services	7,337	7,337	2,162	(5,175)	23,277
Council on Aging	3,000	3,000	3,149	149	3,000
Total Intergovernmental Revenue	4,669,926	4,737,753	5,444,122	706,369	3,244,092

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget		Actual	Variance Favorable (Unfavorable)	2005 Actual
	As Adopted	Final			
Licenses and Permits					
Liquor licenses	\$ 7,500	\$ 7,500	\$ 6,640	\$ (860)	\$ 8,396
Building permits	720,000	720,000	729,452	9,452	756,691
Total Licenses and Permits	727,500	727,500	736,092	8,592	765,087
Charges for Services					
Treasurer's fees	415,000	415,000	615,288	200,288	541,444
Clerk and recorder's fees	1,018,000	1,018,000	1,209,034	191,034	1,172,250
Public trustee's fees	90,000	90,000	108,101	18,101	92,318
Planning fees	279,000	279,000	134,452	(144,548)	82,901
Oil and gas fees	40,000	40,000	226,490	186,490	36,815
Assessor's fees	6,000	6,000	24,712	18,712	11,999
Sheriff's fees	60,000	69,565	76,027	6,462	56,062
Law enforcement assistance fund	6,000	6,000	8,111	2,111	8,059
Airport security reimbursement	10,000	10,000	1,231	(8,769)	-
Other security services	15,000	15,000	86,266	71,266	67,112
Jail room & board	150,000	150,000	203,452	53,452	206,074
Other Jail charges	16,500	16,500	14,211	(2,289)	13,298
Booking fees	14,500	14,500	48,214	33,714	30,026
Prisoner transportation	15,000	15,000	25,968	10,968	11,034
Useful public service program	50,000	50,000	34,945	(15,055)	50,165
Work release/Community service	50,000	50,000	57,418	7,418	35,713
Alternatives to incarceration	98,000	98,000	87,352	(10,648)	87,357
Senior meal donations-Durango	70,000	70,000	71,314	1,314	58,594
Senior meal donations-other	3,000	3,000	3,612	612	3,395
Senior home chore/other revenue	6,000	6,000	6,657	657	8,551
Senior transportation income	3,600	3,600	20,571	16,971	2,678
Senior center activities	16,000	16,000	11,034	(4,966)	10,764
Senior center rentals	3,500	3,500	3,230	(270)	3,260
Surveyor's fees	10,000	10,000	9,915	(85)	6,685
Indirect cost allocation reimbursement	-	-	63,255	63,255	111,123
GIS Services reimbursements	15,000	15,000	10,481	(4,519)	16,036
Election Reimbursements	40,000	40,000	62,911	22,911	36,165
Inmate medical/phone reimbursements	80,000	80,000	40,612	(39,388)	47,560
Workforce housing fees	-	400,000	21,000	(379,000)	-
Maps/code book sales & sign fees	1,000	1,000	4,390	3,390	2,925
Employee equipment reimbursements	6,000	6,000	-	(6,000)	-
Total Charges for Services	2,587,100	2,996,665	3,290,254	293,589	2,810,363
Fines and Forfeitures					
Parking/Traffic fines	-	-	-	-	375
Animal control fines	3,000	3,000	2,518	(482)	6,513
Total Fines and Forfeitures	3,000	3,000	2,518	(482)	6,888

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget		Actual	Variance Favorable (Unfavorable)	2005 Actual
	As Adopted	Final			
Miscellaneous Revenue					
Building rentals	\$ 188,968	\$ 188,968	\$ 198,846	\$ 9,878	\$ 152,602
Fairgrounds rentals	75,500	75,500	78,098	2,598	53,135
Forfeitures	22,000	22,000	85,427	63,427	25,202
Investment earnings	900,000	900,000	1,879,693	979,693	910,164
Senior services-United Way	21,000	21,000	28,301	7,301	20,685
Tipping fees	750	750	4,551	3,801	3,011
Vehicle inspection fees	42,000	42,000	42,335	335	44,505
Prisoner commissary collections	75,000	75,000	57,043	(17,957)	87,359
Photocopies	250	250	1,613	1,363	1,596
Telephone/postage refunds	1,250	1,250	4,297	3,047	4,287
Sales of assets	-	-	2,171	2,171	36,016
Insurance refunds	2,000	2,000	51,810	49,810	58,475
Other refunds	8,000	8,000	28,106	20,106	38,529
Other miscellaneous revenues	35,000	35,000	80,783	45,783	76,370
Total Miscellaneous Revenue	1,371,718	1,371,718	2,543,074	1,171,356	1,511,936
Total Revenue	40,780,204	41,257,596	45,075,950	3,818,354	37,014,769
Expenditures:					
Current					
General Government					
Board of County Commissioners					
Personnel Expenditures	233,350	233,350	229,290	4,060	227,895
Operating Expenditures	187,900	187,900	146,138	41,762	97,684
	<u>421,250</u>	<u>421,250</u>	<u>375,428</u>	<u>45,822</u>	<u>325,579</u>
County Clerk and Recorder-Operations					
Personnel Expenditures	650,863	656,067	662,045	(5,978)	602,119
Operating Expenditures	200,340	200,340	170,236	30,104	359,532
	<u>851,203</u>	<u>856,407</u>	<u>832,281</u>	<u>24,126</u>	<u>961,651</u>
County Clerk and Recorder-Elections					
Personnel Expenditures	176,188	176,188	150,086	26,102	97,482
Operating Expenditures	93,000	93,000	110,741	(17,741)	56,740
	<u>269,188</u>	<u>269,188</u>	<u>260,827</u>	<u>8,361</u>	<u>154,222</u>
County Treasurer					
Personnel Expenditures	268,702	268,702	263,808	4,894	252,494
Operating Expenditures	185,395	185,395	148,179	37,216	150,873
	<u>454,097</u>	<u>454,097</u>	<u>411,987</u>	<u>42,110</u>	<u>403,367</u>
Public Trustee's Office					
Personnel Expenditures	15,608	15,608	15,420	188	15,434
Operating Expenditures	11,130	11,130	3,213	7,917	2,727
	<u>26,738</u>	<u>26,738</u>	<u>18,633</u>	<u>8,105</u>	<u>18,161</u>

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget			Variance	2005
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
General Government (Continued)					
County Assessor					
Personnel Expenditures	\$ 987,669	\$ 987,669	\$ 972,389	\$ 15,280	\$ 888,161
Operating Expenditures	302,639	302,639	146,715	155,924	172,743
	<u>1,290,308</u>	<u>1,290,308</u>	<u>1,119,104</u>	<u>171,204</u>	<u>1,060,904</u>
Administrative Offices					
Personnel Expenditures	393,605	393,605	393,352	253	307,953
Operating Expenditures	293,450	293,450	96,738	196,712	112,758
	<u>687,055</u>	<u>687,055</u>	<u>490,090</u>	<u>196,965</u>	<u>420,711</u>
County Attorney's Office					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	212,000	212,000	117,321	94,679	182,766
	<u>212,000</u>	<u>212,000</u>	<u>117,321</u>	<u>94,679</u>	<u>182,766</u>
Geographic Information Services					
Personnel Expenditures	457,361	457,361	451,245	6,116	413,864
Operating Expenditures	52,139	52,139	41,720	10,419	40,925
	<u>509,500</u>	<u>509,500</u>	<u>492,965</u>	<u>16,535</u>	<u>454,789</u>
Finance					
Personnel Expenditures	366,924	366,924	294,440	72,484	346,739
Operating Expenditures	123,500	123,500	65,651	57,849	80,778
	<u>490,424</u>	<u>490,424</u>	<u>360,091</u>	<u>130,333</u>	<u>427,517</u>
Information Services					
Personnel Expenditures	568,323	568,323	576,593	(8,270)	529,110
Operating Expenditures	496,178	496,178	392,521	103,657	442,054
	<u>1,064,501</u>	<u>1,064,501</u>	<u>969,114</u>	<u>95,387</u>	<u>971,164</u>
Procurement/Warehouse					
Personnel Expenditures	221,065	221,065	182,421	38,644	219,028
Operating Expenditures	46,546	46,546	38,563	7,983	35,476
	<u>267,611</u>	<u>267,611</u>	<u>220,984</u>	<u>46,627</u>	<u>254,504</u>
Building Maintenance					
Personnel Expenditures	421,264	421,264	409,565	11,699	354,806
Operating Expenditures	266,152	266,152	206,096	60,056	241,048
	<u>687,416</u>	<u>687,416</u>	<u>615,661</u>	<u>71,755</u>	<u>595,854</u>
Building Maintenance-OMPO					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	157,000	157,000	101,460	55,540	70,967
	<u>157,000</u>	<u>157,000</u>	<u>101,460</u>	<u>55,540</u>	<u>70,967</u>
Central Services					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	229,924	229,924	131,917	98,007	88,134
	<u>229,924</u>	<u>229,924</u>	<u>131,917</u>	<u>98,007</u>	<u>88,134</u>
Human Resources					
Personnel Expenditures	317,393	317,393	302,065	15,328	280,631
Operating Expenditures	117,200	118,500	94,763	23,737	124,913
	<u>434,593</u>	<u>435,893</u>	<u>396,828</u>	<u>39,065</u>	<u>405,544</u>
Risk Management					
Personnel Expenditures	340,436	340,436	334,146	6,290	325,872
Operating Expenditures	466,911	541,911	513,962	27,949	421,855
	<u>807,347</u>	<u>882,347</u>	<u>848,108</u>	<u>34,239</u>	<u>747,727</u>
Regional Housing Authority					
Personnel Expenditures	-	-	-	-	25,463
Operating Expenditures	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,463</u>
Total General Government	8,860,155	8,941,659	7,762,799	1,178,860	7,569,024

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget			Variance	2005
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Public Safety					
Sheriff-Public Safety					
Personnel Expenditures	\$ 2,131,001	\$ 2,131,001	\$ 2,100,485	\$ 30,516	\$ 1,915,507
Operating Expenditures	1,072,701	1,082,501	892,101	190,400	763,981
	3,203,702	3,213,502	2,992,586	220,916	2,679,488
Sheriff-Detentions					
Personnel Expenditures	2,530,681	2,530,681	2,455,192	75,489	2,230,702
Operating Expenditures	1,132,124	1,210,672	1,218,945	(8,273)	1,099,433
	3,662,805	3,741,353	3,674,137	67,216	3,330,135
Sheriff-Special Services					
Personnel Expenditures	1,269,081	1,269,081	1,281,672	(12,591)	1,172,658
Operating Expenditures	339,681	409,724	356,759	52,965	331,954
	1,608,762	1,678,805	1,638,431	40,374	1,504,612
Sheriff-Special Investigations					
Personnel Expenditures	376,089	376,089	346,293	29,796	331,654
Operating Expenditures	186,684	208,284	210,068	(1,784)	171,604
	562,773	584,373	556,361	28,012	503,258
Sheriff-Criminal Investigations					
Personnel Expenditures	572,062	572,062	609,209	(37,147)	547,190
Operating Expenditures	115,753	117,953	102,302	15,651	104,425
	687,815	690,015	711,511	(21,496)	651,615
Alternatives to Incarceration					
Personnel Expenditures	303,390	303,190	323,831	(20,641)	285,312
Operating Expenditures	208,785	208,985	213,457	(4,472)	194,232
	512,175	512,175	537,288	(25,113)	479,544
County Coroner					
Personnel Expenditures	46,698	46,698	47,492	(794)	48,753
Operating Expenditures	67,058	67,058	64,367	2,691	66,529
	113,756	113,756	111,859	1,897	115,282
Building Inspection Department					
Personnel Expenditures	615,442	615,442	592,366	23,076	530,786
Operating Expenditures	148,802	148,802	81,160	67,642	137,451
	764,244	764,244	673,526	90,718	668,237
Emergency Management Office					
Personnel Expenditures	98,638	98,638	87,339	11,299	52,564
Operating Expenditures	114,600	122,100	48,104	73,996	44,434
	213,238	220,738	135,443	85,295	96,998
Weed and Rodent Control					
Operating Expenditures	43,000	43,000	43,252	(252)	39,397
Pmt to Component Unit - District Attorney	1,299,110	1,299,110	1,172,713	126,397	1,077,988
Total Public Safety	12,671,380	12,861,071	12,247,107	613,964	11,146,554

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget			Variance	2005
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Auxiliary Services					
Extension Office					
Personnel Expenditures	\$ 48,848	\$ 54,408	\$ 48,494	\$ 5,914	\$ 43,261
Operating Expenditures	57,890	57,890	45,881	12,009	35,336
	106,738	112,298	94,375	17,923	78,597
Fairgrounds					
Personnel Expenditures	452,928	452,928	396,690	56,238	400,240
Operating Expenditures	365,099	365,099	309,382	55,717	278,577
	818,027	818,027	706,072	111,955	678,817
Weed Control					
Personnel Expenditures	82,734	82,734	69,897	12,837	70,239
Operating Expenditures	74,781	74,781	61,620	13,161	56,258
	157,515	157,515	131,517	25,998	126,497
Veterans Services					
Personnel Expenditures	39,667	39,667	40,261	(594)	37,379
Operating Expenditures	9,650	9,650	3,385	6,265	3,725
	49,317	49,317	43,646	5,671	41,104
Senior Services					
Personnel Expenditures	379,003	379,004	347,198	31,806	218,685
Operating Expenditures	198,415	251,693	200,579	51,114	102,102
	577,418	630,697	547,777	82,920	320,787
Senior Services - non Joint Sales Tax Supported					
Personnel Expenditures	9,888	9,888	5,254	4,634	-
Operating Expenditures	77,455	94,804	57,887	36,917	64,155
	87,343	104,692	63,141	41,551	64,155
Senior Services Center					
	-	-	-		84,168
Senior Services Activities					
	-	-	-		69,760
Community Development Department					
Personnel Expenditures	919,029	960,729	918,068	42,661	749,328
Operating Expenditures	367,982	371,982	235,366	136,616	231,802
	1,287,011	1,332,711	1,153,434	179,277	981,130
Total Auxiliary Services	3,083,369	3,205,257	2,739,962	465,295	2,445,015
Public Works					
Convenience Center					
Operating Expenditures	92,000	92,000	87,070	4,930	100,424
Total Public Works	92,000	92,000	87,070	4,930	100,424

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget			Variance	2005
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Community Programs					
Public Service Agencies					
Durango Public Library	\$ 604,500	\$ 604,500	\$ 544,513	\$ 59,987	\$ 542,462
Lodger's tax to DATO	166,600	166,600	176,662	(10,062)	166,270
Other Public Service Agencies	1,365,608	1,971,008	1,464,416	506,592	1,316,847
Total Public Service Agencies	2,136,708	2,742,108	2,185,591	556,517	2,025,579
Payments to Other Governments					
To City of Durango-joint recreation	100,000	100,000	100,000	-	100,000
To City of Durango-joint sales tax projects	686,500	686,500	638,934	47,566	684,345
Total payments to other governments	786,500	786,500	738,934	47,566	784,345
Pass through of grants received					
for construction of a non-County mental health ctr	2,800,000	2,800,000	2,495,333	304,667	-
of CDBG funds	450,000	450,000	670,490	(220,490)	765,420
of GOCO funds	-	-	16,557	(16,557)	17,652
of CSBG funds	20,000	20,000	-	20,000	-
Total pass throughs	3,270,000	3,270,000	3,182,380	87,620	783,072
Total Community Programs	6,193,208	6,798,608	6,106,905	691,703	3,322,796
Total Expenditures	30,900,112	31,898,595	28,943,843	2,954,752	24,854,013
Excess of Revenues Over Expenditures	9,880,092	9,359,001	16,132,107	6,773,106	12,160,756
Other Financing Sources (Uses)					
Transfers in-joint sales tax fund	\$ 1,727,288	\$ 1,727,288	\$ 1,519,968	\$ (207,320)	1,460,298
Transfers in-tribal impact fund	148,200	148,200	782,223	634,023	-
Transfers out-Road and Bridge fund	(5,000,000)	(5,000,000)	(5,000,000)	-	(2,700,000)
Transfers out-joint sales tax	(1,776,066)	(1,776,066)	(1,902,155)	(126,089)	(1,705,626)
Transfers out-emergency reserve fund	-	-	-	-	(65,000)
Transfers out-finance authority debt service fund	(380,000)	(380,000)	(380,000)	-	(550,000)
Transfers out-capital improvement	(7,000,000)	(7,000,000)	(7,000,000)	-	(5,800,000)
Transfers out-landfill closure	(50,000)	(50,000)	(50,000)	-	(50,000)
Total Other Financing Sources (Uses)	(12,330,578)	(12,330,578)	(12,029,964)	300,614	(9,410,328)
Net Change in Fund Balances	\$ (2,450,486)	\$ (2,971,577)	4,102,143	\$ 7,073,720	2,750,428
Fund Balance Beginning of Year			10,179,613		7,429,185
Fund Balance End of Year			\$ 14,281,756		\$ 10,179,613

(Continued)

La Plata County, Colorado
Road and Bridge Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Cash	\$ 1,100	\$ 1,100
Equity in treasurer's cash and investments	7,526,867	5,720,534
Receivables:		
Accounts	9,204	12,525
Property taxes	2,132,266	1,766,133
Intergovernmental	887,302	973,091
Inventory	<u>304,358</u>	<u>347,669</u>
Total Assets	<u><u>\$ 10,861,097</u></u>	<u><u>\$ 8,821,052</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 255,359	\$ 605,654
Accrued salaries and wages	42,783	41,263
Contracts payable	280,896	216,536
Intergovernmental payable	14,727	19,726
Deferred revenues	<u>2,257,266</u>	<u>2,038,133</u>
Total Liabilities	<u>2,851,031</u>	<u>2,921,312</u>
Fund Balances		
Reserved for:		
Inventory	304,358	347,669
Road improvements	2,807,682	735,451
Unreserved, undesignated	<u>4,898,026</u>	<u>4,816,620</u>
Total Fund Balances	<u>8,010,066</u>	<u>5,899,740</u>
Total Liabilities and Fund Balances	<u><u>\$ 10,861,097</u></u>	<u><u>\$ 8,821,052</u></u>

La Plata County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget As Adopted	Budget Final	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Property taxes	\$ 1,923,810	\$ 1,923,810	\$ 1,917,194	\$ (6,616)	\$1,938,759
Intergovernmental	5,744,000	5,744,000	5,488,716	(255,284)	4,040,352
Licenses and permits	53,000	53,000	81,678	28,678	258,547
Charges for services	-	-	-	-	44,095
Miscellaneous	331,700	335,595	2,446,998	2,111,403	447,130
Total Revenues	8,052,510	8,056,405	9,934,586	1,878,181	6,728,883
Expenditures					
Current:					
Public Works					
Maintenance of condition/snow & ice removal	6,680,046	6,806,360	5,999,956	806,404	4,983,854
Flood mitigation/debris removal	140,000	140,000	40,177	99,823	218,895
Engineering	1,186,223	1,340,253	959,141	381,112	985,191
General administration	648,747	641,347	542,690	98,657	572,818
Capital Outlay	8,787,374	8,666,674	5,364,696	3,301,978	4,332,517
Total Expenditures	17,442,390	17,594,634	12,906,660	4,687,974	11,093,275
(Deficiency of Revenues (Under) Expenditures	(9,389,880)	(9,538,229)	(2,972,074)	6,566,155	(4,364,392)
Other Financing Sources					
Transfers in	5,014,200	5,014,200	5,082,400	68,200	2,700,000
Sale of capital assets	-	-	-	-	162,500
Total Other Financing Sources (Uses)	5,014,200	5,014,200	5,082,400	68,200	2,862,500
Net Change in Fund Balances	\$ (4,375,680)	\$ (4,524,029)	2,110,326	\$ 6,634,355	(1,501,892)
Fund Balances Beginning of Year			5,899,740		7,401,632
Fund Balances End of Year			\$ 8,010,066		\$5,899,740

La Plata County, Colorado
Social Services Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	1,459,079	1,607,620
Restricted cash	56,618	58,483
Receivables:		
Accounts	19,646	1,196
Property taxes	1,141,213	945,255
Intergovernmental	<u>211,700</u>	<u>283,560</u>
Total Assets	<u>\$ 2,888,656</u>	<u>\$ 2,896,514</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 177,850	\$ 289,873
Liabilities payable from restricted assets	56,618	58,483
Intergovernmental payable	71,864	71,864
Deferred revenues	<u>1,141,213</u>	<u>945,255</u>
Total Liabilities	1,447,545	1,365,475
Fund Balances		
Unreserved, undesignated	<u>1,441,111</u>	<u>1,531,039</u>
Total Liabilities and Fund Balances	<u>\$ 2,888,656</u>	<u>\$ 2,896,514</u>

La Plata County, Colorado
Social Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for Year Ended December 31, 2005)

	2006				
	Budget As Adopted	Budget Final	Actual	Variance Favorable (Unfavorable)	2005
Revenues					
Property taxes	\$ 1,009,849	\$ 1,009,849	\$ 1,055,850	\$ 46,001	\$ 992,481
Intergovernmental	5,792,983	5,792,983	3,423,698	(2,369,285)	3,313,199
Miscellaneous	-	-	257,469	257,469	163,157
Total Revenues	6,802,832	6,802,832	4,737,017	(2,065,815)	4,468,837
Expenditures					
Current:					
Health and welfare	7,688,008	7,692,008	4,731,187	2,960,821	4,382,602
Capital Outlay		-	138,526	(138,526)	99,177
Total Expenditures	7,688,008	7,692,008	4,869,713	2,822,295	4,481,779
Excess (Deficiency) of Revenues Over (Under) Expenditures	(885,176)	(889,176)	(132,696)	756,480	(12,942)
Other Financing Sources					
Transfers in	7,600	7,600	42,768	35,168	-
Net Change in Fund Balances	\$ (877,576)	\$ (881,576)	(89,928)	\$ 791,648	(12,942)
Fund Balances Beginning of Year			1,531,039		1,543,981
Fund Balances End of Year			\$ 1,441,111		\$ 1,531,039

La Plata County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Tribal Impact Mitigation	Landfill Closure	Total Nonmajor Special Revenue Funds
Assets						
Equity in treasurer's cash and investments	\$ 578,108	\$ 1,185,000	\$ 63,190	\$ -	\$ 571,073	\$ 2,397,371
Receivables:						
Property taxes	-		53,184	-	-	53,184
Accounts	-	-	1,650	-	-	1,650
Interfund	144,505	-	-	-	-	144,505
Total Assets	\$ 722,613	\$ 1,185,000	\$ 118,024	\$ -	\$ 571,073	\$ 2,596,710
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 4,370	\$ -	\$ 3,300	\$ -	\$ 1,408	\$ 9,078
Deferred revenues	-	-	53,184	-	-	53,184
Total Liabilities	4,370	-	56,484	-	1,408	62,262
Fund Balances						
Reserved for emergencies	-	1,185,000	-	-	-	1,185,000
Unreserved, undesignated	718,243	-	61,540	-	569,665	1,349,448
Total Fund Balances	718,243	1,185,000	61,540	-	569,665	2,534,448
Total Liabilities and Fund Balances	\$ 722,613	\$ 1,185,000	\$ 118,024	\$ -	\$ 571,073	\$ 2,596,710

La Plata County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006

	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Tribal Impact Mitigation	Landfill Closure	Total Nonmajor Special Revenue Funds
Revenues						
Property taxes	\$ -	\$ -	\$ 55,873	\$ -	\$ -	\$ 55,873
Intergovernmental	-	-	-	-	-	-
Investment earnings	13,116	-	-	4,160	27,231	44,507
Miscellaneous	-	-	14,925	-	-	14,925
Total Revenues	13,116	-	70,798	4,160	27,231	115,305
Expenditures						
Current:						
Public works	-	-	87,743	-	144,898	232,641
Capital Outlay	59,548	-	-	-	-	59,548
Total Expenditures	59,548	-	87,743	732,054	144,898	1,024,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,432)	-	(16,945)	(727,894)	(117,667)	(908,938)
Other Financing Sources (Uses)						
Transfers in	1,902,155	-	-	-	60,000	1,962,155
Transfers out	(1,529,968)	-	-	(907,391)	-	(2,437,359)
Total Other Financing Sources (Uses)	372,187	-	-	(907,391)	60,000	(475,204)
Net Change in Fund Balances	325,755	-	(16,945)	(1,635,285)	(57,667)	(1,384,142)
Fund Balances Beginning of Year	392,488	1,185,000	78,485	1,635,285	627,332	3,918,590
Fund Balances End of Year	\$ 718,243	\$ 1,185,000	\$ 61,540	\$ -	\$ 569,665	\$ 2,534,448

La Plata County, Colorado
Joint Sales Tax Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	\$ 578,108	\$ 263,533
Interfund receivable	<u>144,505</u>	<u>134,556</u>
Total Assets	<u><u>\$ 722,613</u></u>	<u><u>\$ 398,089</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 4,370	\$ 5,601
Fund Balances		
Unreserved, undesignated	<u>718,243</u>	<u>392,488</u>
Total Liabilities and Fund Balances	<u><u>\$ 722,613</u></u>	<u><u>\$ 398,089</u></u>

La Plata County, Colorado
Joint Sales Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Investment income	\$ -	\$ -	\$ 13,116	\$ 13,116	\$ -
Expenditures					
Capital Outlay:	53,215	63,215	59,548	3,667	35,091
Total Expenditures	53,215	63,215	59,548	3,667	35,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,215)	(63,215)	(46,432)	16,783	(35,091)
Other Financing Sources (Uses)					
Transfers in	1,776,066	1,773,851	1,902,155	128,304	1,705,626
Transfers out	(1,737,288)	(1,734,310)	(1,529,968)	204,342	(1,470,298)
Total Other Financing Sources (Uses)	38,778	39,541	372,187	332,646	235,328
Net Change in Fund Balances	\$ (14,437)	\$ (23,674)	325,755	\$ 349,429	200,237
Fund Balances Beginning of Year			392,488		192,251
Fund Balances End of Year			\$ 718,243		\$ 392,488

La Plata County, Colorado
Emergency Reserve Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	<u>\$ 1,185,000</u>	<u>\$ 1,185,000</u>
Fund Balances		
Reserved for emergencies	<u>\$ 1,185,000</u>	<u>\$ 1,185,000</u>

La Plata County, Colorado
Emergency Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				2005
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	65,000
Total Other Financing Sources (Uses)	-	-	-	-	65,000
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	65,000
Fund Balances Beginning of Year			1,185,000		1,120,000
Fund Balances End of Year			<u>\$ 1,185,000</u>		<u>\$ 1,185,000</u>

La Plata County, Colorado
Local Improvement District Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	\$ 63,190	\$ 78,210
Accounts receivable	1,650	275
Property taxes receivable	<u>53,184</u>	<u>51,586</u>
Total Assets	<u><u>\$ 118,024</u></u>	<u><u>\$ 130,071</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 3,300	\$ -
Deferred revenues	<u>53,184</u>	<u>51,586</u>
Total Liabilities	56,484	51,586
Fund Balances		
Unreserved, undesignated	<u>61,540</u>	<u>78,485</u>
Total Liabilities and Fund Balances	<u><u>\$ 118,024</u></u>	<u><u>\$ 130,071</u></u>

La Plata County, Colorado
Local Improvement District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Property taxes	\$ 55,554	\$ 55,554	\$ 55,873	\$ 319	\$ 55,256
Miscellaneous	1,750	1,750	14,925	13,175	3,026
Total Revenues	57,304	57,304	70,798	13,494	58,282
Expenditures					
Current:					
Public works	88,000	88,000	87,743	257	44,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (30,696)</u>	<u>\$ (30,696)</u>	(16,945)	<u>\$ 13,751</u>	13,515
Fund Balances Beginning of Year			78,485		64,970
Fund Balances End of Year			<u>\$ 61,540</u>		<u>\$ 78,485</u>

La Plata County, Colorado
Tribal Impact Mitigation Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	<u>\$ -</u>	<u>\$ 1,635,285</u>
 Fund Balances		
Unreserved, undesignated	<u>\$ -</u>	<u>\$ 1,635,285</u>

La Plata County, Colorado
Tribal Impact Mitigation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Intergovernmental					
Payment from Southern Ute Indian tribe	\$ 260,000	\$ 260,000	\$ -	\$ (260,000)	\$ 1,624,488
Investment earnings	800	800	4,160	3,360	10,797
Total Revenues	260,800	260,800	4,160	(256,640)	1,635,285
Expenditures					
Current:					
General government	80,000	80,000	732,054	(652,054)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	180,800	180,800	(727,894)	(908,694)	1,635,285
Other Financing (Uses)					
Transfers out	(170,000)	(170,000)	(907,391)	(737,391)	-
Net Change in Fund Balances	<u>\$ 10,800</u>	<u>\$ 10,800</u>	(1,635,285)	<u>\$ (1,646,085)</u>	1,635,285
Fund Balances Beginning of Year			1,635,285		-
Fund Balances End of Year			<u>\$ -</u>		<u>\$ 1,635,285</u>

La Plata County, Colorado
Landfill Closure Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	<u>\$ 571,073</u>	<u>\$ 651,977</u>
Total Assets	<u><u>\$ 571,073</u></u>	<u><u>\$ 651,977</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 1,408</u>	<u>\$ 24,645</u>
Fund Balances		
Unreserved, undesignated	<u>569,665</u>	<u>627,332</u>
Total Liabilities and Fund Balances	<u><u>\$ 571,073</u></u>	<u><u>\$ 651,977</u></u>

La Plata County, Colorado
Landfill Closure Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Investment income	\$ 7,000	\$ 7,000	\$ 27,231	\$ 20,231	\$ 18,537
Expenditures					
Current:					
Public works	570,000	570,000	144,898	425,102	76,419
Excess (Deficiency) of Revenues Over (Under) Expenditures	(563,000)	(563,000)	(117,667)	445,333	(57,882)
Other Financing Sources (Uses)					
Transfers in	60,000	60,000	60,000	-	60,000
Net Change in Fund Balances	<u>\$ (503,000)</u>	<u>\$ (503,000)</u>	(57,667)	<u>\$ 445,333</u>	2,118
Fund Balances Beginning of Year			627,332		625,214
Fund Balances End of Year			<u>\$ 569,665</u>		<u>\$ 627,332</u>

La Plata County, Colorado
Capital Improvement Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	\$ 11,122,469	\$ 7,783,640
Receivables:		
Accounts	92,674	59,293
Intergovernmental	1,035,818	319,919
Other receivable	55,000	-
Total Assets	<u>\$ 12,305,961</u>	<u>\$ 8,162,852</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 477,915	\$ 202,255
Contracts payable	18,685	28,387
Intergovernmental payable	-	62,614
Deferred revenue	48,985	71,485
Total Liabilities	545,585	364,741
Fund Balances		
Reserved for capital improvements	11,760,376	7,798,111
Total Liabilities and Fund Balances	<u>\$ 12,305,961</u>	<u>\$ 8,162,852</u>

La Plata County, Colorado
Capital Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Intergovernmental	\$ 713,000	\$ 713,000	\$ 1,622,818	\$ 909,818	\$ 404,919
Miscellaneous revenue	10,000	10,000	5,452	(4,548)	381
Total Revenues	723,000	723,000	1,628,270	905,270	405,300
Expenditures					
Capital Outlay	5,895,450	7,360,925	4,084,945	3,275,980	4,563,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,172,450)	(6,637,925)	(2,456,675)	4,181,250	(4,158,030)
Other Financing Sources (Uses)					
Transfers in					
From general fund	7,000,000	7,000,000	7,000,000	-	5,800,000
Transfers out					
To debt service fund	(612,000)	(612,000)	(601,559)	(10,441.0)	(640,000)
To capital equipment replacement fund	-	-	-	-	(1,000,000)
Sale of capital assets	-	-	20,499	20,499	3,575
Total Other Financing Sources (Uses)	6,388,000	6,388,000	6,418,940	10,058	4,163,575
Net Change in Fund Balances	\$ 1,215,550	\$ (249,925)	3,962,265	\$ 4,191,308	5,545
Fund Balances Beginning of Year			7,798,111		7,792,566
Fund Balances End of Year			\$ 11,760,376		\$ 7,798,111

La Plata County, Colorado
Finance Authority Capital Project Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Cash held by Trustee	<u>\$ 92,162</u>	<u>\$ 102,833</u>
 Liabilities and Fund Balances		
Liabilities		
Due to General Fund	<u>\$ 92,881</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 92,881</u>	<u>\$ -</u>
 Fund Balances		
Reserved for capital improvements	<u>(719)</u>	<u>102,833</u>
Total Liabilities and Fund Balances	<u>\$ 92,162</u>	<u>\$ 102,833</u>

La Plata County, Colorado
Finance Authority Capital Project Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Investment earnings	\$ -	\$ -	\$ 3,916	\$ 3,916	\$ 3,790
Expenditures					
Capital Outlay	-	-	107,468	(107,468)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(103,552)	(103,552)	3,790
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(103,552)	<u>\$ (103,552)</u>	3,790
Fund Balances Beginning of Year			102,833		99,043
Fund Balances End of Year			<u>\$ (719)</u>		<u>\$ 102,833</u>

La Plata County, Colorado
Nonmajor Debt Service Funds
Combining Balance Sheet
December 31, 2006

	<u>County</u> <u>Debt Service</u>	<u>Finance</u> <u>Authority</u> <u>Debt Service</u>	<u>Total</u>
Assets			
Equity in treasurer's cash and investments	\$ -	\$ 24,387	\$ 24,387
Cash held by Trustee	-	400,756	400,756
Total Assets	<u>\$ -</u>	<u>\$ 425,143</u>	<u>\$ 425,143</u>
 Fund Balances			
Reserved for debt service	<u>\$ -</u>	<u>\$ 425,143</u>	<u>\$ 425,143</u>

*Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2006*

	<u>County</u> <u>Debt Service</u>	<u>Finance Authority</u> <u>Debt Service</u>	<u>Total</u>
Revenues			
Investment earnings	\$ 5,055	\$ 15,641	\$ 20,696
Expenditures			
Debt Service:			
Principal retirement	615,000	355,000	970,000
Interest and fiscal charges	29,213	109,959	139,172
Agent fees	250	1,750	2,000
Total Expenditures	<u>644,463</u>	<u>466,709</u>	<u>1,111,172</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(639,408)	(451,068)	(1,090,476)
Other Financing Sources			
Transfers in	<u>601,559</u>	<u>380,000</u>	<u>981,559</u>
Net Change in Fund Balances	(37,849)	(71,068)	(108,917)
Fund Balances Beginning of Year	<u>37,849</u>	<u>496,211</u>	<u>534,060</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 425,143</u>	<u>\$ 425,143</u>

La Plata County, Colorado
Debt Service Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	\$ -	\$ 37,849
Fund Balances		
Reserved for debt service	\$ -	\$ 37,849

Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Investment earnings	\$ 1,000	\$ 1,000	\$ 5,055	\$ 4,055	\$ 5,590
Expenditures					
Debt Service:					
Principal retirement	615,000	615,000	615,000	-	585,000
Interest and fiscal charges	29,213	29,213	29,213	-	57,000
Agent fees	745	745	250	495	250
Total Expenditures	644,958	644,958	644,463	495	642,250
Excess (Deficiency) of Revenues Over (Under) Expenditures	(643,958)	(643,958)	(639,408)	4,550	(636,660)
Other Financing Sources					
Transfers in	612,000	612,000	601,559	(10,441)	640,000
Net Change in Fund Balances	\$ (31,958)	\$ (31,958)	(37,849)	\$ (5,891)	3,340
Fund Balances Beginning of Year			37,849		34,509
Fund Balances End of Year			\$ -		\$ 37,849

La Plata County, Colorado
Finance Authority Debt Service Fund
Comparative Balance Sheet
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Equity in treasurer's cash and investments	\$ 24,387	\$ 90,438
Cash held by Trustee	<u>400,756</u>	<u>405,773</u>
Total Assets	<u><u>\$ 425,143</u></u>	<u><u>\$ 496,211</u></u>
 Fund Balances		
Reserved for debt service	<u><u>\$ 425,143</u></u>	<u><u>\$ 496,211</u></u>

La Plata County, Colorado
Finance Authority Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Revenues					
Investment earnings	\$ -	\$ -	\$ 15,641	\$ 15,641	\$ 10,673
Expenditures					
Debt Service:					
Principal retirement	355,000	355,000	355,000	-	345,000
Interest and fiscal charges	109,959	109,959	109,959	0	116,959
Agent fees	-	-	1,750	(1,750)	1,750
Total Expenditures	<u>464,959</u>	<u>464,959</u>	<u>466,709</u>	<u>(1,750)</u>	<u>463,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(464,959)	(464,959)	(451,068)	13,891	(453,036)
Other Financing Sources					
Transfers in-Finance Authority Capital Projects			-	-	-
Transfers in-County General	380,000	380,000	380,000	-	550,000
Net Change in Fund Balances	<u>\$ (84,959)</u>	<u>\$ (84,959)</u>	<u>(71,068)</u>	<u>\$ 13,891</u>	<u>96,964</u>
Fund Balances Beginning of Year			<u>496,211</u>		<u>399,247</u>
Fund Balances End of Year			<u>\$ 425,143</u>		<u>\$ 496,211</u>

La Plata County, Colorado
Internal Service Funds
Combining Statement of Net Assets
December 31, 2006

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Assets			
Current Assets:			
Equity in treasurer's cash and investments	\$ 1,076,116	\$ 2,616,381	\$ 3,692,497
Accounts receivable	5,809		5,809
Inventory	111,389	-	111,389
Total Current Assets	1,193,314	2,616,381	3,809,695
Noncurrent Assets:			
Capital Assets:			
Depreciable capital assets, net	6,420,758	-	6,420,758
Total Assets	\$ 7,614,072	\$ 2,616,381	\$ 10,230,453
Liabilities			
Current Liabilities:			
Accrued payroll	11,079	-	11,079
Accounts payable	65,167	-	65,167
Accrued incurred/unreported claims	-	161,969	161,969
Total Current Liabilities	76,246	161,969	238,215
Net Assets			
Invested in capital assets	6,420,758	-	6,420,758
Unrestricted	1,117,068	2,454,412	3,571,480
Total Net Assets	\$ 7,537,826	\$ 2,454,412	\$ 9,992,238

La Plata County, Colorado
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2006

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Operating Revenues			
Charges for services	\$ 2,020,643	\$ -	\$ 2,020,643
Insurance deposits	-	2,104,596	2,104,596
Total Operating Revenues	2,020,643	2,104,596	4,125,239
Operating Expenses			
Equipment maintenance	1,026,963	-	1,026,963
Depreciation	1,205,722	-	1,205,722
Medical claims	-	1,803,586	1,803,586
Total Operating Expenses	2,232,685	1,803,586	4,036,271
Operating Income (Loss)	(212,042)	301,010	88,968
Non-Operating Revenues			
Gain (loss) on sale of capital assets	917	-	917
Capital grant	300,000	-	300,000
Investment earnings	42,806	114,448	157,254
Total Non-Operating Revenues (Expenses)	343,723	114,448	458,171
Change in Net Assets	131,681	415,458	547,139
Net Assets Beginning of Year	7,406,145	2,038,954	9,445,099
Net Assets End of Year	<u>\$ 7,537,826</u>	<u>\$ 2,454,412</u>	<u>\$ 9,992,238</u>

La Plata County, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2006

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	\$ 2,015,884	\$ 2,104,596	\$ 4,120,480
Cash payments for goods and services	(966,803)	-	(966,803)
Cash payments for claims		(1,739,619)	(1,739,619)
Net Cash Provided by Operating Activities	1,049,081	364,977	1,414,058
Cash Flows from Capital and Related Financing Activities			
Cash sales of capital assets	214,980	-	214,980
Cash from capital grant	300,000	-	300,000
Payments for capital acquisitions	(1,520,787)	-	(1,520,787)
Net Cash Used in Capital and Related Financing Activities	(1,005,807)	-	(1,005,807)
Cash Flows from Investing Activities			
Investment earnings	42,806	114,448	157,254
Net Increase (Decrease) in Cash and Cash Equivalents	86,080	479,425	565,505
Cash and Cash Equivalents Beginning of Year	990,036	2,136,956	3,126,992
Cash and Cash Equivalents End of Year	\$ 1,076,116	\$ 2,616,381	\$ 3,692,497
Balancing number			
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (212,042)	\$ 301,010	\$ 88,968
Adjustments:			
Depreciation	1,205,722	-	1,205,722
(Increase) Decrease in Assets:			
Accounts receivable	(4,759)	-	(4,759)
Inventory	(5,088)	-	(5,088)
Increase (Decrease) in Liabilities:			
Accounts payable	62,803	-	62,803
Accrued incurred/unreported claims		63,967	63,967
Accrued wages	2,445	-	2,445
Net Cash Provided by Operating Activities	\$ 1,049,081	\$ 364,977	\$ 1,414,058

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Assets
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 1,076,116	\$ 990,036
Accounts receivable	5,809	1,050
Inventory	111,389	106,301
Total Current Assets	<u>1,193,314</u>	<u>1,097,387</u>
Noncurrent Assets:		
Capital Assets:		
Depreciable capital assets, net	<u>6,420,758</u>	<u>6,319,756</u>
Total Assets	<u>\$ 7,614,072</u>	<u>\$ 7,417,143</u>
Liabilities		
Current Liabilities:		
Accrued payroll	\$ 11,079	\$ 8,634
Accounts payable	65,167	2,364
Total Current Liabilities	<u>76,246</u>	<u>10,998</u>
Net Assets		
Invested in capital assets	6,420,758	6,319,756
Unrestricted	1,117,068	1,086,389
Total Net Assets	<u>\$ 7,537,826</u>	<u>\$ 7,406,145</u>

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Operating Revenues		
Charges for services	\$ 2,020,643	\$ 1,758,144
Operating Expenses		
Equipment maintenance	1,026,963	870,485
Depreciation	<u>1,205,722</u>	<u>1,370,507</u>
Total Operating Expenses	2,232,685	2,240,992
Operating Income (Loss)	(212,042)	(482,848)
Non-Operating Revenues		
Gain (loss) on sale of capital assets	917	(161,600)
Capital grant	300,000	-
Investment earnings	<u>42,806</u>	<u>28,979</u>
Total Non-Operating Revenues (Expenses)	343,723	(132,621)
Loss before Contributions	131,681	(615,469)
Contributions-capital assets, net of accumulated depreciation	-	7,021,614
Contributions-cash	<u>-</u>	<u>1,000,000</u>
Total Contributions	-	8,021,614
Change in Net Assets	131,681	7,406,145
Net Assets Beginning of Year	<u>7,406,145</u>	<u>-</u>
Net Assets End of Year	<u><u>\$ 7,537,826</u></u>	<u><u>\$ 7,406,145</u></u>

La Plata County, Colorado
Capital Equipment Replacement Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for services	\$ 2,095,589	\$ 2,095,589	\$ 2,017,471	\$ (78,118)
Investment earnings	-	-	42,806	42,806
Sales of capital assets	157,500	157,500	214,980	57,480
Capital grant	-	-	300,000	
Miscellaneous	-	-	3,172	3,172
Total Revenues	<u>2,253,089</u>	<u>2,253,089</u>	<u>2,578,429</u>	<u>325,340</u>
Expenditures				
Equipment maintenance	1,015,169	1,015,169	975,900	39,269
Capital Outlay	1,507,485	1,507,485	1,571,850	(64,365)
Total Expenditures	<u>2,522,654</u>	<u>2,522,654</u>	<u>2,547,750</u>	<u>(25,096)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(269,565)	(269,565)	30,679	300,244
Net change in Fund Balances	<u>\$ (269,565)</u>	<u>\$ (269,565)</u>	30,679	<u>\$ 300,244</u>
Reconciliation to GAAP Net Income:				
Capital assets, disposed net of accumulated depreciation			(214,063)	
Add capital expenditures capitalized			1,520,787	
Less depreciation expense			<u>(1,205,722)</u>	
Change in Net Assets			<u>\$ 131,681</u>	

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Net Assets
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 2,616,381	\$ 2,136,956
Total Current Assets	<u>\$ 2,616,381</u>	<u>\$ 2,136,956</u>
 Liabilities		
Current Liabilities:		
Accrued incurred/unreported claims	\$ 161,969	\$ 98,002
 Net Assets		
Unrestricted	<u>\$ 2,454,412</u>	<u>\$ 2,038,954</u>

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Operating Revenues		
Insurance deposits	\$ 2,104,596	\$ 2,152,200
Operating Expenses		
Medical claims	<u>1,803,586</u>	<u>1,533,834</u>
Operating Income (Loss)	301,010	618,366
Non-Operating Revenues		
Investment earnings	<u>114,448</u>	<u>56,551</u>
Change in Net Assets	415,458	674,917
Net Assets Beginning of Year	<u>2,038,954</u>	<u>1,364,037</u>
Net Assets End of Year	<u><u>\$ 2,454,412</u></u>	<u><u>\$ 2,038,954</u></u>

La Plata County, Colorado
Employee Medical Self Insurance Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues				
Insurance deposits	\$ 1,983,000	\$ 1,983,000	\$ 2,152,200	\$ 169,200
Operating Expenses				
Medical claims	<u>2,120,866</u>	<u>2,120,866</u>	<u>1,533,834</u>	<u>587,032</u>
Operating Income (Loss)	(137,866)	(137,866)	618,366	756,232
Non-Operating Revenues				
Investment earnings	<u>10,000</u>	<u>10,000</u>	<u>56,551</u>	<u>46,551</u>
Change in Net Assets	<u>\$ (127,866)</u>	<u>\$ (127,866)</u>	674,917	<u>\$ 802,783</u>
Net Assets Beginning of Year			<u>1,364,037</u>	
Net Assets End of Year			<u>\$ 2,038,954</u>	

La Plata County, Colorado
General Agency Fund
Statement of Changes in Fiduciary Assets and Liabilities
For The Year Ended December 31, 2006

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Assets				
Equity in treasurer's cash and investments	\$ 1,989,093	\$ 53,587,692	\$ 53,644,999	\$ 1,931,786
Liabilities				
Accounts payable	\$ 37,879	\$ 20,682,413	\$ 20,653,272	\$ 67,020
Due to component unit	137,729	1,736,195	1,798,008	75,916
Deposits held for others	1,813,485	31,169,084	31,193,719	1,788,850
Total Liabilities	\$ 1,989,093	\$ 53,587,692	\$ 53,644,999	\$ 1,931,786

Sixth Judicial District Attorney
Balance Sheet
Governmental Funds
December 31, 2006

	General	Victim's Assistance	Federal Victim's Compensation	State Victim's Compensation	Total Governmental Funds
Assets					
Cash Deposits	\$ 43,243	\$ 57,500	\$ 5,996	\$ 110,216	\$ 216,955
Due from primary government	75,916	-	-	-	75,916
Receivables:					
Accounts	1,023	-	-	-	1,023
Intergovernmental	153,417	-	-	-	153,417
Total Assets	<u>\$ 273,599</u>	<u>\$ 57,500</u>	<u>\$ 5,996</u>	<u>\$ 110,216</u>	<u>\$ 447,311</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 4,911	\$ -	\$ -	\$ -	\$ 4,911
Intergovernmental payable	823	-	-	-	823
Deferred revenue	4,142	-	-	-	4,142
Accrued salaries and benefits	23,506	-	-	-	23,506
Due to primary government	150,000	-	-	-	150,000
Total Liabilities	<u>183,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,382</u>
Fund Balances					
Reserved for emergencies	50,000	-	-	-	50,000
Unreserved, undesignated reported in:					
General fund	40,217	-	-	-	40,217
Special revenue funds	-	57,500	5,996	110,216	173,712
Total Fund Balances	<u>90,217</u>	<u>57,500</u>	<u>5,996</u>	<u>110,216</u>	<u>263,929</u>
Total Liabilities and Fund Balances	<u>\$ 273,599</u>	<u>\$ 57,500</u>	<u>\$ 5,996</u>	<u>\$ 110,216</u>	<u>\$ 447,311</u>
Governmental Fund Balance					\$ 263,929
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds					99,885
Compensated absences are not due and payable in the current period and therefore not reported in the funds					(62,428)
Net assets of governmental activities					<u>\$ 301,386</u>

Sixth Judicial District Attorney
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	<u>General</u>	<u>Victim's Assistance</u>	<u>Federal Victim's Compensation</u>	<u>State Victim's Compensation</u>	<u>Total Governmental Funds</u>
Revenues					
Intergovernmental	\$ 406,469	\$ 192,626	\$ 100,000	\$ 128,681	\$ 827,776
Intergovernmental - County	1,172,713	-	-	-	1,172,713
Miscellaneous	60,322	2,190	32,215	39,089	133,816
Total Revenues	<u>1,639,504</u>	<u>194,816</u>	<u>132,215</u>	<u>167,770</u>	<u>2,134,305</u>
Expenditures					
Current:					
Public safety	1,643,817	153,315	126,221	89,578	2,012,931
Capital Outlay	26,442	-	-	-	26,442
Total Expenditures	<u>1,670,259</u>	<u>153,315</u>	<u>126,221</u>	<u>89,578</u>	<u>2,039,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,755)</u>	<u>41,501</u>	<u>5,994</u>	<u>78,192</u>	<u>94,932</u>
Other Financing Sources (Uses)					
Transfers in	38,614	-	-	-	38,614
Sales of assets	-	-	-	-	-
Transfers out	-	(19,571)	-	(19,043)	(38,614)
Total Other Financing Sources (Uses)	<u>38,614</u>	<u>(19,571)</u>	<u>-</u>	<u>(19,043)</u>	<u>-</u>
Net Change in Fund Balances	<u>7,859</u>	<u>21,930</u>	<u>5,994</u>	<u>59,149</u>	<u>94,932</u>
Fund Balances Beginning of Year	<u>82,358</u>	<u>35,570</u>	<u>2</u>	<u>51,067</u>	<u>168,997</u>
Fund Balances End of Year	<u>\$ 90,217</u>	<u>\$ 57,500</u>	<u>\$ 5,996</u>	<u>\$ 110,216</u>	<u>\$ 263,929</u>
Net change in fund balances					94,932
Amounts reported for governmental activities in the statement of activities are different because:					
Governmental funds report capital outlays as expenditures but they are capitalized at the government-wide financial reporting level:					
Depreciation expense				\$ (15,824)	
Capital outlay				26,442	10,618
Governmental fund do not report compensated absences at the fund financial reporting level but they are reported at the government-wide financial reporting level.					
Liability @ 12/31/06				\$ (62,428)	
Liability @ 12/31/05				56,805	(5,623)
Change in net assets at the government-wide financial reporting level					<u>\$ 99,927</u>

Sixth Judicial District Attorney
Governmental funds (General) with adopted budget
*Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2006*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 464,391	\$ 464,391	\$ 406,469	\$ (57,922)
Intergovernmental - County	1,299,110	1,299,110	1,172,713	(126,397)
Miscellaneous	20,001	20,001	60,322	40,321
Total Revenues	<u>1,783,502</u>	<u>1,783,502</u>	<u>1,639,504</u>	<u>(143,998)</u>
Expenditures				
Current:				
Public safety	1,746,877	1,746,877	1,643,817	103,060
Capital Outlay	<u>36,625</u>	<u>36,625</u>	<u>26,442</u>	<u>10,183</u>
Total Expenditures	<u>1,783,502</u>	<u>1,783,502</u>	<u>1,670,259</u>	<u>113,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(30,755)</u>	<u>(30,755)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	38,614	38,614
Sales of assets	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>38,614</u>	<u>38,614</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>7,859</u>	<u>\$ 7,859</u>
Fund Balances Beginning of Year			<u>82,358</u>	
Fund Balances End of Year			<u>\$ 90,217</u>	

SPECIAL REPORTS SECTION



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTARY INFORMATION

July 18, 2007

Honorable Board of County Commissioners
La Plata County, Colorado

We have audited the basic financial statements of La Plata County, Colorado for the year ended December 31, 2006, and have issued our report thereon dated July 18, 2007. Our audit of such financial statements was made in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Local Highway Finance Report and the Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures are presented for purposes of additional analysis and are not a required part of the financial statements. The information in the schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

La Plata County, Colorado
Social Services Fund
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures
For the Year Ended December 31, 2006

Program	County	County	Expenditures	Total	
	EBT	Share of	By County	Authorizations	Total
	Authorizations	Authorizations	Warrant	& Expenditures By	Expenditures
				By County Warrant	
Colorado Works	\$ 526,703	\$ 85,130	\$ 439,674	\$ 966,377	\$ 524,804
Child Care	399,264	64,717	116,895	516,159	181,612
Child Welfare	1,091,107	147,882	1,127,434	2,218,541	1,275,316
County Administration	-	-	573,475	573,475	573,475
Core Services	297,008	9,673	739,906	1,036,914	749,579
Child Support Administration	-	-	603,726	603,726	603,726
LEAP	467,917	-	36,846	504,763	36,846
AND	161,655	31,818	-	161,655	31,818
Old Age Pension	243,874	44	19,724	263,598	19,768
Food Assistance Fraud	-	-	48,695	48,695	48,695
Food Assistance	2,373,308	-	-	2,373,308	-
Food Assistance Job Search	-	-	15,852	15,852	15,852
CBMS Conversion Costs	-	-	43,256	43,256	43,256
Title XX	-	-	4,576	4,576	4,576
Quality Grants	-	-	43,615	43,615	43,615
CHAFFEE	-	-	57,937	57,937	57,937
General Assistance	-	-	42,076	42,076	42,076
HB 1414 IV-E Eligibility	13,328	-	28,873	42,201	28,873
PSSF	-	-	127,389	127,389	127,389
Totals	\$ 5,574,164	\$ 339,264	\$ 4,069,949	\$ 9,644,113	\$ 4,409,213

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		County
		YEAR ENDING :
This Information From The Records Of: County of La Plata, Colorado		Prepared By: Karla Distel
		Phone: (970)382-6306

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	5,000,000
3. Other local imposts (from page 2)	3,986,912
4. Miscellaneous local receipts (from page 2)	458,959
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	9,445,871
B. Private Contributions (So Ute Indian Tribe)	137,913
C. Receipts from State government (from page 2)	5,323,423
D. Receipts from Federal Government (from page 2)	109,780
E. Total receipts (A.7 + B + C + D)	15,016,987

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	6,323,837
2. Maintenance:	4,832,107
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	1,208,027
c. Other	
d. Total (a. through c.)	1,208,027
4. General administration & miscellaneous	542,690
5. Highway law enforcement and safety	
6. Total (1 through 5)	12,906,660
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	12,906,660

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	5,899,740	15,016,987	12,906,660		8,010,067

Notes and Comments:

Private Contributions on Page 1 represent payments in lieu of taxes from Southern Ute Indian Tribe.

Maintenance and snow removal costs are consolidated into a single cost center in our system--we estimate 20% for snow removal

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2006

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,760,358	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,988,040	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	81,678	f. Charges for Services	
5. Specific Ownership &/or Other	156,836	g. Other Misc. Receipts	458,959
6. Total (1. through 5.)	2,226,554	h. Other	
c. Total (a. + b.)	3,986,912	i. Total (a. through h.)	458,959
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,686,435	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	109,780
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	167,615	d. Federal Transit Admin	
d. Other EIAF	2,049,373	e. U.S. Corps of Engineers	
e. Other LGGF	420,000	f. Other Federal	
f. Total (a. through e.)	2,636,988	g. Total (a. through f.)	109,780
4. Total (1. + 2. + 3.f)	5,323,423	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		2,000	2,000
b. Engineering Costs		959,141	959,141
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		5,276,984	5,276,984
(4). System Enhancement & Operation		85,712	85,712
(5). Total Construction (1) + (2) + (3) + (4)	0	5,362,696	5,362,696
d. Total Capital Outlay (Lines I.a. + I.b. + I.c.5)	0	6,323,837	6,323,837
		(Carry forward to page 1)	

Notes and Comments:

STATISTICAL SECTION

This part of La Plata County's comprehensive annual financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Governmental Accounting Standards Board Statement #34 in 2003; schedules presenting government-wide information include information beginning in that year.

La Plata County, Colorado
Government-wide Net Assets by Component
December 31, 2003-2006
(accrual basis of accounting)

	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006
Governmental Activities				
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 52,092,382
Restricted for:				
Capital projects	9,474,624	7,891,609	7,900,944	11,759,657
Emergencies	1,120,000	1,120,000	1,185,000	1,185,000
Debt Service	36,319	433,756	534,060	425,143
Specific projects and programs	7,369,315	9,036,905	9,410,170	10,192,051
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833
Subtotal Governmental Activities Net Assets	\$ 63,668,437	\$ 72,305,126	\$ 85,588,270	\$ 101,579,066
Business-type Activities				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Subtotal Business-type Activities Net assets	\$ -	\$ -	\$ -	\$ -
Primary Government				
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 52,092,382
Restricted	18,000,258	18,482,270	19,030,174	23,561,851
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833
Total primary government net assets	\$ 63,668,437	\$ 72,305,126	\$ 85,588,270	\$ 101,579,066

Notes: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Colorado or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.

La Plata County, Colorado
Government-wide Expenses, Program Revenues and
Net (Expense)/Revenue by Function/Program
For the Fiscal Years Ended December 31, 2003-2006
(accrual basis of accounting)

Function/Program	Fiscal Year 2003			Fiscal Year 2004			Fiscal Year 2005			Fiscal Year 2006		
	Expenses	Program Revenues	Net (Expense)/Revenue ¹	Expenses	Program Revenues	Net (Expense)/Revenue ¹	Expenses	Program Revenues	Net (Expense)/Revenue ¹	Expenses	Program Revenues	Net (Expense)/Revenue ¹
Governmental Activities												
General government	\$ 7,754,452	\$ 5,194,888	\$ (2,559,564)	\$ 6,973,916	\$ 3,659,165	\$ (3,314,751)	\$ 7,985,491	\$ 5,765,066	\$ (2,220,425)	\$ 8,776,033	\$ 4,814,898	\$ (3,961,135)
Public safety	10,227,758	1,402,288	(8,825,470)	10,363,443	1,056,346	(9,307,097)	11,205,953	884,278	(10,321,675)	12,529,335	1,354,420	(11,174,915)
Public works	7,998,659	4,187,964	(3,810,695)	2,301,220	745,848	(1,555,372)	2,740,837	425,396	(2,315,441)	3,055,270	677,927	(2,377,344)
PW-Investment in joint venture	-	2,562,483	2,562,483	590,995	-	(590,995)	-	1,217,455	1,217,455	-	503,666	503,666
Health and welfare	4,471,450	3,184,453	(1,286,997)	7,692,460	5,704,432	(1,988,028)	8,407,331	4,259,514	(4,147,817)	11,240,436	7,141,023	(4,099,412)
Auxiliary services	2,547,884	1,005,684	(1,542,200)	4,295,664	3,331,298	(964,366)	4,570,764	3,313,199	(1,257,565)	4,703,319	3,423,698	(1,279,621)
Community programs	2,522,640	412,482	(2,110,158)	2,680,824	479,840	(2,200,984)	3,322,796	853,959	(2,468,837)	6,106,905	3,019,789	(3,087,116)
Interest on long-term debt	103,912	-	(103,912)	120,222	-	(120,222)	180,491	-	(180,491)	136,007	-	(136,007)
Subtotal Governmental Activities	35,626,755	17,950,242	(17,676,513)	35,018,744	14,976,929	(20,041,815)	38,413,663	16,718,867	(21,694,796)	46,547,306	20,935,422	(25,611,884)
Business-type Activities												
Business-type Activities	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Business-type Activities	-	-	-	-	-	-	-	-	-	-	-	-
Total Primary Government	\$ 35,626,755	\$ 17,950,242	\$ (17,676,513)	\$ 35,018,744	\$ 14,976,929	\$ (20,041,815)	\$ 38,413,663	\$ 16,718,867	\$ (21,694,796)	\$ 46,547,306	\$ 20,935,422	\$ (25,611,884)

Notes: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes a

La Plata County, Colorado
Government-wide Program Revenues by Category
For the Fiscal Years Ended December 31, 2003-2006
(accrual basis of accounting)

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Governmental Activities				
Charges for Services	\$ 4,187,847	\$ 2,885,302	\$ 2,888,692	\$ 4,152,403
Operating Grants and Contributions	8,335,012	8,558,442	12,056,298	12,390,828
Capital Grants and Contributions	5,427,383	3,533,185	1,773,879	4,392,191
Subtotal Governmental Activities Program Revenues	17,950,242	14,976,929	16,718,869	20,935,422
Business-type Activities				
Charges for Services	-	-	-	-
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	-
Subtotal Business-type Activities Program Revenues	-	-	-	-
Primary Government				
Charges for Services	4,187,847	2,885,302	2,888,692	4,152,403
Operating Grants and Contributions	8,335,012	8,558,442	12,056,298	12,390,828
Capital Grants and Contributions	5,427,383	3,533,185	1,773,879	4,392,191
Total Primary Government Program Revenues	\$ 17,950,242	\$ 14,976,929	\$ 16,718,869	\$ 20,935,422

Notes: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

Program revenues are related to specific activities of the County. Their sources are either fees, fines, charges for services or grants restricted to a specific purpose.

La Plata County, Colorado
Government-wide General Revenues and Other Changes in Net Assets
For the Fiscal Years Ended December 31, 2003-2006
(accrual basis of accounting)

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Net (Expense), Total Primary Government (See table S-2)				
Governmental activities	\$ (17,676,513)	\$ (20,041,815)	\$ (21,694,794)	\$ (25,611,884)
Business activities	-	-	-	-
Total Primary Government	(17,676,513)	(20,041,815)	(21,694,794)	(25,611,884)
General revenues and other changes in net assets				
Governmental Activities:				
Taxes				
Property taxes levied for general purposes	16,450,626	14,421,821	19,938,128	23,038,002
Sales taxes	10,044,453	11,099,303	11,558,412	12,874,145
Other taxes	1,296,970	150,766	166,360	176,662
Investment earnings	629,156	495,828	1,045,081	2,106,064
Gain (loss) on disposition of capital assets	-	(152,835)	-	17,057
Miscellaneous	1,148,909	2,135,485	2,269,958	3,390,749
Transfer from (to) business-type activities	18,211	-	-	-
Subtotal Governmental Activities	29,588,325	28,150,368	34,977,939	41,602,679
Business-type Activities:				
Insurance premium taxes	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Transfer from governmental activities	-	-	-	-
Subtotal Business-type Activities	-	-	-	-
Changes in Net Assets				
Governmental activities	11,911,809	8,108,553	13,283,145	15,990,795
Business-type activities	(18,211)	-	-	-
Total Primary Government	\$ 11,893,598	\$ 8,108,553	\$ 13,283,145	\$ 15,990,795

Notes: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

La Plata County, Colorado
General Governmental Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Source	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Taxes	\$ 14,433,494	\$ 16,690,503	\$ 19,404,136	\$ 20,681,820	\$ 21,291,071	\$ 26,218,122	\$ 27,792,046	\$ 25,671,890	\$ 31,662,899	\$ 36,088,807
Intergovernmental	6,684,882	6,111,189	7,554,758	9,705,122	9,027,409	11,910,774	10,900,996	12,091,627	12,627,050	15,979,354
Licenses and permits	566,788	765,392	774,898	653,986	746,136	761,470	743,950	995,007	1,023,634	817,770
Charges for services	1,877,690	2,037,867	2,219,409	2,368,210	2,515,871	2,647,593	2,998,528	2,824,970	2,854,458	3,290,254
Fines and forfeitures	-	-	-	4,292	3,963	2,792	8,605	4,919	6,888	2,518
Miscellaneous	1,640,913	1,504,221	1,916,326	3,162,912	2,797,167	2,070,870	2,260,049	1,615,915	2,175,017	5,337,037
Total revenues	\$ 25,203,767	\$ 27,109,172	\$ 31,869,527	\$ 36,576,342	\$ 36,381,617	\$ 43,611,621	\$ 44,704,174	\$ 43,204,328	\$ 50,349,946	\$ 61,515,740
% change from prior year	-6.1%	7.6%	17.6%	14.8%	-0.5%	19.9%	2.5%	-3.4%	16.5%	22.2%

La Plata County, Colorado
General Governmental Expenditures by Function
Last Ten Fiscal Years
(Unaudited)
(modified accrual basis of accounting)

Function	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Current:										
General government	\$ 3,541,086	\$ 4,007,996	\$ 4,136,509	\$ 4,825,909	\$ 5,334,617	\$ 7,279,623	\$ 7,148,375	\$ 6,879,830	\$ 7,569,024	\$ 8,494,853
Public safety	3,855,435	4,315,476	4,908,189	5,616,273	6,571,347	7,833,806	9,154,633	10,491,246	11,146,554	12,247,107
Public works	4,305,737	3,503,621	3,498,636	5,000,812	6,605,027	6,040,436	6,321,849	6,300,583	2,445,015	2,739,962
Health and welfare	3,187,688	3,177,692	3,793,161	4,153,871	4,124,878	4,453,787	4,541,852	4,436,225	6,982,368	7,861,675
Auxiliary services	1,101,294	1,111,849	1,436,387	1,583,143	2,062,207	2,372,646	2,417,688	2,165,385	4,652,802	4,731,187
Community Programs	1,709,186	1,672,675	2,040,064	2,100,038	2,238,100	3,049,666	2,522,640	2,680,824	3,322,796	6,106,905
Total Current	17,700,426	17,789,309	19,812,946	23,280,046	26,936,176	31,029,964	32,107,037	32,954,093	36,118,559	42,181,689
% Change From Prior Year	-5.8%	0.5%	11.4%	17.5%	15.7%	15.2%	3.5%	2.6%	9.6%	16.8%
Capital Outlay	5,770,290	4,477,196	8,665,506	9,863,624	6,642,809	6,534,194	10,874,580	15,993,081	9,030,115	9,755,183
% Change From Prior Year	-0.4%	-22.4%	93.5%	13.8%	-32.7%	-1.6%	66.4%	47.1%	-43.5%	8.0%
Debt Service										
Principal	380,000	400,000	420,000	1,268,498	485,000	510,000	535,000	560,000	930,000	970,000
Interest	316,655	298,415	278,415	128,498	159,226	130,625	107,675	124,405	173,959	139,172
Agent fees	211,008	200,842	306,428	745	250	250	250	250	2,000	2,000
Total Debt Service	907,663	899,257	1,004,843	1,397,741	644,476	640,875	642,925	684,655	1,105,959	1,111,172
% Change From Prior Year	4.8%	4.8%	11.7%	39.1%	-53.9%	-0.6%	0.3%	6.5%	61.5%	0.5%
Total Expenditures	\$ 24,378,379	\$ 23,165,762	\$ 29,483,295	\$ 34,541,411	\$ 34,223,461	\$ 38,205,033	\$ 43,624,542	\$ 49,631,829	\$ 46,254,633	\$ 53,048,044
% Change From Prior Year	-4.3%	-5.0%	27.3%	17.2%	-0.9%	11.6%	14.2%	13.8%	-6.8%	14.7%
Debt Service as a Percentage of Total Non-capital Expenditures	2.4%	3.9%	4.8%	5.7%	2.3%	2.0%	2.0%	2.0%	3.0%	2.6%

La Plata County, Colorado
 Governmental Fund - Fund Balances
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 109,141	\$ 117,175	\$ 130,739	\$ 134,763	\$ 186,583	\$ 520,554	\$ 1,376,847	\$ 1,439,011	\$ 1,479,821	\$ 1,503,670
Unreserved	4,700,319	5,073,007	5,853,121	6,706,010	7,170,566	8,340,333	8,288,753	5,990,174	8,699,792	12,778,086
Subtotal General Fund	4,809,460	5,190,182	5,983,860	6,840,773	7,357,149	8,860,887	9,665,600	7,429,185	10,179,613	14,281,756
General Fund Percentage Change	-2.6%	7.9%	15.3%	14.3%	7.5%	20.4%	9.1%	-23.1%	37.0%	40.3%
All Other Governmental Funds										
Reserved	1,247,702	1,237,000	1,518,213	1,531,216	1,522,128	1,863,750	2,297,516	10,299,261	10,703,124	16,481,840
Unreserved	5,420,224	8,381,360	9,160,599	9,332,020	8,004,456	7,979,630	7,029,286	8,974,152	8,547,189	7,263,442
Special Revenue Funds	1,098,342	852,467	894,354	257,316	131,054	35,927	36,319	-	534,060	425,143
Debt Service Funds	3,247,450	3,445,802	3,313,443	4,302,231	6,575,704	9,191,082	9,474,624	-	-	-
Capital Projects Fund										
Subtotal All Other Governmental Funds	11,013,718	13,916,629	14,886,609	15,422,783	16,233,342	19,070,389	18,837,745	19,273,413	19,784,373	24,170,425
Total Governmental Funds										
Reserved	1,356,843	1,354,175	1,648,952	1,665,979	1,708,711	2,384,304	3,674,363	11,738,272	12,182,945	17,985,510
Unreserved	14,466,335	17,752,636	19,221,517	20,597,577	21,881,780	25,546,972	24,828,982	14,964,326	17,781,041	20,466,671
Total Governmental Funds	\$ 15,823,178	\$ 19,106,811	\$ 20,870,469	\$ 22,263,556	\$ 23,590,491	\$ 27,931,276	\$ 28,503,345	\$ 26,702,598	\$ 29,963,986	\$ 38,452,181
All Governmental Funds Percentage Change	0.0%	20.8%	9.2%	6.7%	6.0%	18.4%	2.0%	-6.3%	12.2%	28.3%

La Plata County, Colorado
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property	Sales	Other	Total
1997	\$ 6,000,797	\$ 7,530,348	\$ 264,767	\$ 13,795,912
1998	7,780,253	7,930,753	276,511	15,987,517
1999	9,495,772	8,682,717	267,780	18,446,269
2000	9,963,904	9,403,815	267,193	19,634,912
2001	10,324,489	9,538,472	296,663	20,159,624
2002	14,884,093	9,675,960	144,088	24,704,141
2003	16,232,063	10,044,453	152,299	26,428,815
2004	14,421,821	11,099,303	150,766	25,671,890
2005	19,938,128	11,558,412	166,360	31,662,900
2006	23,038,002	12,874,145	176,662	36,088,809

Percentage Change
 In Dollars Over
 10 Years

283.9% 71.0% -33.3% 161.6%

La Plata County, Colorado
Property Tax Levies and Collections
Tax years 1996-2005
Fiscal years 1997-2006

Tax Year	Fiscal Year	Total Tax Levy ¹	Current Tax Collection	% of Levy Collected	Delinquent Tax Collections ²	Total Tax Collections	% of Total Tax Collection	
							To Levy	To Levy
1996	1997	\$ 6,004,182	\$ 5,964,455	99.34%	\$ 36,342	\$ 6,000,797	99.94%	99.94%
1997	1998	7,804,123	7,781,751	99.71%	(1,498)	7,780,253	99.69%	99.69%
1998	1999	9,567,946	9,508,662	99.38%	(12,890)	9,495,772	99.25%	99.25%
1999	2000	9,927,453	9,910,397	99.83%	53,507	9,963,904	100.37%	100.37%
2000	2001	10,339,617	10,324,889	99.86%	(29,648)	10,295,241	99.57%	99.57%
2001	2002	14,871,466	14,851,806	99.87%	5,292	14,884,093	100.08%	100.08%
2002	2003	15,976,500	15,958,581	99.89%	47,595	16,006,175	100.19%	100.19%
2003	2004	13,002,400	12,959,129	99.67%	48,043	13,045,165	100.33%	100.33%
2004	2005	18,193,503	18,178,915	99.92%	(541)	18,178,374	99.92%	99.92%
2005	2006	21,157,511	21,097,564	99.72%	(3,835)	21,093,729	99.70%	99.70%

(1) Includes General, Road and Bridge, and Social Services Funds, as well as Local Improvement District funds.

(2) Delinquent taxes are reported in the year collected, not in the year levied. When negative, represents an abatement of prior year taxes.

Notes: The recommended format for this table includes the amount of levy collected in subsequent years and the total amounts and percentage collected to date. The La Plata County Treasurer is unable to provide this information, however, only a statistically insignificant amount of unabated taxes are ultimately uncollected.

La Plata County, Colorado
Assessed Value and Estimated Actual Value of Taxable Property

Assessment Year	Fiscal Year	Vacant Property	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Oil & Gas	Other	Total Assessed	Residential Assessment Rate	Estimated Actual Value	Ratio of Assessed Value to Total Est. Actual Value
1996	1997	\$ 25,414	\$ 226,843	\$ 123,094	\$ 7,330	\$ 17,504	\$ 1,587	\$ 241,082	\$ 63,403	706,257	10.36%	\$ 3,286,961	21.5%
1997	1998	92,780	218,369	153,279	26,792	10,118	2,781	368,386	45,627	918,132	9.74%	3,805,673	24.1%
1998	1999	86,091	232,049	159,513	31,215	10,434	2,534	561,743	42,062	1,125,641	9.74%	4,168,732	27.0%
1999	2000	97,505	251,186	187,023	30,677	11,561	2,774	527,451	54,965	1,163,142	9.74%	4,507,592	25.8%
2000	2001	91,175	263,852	189,262	36,325	11,876	3,041	554,476	61,247	1,211,254	9.74%	4,697,557	25.8%
2001	2002	102,290	279,953	216,354	37,037	11,859	2,953	1,032,568	61,301	1,744,315	9.15%	5,728,618	30.4%
2002	2003	98,945	296,609	218,164	41,603	12,199	2,917	1,146,165	57,525	1,874,127	9.15%	6,038,955	31.0%
2003	2004	121,616	316,552	236,548	43,050	12,267	2,649	728,491	62,786	1,523,959	7.96%	6,460,780	23.6%
2004	2005	121,040	333,398	240,521	42,219	12,473	2,614	1,321,390	60,580	2,134,235	7.96%	7,351,843	29.0%
2005	2006	164,537	408,600	280,577	46,065	12,750	2,783	1,510,431	57,342	2,483,085	7.96%	8,804,386	28.2%

Source: La Plata County Assessor's Abstract

Notes: La Plata County reassesses property every other year on average. State law adjusts the residential assessment percentage each year, while the assessment percentage for oil & gas (87.5%) and all other properties (29%) has remained consistent. Estimated actual taxable value is calculated by dividing taxable assessed value by these percentages.

(in thousands of \$)

La Plata County, Colorado
Property Tax Rates
Direct and Overlapping Governments
1997-2006

Collection Year:		1997	1998	1999	2000	2001	2002	2003	2004	2004	2006
		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2006</u>
La Plata County	mill	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500
	tax \$	6,003,182	7,804,123	9,567,946	9,886,710	10,295,660	14,826,677	15,930,085	12,953,647	18,140,996	21,106,223
<i>Municipalities:</i>											
City of Durango	mill	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507
	tax \$	379,404	437,191	454,006	516,184	587,480	651,163	683,120	746,788	774,172	949,080
Town of Bayfield	mill	6.920	6.600	6.600	5.964	5.964	5.950	5.169	5.950	5.950	5.950
	tax \$	62,394	67,972	68,883	72,114	72,778	77,784	80,975	108,161	131,330	157,513
Town of Ignacio	mill	5.290	4.321	4.321	3.370	3.370	3.370	3.370	3.370	3.337	3.192
	tax \$	13,729	14,441	14,906	15,399	15,707	16,066	15,928	15,900	16,342	16,906
<i>School Districts:</i>											
Durango 9R	mill	34.368	27.633	22.378	21.500	21.052	15.394	17.307	21.553	16.617	16.347
	tax \$	19,025,202	19,839,119	19,668,621	20,428,405	20,839,916	21,275,601	25,131,881	25,722,113	26,337,033	29,954,630
Bayfield 10R	mill	47.813	39.942	37.582	38.766	39.326	28.847	25.974	28.100	22.764	19.429
	tax \$	4,230,790	4,398,083	4,625,394	4,609,886	4,620,310	4,850,340	5,052,127	4,343,404	5,541,416	5,456,837
Ignacio 11JT	mill	31.198	22.163	17.429	17.429	15.958	8.825	7.598	7.598	4.183	6.217
	tax \$	2,002,825	1,996,225	2,154,910	1,643,467	1,657,096	1,712,965	1,728,532	1,336,895	1,279,416	2,299,053
<i>Special Districts:</i>											
Animas Fire Protection-Bonded Indebtedness	mill	0.000	0.000	2.123	1.828	1.700	1.230	1.024	1.160	0.692	0.631
	tax \$	-	-	578,773	576,339	594,782	569,446	527,429	537,020	439,630	506,154
Animas Fire Protection	mill	8.325	7.131	4.468	4.344	4.539	4.112	3.996	5.069	5.069	5.069
	tax \$	1,509,898	1,657,991	1,158,692	1,291,488	1,395,101	1,701,189	1,859,997	2,072,739	2,941,314	3,449,902
Animas La Plata Water Conservancy	mill	0.400	0.359	0.372	0.348	0.362	0.319	0.290	0.281	0.286	0.249
	tax \$	118,494	125,937	133,847	139,193	148,507	144,336	135,257	141,825	152,234	160,308
Animas Mosquito Control	mill	0.409	0.550	0.550	0.550	0.550	0.550	0.550	0.990	0.990	0.990
	tax \$	94,740	151,827	158,072	177,660	181,716	200,845	206,500	403,036	419,328	508,366
Aspen Trails Metro	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.650	14.224
	tax \$	-	-	-	-	-	-	-	-	21,623	24,835
Bayfield Sanitation District A	mill	0.559	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	5,147	-	-	-	-	-	-	-	-	-

Collection Year:

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2006</u>
Bayfield Sanitation District B	mill tax \$	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bayfield Sanitation District C	mill tax \$	4.430 2,780	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Durango Conference Center Business Improvement Center	mill tax \$	0.000	1.500 105,637	1.500 105,401	1.476 119,160	0.000	0.000	1.500 143,457	1.500 141,636	1.500 150,619
Durango West Metropolitan I	mill tax \$	61.200 89,970	61.200 104,871	74.450 136,880	71.820 141,973	71.280 142,982	57.840 144,173	48.100 137,935	47.200 140,033	38.800 136,218
Durango West Metropolitan II	mill tax \$	38.893 224,366	34.197 207,755	33.591 207,507	31.483 211,096	30.314 209,747	28.769 210,036	25.120 203,450	25.410 208,378	21.822 210,544
Durango Hills Local Improvement	mill tax \$	20.379 31,303	18.023 34,884	19.037 37,626	19.019 40,743	20.379 43,956	18.525 41,007	18.404 48,753	18.573 50,405	15.731 51,288
Edgemont Ranch Metropolitan	mill tax \$	11.034 24,258	6.541 16,944	6.541 17,731	5.874 19,358	5.874 20,135	5.874 21,339	5.874 29,934	5.874 33,666	14.402 128,260
El Rancho Florida Metropolitan	mill tax \$	14.100 26,157	13.900 27,142	14.015 27,798	12.156 26,611	8.672 19,009	0.000	0.000	0.000	0.000
Florida Mosquito Control	mill tax \$	0.430 40,760	0.370 45,678	0.570 84,649	0.700 116,542	0.700 130,470	0.700 195,340	0.700 174,119	0.700 282,197	0.700 360,275
Florida Water Conservancy	mill tax \$	0.345 30,018	0.300 33,003	0.280 35,755	0.280 37,788	0.270 40,410	0.185 46,370	0.185 38,829	0.119 40,609	0.099 43,691
Forest Lakes Metropolitan	mill tax \$	42.109 214,972	35.524 253,351	35.524 266,347	35.524 287,928	35.524 297,521	35.524 316,982	35.524 354,184	35.524 378,762	35.524 583,157
Fort Lewis Fire Protection	mill tax \$	5.565 99,704	5.565 108,086	5.565 107,543	5.526 113,312	4.768 119,636	5.900 156,715	5.900 163,299	5.900 165,150	5.900 191,814
Hermosa Cliffs Fire Protection	mill tax \$	10.745 258,870	8.412 249,243	10.745 318,198	10.897 351,009	10.863 346,130	10.650 375,538	9.979 412,564	9.524 449,080	8.961 544,099
Ignacio Community Library	mill tax \$	0.542 34,795	0.443 39,901	0.346 42,779	0.343 32,266	0.927 96,261	0.560 108,698	1.000 175,954	1.000 305,861	1.500 554,702
Ignacio-Oxford-Allison Cemetary mill		0.244	0.244	0.118	0.244	0.244	0.244	0.244	0.244	0.244

Table S-11

Collection Year:		1997	1998	1999	2000	2001	2002	2003	2004	2004	2006
	tax \$	9,312	12,398	8,029	14,987	16,329	28,850	34,635	26,852	50,474	60,738
La Plata Community Hospital	mill tax \$	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
La Plata Water Conservancy	mill tax \$	0.320 5,119	0.310 5,345	0.300 5,118	0.285 5,472	0.295 6,509	0.295 6,623	0.295 6,705	0.295 6,856	0.295 7,148	0.295 8,245
Loma Linda Sanitation	mill tax \$	10.000 20,176	10.000 23,178	10.000 26,450	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Los Pinos Fire Protection	mill tax \$	2.210 164,948	1.689 183,186	3.014 456,541	3.378 475,447	3.036 504,365	3.721 1,235,110	3.521 1,288,621	3.520 1,028,022	3.520 1,693,744	3.520 1,962,154
Los Pinos Fire/Mt. Allison	mill tax \$	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.500 19,214	1.500 31,512	1.500 35,061
Pine River Cemetery	mill tax \$	0.342 30,262	0.294 32,373	0.273 33,599	0.273 32,464	0.273 32,074	0.203 34,132	0.186 36,178	0.186 28,750	0.123 29,942	0.112 31,456
Pine River Library	mill tax \$	0.611 54,065	0.541 59,570	0.523 64,368	2.500 297,289	2.500 293,719	2.500 420,351	2.500 486,268	2.500 386,424	2.500 608,572	2.500 702,151
Purgatory Metropolitan	mill tax \$	27.313 170,449	27.313 184,134	27.313 181,758	26.572 207,263	27.313 225,579	27.313 234,196	27.313 237,727	27.313 271,678	27.313 330,853	27.313 399,506
Rafter J Fire Protection	mill tax \$	5.022 30,265	4.424 32,284	4.436 33,012	4.436 33,987	No Special District	No Special District	No Special District	No Special District	No Special District	No Special District
SW Colorado TV Translator	mill tax \$	0.857 15,168	0.822 15,483	0.822 15,545	0.777 15,601	0.777 17,867	0.777 18,260	0.777 18,468	0.777 18,738	0.777 19,483	0.777 22,445
SW Water Conservancy	mill tax \$	0.411 290,271	0.339 311,246	0.321 361,330	0.314 365,227	0.324 392,446	0.260 453,521	0.260 487,273	0.305 464,807	0.254 542,096	0.225 558,694
Tamarron Metro	mill tax \$	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40.000 205,006	40.000 339,136
Three Springs Metro #1	mill tax \$	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Three Springs Metro #2	mill tax \$	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Table S-11

Collection Year:		1997	1998	1999	2000	2001	2002	2003	2004	2004	2006
Three Springs Metro #2											
	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
Upper Pine River Fire											
	mill	2.637	2.307	4.758	4.950	4.950	4.950	4.950	4.950	6.739	6.507
	tax \$	253,164	274,510	631,252	642,375	638,510	931,564	1,073,995	858,753	1,835,561	2,035,186
Total tax to be collected		\$ 35,566,957	\$ 38,853,111	\$ 41,789,266	\$ 42,944,743	\$ 44,002,708	\$ 50,982,974	\$ 56,796,827	\$ 53,374,100	\$ 63,745,002	\$ 73,699,246

Source: La Plata County Assessor's Abstract

La Plata County, Colorado
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2006				1997			
		2005 Assessed Valuation	Rank	Percentage of Total Assessed Valuation		1996 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
BP America	Energy	\$ 826,090,650	1	33.27%		\$ 96,088,020	1	13.60%	
Conoco Phillips Company	Energy	123,112,280	2	4.96%					
Red Willow Production	Energy	90,696,430	3	3.65%		7,231,890	9	1.02%	
Chevron Texaco	Energy	89,660,080	4	3.61%					
XTO Energy Company	Energy	85,592,010	5	3.45%					
Samson Resources	Energy	74,356,330	6	2.99%					
44 Canyon LLC	Energy	46,778,510	7	1.88%					
Burlington Resources	Energy	45,090,260	8	1.82%					
Williams Production	Energy	23,293,700	9	0.94%		17,606,500	4	2.49%	
La Plata Electric	Utility	18,525,500	10	0.75%		11,922,500	5	1.69%	
Vastar Resources, Inc	Energy	-	-	0.00%		46,035,150	2	6.51%	
Hart Canyon LTD	Energy	-	-	0.00%		19,597,380	3	2.77%	
Red Cedar	Energy	-	-	0.00%		11,352,780	6	1.61%	
Meridian Oil	Energy	-	-	0.00%		11,127,250	7	1.57%	
Emerald Gas Operating Co	Energy	-	-	0.00%		9,559,280	8	1.35%	
El Paso Natural Gas	Utility	-	-	0.00%		4,703,000	10	0.67%	
Total Assessed Valuation for 10 largest taxpayers		\$ 1,423,195,750		57.32%		\$ 235,223,750		33.29%	
Total Assessed Valuation for all taxpayers		\$ 2,483,085,200		100.00%		\$ 706,676,310		100.00%	

Source: La Plata County Assessor's Office

La Plata County, Colorado
Retail Sales by Standard Industrial Classification
1997-2006 (000)

Type of Business	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Building material	\$ 60,686	\$ 62,967	\$ 61,353	\$ 56,489	\$ 60,211	\$ 51,396	\$ 75,589	\$ 41,691	\$ 82,792	\$ 96,668
General merchandise	29,842	63,533	92,120	100,563	100,885	-	109,501	122,582	131,594	132,001
Food stores	98,718	100,775	96,192	88,542	82,516	99,965	95,594	107,162	105,539	116,817
Automotive	94,148	101,223	116,334	143,149	154,134	106,379	117,569	139,635	139,004	142,692
Apparel & accessory	16,007	15,520	13,353	14,583	15,230	17,985	17,182	17,538	20,612	25,586
Furniture	24,486	27,104	32,922	39,338	34,929	14,803	14,965	15,863	16,489	21,606
Miscellaneous	80,863	88,720	83,210	89,109	104,886	152,972	153,393	167,413	230,423	231,701
Total Retail Trade	404,750	459,842	495,484	531,773	552,791	443,500	583,793	611,884	726,453	767,071
Finance, insurance & real estate	7,758	5,291	5,592	5,588	7,409	57,485	36,590	54,788	57,535	130,010
Hotels & lodging	49,549	50,785	49,903	45,977	46,138	6,216	40,700	61,259	39,086	47,399
Eating & drinking	55,556	57,899	57,630	60,374	61,449	40,264	64,841	75,435	76,545	82,658
Other services	89,795	87,532	97,141	117,976	142,379	217,759	159,745	231,532	144,977	104,179
Total Services	202,658	201,507	210,266	229,915	257,375	321,724	301,876	423,014	318,142	364,246
Wholesale trade	35,756	29,283	36,369	44,259	49,970	56,356	74,492	89,401	134,499	114,894
Agriculture	5,803	7,021	6,329	6,628	7,637	1,452	888	1,984	1,741	2,232
Mining	4,059	-	2,223	1,593	3,542	9,107	11,645	9,917	24,651	33,206
Construction	46,542	49,774	39,842	42,712	33,947	28,311	34,226	41,024	50,774	70,322
Manufacturing	16,654	27,078	36,291	45,786	34,757	36,919	32,115	66,033	40,960	68,654
Transp., comm & public utility	49,400	55,537	56,278	72,266	71,202	6,067	5,670	22,316	21,613	-
Government	2,312	-	-	-	111	2,674	-	212	2,547	1,546
Nonclassifiable	1,679	-	-	-	223	-	-	-	-	-
Total Other Industries	162,205	168,693	177,332	213,244	201,389	140,886	159,036	230,887	276,784	290,854
All Industries	\$ 769,613	\$ 830,042	\$ 883,082	\$ 974,932	\$ 1,011,555	\$ 906,110	\$ 1,044,705	\$ 1,265,785	\$ 1,321,379	\$ 1,422,171

Source: Colorado Department of Revenue, Colorado County and City retail sales by standard industrial classification

* With the incorporation of the new North American Industrial Classification System (NAICS) categories in 2002, the Eating & Drinking Retail Trade is now included as Retail - Food & Beverage Stores (other classifications may also not be directly comparable)

Note: Decline in 2002 resulted from national/state recession, drought and wild fires in La Plata County

La Plata County, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>County Direct Rate</u>	<u>State of Colorado</u>
1997	2.0%	3.0%
1998	2.0%	3.0%
1999	2.0%	3.0%
2000	2.0%	3.0%
2001	2.0%	2.9%
2002	2.0%	2.9%
2003	2.0%	2.9%
2004	2.0%	2.9%
2005	2.0%	2.9%
2006	2.0%	2.9%

La Plata County, Colorado
Principal Sales Tax Remitters
Current Year and Nine Years Ago

Taxpayer - Type of Business	2006			2001		
	2006 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2001 Sales Tax Collected	Rank	Percentage of Total Taxes Collected
Retail-General Merchandise	\$ 1,696,066	1	9.96%	\$ 1,007,521	1	10.37%
Retail-Building Supplies	588,508	2	3.46%			
Public Utility-Electric	587,597	3	3.45%	317,260	3	3.27%
Retail-Auto Dealer	401,098	4	2.35%	138,858	10	1.43%
Retail-Building Supplies	278,633	5	1.64%			
Retail-Food Store	251,303	6	1.48%	385,090	2	3.96%
Public Utility-Natural Gas	244,009	7	1.43%			
Retail-Building Supplies	237,959	8	1.40%	145,565	9	5.00%
Public Utility-Telephone	221,784	9	1.30%	172,143	6	5.92%
Retail-Food Store	217,218	10	1.28%	247,455	4	8.50%
Retail-Food Store	-			192,249	5	6.61%
Public Utility-Telephone	-			152,440	7	5.24%
Retail-General Merchandise				151,042	8	5.19%
Total Sales Taxes Collected by 10 Largest Businesses	\$ 4,724,175		27.74%	\$ 2,909,623		55.49%
Total Sales Taxes Collected by All Businesses	\$ 17,032,957		100.00%	\$ 9,715,464		100.00%

Source: Colorado State Department of Revenue

Notes: The required format of this table includes data from the current year and nine years ago (1997), however 2001 is the earliest year for which this data is available.

The names of the sales tax payers are confidential pursuant to State law, so the business classification has been substituted.

La Plata County, Colorado
Ratios of Outstanding Debt by Type
1997-2006

Fiscal Year	General Obligation	Sales Tax Revenue	Certificates of Participation	Total	Per Capita Personal Income	Population	Debt Per Capita	Percentage of Personal Income	Percentage of Actual Taxable Value of Property
1997	\$ -	\$ 5,170,000	\$ -	\$ 5,170,000	\$ 23,252	41,065	\$ 125.90	0.54%	0.16%
1998	-	4,770,000	-	4,770,000	24,742	42,187	113.07	0.46%	0.13%
1999	-	4,350,000	-	4,350,000	25,384	43,344	100.36	0.40%	0.10%
2000	-	3,290,000 ¹	-	3,290,000	26,517	43,941	74.87	0.28%	0.07%
2001	-	2,805,000	-	2,805,000	28,013	45,384	61.81	0.22%	0.06%
2002	-	2,295,000	-	2,295,000	29,127	46,579	49.27	0.17%	0.04%
2003	-	1,760,000	-	1,760,000	29,807	46,793	37.61	0.13%	0.03%
2004	-	1,200,000	3,985,000	5,185,000	31,860	47,173	109.91	0.34%	0.08%
2005	-	615,000	3,640,000	4,255,000	33,207	48,023	88.60	0.27%	0.06%
2006	-	-	3,285,000	3,285,000	33,207 ²	49,182	66.79	0.20%	0.04%

Notes:

- (1) 1992 Sales Tax revenue bonds refinanced in 2000, with principal reduction.
(2) 2006 percentages calculated using 2005 personal income data, which is the most recent available.

La Plata County, Colorado
Computation of Legal Debt Margin
Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Assessed Value	\$ 706,256,580	\$ 918,132,090	\$ 1,125,640,730	\$ 1,163,142,350	\$ 1,211,254,190	\$ 1,744,314,830	\$ 1,874,127,630	\$ 1,523,958,500	\$ 2,134,482,160	\$ 2,483,085,200
Legal Debt Margin:										
Debt limitation - 1.5% of total assessed value	\$ 10,593,849	\$ 13,771,981	\$ 16,884,611	\$ 17,447,135	\$ 18,168,813	\$ 26,164,722	\$ 28,111,914	\$ 22,859,378	\$ 32,017,232	\$ 37,246,278
Debt applicable to limitation:										
Total debt	\$ 5,170,000	\$ 4,770,000	\$ 4,350,000	\$ 3,290,000	\$ 2,805,000	\$ 2,295,000	\$ 1,760,000	\$ 5,185,000	\$ 4,255,000	\$ 3,285,000
Less: Certificates of participation	-	-	-	-	-	-	-	3,985,000	3,640,000	3,285,000
Total debt applicable to debt limitation	\$ 5,170,000	\$ 4,770,000	\$ 4,350,000	\$ 3,290,000	\$ 2,805,000	\$ 2,295,000	\$ 1,760,000	\$ 1,200,000	\$ 615,000	\$ -
Legal debt margin	\$ 5,423,849	\$ 9,001,981	\$ 12,534,611	\$ 14,157,135	\$ 15,363,813	\$ 23,869,722	\$ 26,351,914	\$ 21,659,378	\$ 31,402,232	\$ 37,246,278

Notes: Per Colorado Revised Statute 30-26-30(3), the aggregate amount of indebtedness for County cannot exceed 1.5% of total assessed value.

La Plata County, Colorado
Sales Tax Revenue Bonds Coverage
1997-2006

Fiscal Year	Gross Sales Tax Revenue	Revenue Available for Debt Service ¹	Principal	Interest	Total	Coverage
1997	\$ 7,530,348	\$ 4,917,739	\$ 380,000	\$ 316,655	\$ 696,655	7.1
1998	7,930,753	5,258,984	400,000	298,415	698,415	7.5
1999	8,682,717	5,899,846	420,000	278,415	698,415	8.4
2000	9,403,815	6,514,401	1,268,498 ²	128,498	1,396,996	4.7
2001	9,538,472	6,629,163	485,000	159,226	644,226	10.3
2002	9,675,960	6,746,337	510,000	130,625	640,625	10.5
2003	10,044,453	7,060,385	535,000	107,675	642,675	11.0
2004	11,099,304	7,959,382	560,000	83,600	643,600	12.4
2005	11,558,412	8,350,657	585,000	57,000	642,000	13.0
2006	12,874,145	9,471,990	615,000	29,213	644,213	14.7

(1) Gross revenue less required transfers per bond indenture and intergovernmental agreements.

(2) 1992 Sales Tax revenue bonds refinanced in 2000, with principal reduction.

La Plata County, Colorado
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population	Personal Income ¹	Per Capita Personal Income	Unemployment Rate	Median Age	K-12 School Enrollment ²	Higher Education Enrollment ³
1997	41,065	\$ 961,948	\$ 23,252	4.4	34.7	6,754	4,437
1998	42,187	1,040,328	24,742	5.1	35.2	6,761	4,415
1999	43,344	1,091,379	25,384	3.8	35.7	6,840	4,314
2000	43,941	1,210,379	26,517	3.8	35.7	6,790	4,278
2001	45,384	1,280,289	28,013	3.7	35.9	6,978	4,441
2002	46,579	1,298,736	29,127	4.4	36.1	6,898	3,961
2003	46,793	1,345,867	29,807	4.7	36.4	6,621	4,182
2004	47,173	1,483,804	31,860	3.6	36.7	6,636	4,190
2005	48,023	1,596,772	33,807	3.9	36.9	6,628	3,946
2006	49,182	N/A	N/A	3.4	37.1	6,704	3,907

Notes:

- (1) in thousands of dollars
 (2) K-12 School enrollment includes Bayfield 10JTR, Durango 9R, and the Ignacio 11JT school district enrollments.
 (3) Higher Education Enrollment is for Fort Lewis College

Sources:

CO Department of Local Affairs
 Bureau of Economic Analysis
 CO Department of Labor & Employment
 Bayfield, Durango, & Ignacio School Districts
 Fort Lewis College

La Plata County, Colorado
Demographic Data
1997-2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Births	410	453	405	440	469	449	458	479	516	N/A
Deaths	224	257	262	247	301	255	246	271	269	N/A
Housing units	19,768	20,233	20,747	20,765	21,198	22,144	23,024	23,815	24,557	N/A
Households	15,324	15,716	15,976	17,342	18,140	18,417	18,629	18,796	19,143	N/A
Average household size	2.53	2.53	2.53	2.43	2.43	2.43	2.43	2.43	2.43	N/A
Registered voters	29,373	29,708	30,830	34,245	32,765	32,841	32,600	36,160	35,814	36,056
Employment	22,649	23,209	23,286	23,363	23,174	24,889	25,536	26,833	27,483	29,479
Unemployment	1,048	1,257	928	915	898	1,139	1,263	1,136	1,108	1,031
Unemployment rate	4.40%	5.10%	3.80%	3.80%	3.70%	4.40%	4.70%	4.10%	3.90%	3.4%

Source: Colorado Division of Local Government, Demographic Section, (1-303-866-4989) in cooperation with the U.S. Bureau of Census
La Plata County Clerk, Colorado Department of Labor and Employment and Colorado Department of Health

La Plata County, Colorado
Principal Employers
For Years 2005 and 2000

<u>Employer</u>	<u>Type of Business</u>	<u>Estimate 2005</u>			<u>Estimate 2000</u>		
		<u>Employees FT & PT</u>	<u>Rank</u>	<u>Percentage of total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total County Employment</u>
Southern Ute Indian Tribe	Government	1,091	1	4.63%	935	1	4.39%
Mercy Medical Center	Health	750	2	3.18%	830	2	3.90%
Durango School District 9-R	Education	660	3	2.80%	800	3	3.76%
Fort Lewis College	Education	650	4	2.76%	625	4	2.94%
U.S. Government	Government	459	5	1.95%	***	5	***
La Plata County	Government	400	6	1.70%	374	7	1.76%
Wal-Mart	Retail	***	7	***	400	6	1.88%
City of Durango	Government	270	8	1.15%	241	9	1.13%
CO State Government	Government	238	9	1.01%	***	10	***
Durango Mountain Resort	Recreation	125+	10	0.50%	300+	8	1.40%
Total Principal Employers		4,643		19.68%	4,505		21.16%
Total County Employment		23,555		100.00%	21,284		100.00%

*** Figures Not Available

Sources:

La Plata County Economic Development Action Partnership (LEAD)
CO Department of Labor and Employment

La Plata County, Colorado
Tourism and Miscellaneous Data
1997-2006

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Enplanements/Deplanements ¹										
Durango-La Plata County Airport	206,781	211,454	219,989	182,826	195,625	203,966	175,961 ⁷	191,267 ⁷	200,421	222,708
Passengers-Durango & ²										
Silverton Narrow Gauge RR	193,098	198,434	206,833	206,729	193,028	129,690 ⁶	161,774	167,096	165,057	189,530
Skier Days- Durango Mtn Resort ³	341,643	328,705	304,735	237,659	250,000	267,000	268,486	268,486	208,750	210,836 ⁸
Visitors-Mesa Verde Ntl Park. ⁴	648,596	623,510	656,023	471,084	530,540	411,399 ⁶	460,066	469,704	519,649	577,366
Sales Tax Revenues (in \$) ⁵	7,530,347	7,930,753	8,682,717	9,227,022	9,715,464	9,675,960 ⁶	10,044,453	11,099,304	11,558,412	12,874,145
% change	5.24	5.32	9.48	6.27	5.29	-0.41	3.81	10.50	4.14	11.38
Lodgers' Tax (in \$) ⁵	264,767	276,511	267,780	267,193	239,663	144,088 ⁶	151,723	168,988	166,360	176,662
% change	1.75	4.44	-3.16	-0.22	-10.30	-39.88	5.30	10.96	-1.56	6.19

Sources: 1) Durango-La Plata County Airport
2) Durango & Silverton Narrow Gauge RR
3) Durango Mountain Resort
4) Mesa Verde National Park
5) State of Colorado Department of Revenue

Notes:

- 6) Decline resulted from national/state economic recession and the drought and wild fires in La Plata County
7) Fewer scheduled flights flying into and out of Durango-La Plata County Airport
8) Very light snow season.

La Plata County, Colorado
Full-time Equivalent County Employees by Function/Program
Fiscal Years 1997 - 2006

Department	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Commissioners	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	3.9	4.1
Clerk/Elections	14.0	15.9	14.8	18.0	16.6	19.3	16.7	18.4	16.7	19.4
Treasurer/Trustee	5.0	5.2	5.2	5.7	5.7	5.5	5.5	5.4	5.4	5.4
Assessor	19.5	18.2	18.3	18.4	17.8	18.3	18.8	19.2	19.2	20.6
Administration	4.1	3.7	3.8	4.0	4.0	4.0	3.3	4.5	4.3	5.3
Attorney	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Facilities & Grounds	5.5	6.0	6.0	6.0	7.0	7.0	7.0	8.0	9.0	10.0
Finance	9.0	5.0	5.0	5.0	5.0	5.0	5.3	5.0	5.0	5.0
Information Services	0.0	4.0	4.0	4.5	6.0	8.5	8.5	8.5	8.5	8.5
Procurement	4.0	4.0	4.0	4.0	4.0	4.0	4.2	4.0	4.1	4.1
GIS	1.0	6.5	6.5	6.5	7.0	7.0	7.0	7.0	8.0	8.0
Human Resources/Risk Mgt	3.0	2.0	2.1	2.1	4.1	4.3	4.1	4.3	4.1	4.1
County Surveyor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Government Total	70.2	75.6	74.8	79.3	81.3	87.0	84.5	88.4	88.1	94.5
Building Inspection / OEM	8.8	8.6	9.0	9.0	10.3	10.7	12.0	12.0	12.5	11.8
Criminal Investigations	0.0	0.0	0.0	0.0	0.0	7.3	7.4	7.6	8.6	8.6
Special Investigations	0.0	0.0	0.0	11.5	12.4	5.0	6.0	6.4	6.7	6.6
Special Services	18.2	18.1	19.2	19.6	21.3	21.0	21.8	21.5	23.5	22.5
Public Safety	33.7	34.2	37.8	30.3	30.2	30.2	29.7	30.4	31.1	34.9
Alternative to Incarceration	0.0	0.0	0.0	1.0	3.0	4.2	4.2	4.2	3.6	4.9
Detentions	33.0	33.0	38.1	42.7	41.0	40.5	43.5	41.9	45.6	46.6
Coroner	0.4	0.5	0.5	0.5	0.6	0.6	1.3	1.3	1.3	1.3

District Attorney	13.2	17.0	18.4	19.0	20.1	22.1	22.1	21.8	23.8	24.3
Public Safety Total	107.3	111.4	123.0	133.6	138.9	141.6	147.9	147.1	156.8	161.5
Road & Bridge, Eng.	56.5	54.7	55.2	58.1	64.5	65.8	67.5	67.0	52.4	53.4
Public Works Total	56.5	54.7	55.2	58.1	64.5	65.8	67.5	67.0	52.4	53.4
CERF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5	9.5
Internal Service Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5	9.5
Human Services	42.0	44.5	47.3	49.1	50.3	54.1	54.0	53.6	57.0	58.5
Health & Welfare Total	42.0	44.5	47.3	49.1	50.3	54.1	54.0	53.6	57.0	58.5
Extension Office	4.3	4.3	4.9	4.9	3.9	4.9	4.0	3.0	3.0	3.7
Weed	2.4	2.4	2.1	2.1	2.1	2.1	2.0	1.4	1.8	1.8
Fairgrounds	7.9	8.3	8.2	8.2	9.7	9.7	9.6	10.1	10.4	10.3
Senior Center Ops & Act	0.0	0.0	0.0	0.0	2.0	2.5	2.5	2.5	3.0	0.0
Community Dev. Svcs.	11.8	9.7	9.1	9.4	10.7	10.5	10.6	10.7	14.1	15.3
Riverbend Youth	8.5	8.9	8.8	8.5	8.8	8.8	0.0	0.0	0.0	0.0
Senior Services	0.0	0.0	2.8	3.3	3.8	5.0	5.3	5.5	5.5	9.2
Veterans' Services Office	0.0	0.0	0.0	0.0	0.0	0.4	0.6	0.8	1.0	1.0
Auxiliary Services	34.9	33.6	35.9	36.4	41.1	43.9	34.6	34.0	38.9	41.3
Grand Total	310.9	319.8	336.2	356.5	376.0	392.4	388.6	390.1	401.6	418.6

Source: La Plata County Annual Budget

Notes: Numbers include regular employees, temporaries, and overtime costs.

La Plata County, Colorado
Operating Indicators by Function/Program
Fiscal Years 1997 - 2006

<u>Function/Program</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Government										
Clerk & Recorder										
# Vehicle Transactions Processed	63,805	65,327	68,799	85,384	88,002	92,353	93,216	95,336	121,218	96,000
# Titles Issued (69% printed by staff)	n/a	n/a	16,933	18,727	19,400	21,804	19,117	19,631	20,146	20,600
# documents recorded	21,312	22,547	21,251	18,272	25,000	26,866	27,434	24,406	24,904	25,000
# of registered voters	29,101	29,708	30,830	34,245	33,000	35,051	32,600	36,160	36,160	36,000
# of votes cast	8,935	13,669	8,829	22,821	10,000	22,423	10,287	31,718	13,265	24,000
# of marriage licenses issued	567	547	514	619	630	562	540	512	550	550
Treasurer										
Receipts processed	48,072	48,906	48,455	53,723	53,957	57,597	56,699	56,500	57,000	58,000
Assessor										
# of parcels appraised	30,204	31,427	36,701	37,800	38,900	39,600	59,128	58,949	60,100	61,000
Assessed value (in thousands)	706,256	918,132	1,125,640	1,163,142	1,211,254	1,744,314	1,523,858	2,134,234	2,487,511	2,500,000
Geographic Information Services										
# of recorded documents processed	3,996	4,553	4,627	4,908	4,850	4,897	8,500	5,881	5,790	6,000
# of rural addresses assigned	284	433	594	428	550	358	400	800	800	850
Public Safety										
Building Inspection										
# of permits issued	1,485	1,346	1,435	1,201	1,183	1,190	1,122	1,064	1,001	1,050
# of inspections completed	4,926	4,608	5,388	5,580	5,500	5,620	5,724	5,620	4,974	5,000
Emergency Management										
Search & Rescue Missions	31	25	30	38	36	36	32	33	36	38
Sheriff - Public Safety										
# of incidents investigated	17,737	20,625	19,701	26,172	24,690	21,069	18,662	20,522	20,000	21,000
# of arrests	519	561	646	642	690	739	672	679	900	950
# of citations	n/a	n/a	n/a	n/a	n/a	213	123	27	150	200
Alternative to Incarceration										
# of inmates under Day Reporting Supervision	n/a	n/a	n/a	15	39	112	99	88	140	125
# of inmates in Community Custody program	n/a	n/a	n/a	n/a	na/	n/a	25	93	125	140
<i>(Implemented in August 2003)</i>										
Detentions										
Total # of inmates booked into facility	2,094	2,174	2,604	2,740	2,850	3,049	2,734	2,769	2,995	3,200
average daily inmate population	63	65	101	113	115	118	166	144	175	180

Public WorksMaintenance Support

gallons of dust palliative applied
tons of road base hauled and placed
of gallons of highway paint used

621,000	644,150	646,000	804,286	750,000	86,500	875,000	1,103,545	975,605	1,100,000
140,000	152,000	150,000	120,000	130,000	150,000	125,000	124,585	132,080	125,000
n/a	n/a	n/a	n/a	n/a	12,690	12,690	12,600	12,500	12,500

Convenience Center

Customers served - Bayfield
Customers served - Marvel

3,987	2,999	3,296	2,811	2,856	3,217	2,954	2,599	2,800	2,800
677	603	706	704	659	843	799	716	750	750

Health & WelfareHuman Services

Child Welfare - # of assessments opened
Adult Protective Services - # of investigations
Child Support - \$ of payments collected

211	222	217	254	245	284	274	261	260	270
76	65	75	110	96	215	128	135	100	100
\$1,781,283	\$1,949,600	\$2,300,000	\$2,604,165	\$2,550,000	\$2,926,697	\$3,004,853	\$3,079,623	\$3,150,737	\$3,160,000

Community Programs

Conservation Trust Funds
Public Service Agency Funds

\$48,700	\$103,689	\$50,500	\$98,387	\$761,949	\$131,000	\$170,100	\$150,447	\$178,250	\$238,000
\$1,163,643	\$1,157,578	\$1,262,985	\$1,367,939	\$1,425,084	\$1,461,921	\$1,662,944	\$1,657,274	\$2,490,696	\$4,650,264

Auxiliary ServicesSenior Services

of meals provided
of transportation rides provided

n/a	n/a	20,000	20,821	21,400	28,000	36,394	37,204	37,750	38,800
n/a	n/a	n/a	n/a	956	2,028	4,237	4,612	4,646	5,000

Veterans Services

Compensation Claims

n/a	n/a	n/a	n/a	n/a	47	50	526	1,287	1,300
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Weed Management

of miles treated for noxious weeds
(2002 was a drought year, very few weeds)

1,206	1,206	1,206	1,206	1,206	250*	1,206	1,206	1,206	1,206
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Fairgrounds

small group bookings (less than 500 participants)
large bookings (more than 500 participants)

1,368	1,420	1,470	1,500	1,500	1,500	1,500	1,970	1,728	1,800
86	85	87	90	90	120	90	57	64	65

Community Development

Class II projects reviewed
oil and gas projects reviewed
Class I projects reviewed

59	66	64	75	75	72	79	101	85	95
33	46	62	73	87	76	100	83	85	90
135	111	108	86	80	70	69	52	90	90

Internal Service FundsCapital Equipment Replacement Fund

(prior to 2005, vehicles were in R & B Fleet division)
Vehicles maintained

164	167	153	177	194	194	194	201	220	230
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La Plata County, Colorado
Capital Asset Statistics by Function/Program
Fiscal Years 1997 - 2006

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Clerk	3	3	3	3	3	3	3	3	3	3
Facilities & Grounds	4	4	4	4	4	4	4	4	5	7
Procurement	1	1	1	1	1	1	1	1	1	1
Public Safety										
Detentions	87	87	103	129	140	140	140	194	194	197
Public Works										
Miles of Roadways maintained	667	687.23	686.88	687.03	667.43	679.25	659.69	658.44	659.15	654.68
Bridges	52	52	52	52	52	52	52	53	53	53
Auxiliary Services										
Fairgrounds										
Ballfields										
Internal Service Funds										
CERF	N/A	N/A	153	194	172	194	194	201	223	N/A
Number of fleet vehicles maintained	N/A	N/A	153	194	172	194	194	201	223	N/A

Notes: No capital asset indicators are available for the health and welfare function.

SINGLE AUDIT SECTION



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

July 18, 2007

Honorable Board of County Commissioners
La Plata County, Colorado

We have audited the basic financial statements of La Plata County, Colorado as of and for the year ended December 31, 2006, and have issued our report thereon dated July 18, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.



La Plata County, Colorado

July 18, 2007

Page Two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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

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

Chadwick, Steinkirchner, Davis & Co., P.C.



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

July 18, 2007

Honorable Board of County Commissioners
La Plata County, Colorado

Compliance

We have audited the compliance of La Plata County, Colorado with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, La Plata County, Colorado complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.



Honorable Board of County Commissioners
La Plata County, Colorado
Page Two

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

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

This report is intended for the information and use of the Board of County Commissioners, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chadwick, Steinkirchner, Davis & Co., P.C.



INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

July 18, 2007

Honorable Board of County Commissioners
La Plata County, Colorado

We have audited the basic financial statements of La Plata County, Colorado as of and for the year ended December 31, 2006, and have issued our report thereon dated July 18, 2007. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements of La Plata County, Colorado taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information in this schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Chadwick, Steinkirchner, Davis & Co., P.C.

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Agriculture			
Passed through the Area Agency on Aging			
Nutrition Program for the Elderly	10.570		\$ 19,042
Passed through the Colorado Department of Human Services			
Food Assistance EBT	10.551		2,379,952
Food Assistance Administration	10.561		199,884
Total Department of Agriculture			<u>2,598,878</u>
Department of Health and Human Services			
Passed through the Area Agency on Aging			
Title III-Special Programs for Aging-Supportive Services (B)	93.044		36,718
Title III-Special Programs for Aging-Nutrition Services	93.045		66,370
Passed through Housing Solutions for the Southwest			
Community Services Block Grant	93.571		7,762
Passed through the Colorado Department of Human Services			
Family Preservation	93.556		124,997
TANF	93.558		842,531
Title IV-D, IV-D Administration	93.563		328,908
LEAP	93.568		364,638
CCDF Discretion	93.575		64,654
CCDF	93.596		270,537
Title IV-B, Child Welfare	93.645		24,668
Title IV-E, IV-E Foster Care	93.658		416,423
Title IV-E Adoption	93.659		110,011
Title XX, Block Grant	93.667		269,902
Title IV-E Independent Living	93.674		57,937
Title XIX, Medicaid	93.778		335,000
Passed through the Colorado Department of Regulatory Agencies			
Passed through Division of Insurance			
Special Programs for the Aging	93.041		3,735
Medical Assistance Program	93.778		3,705
Total Department of Health and Human Services			<u>3,328,496</u>

(Continued next page)

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Homeland Security			
Federal Emergency Management Agency			
Passed through the Area Agency on Aging			
FEMA Meals on Wheels	97.024		1,977
Passed through the Colorado Department of Local Affairs			
Emergency Management Assistance	83.552	2EM73934	12,900
Total Federal Emergency Management Agency			14,877
As a subrecipient of State of Colorado, Homeland Security			
Passed through Durango Fire and Rescue Authority			
2005 LETPP	16.007		54,898
2005 Homeland Security	16.007		76,118
Total Department of Homeland Security			131,016
Department of Housing and Urban Development			
Passed through the Colorado Department of Local Affairs			
Community Development Block Grant-Region 9 Revolving Loan Fund	14.219	F8CDB98791	670,490
Total Department of Housing and Urban Development			670,490
Department of Justice			
Office of Justice Programs			
Bulletproof Vest Partnership Grant	16.007		12,372
Passed through the Colorado Department of Public Safety			
Sixth Judicial District-Victim's Compensation	16.576		100,000
Total Department of Justice			112,372
Other Federal Assistance			
Office of National Drug Control Policy, Dept of Treasury, Dept of Justice			
HIDTA Funding	None	I5PRMP585	4,212
HIDTA Funding	None	I6PRMP585	187,735
Payments in Lieu of Taxes	15.226		556,139
Forest Service Reserves	10.665		109,780
Total Other Federal Assistance			857,866
Total Federal Assistance			\$ 7,713,995

Notes to Schedule:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of La Plata County Colorado and the Sixth Judicial District. The information is presented in accordance with the requirements of Office of Management and Budget Circular A-133. Expenditures have been recognized using the modified accrual basis of accounting.

Some amounts presented may differ from amounts reported in, or used in the preparation of the financial statements.

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2006

I - Summary of Auditor Results

- An unqualified opinion was issued on the County's Basic Financial Statements as of and for the year ended December 31, 2006.
- The audit did not disclose any noncompliance, which is material to the basic financial statements of the County.
- An unqualified opinion was issued on the County's compliance for major programs.
- The audit did not disclose any audit findings, which the auditor is required to report under OMB Circular A-133 Section - .510(a).
- Major programs for the year ended December 31, 2006 were:
 - Food Assistance Cluster CFDA #10.551/10.561
 - Title IV-E, IV-E Foster Care CFDA #93.658
- A \$300,000 threshold was used to distinguish between Type A and Type B programs.
- The County qualified as a low-risk auditee under OMB Circular A-133 Section .530.

II - Findings under Generally Accepted Government Auditing Standards (GAGAS)

- There are no findings required to be reported in accordance with GAGAS.

III - Findings and questioned costs under OMB Circular A-133

- There are no findings or questioned costs for Federal awards as defined in OMB Circular A-133 Section .510(a).

La Plata County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2006

There were no prior year audit findings or questioned costs.