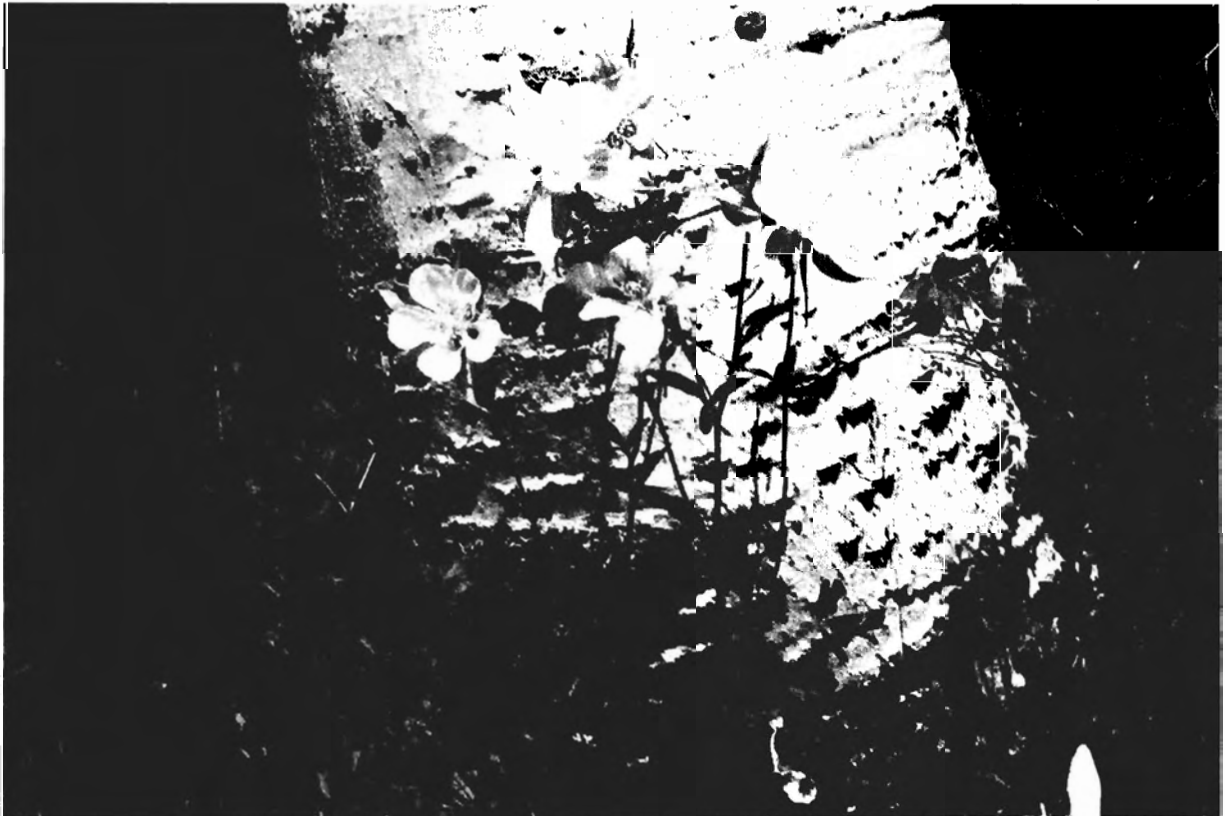


La Plata County, Colorado

Comprehensive Annual Financial Report For the Year Ended December 31, 2007



LA PLATA COUNTY, COLORADO

Comprehensive Annual Financial Report

for the Year Ended December 31, 2007

Prepared by the La Plata County Finance Department

INTRODUCTORY SECTION

La Plata County, Colorado
Comprehensive Annual Financial Report
For The Year Ended December 31, 2007

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(Unaudited)

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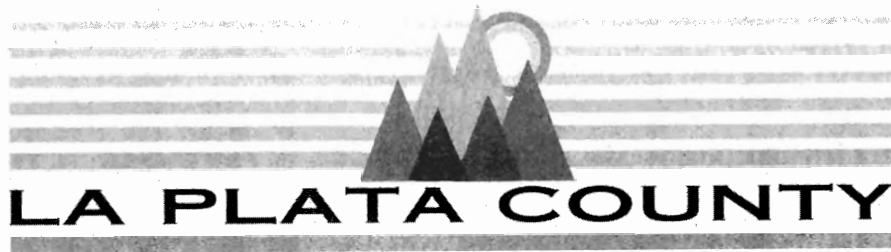
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July 28, 2008

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, 2007.

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, 2007 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, 2007 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 48,752 (2006 State Demographer's estimate), an increase of 15,194 (51%) 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 4,000 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 2007 showed that the La Plata County economy is strong and diverse. For budget year 2007, the County's assessed valuation increased nearly \$525 million over 2006, which provided more than \$4.4 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, is in the process of completing 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 2007 was 11% over 2006. Tourism contributes an estimated 28% to the local economy and although visitor statistics have been slowed somewhat, with visits to Mesa Verde National Park and riders on the Durango and Silverton Narrow Gauge Railroad both showing small decreases in 2007 over 2006, lodger's tax was up nearly 18% over the prior year. Enplanements at the Durango La Plata County Airport are up 2% over the previous year.

The construction sector is a major element of the La Plata County Economy, and it remains strong, although activity has slowed somewhat in late 2007 and early 2008. Adjacent to the new Mercy Medical center 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. Home prices continue to remain high, although the escalation in prices has seemed to slow somewhat due to national economic and housing market conditions.

According to the University of Colorado School of Business, Business Research Division, Colorado's economy continues to outperform the US economy in a number of areas. The growth rate of Colorado's real gross domestic product was greater than the national rate in both 2005 and 2006, as is the rate of growth for personal income, due to both population and employment growth. Colorado's per capita income is \$39,587, compared to the national rate of \$36,629. Colorado remains a desirable place to live, work and play, and driven by the energy industry, tourism and retirees, current estimates are that there will be approximately 103,800 new Colorado residents in 2008, about 60% of that growth coming from net migration into Colorado. The outlook for the 2008 CPI in the Denver-Boulder area is expected to increase by 2.7% in 2008, driven by increase in food, housing, medical care and energy prices. High energy prices have led an economic boom in most areas of the western slope of Colorado, leading to higher housing, construction and labor costs.

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 \$27 million projected for new facilities and capital equipment and \$37.5 million for road and bridge improvements. Construction of a \$17 million, 84-bed, expansion of the jail facility is underway and will be completed in late 2008. Long-term, the County will need to address the issue of crowding and security issues in all County buildings, but especially in the downtown Courthouse location. The Board of County Commissioners is working to get a federal court assignment for the Durango area, and if granted, a federal courthouse could be sited with a County justice facility to provide for economies of scale for common functions. In early 2008, the County acquired a commercial property located adjacent to the La Plata County jail campus to provide for future expansion opportunities. The County is 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 nearly \$2 million. For 2008, the County intends to complete several major road projects, including work on CR 213 and several bridge replacements.

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. In 2007, the County engaged a specialized consultant to review and project the balance of untapped gas reserves. The results of the study indicate that production related to coal-bed methane gas likely peaked in 2003 and is decreasing at the rate of about 6% per year, despite an increasing number of wells. Because the amount of property tax revenue is related to both production and price, it is difficult to project the long-term revenue stream associated with gas production, although the trend for energy prices appears to remain on an upswing. For budget year 2008, taxes on natural gas extracted within La Plata County will provide 55% of property tax revenues. Given that the quantity of natural gas is finite, the County must develop a long-term strategy to backfill the inevitable decline in production. Colorado Governor Bill Ritter has announced a number of strategies to position the state of Colorado as a leader in the nation's new energy economy, and the La Plata County Board of County Commissioners and other local leaders are working to put La Plata County in the forefront of this movement toward sustainable and renewable energy use and development.

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 \$3,175,953 in 2007, which was \$1,069,889 more than in 2006. This reflects higher interest rates in 2007 and an intended increase 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%-8% 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.

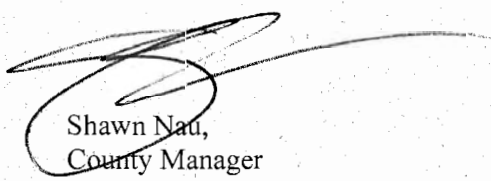
Fiduciary Responsibilities: The County acts as an agent in collecting property taxes for other governments located in La Plata County. These funds are held until disbursement to the appropriate agency in the general agency fund.

Awards and Acknowledgements

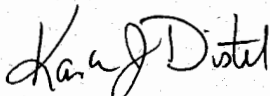
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to La Plata County for its comprehensive annual financial report for the fiscal year ended December 31, 2006. The Certificate of Achievement is 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 eighteen (18) consecutive fiscal years (1989-2006) ended December 31st. We believe the 2007 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 our sincere appreciation for their individual and team efforts in the preparation of the report. Also, we would like to extend our 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.



Shawn Nau,
County Manager



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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

LIST OF COUNTY OFFICIALS

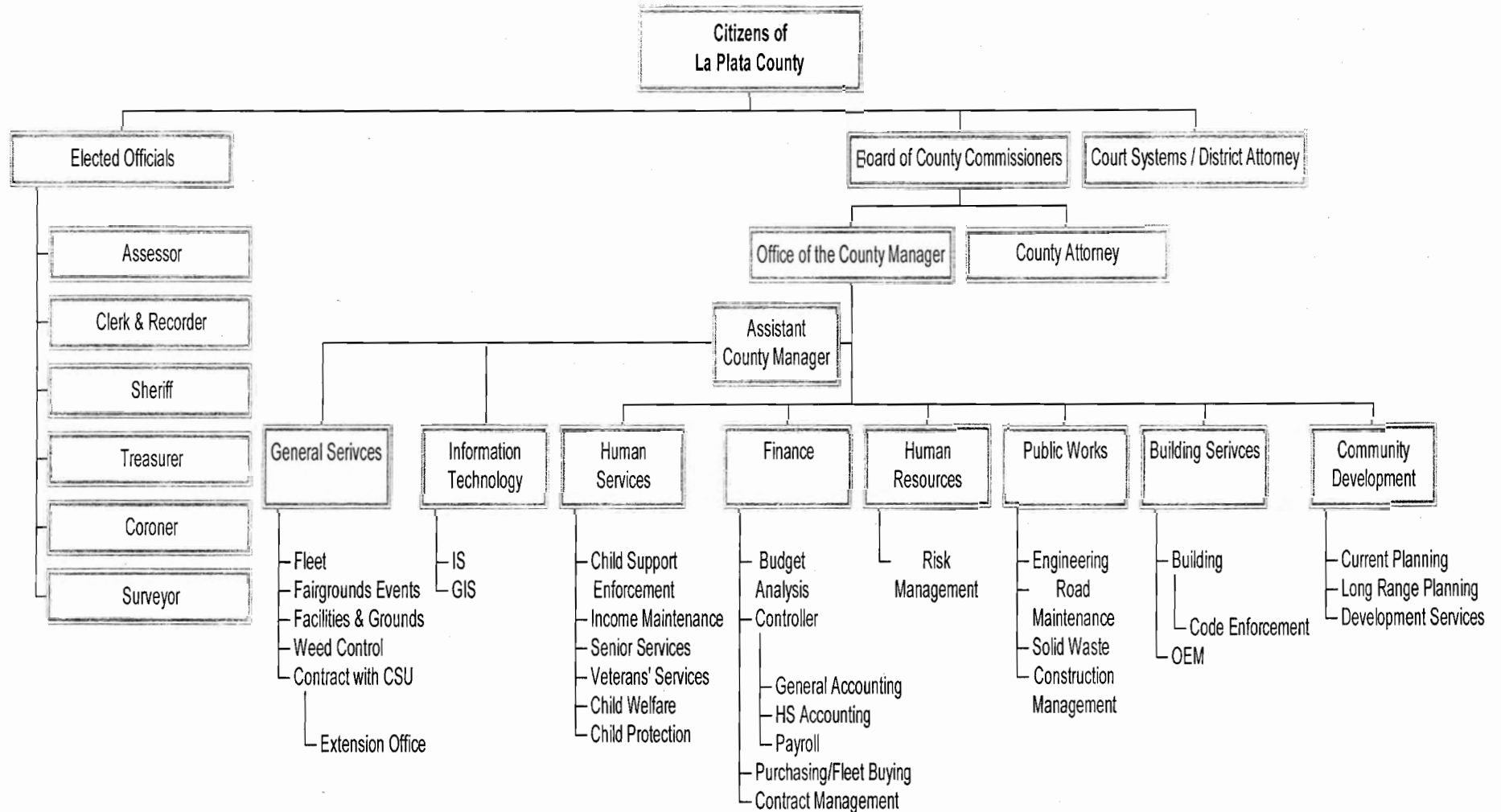
ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Commissioner	Wallace "Wally" White
Commissioner	Joelle Riddle
Commissioner	Kellie Hotter
Assessor	Craig Larson
Clerk & Recorder	Linda Daley
Coroner	Carol Huser, MD
Sheriff	Sidney "Duke" Schirard
Surveyor	Larry Connolly
Treasurer & Public Trustee	Ed Murray

APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>
County Manager	Shawn Nau
Assistant County Manager	Joanne Spina
Director of Building & Emergency Services	Butch Knowlton
Director of Community Development	Erick Aune
Director of Finance	Karla Distel
Director of General Services	Al Thye
Director of Information Services	Alan Andrews
Director of Human Resources	Kelli Ganevsky
Director of Human Services	Lezlie Mayer
Director of Public Works	Jim Davis
County Attorney (Contracted)	Goldman, Robbins & Nicholson , LLC & Rogers Law Firm , LLC

La Plata County Organizational Chart



FINANCIAL SECTION

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

July 25, 2008

Honorable Board of County Commissioners
La Plata County, Colorado

We have audited the accompanying financial statements of the governmental 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, 2007, 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, 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, 2007, 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.



La Plata County, Colorado
July 25, 2008
Page Two

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 25, 2008 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 \$145,784,851 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$85,872,184 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 \$26,494,550 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Net assets of \$12,555,259 are unrestricted, but are invested in a joint venture.
 - (4) The balance of unrestricted net assets of \$20,862,859 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 \$46,035,692 this year. This compares to the prior year ending fund balance of \$38,452,181 showing an increase of \$7,583,511 during the current year.
- At the end of the current calendar year, unreserved fund balance for the General Fund was \$17,209,787 or 37% of total General Fund expenditures and transfers out to other funds.
- 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

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, public works, health and welfare, auxiliary services and community programs.

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. Budgetary comparisons demonstrate compliance with the County's adopted and final budgets.

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. Combining and individual statements and budgetary comparison schedules for non-major funds are presented in

the supplementary section of this report beginning on page 49. The County has 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 \$145,784,851. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities 2007	Percentage of Total 2007	Governmental Activities 2006	Governmental Activities 2005	Governmental Activities 2004
Assets:					
Current assets	\$ 80,187,806	44.2%	\$ 71,299,272	\$ 57,551,405	\$ 49,297,350
Investment in joint venture	12,555,259	6.9%	10,093,468	9,589,802	8,372,347
Capital assets	88,797,184	48.9%	79,698,336	49,327,293	42,907,848
Total assets	181,540,249	100.0%	161,091,076	116,468,500	100,577,545
Liabilities:					
Current liabilities	31,460,183	88.0%	30,451,047	26,252,677	22,380,298
Long-term liabilities	4,295,215	12.0%	4,740,010	4,627,552	5,892,121
Total liabilities	35,755,398	100.0%	35,191,057	30,880,229	28,272,419
Net assets:					
Invested in capital assets, net of debt	85,872,184	58.9%	76,413,335	45,072,293	36,815,975
Restricted	26,494,550	18.2%	23,561,851	19,030,174	18,482,270
Unrestricted	33,418,117	22.9%	25,924,833	21,485,803	17,006,881
Total net assets	\$ 145,784,851	100.0%	\$ 125,900,019	\$ 85,588,270	\$ 72,305,126

The capital assets and net assets for the year ended 12/31/2006 have been restated to include infrastructure amounts not previously reported that were developed in 2007 as a requirement of GASB 34. The largest portion of the County's net assets (58.9%) 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 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 2.55 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 2007 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 8.85 to 1, which demonstrates the liquid position of the County.

The County reported positive balances in net assets. Net assets increased \$7,583,511 for governmental activities, a 19.7% 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					
2007					
	Governmental Activities	Percentage of Total	2006	(Decrease) Increase	2005
Revenues:					
Program:					
Charges for services	\$ 4,580,587	6.9%	\$ 4,152,403	\$ 428,184	\$ 2,888,692
Operating grants	11,291,178	17.0%	12,390,828	(1,099,650)	12,056,298
Capital grants	3,905,903	5.9%	4,392,191	(486,288)	1,773,879
General:					
Taxes	41,422,771	62.3%	36,088,809	5,333,962	31,662,900
Other	5,328,898	8.0%	5,513,869	(184,971)	3,315,041
Total revenues	66,529,337	100.0%	62,538,100	3,991,237	51,696,810
Program Expenses:					
General government	9,310,267	20.0%	8,776,033	534,234	7,985,491
Public safety	13,408,384	28.7%	12,529,335	879,049	11,205,953
Auxiliary services	3,290,008	7.1%	3,055,270	234,738	2,740,837
Public works	11,690,024	25.1%	11,240,436	449,588	8,407,331
Health and welfare	4,796,460	10.3%	4,703,319	93,141	4,570,764
Community programs	4,044,371	8.7%	6,106,905	(2,062,534)	3,322,796
Interest and fiscal charges	104,989	0.2%	136,007	(31,018)	180,491
Total expenses	46,644,503	100.0%	46,547,305	(97,198)	38,413,663
Change in net assets	19,884,834		15,990,795	\$ 3,894,039	13,283,147
Beginning net assets (as restated)	125,900,017		109,909,222		96,626,078
Ending net assets	\$ 145,784,851		\$125,900,017		\$109,909,224

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes provided 42.8% of the County's total governmental revenues. Sales taxes are the second largest revenue source with nearly \$14 million of revenues or 21% of the total. Because of the County's healthy financial position, we have been able to earn more than \$3.1 million in interest earnings to support governmental activities in 2007. Also, note that program revenues cover about 42% 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 \$13.4 million dollars or 29% of the total expenditures. General government makes up approximately 20% and public works is slightly more than 25% 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 2007			2006 Net Cost	Decrease (Increase)	2005 Net Cost
	Total Cost of Services	Net Cost of Services	Net Cost % of Total			
General government	9,310,267	\$ 4,516,762	16.8%	\$ 3,961,135	\$ (555,627)	\$ 2,220,424
Public safety	13,408,384	11,531,460	42.9%	11,174,915	(356,545)	10,321,675
Auxiliary services	3,290,008	2,461,978	9.2%	2,377,344	(84,634)	2,315,441
Public works	11,690,024	5,924,967	22.1%	4,099,411	(1,825,556)	4,147,816
Change in joint venture		(2,461,791)	-9.2%	(503,666)	1,958,125	(1,217,455)
Health and welfare	4,796,460	1,264,017	4.7%	1,279,621	15,604	1,257,565
Community programs	4,044,371	3,524,453	13.1%	3,087,116	(437,337)	2,468,837
Interest	104,989	104,989	0.4%	136,007	31,018	180,491
Total	<u>\$ 46,644,503</u>	<u>\$ 26,866,835</u>	<u>100.0%</u>	<u>\$ 25,611,883</u>	<u>\$ (1,254,952)</u>	<u>\$ 21,694,794</u>

After reducing gross expenses by program revenues, public safety totals 42.9% of the net cost of services and the general government function's net costs are 16.8% 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 \$46,035,692. Of this year-end total, \$24,141,156 is unreserved indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include: \$4,685,255 committed to fund program purposes, \$1,285,000 set aside for emergency purposes, \$448,522 reserved for debt service, and \$15,086,883 committed to capital projects.

The total ending fund balances of governmental funds show an increase of \$7,583,511 or 20% 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 nearly \$4.3 million. By comparison, in calendar year 2006, the fund balance increased over \$4.1 million.

Property taxes collections in the General Fund increased nearly 19% over that of calendar 2006. This increase relates to the County's assessed valuation increasing from \$2,483,085,200 in collection year 2005 to \$3,008,034,270 in collection year 2007 (related to increased valuation in the oil & gas industry). Sales taxes totaled nearly \$14 million. State and federal revenues were \$2.6 million below calendar 2006, primarily due to decreased pass-through grantee funding for the Crossroads Mental Health Center. Most other revenue streams were consistent with that of calendar 2006, although the County's share of state mineral severance tax decreased dramatically, from \$363,036 to \$82,138.

The General Fund's ending unreserved fund balance of more than \$17.2 million is considered more than adequate, representing nearly 38% of 2008 budgeted general fund expenditures and transfers out to other funds.

The Road and Bridge fund's fund balance decreased by \$700,000 in 2007. This fund received more in property taxes in 2007 than in 2006, with most other revenue sources being similar to 2006 levels.. The County collected \$555,00 in negotiated road impact fees which will be used to fund future infrastructure improvements. This fund spent nearly \$15 million building, improving and maintaining County roads and bridges, which was about \$1.8 million more than in 2006. The social services fund spent more than \$4.7 million in providing services to clients, just slightly more than in 2006. The capital improvement fund balance increased by \$3.3 million.

Budgetary Highlights

The General Fund – The revenue budget was increased by \$50,000 over the original budget, primarily related to grant funding. Actual property taxes sales, and other tax collections nearly \$2 million above the final budget. Intergovernmental revenues were \$526,393 more than budgeted, related to increases in grant funding and state shared revenues.

Investment earnings in the General Fund were nearly \$2.9 million, which was twice as much than budgeted, due to increased balances and improving interest rates. In total, the County realized 110% of the final revenue budget.

The expenditure side of the original budget for the General Fund was revised about \$456,000 or 1%, mostly related to additional funding for public service agencies. In 2007 the County placed \$671,957 in a budget reserve account and transferred out approximately \$250,000 out to other General Fund line items. The County spent 90% of the final amended general fund expenditure budget. In some 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 2007.

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, 2007, was \$82,305,051. The net capital assets for the internal service fund, which is reported with the governmental activities on the statement of net assets is \$6,492,133. The total increase in this net investment was 12%. In 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	2006
	@ 12/31/2007	Funds @ 12/31/2007	@ 12/31/2007	(As Restated)
Non-depreciable assets:				
Land	\$ 2,769,561	\$ -	\$ 2,769,561	\$ 2,769,561
Construction in progress	5,784,332	-	5,784,332	404,436
Total non-depreciable	8,553,893	-	8,553,893	3,173,997
Depreciable assets:				
Buildings	28,550,059	-	28,550,059	28,550,059
Improvements	8,400,537	-	8,400,537	7,748,991
Machinery and equipment	2,604,146	10,990,715	13,594,861	13,659,684
Infrastructure	70,921,277	-	70,921,277	64,182,053
Total depreciable assets	110,476,019	10,990,715	121,466,734	103,602,349
Less accumulated depreciation	36,724,861	4,498,582	41,223,443	33,498,769
Book value - depreciable assets	73,751,158	6,492,133	80,243,291	70,103,580
Percentage depreciated	33%	41%	34%	18%
Book value - all assets	\$ 82,305,051	\$ 6,492,133	\$ 88,797,184	\$ 73,277,577

In 2007, the County engaged an outside consultant to do an analysis and valuation on the County's infrastructure in order to meet new reporting requirements. The consultants determined the estimated historical cost of all of the County's infrastructure to be nearly \$65 million, with a depreciated net book value of nearly \$37 million. The 12/31/2006 capital asset and net asset amounts have been adjusted to reflect this updated information on infrastructure. At December 31, 2007, the depreciable capital assets for governmental activities were 33% depreciated. This compares slightly less favorably to the December 31, 2006 percentage of 18%, primarily due to this adjustment. The depreciated percentage is still considered very low, which is a positive factor.

The major changes to the construction in progress, land and buildings asset classes relates primarily to the development and design of an 84-bed expansion at the La Plata County jail facility.

The County has capitalized our current year infrastructure costs of over \$7 million including the following major projects:

- The replacement of an inadequate bridge on CR 141
- Continuing work on CR 234 to realign several dangerous curves on a major arterial.
- Continuing work on CR 213.
- Asphalt overlays on CRs 142, 318 and 521

Long-term Debt

The County retired \$360,000 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
	2007	2006	
Certificates of participation	\$ 2,925,000	\$ 3,285,000	-10.96%
Landfill closure and postclosure care	1,191,000	1,133,500	5.07%
Pollution remediation costs	465,000	300,000	55.00%
Compensated absences	<u>1,360,784</u>	<u>1,188,079</u>	14.54%
Total	<u>\$ 5,941,784</u>	<u>\$ 5,906,579</u>	0.60%

The accrual for pollution remediation 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 2008, the County's assessed valuation decreased by about 5% which will result in \$480,000 less in property tax collections. The decline is related both to the amount of gas extracted and the commodity price. Property tax valuation related to the extraction of coal bed methane gas comprises nearly 55% 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, is in the process of completing a major expansion of local support facilities for their operations. Severance taxes collected on production on wells located in La Plata County are 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.

Indications are that the national economic slowdown is beginning to impact the La Plata County economy. County sales tax continues to show steady growth during the year, although slower than in 2006, with a 5% increase for 2007 compared to 2006. Tourism contributes an estimated 28% to the local economy and visitor statistics show a slight decrease in visits to Mesa Verde National Park and riders on the Durango and Silverton Narrow Gauge Railroad. Enplanements at the Durango La Plata County Airport are up 2% 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 minimal growth in La Plata County. Items of interest from the latest report include

- Retail sales for La Plata County were up 5.3% (adjusted for inflation) in 2007
- Employment growth continued in 2007 with an increase of 8.3%
- The real estate and construction sectors of the economy have slowed in the last year. The median residential real estate price decreased by 8.7% (unadjusted for inflation) in 2007. Average prices decreased 2.8% over 2006.

The local construction sector remains strong, although it has slowed during the first part of 2008. 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.

Since La Plata County is heavily dependent upon property collections related to gas production, in 2007, the County engaged a specialized consultant to review and project the balance of untapped gas reserves. The results of the study indicate that production related to coal-bed methane gas likely peaked in 2003 and is decreasing at the rate of about 6% per year, despite an increasing number of wells. Because the amount of property tax revenue is related to both production and price, it is difficult to project the long-term revenue stream associated with gas production. Accordingly, the County has adopted a practice of utilizing property taxes related to gas production over a baseline fiscal year 2000 amount only for capital construction. The Board of County Commissioners recently adopted a strategic plan that identifies economic vitality as one of the County's core strategies.

The County's 2008 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 2008. 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 completed in late 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

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, 2007

	Primary Government Governmental Activities	Component Unit
Assets		
Current Assets		
Cash	\$ 319,274	\$ 256,020
Equity in treasurer's cash and investments	46,588,057	-
Restricted cash and investments	194,415	-
Cash held by Trustee	421,974	-
Receivables:		
Accounts	543,692	13,174
Taxes	25,026,243	-
Deposits	2,000	-
Intergovernmental	6,236,065	282,087
Due from component unit	300,000	-
Escrow amounts	55,000	-
Due from primary government	-	97,302
Inventory	501,086	-
Investment in joint venture	12,555,259	-
Capital Assets		
Nondepreciable capital assets	8,553,893	-
Depreciable capital assets, net	80,243,291	110,437
Total Assets	<u>181,540,249</u>	<u>759,020</u>
Liabilities		
Current Liabilities		
Accounts payable	2,860,750	7,217
Accrued expenses	399,482	33,155
Contracts payable	811,754	-
Intergovernmental payable	244,856	-
Accrued interest payable	10,017	-
Due to primary government	-	300,000
Deposits payable	18,890	-
Unearned revenue	25,214,581	-
Liabilities payable from restricted assets	144,173	-
Claims payable	109,111	-
Compensated absences payable	340,196	17,621
Landfill closure and post-closure care costs payable	572,500	-
Certificates of participation payable	375,000	-
Pollution remediation costs	465,000	-
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	1,020,588	52,864
Landfill closure/post-closure costs (net of current portion)	618,500	-
Certificates of participation payable (net of current portion)	2,550,000	-
Total Liabilities	<u>35,755,398</u>	<u>410,857</u>
Net Assets		
Invested in capital assets, net of related debt	85,872,184	110,437
Restricted for:		
Capital improvements	15,086,883	-
Debt service	448,522	-
Required legal fund segregations	9,674,145	-
Emergencies	1,285,000	50,000
Unrestricted	33,418,117	187,726
Total Net Assets	<u>\$ 145,784,851</u>	<u>\$ 348,163</u>

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Activities
For the Year Ended December 31, 2007

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and	Component
		Charges for	Operating Grants,	Capital Grants	Changes in Net Assets	
					Services and Sales	
					Governmental	Unit
					Activities	
Primary Government						
Governmental Activities						
General government	\$ 9,310,267	\$ 3,122,679	\$ 1,148,702	\$ 522,124	\$ (4,516,762)	\$ -
Public safety	13,408,384	709,336	565,829	601,759	(11,531,460)	-
Auxiliary services	3,290,008	477,721	350,309	-	(2,461,978)	-
Public works	11,690,024	270,851	2,712,186	2,782,020	(5,924,967)	-
Public works-increase						
(decrease) in joint venture			2,461,791		2,461,791	
Health and welfare	4,796,460	-	3,532,443	-	(1,264,017)	-
Community programs	4,044,371	-	519,918	-	(3,524,453)	-
Interest and fiscal charges	104,989	-	-	-	(104,989)	-
Total Governmental Activities	\$ 46,644,503	\$ 4,580,587	\$ 11,291,178	\$ 3,905,903	(26,866,835)	-
Component Unit						
Office of the District Attorney	<u>\$ 2,336,498</u>	<u>\$ -</u>	<u>\$ 973,563</u>	<u>\$ -</u>	-	<u>(1,362,935)</u>
General Revenues						
Property taxes levied for general government purposes					27,340,954	-
Sales taxes					13,903,657	-
Lodgers taxes					178,160	-
Operational funding from primary government--unrestricted					-	1,292,674
Investment earnings					3,175,953	-
Gain (loss) on disposition of assets					6,592	(1,758)
Miscellaneous					2,146,353	118,796
Total General Revenues					46,751,669	1,409,712
Change in Net Assets					19,884,834	46,777
Beginning net assets, as previously reported					101,579,064	
Restatement for prior infrastructure, Note 3-L					24,320,953	
Beginning net assets, as restated					125,900,017	301,386
Net Assets End of Year					\$ 145,784,851	\$ 348,163

See accompanying notes to the basic financial statements

La Plata County, Colorado
Balance Sheet
Governmental Funds
December 31, 2007

	General	Road and Bridge	Social Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 317,774	\$ 1,100	\$ 400	\$ -	\$ -	\$ 319,274
Equity in treasurer's cash and investments	16,753,477	5,364,264	1,796,143	15,441,372	2,841,271	42,196,527
Restricted cash and investments	111,910	-	82,505	-	-	194,415
Cash held by Trustee	-	-	-	-	421,974	421,974
Receivables:						
Accounts	356,606	66,725	250	111,700	-	535,281
Taxes	21,825,990	2,037,920	1,096,678	-	65,655	25,026,243
Deposits	2,000	-	-	-	-	2,000
Intergovernmental	1,972,713	3,034,974	391,619	836,759	-	6,236,065
Component unit	300,000	-	-	-	-	300,000
Escrow amounts	-	-	-	55,000	-	55,000
Interfund	30,345	-	-	-	157,942	188,287
Inventory	75,666	313,210	-	-	-	388,876
Total Assets	\$ 41,746,481	\$ 10,818,193	\$ 3,367,595	\$ 16,444,831	\$ 3,486,842	\$ 75,863,942
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 504,311	\$ 1,044,329	\$ 394,042	\$ 834,465	\$ 42,235	\$ 2,819,382
Accrued salaries and wages	333,444	52,883	-	-	-	386,327
Contracts payable	-	337,256	-	474,498	-	811,754
Intergovernmental payable	150,664	22,328	71,864	-	-	244,856
Interfund payable	157,942	-	30,345	-	-	188,287
Deposits payable	18,890	-	-	-	-	18,890
Deferred revenues	21,954,206	2,049,057	1,096,678	48,985	65,655	25,214,581
Liabilities payable from restricted assets	61,668	-	82,505	-	-	144,173
Total Liabilities	23,181,125	3,505,853	1,675,434	1,357,948	107,890	29,828,250
Fund Balances						
Reserved for:						
Inventory	75,666	313,210	-	-	-	388,876
Emergencies	-	-	-	-	1,285,000	1,285,000
Program purposes	1,279,903	3,405,352	-	-	-	4,685,255
Capital improvements	-	-	-	15,086,883	-	15,086,883
Debt service	-	-	-	-	448,522	448,522
Unreserved:						
Undesignated, reported in:						
General fund	17,209,787	-	-	-	-	17,209,787
Special revenue funds	-	3,593,778	1,692,161	-	1,645,430	6,931,369
Total Fund Balances	18,565,356	7,312,340	1,692,161	15,086,883	3,378,952	46,035,692
Total Liabilities and Fund Balances	\$ 41,746,481	\$ 10,818,193	\$ 3,367,595	\$ 16,444,831	\$ 3,486,842	\$ 75,863,942

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, 2007

Total Governmental Fund Balances		\$ 46,035,692
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	\$ 130,020,627	
Less accumulated depreciation	<u>(41,223,443)</u>	88,797,184
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	\$ 188,287	
Interfund payables	<u>(188,287)</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.		
		12,555,259
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	\$ 4,512,151	
Non-capital liabilities	<u>163,634</u>	4,348,517
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.		
		(10,017)
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	\$ (2,925,000)	
Landfill closure and post-closure care	(1,191,000)	
Pollution remediation costs	(465,000)	
Compensated absences	<u>(1,360,784)</u>	(5,941,784)
Net Assets Of Governmental Activities		<u>\$ 145,784,851</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, 2007

	General	Road and Bridge	Social Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 37,846,416	\$ 2,263,532	\$ 1,253,530	\$ -	\$ 59,292	\$ 41,422,770
Intergovernmental	2,871,882	5,494,206	3,532,443	836,759	-	12,735,290
Licenses and permits	871,227	270,851	-	-	-	1,142,078
Charges for services	3,393,629	-	-	-	-	3,393,629
Investment earnings	2,898,697	-	-	-	81,746	2,980,443
Miscellaneous	748,796	1,013,685	224,246	159,569	54	2,146,350
Total Revenues	48,630,647	9,042,274	5,010,219	996,328	141,092	63,820,560
Expenditures						
Current:						
General government	8,918,391	-	-	-	-	8,918,391
Public safety	13,308,782	-	-	-	-	13,308,782
Auxiliary services	3,025,521	-	-	-	-	3,025,521
Public works	97,973	8,725,850	-	-	158,115	8,981,938
Health and welfare	-	-	4,759,169	-	-	4,759,169
Community programs	4,044,371	-	-	-	-	4,044,371
Capital Outlay	-	6,014,150	-	6,733,269	51,067	12,798,486
Debt Service:						
Principal retirement	-	-	-	-	360,000	360,000
Interest and fiscal charges	-	-	-	-	102,089	102,089
Agent fees	-	-	-	-	1,750	1,750
Total Expenditures	29,395,038	14,740,000	4,759,169	6,733,269	673,021	56,300,497
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,235,609	(5,697,726)	251,050	(5,736,941)	(531,929)	7,520,063
Other Financing Sources (Uses)						
Sale of capital assets	-	-	-	63,448	-	63,448
Transfers in	1,664,053	5,000,000	-	9,000,000	2,626,062	18,290,115
Transfers out	(16,616,062)	-	-	-	(1,674,053)	(18,290,115)
Total Other Financing Sources (Uses)	(14,952,009)	5,000,000	-	9,063,448	952,009	63,448
Net Change in Fund Balances	4,283,600	(697,726)	251,050	3,326,507	420,080	7,583,511
Fund Balances Beginning of Year	14,281,756	8,010,066	1,441,111	11,760,376	2,958,872	38,452,181
Fund Balances End of Year	\$ 18,565,356	\$ 7,312,340	\$ 1,692,161	\$ 15,086,883	\$ 3,378,952	\$ 46,035,692

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, 2007*

Net Changes In Fund Balances - Total Governmental Funds		\$ 7,583,511
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)	\$ (4,760,647)	
Capital outlay	<u>12,846,021</u>	8,085,374
Governmental funds do not report the net cost of capital assets disposed of but the cost is reported on the statement of activities		(117,021)
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		2,461,791
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.		
Transfers in	\$ 18,290,115	
Transfers out	<u>(18,290,115)</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 @ 12/31/07	\$ 10,017	
Liability @ 12/31/06	<u>8,867</u>	(1,150)
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.		1,907,534
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 @ 12/31/07	\$ 1,191,000	
Liability @ 12/31/06	<u>1,133,500</u>	(57,500)
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 @ 12/31/07	\$ 465,000	
Liability @ 12/31/06	<u>300,000</u>	(165,000)
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.		
Certificates of participation		360,000
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 @ 12/31/07	\$ 1,360,784	
Liability @ 12/31/06	<u>1,188,079</u>	(172,705)
Change In Net Assets of Governmental Activities		<u>\$ 19,884,834</u>

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, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 35,891,630	\$ 35,891,630	\$ 37,846,416	\$ 1,954,786
Intergovernmental	2,295,489	2,345,489	2,871,882	526,393
Licenses and permits	607,500	607,500	871,227	263,727
Charges for services	3,447,099	3,447,099	3,393,629	(53,470)
Investment earnings	1,200,000	1,200,000	2,898,697	1,698,697
Miscellaneous	407,081	407,081	748,796	341,715
Total Revenues	43,848,799	43,898,799	48,630,647	4,731,848
Expenditures				
Current:				
General government	10,434,789	10,253,493	8,918,391	1,335,102
Public safety	13,408,423	13,574,011	13,308,782	265,229
Auxiliary services	3,576,870	3,876,276	3,025,521	850,755
Public works	108,000	108,000	97,973	10,027
Community programs	4,551,626	4,724,626	4,044,371	680,255
Total Expenditures	32,079,708	32,536,406	29,395,038	3,141,368
Excess of Revenues Over Expenditures	11,769,091	11,362,393	19,235,609	7,873,216
Other Financing Sources (Uses)				
Transfers in	1,827,276	2,013,980	1,664,053	(349,927)
Transfers out	(14,463,108)	(16,463,108)	(16,616,062)	(152,954)
Total Other Financing Sources (Uses)	(12,635,832)	(14,449,128)	(14,952,009)	(502,881)
Net Change in Fund Balances	\$ (866,741)	\$ (3,086,735)	4,283,600	\$ 7,370,335
Fund Balances Beginning of Year			14,281,756	
Fund Balances End of Year			\$ 18,565,356	

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, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 2,273,266	\$ 2,273,266	\$ 2,263,532	\$ (9,734)
Intergovernmental	4,699,394	6,199,394	5,494,206	(705,188)
Licenses and permits	60,000	60,000	270,851	210,851
Miscellaneous	677,000	677,000	1,013,685	336,685
Total Revenues	7,709,660	9,209,660	9,042,274	(167,386)
Expenditures				
Current:				
Public works				
Maintenance of condition/snow & ice removal	7,307,014	7,568,255	6,773,589	794,666
Engineering	1,266,303	1,268,052	1,309,367	(41,315)
General administration	1,085,602	1,257,882	642,894	614,988
Capital Outlay	8,041,000	9,105,730	6,014,150	3,091,580
Total Expenditures	17,699,919	19,199,919	14,740,000	4,459,919
(Deficiency) of Revenue (Under) Expenditures	(9,990,259)	(9,990,259)	(5,697,726)	4,292,533
Other Financing Sources (Uses)				
Transfers in	5,000,000	5,000,000	5,000,000	-
Total Other Financing Sources (Uses)	5,000,000	5,000,000	5,000,000	-
Net Change in Fund Balances	\$ (4,990,259)	\$ (4,990,259)	(697,726)	\$ 4,292,533
Fund Balances Beginning of Year			8,010,066	
Fund Balances End of Year			\$ 7,312,340	

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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Taxes	\$ 1,200,706	\$ 1,200,706	\$ 1,253,530	\$ 52,824
Intergovernmental	6,033,561	6,033,561	3,532,443	(2,501,118)
Miscellaneous	-	-	224,246	224,246
Total Revenues	<u>7,234,267</u>	<u>7,234,267</u>	<u>5,010,219</u>	<u>(2,224,048)</u>
Expenditures				
Current:				
Health and welfare	<u>7,251,890</u>	<u>7,251,890</u>	<u>4,759,169</u>	<u>2,492,721</u>
Total Expenditures	<u>7,251,890</u>	<u>7,251,890</u>	<u>4,759,169</u>	<u>2,492,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,623)</u>	<u>(17,623)</u>	251,050	<u>268,673</u>
Net Change in Fund Balances	<u>\$ (17,623)</u>	<u>\$ (17,623)</u>	251,050	<u>\$ 268,673</u>
Fund Balances Beginning of Year			<u>1,441,111</u>	
Fund Balances End of Year			<u>\$ 1,692,161</u>	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Net Assets
Internal Service Funds
December 31, 2007

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Equity in treasurer's cash and investments	\$ 4,391,530
Accounts receivable	8,411
Inventory	112,210
Total Current Assets	4,512,151
Noncurrent Assets:	
Capital Assets:	
Depreciable capital assets, net	6,492,133
Total Assets	\$ 11,004,284
Liabilities	
Current Liabilities:	
Accrued payroll	13,155
Accounts payable	41,368
Accrued incurred/unreported claims	109,111
Total Current Liabilities	163,634
Net Assets	
Invested in capital assets	6,492,133
Unrestricted	4,348,517
Total Net Assets	\$ 10,840,650

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, 2007*

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	\$ 2,523,549
Insurance deposits	<u>2,183,834</u>
Total Operating Revenues	4,707,383
Operating Expenses	
Equipment maintenance	1,043,639
Depreciation	1,059,122
Medical claims	<u>2,011,888</u>
Total Operating Expenses	4,114,649
Operating Income (Loss)	592,734
Non-Operating Revenues	
Gain (loss) on sale of capital assets	60,166
Investment earnings	<u>195,512</u>
Total Non-Operating Revenues (Expenses)	255,678
Loss before Contributions	848,412
Total Contributions	-
Change in Net Assets	848,412
Net Assets Beginning of Year	<u>9,992,238</u>
Net Assets End of Year	<u><u>\$ 10,840,650</u></u>

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, 2007

	<u>Governmental Activities - Internal Service Funds</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash received from customers	\$ 4,704,781
Cash payments for goods and services	(1,066,183)
Cash payments for claims	(2,064,746)
	<u>1,573,852</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,573,852</u>
Cash Flows from Capital and Related Financing Activities	
Cash sales of capital assets	198,565
Payments for capital acquisitions	(1,268,896)
	<u>(1,070,331)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(1,070,331)</u>
Cash Flows from Investing Activities	
Investment earnings	<u>195,512</u>
Net Increase (Decrease) in Cash and Cash Equivalents	699,033
Cash and Cash Equivalents Beginning of Year	<u>3,692,497</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 4,391,530</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 592,734
Adjustments:	
Depreciation	1,059,122
(Increase) Decrease in Assets:	
Accounts receivable	(2,602)
Inventory	(821)
Increase (Decrease) in Liabilities:	
Accounts payable	(23,799)
Accrued incurred/unreported claims	(52,858)
Accrued wages	<u>2,076</u>
Net Cash Provided by Operating Activities	<u>\$ 1,573,852</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, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	\$ 1,829,273	\$ 1,931,786
Liabilities		
Accounts payable	\$ 97,980	\$ 67,020
Due to component unit	97,302	75,916
Deposits held for others	1,633,991	1,788,850
Total Liabilities	<u>\$ 1,829,273</u>	<u>\$ 1,931,786</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, 2007

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La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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, 2007

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, 2007

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 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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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

The County maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on statements of net assets or balance sheets as “Equity in treasurer’s cash and investments,”

Equity in Treasurer’s Cash and Investments - The County maintains centralized bank accounts to maximize investment yields. With the exception of certain restricted funds, the County pools all cash on an entity-wide basis for management and investment purposes. 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.

For the purposes of cash flow statements, 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.

Investments are stated at fair value based on quoted market prices. Securities traded on a national exchange are valued at the last quoted sales price. Investments in governmental external investment pools are governed by Part 7 of Article 75 of the Colorado Revised Statutes and are exempt from registration with the Securities and Exchange Commissioner. The pools operate like a mutual fund with each share valued at \$1.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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.

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. Improvements to capital assets are capitalized, while 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.

In 2007, the County hired RCI Appraisal Company to complete a valuation of the County's infrastructure assets. They have provided the County with the estimated historical cost and accumulated depreciation of infrastructure assets, including such items as bridges, cattleguards, culverts, drainage and irrigation ditches, guardrails, retaining walls, roads and road signs, using County supplied inventories and by backtrending from current replacement cost. 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:

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Notes to the Basic Financial Statements
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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.

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, 2007, 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.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 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.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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.

Note 2 - Stewardship, Compliance and Accountability

2-A. Budgetary Information – The governmental fund budgets are adopted on a basis consistent with GAAP. Adopted budgets for internal service funds are presented on a non-GAAP basis. The nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis is included. Colorado State Statutes require the adoption of annual budgets for all funds, including proprietary 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. All budgets are prepared on a GAAP basis unless otherwise noted.

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 2007.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. 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

La Plata County, Colorado
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For the Year Ended December 31, 2007

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.

At year-end, the carrying amount of the County's deposits was \$3,431,608 and the bank balance was \$3,627,484. Of the bank balance, \$383,128 was covered by federal depository insurance and \$3,243,731 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 \$256,020 and the bank balance was \$272,127. Of the bank balance, \$137,406 was covered by federal depository insurance and \$134,721 was uninsured but collateralized with securities held by a third party in the name of the CPDPA.

Investments - 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

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.

La Plata County, Colorado
Notes to the Basic Financial Statements
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As of December 31, 2007, the County's investments were as follows:

	Weighted Avg Mkt Dur (Yrs)	S&P/ Moody Rating	% of Portfolio	Fair Value/ Carrying Amount
Local government investment pool-ColoTrust Plus	-	AAA/Aaa	54.31	\$ 24,787,539
Local government investment pool-CSafe	-	AAA/Aaa	11.11	5,072,394
Money market investment--First American Gov Obl	-	AAAm/none	0.92	421,974
United States Treasury notes	1.25	AAA/Aaa	7.78	3,551,550
Federal Home Loan Mortgage Corporation (FHLMC)	0.97	AAA/Aaa	2.21	1,011,000
Federal Home Loan Bank (FHLB)	2.63	AAA/Aaa	12.44	5,678,200
Federal National Mortgage Association (FNMA)	1.04	AAA/Aaa	5.65	2,578,446
Federal Farm Credit Bank (FFCB)	2.49	AAA/Aaa	4.48	2,044,500
Corporate--GE Capital	0.33	AAA/Aaa	1.09	497,800
Total			100.00	\$ 45,643,403

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	\$ 277,982	From Statement of Net Assets:	
Deposits	3,431,608	Cash & Cash Deposits	\$ 319,274
Investments	45,643,403	Equity in treasurer's cash and investments	46,588,057
Total	<u>\$ 49,352,993</u>	Cash held by Trustee	194,415
		Restricted cash and investments	421,974
		From Statement of Fiduciary Assets and Liabilities	1,829,273
		Total	<u>\$ 49,352,993</u>

3-B. Receivables

Receivables at December 31, 2007, 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.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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.

3-D. Capital Assets

Capital asset activity for governmental activities (excluding internal service funds) for the year ended December 31, 2007, was as follows:

	Balance 12/31/2006	Balance 1/1/2007 As Restated	Additions	Deductions	Balance 12/31/2007
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 2,769,561	\$ 2,769,561	\$ -	\$ -	\$ 2,769,561
Construction in progress	404,436	404,436	5,379,896	-	5,784,332
Total capital assets not being depreciated	3,173,997	3,173,997	5,379,896	-	8,553,893
Depreciable capital assets:					
Buildings	28,550,059	28,550,059	-	-	28,550,059
Improvements	7,748,991	7,748,991	666,625	15,079	8,400,537
Machinery and equipment	3,121,246	3,121,246	60,276	577,376	2,604,146
Infrastructure	13,876,612	64,182,053	6,739,224	-	70,921,277
Total depreciable capital assets	53,296,908	103,602,349	7,466,125	592,455	110,476,019
Total capital assets	56,470,905	106,776,346	12,846,021	592,455	119,029,912
Accumulated depreciation:					
Buildings	5,017,061	5,017,061	545,894	14,084	5,548,871
Improvements	705,083	705,083	257,846	6,807	956,122
Machinery and equipment	1,211,300	1,211,300	279,439	454,542	1,036,197
Infrastructure	580,837	26,565,325	2,618,346	-	29,183,671
Total accumulated depreciation	7,514,281	33,498,769	3,701,525	475,433	36,724,861
Governmental activities capital assets, net	\$ 48,956,624	\$ 73,277,577	\$ 9,144,496	\$ 117,022	\$ 82,305,051

As previously noted above, in 2007 the County engaged a consulting firm to perform a valuation of the County's infrastructure assets. The 12/31/2006 infrastructure amounts have been adjusted to reflect the estimated cost and accumulated depreciation amounts determined by the consultant using current asset inventories and by backtrending from current replacement costs.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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, 2007:

	Balance 01/1/2007	Additions	Deductions	Balance 12/31/2007
Internal service funds:				
Depreciable capital assets:				
Machinery and equipment	\$ 10,538,438	\$ 1,268,896	\$ 816,619	\$ 10,990,715
Total depreciable capital assets	10,538,438	1,268,896	816,619	10,990,715
Accumulated depreciation:				
Machinery and equipment	4,117,680	1,059,122	678,220	4,498,582
Total accumulated depreciation	4,117,680	1,059,122	678,220	4,498,582
Internal service funds capital assets, net	<u>\$ 6,420,758</u>	<u>\$ 209,774</u>	<u>\$ 138,399</u>	<u>\$ 6,492,133</u>

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2007

	Balance 1/1/2007	Additions	Deductions	Balance 12/31/2007
Depreciable capital assets:				
Improvements	\$ 23,334	\$ -	\$ -	\$ 23,334
Machinery and equipment	133,694	34,288	17,594	150,388
Less accumulated depreciation	(57,143)	(21,977)	(15,835)	(63,285)
Component units capital assets, net	<u>\$ 99,885</u>	<u>\$ 12,311</u>	<u>\$ 1,759</u>	<u>\$ 110,437</u>

Governmental activities depreciation expense	From governmental assets	From internal service fund assets	Total
General government	\$ 398,007	\$ 29,572	\$ 427,579
Public safety	205,317	259,322	464,639
Auxiliary services	307,293	29,618	336,911
Public works	2,775,021	728,722	3,503,743
Health and welfare	15,887	11,888	27,775
Total governmental activities depreciation expense	<u>\$ 3,701,525</u>	<u>\$ 1,059,122</u>	<u>\$ 4,760,647</u>

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2007, 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	Social Services fund	Total
General fund		\$ 30,345	\$ 30,345
Non-major governmental funds	157,942	-	157,942
Total	<u>\$ 157,942</u>	<u>\$ 30,345</u>	<u>\$ 188,287</u>

Interfund transfers for the year ended December 31, 2007, consisted of the following:

Transfer to	Transfers From:		
	General fund	Non-major governmental fund	Total
General fund	\$ -	\$ 1,664,053	\$ 1,664,053
Road and bridge fund	5,000,000	-	5,000,000
Capital projects fund	9,000,000	-	9,000,000
Non-major governmental funds	2,616,062	10,000	2,626,062
Totals	<u>\$ 16,616,062</u>	<u>\$ 1,674,053</u>	<u>\$ 18,290,115</u>

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, 2007

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, 2007 follow:

Year	Principal	Interest	Total
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	430,000	41,575	471,575
2013-2014	920,000	34,650	954,650
	<u>\$ 2,925,000</u>	<u>\$ 376,128</u>	<u>\$ 3,301,128</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, 2007 follows:

Year	Facility Lease
2008	\$ 467,613
2009	466,681
2010	469,506
2011	471,103
2012	471,575
2013-2014	954,650
Total minimum lease payments	3,301,128
Less amounts representing interest	376,128
Present value of minimum lease payments	<u>\$ 2,925,000</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, 2007

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2007:

Governmental Activities	<u>1/1/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2007</u>	<u>in One Year</u>
Compensated absences	\$ 1,188,079	\$ 1,941,840	\$ 1,769,135	\$ 1,360,784	\$ 340,196
Certificates of Participation	3,285,000	-	360,000	2,925,000	375,000
Environmental cleanup costs	300,000	165,000	-	465,000	465,000
Landfill closure and postclosure care costs	<u>1,133,500</u>	<u>152,071</u>	<u>94,571</u>	<u>1,191,000</u>	<u>572,500</u>
Total Governmental Activities	<u>\$ 5,906,579</u>	<u>\$ 2,258,911</u>	<u>\$ 2,223,706</u>	<u>\$ 5,941,784</u>	<u>\$ 1,752,696</u>
Component Unit:					
Compensated absences	<u>\$ 62,428</u>	<u>\$ 75,158</u>	<u>\$ 67,101</u>	<u>\$ 70,485</u>	<u>\$ 17,621</u>

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.

Conduit Debt - In November of 2001, the County participated in the refunding of the previously issued Recreational Facilities Refunding Revenue Bonds (Durango Ski Corporation Project) Series 1989A and the Taxable Mortgage Revenue Bonds (Purgatory Ski Area Project) Series 1989B for the purpose of financing Purgatory Ski Corporation expansion and development. The proceeds of the bonds were loaned to Durango Mountain Resort Project, Inc, pursuant to a loan agreement. The agreement requires the Project to repay the loan in monthly installments in amounts corresponding to the principal and interest payments as the same become due on the bonds. The bonds are not a debt, indebtedness, or multiple fiscal year direct or indirect debt or other financial obligation of the County, or charge against its general credit or taxing power. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The principal amount outstanding at December 31, 2007 is \$8,845,000.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 \$1,191,000 as of December 31, 2007, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 5,500	100%	\$ 5,500
Marvel	5,500	100%	5,500
Gun Club	5,500	100%	5,500
Durango	516,500	100%	516,500
Bayfield	658,000	100%	658,000
Totals	\$ 1,191,000		\$ 1,191,000

The estimated total current cost of the landfill closure and postclosure care of \$1,191,000 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, 2007. 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 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 \$465,000.

The estimated total current cost of pollution investigation pre-cleanup activities of \$465,000 is based on the amount that would be paid if all equipment, facilities, and services required to do the known pollution investigation were

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

acquired as of December 31, 2007. 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.

The information and estimates in this note (3-H) do not apply to the County's ongoing liability related to closed landfills. Note 3-G (above) includes information related to the County's responsibility for landfill closure and postclosure care costs

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, 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 8%. 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.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

The County's total payroll in calendar 2007 was \$17,170,090. The County's contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$16,374,719. Both the County and the covered employees made the required contributions, amounting to \$971,414 from the County and \$971,414 from employees, or \$1,942,828 total.

3-L. Net Assets/Fund Balances/Restatement of Net Assets

Net Assets - Net assets on the government-wide statement of net assets as of December 31, 2007 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	\$ 130,020,627	\$ 173,722
Less accumulated depreciation	41,223,443	63,285
Book value	88,797,184	110,437
Less capital related debt	2,925,000	-
Investments in capital assets, net of related debt	<u>\$ 85,872,184</u>	<u>\$ 110,437</u>

As previously noted, in 2007 the County hired a consulting firm to perform a valuation of the County's infrastructure assets. Net assets as of 12/31/2006 have been restated to reflect the estimated historical cost and estimated accumulated depreciation for these infrastructure assets:

Beginning net assets as previously reported:	\$ 101,579,064
Restatement for prior year infrastructure	24,320,953
Beginning net assets, as restated	<u>\$ 125,900,017</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.

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 2007, 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."

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 \$109,111 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, 2007 and the amount of the loss can be reasonably estimated.

Changes in the funds claims liability amount in calendar 2007 and 2006 were:

	<u>2007</u>	<u>2006</u>
Liability at January 1	\$ 161,969	\$ 98,002
Add: Current year claims & changes in estimates	2,011,888	1,803,586
Less: Claim Payments	<u>(2,064,746)</u>	<u>(1,739,619)</u>
Balance at December 31	<u>\$ 109,111</u>	<u>\$ 161,969</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 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

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 2007, 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, 2007. 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.

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 2007, 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.

LaPlata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 #5121	11/10/2005-12/31/2007	250,000	739,848	Construction of an 800 Mhz radio tower
EIAF #5389	2/27/2006-12/31/2007	1,000,000	750,000	Reconstruction of a section of CR 213
EIAF #5603	12/19/2006-12/31/2008	1,310,000	800,000	Improvements to a section of CR 213
EIAF #5676	6/14/2007-12/31/2008	13,470,000	2,000,000	Jail expansion
EIAF #5851	03/21/2007-12/31/2008	89,000	89,900	Wildfire preparedness
EIAF #5857	04/10/2007-12/31/2008	31,500	31,500	Regional transit plan
EIAF #5884	9/21/2007-6/30/2008	580,497	500,000	R&B Equipment and Improvements
EIAF #5967	12/27/2007-12/31/2009	650,000	500,000	CR 141 Bridge/Intersection Improvements
EIAF #6072	12/27/2007-12/31/2009	30,000	30,000	Administrative intern
LGGF #06-491	11/29/2006-6/30/2008	395,325	350,000	Road Improvements
LGGF #07-548	01/01/2008-12/31/2008	98,936	350,000	Sheriff Public Safety
LGGF #07-550	01/01/2008-12/31/2008	0	31,772	District attorney
LGGF #06-549	01/01/2008-12/31/2008	600,000	400,000	Road Maintenance
Totals		<u>\$18,505,258</u>	<u>\$6,573,020</u>	

Contract to Purchase Real Estate – On February 25, 2005, 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.

Construction Commitments - On January 24, 2007, the County entered into a construction contract for an 84-cell expansion at the La Plata County Detention facility. The revised contract amount as of 12/31/2007 is \$12,555,244, with \$3,299,321 having been paid to the contractor. The balance of the contract will be paid in 2008 or early 2009, with anticipated completion of the project in December 2008.

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 \$12,555,259 at December 31, 2007. 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, 2007.

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

LaPlata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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	\$519,918

La Plata County, Colorado
Combining Balance Sheet - by Fund Type
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Equity in treasurer's cash and investments	\$ 2,814,723	\$ -	\$ 26,548	\$ 2,841,271
Cash held by Trustee	-	-	421,974	421,974
Receivables:				
Accounts	-	-	-	-
Property taxes	65,655	-	-	65,655
Interfund	157,942	-	-	157,942
Total Assets	<u>\$ 3,038,320</u>	<u>\$ -</u>	<u>\$ 448,522</u>	<u>\$ 3,486,842</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 42,235	\$ -	\$ -	\$ 42,235
Interfund payable	-	-	-	-
Deferred revenues	65,655	-	-	65,655
Total Liabilities	<u>107,890</u>	<u>-</u>	<u>-</u>	<u>107,890</u>
Fund Balances				
Reserved for:				
Emergencies	1,285,000	-	-	1,285,000
Debt service	-	-	448,522	448,522
Capital projects	-	-	-	-
Unreserved, undesignated	1,645,430	-	-	1,645,430
Total Fund Balances	<u>2,930,430</u>	<u>-</u>	<u>448,522</u>	<u>3,378,952</u>
Total Liabilities and Fund Balances	<u>\$ 3,038,320</u>	<u>\$ -</u>	<u>\$ 448,522</u>	<u>\$ 3,486,842</u>

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, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ 59,292	\$ -	\$ -	\$ 59,292
Investment earnings	59,809	719	21,218	81,746
Miscellaneous	54	-	-	54
Total Revenues	119,155	719	21,218	141,092
Expenditures				
Current:				
Public works	158,115	-	-	158,115
Capital Outlay	51,067	-	-	51,067
Debt Service:				
Principal retirement	-	-	360,000	360,000
Interest and fiscal charges	-	-	102,089	102,089
Agent fees	-	-	1,750	1,750
Total Expenditures	209,182	-	463,839	673,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,027)	719	(442,621)	(531,929)
Other Financing Sources (Uses)				
Transfers in	2,160,062	-	466,000	2,626,062
Transfers out	(1,674,053)	-	-	(1,674,053)
Total Other Financing Sources (Uses)	486,009	-	466,000	952,009
Net Change in Fund Balances	395,982	719	23,379	420,080
Fund Balances Beginning of Year	2,534,448	(719)	425,143	2,958,872
Fund Balances End of Year	\$ 2,930,430	\$ -	\$ 448,522	\$ 3,378,952

La Plata County, Colorado
General Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	2007	2006
Assets		
Cash and cash deposits	\$ 317,774	\$ 422,488
Equity in treasurer's cash and investments	16,753,477	12,353,500
Restricted cash and investments	111,910	58,106
Receivables:		
Accounts	356,606	114,729
Property taxes	21,825,990	22,253,650
Loans	-	110,200
Deposits	2,000	4,275
Intergovernmental	1,972,713	2,895,937
Component unit	300,000	150,000
Interfund	30,345	92,881
Inventory	75,666	101,468
Total Assets	\$ 41,746,481	\$ 38,557,234
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 504,311	\$ 431,558
Accrued salaries and benefits	333,444	263,853
Contracts payable	-	9,528
Intergovernmental payable	150,664	989,532
Interfund payable	157,942	144,505
Deposits payable	18,890	23,340
Deferred revenue	21,954,206	22,355,056
Liabilities payable from restricted assets	61,668	58,106
Total Liabilities	23,181,125	24,275,478
Fund Balances		
Reserved for:		
Inventory	75,666	101,468
Public trustee	27,735	26,738
Prisoner commissary	18,416	18,416
Law enforcement	309,979	357,182
Revolving loan activities	46,209	255,041
Conservation trust	877,564	744,825
Unreserved, undesignated	17,209,787	12,778,086
Total Fund Balances	18,565,356	14,281,756
Total Liabilities and Fund Balances	\$ 41,746,481	\$ 38,557,234

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget			Variance	2006
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Revenues:					
Taxes					
General property & delinquent taxes	\$ 21,873,650	\$ 21,873,650	\$ 21,781,981	\$ (91,669)	\$ 18,372,250
Specific ownership	1,350,000	1,350,000	1,923,607	573,607	1,636,833
Sales tax	12,501,580	12,501,580	13,903,657	1,402,077	12,874,145
Cable franchise fees	-	-	59,011		
Lodger's tax	166,400	166,400	178,160	11,760	176,662
Total Taxes	35,891,630	35,891,630	37,846,416	1,954,786	33,059,890
	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-
Federal Revenue:					
Payment In Lieu of Taxes	475,000	475,000	552,890	77,890	556,139
Senior Services-Older American Act	105,366	105,366	261,265	155,899	125,852
Senior Services-USDA	13,000	13,000	12,767	(233)	19,042
HIDTA grant	225,000	225,000	225,617	617	199,567
Bulletproof vest grant	4,000	4,000	-	(4,000)	12,372
Homeland Security	-	-	-	-	131,431
Federal mineral leasing	-	-	-	-	25,242
Other miscellaneous federal grants	-	-	4,550	4,550	-
Southern Ute Payment in Lieu of Taxes	60,000	60,000	395,384	335,384	292,015
State Revenues:					
Office of Emergency Management	25,000	25,000	38,700	13,700	12,900
Lottery Funds	225,000	225,000	284,733	59,733	222,045
Community Services Block Grant-for Sr. Svcs	5,000	5,000	5,000	-	7,762
Community Development Block Grant	450,000	450,000	519,918	69,918	670,490
Cigarette taxes	25,000	25,000	35,439	10,439	35,516
Search and rescue monies	5,000	5,000	6,905	1,905	14,733
Search and rescue tier III	7,000	7,000	-	(7,000)	-
Mineral severance tax	300,000	300,000	82,138	(217,862)	363,036
Mineral leasing	-	-	14,693	14,693	-
DOW Impact assistance	2,500	2,500	3,603	1,103	3,864
Local Government Limited Gaming grants	295,223	295,223	290,057	(5,166)	295,223
Energy Impact Assistance grants	-	-	-	-	1,459,878
Great Outdoors Colorado grants	-	-	2,391	2,391	16,557
Beanpole (MNT) grant	52,000	52,000	60,306	8,306	38,747
Veteran's Services	1,200	1,200	-	(1,200)	1,200
Predator Control Reimbursement	2,000	2,000	-	(2,000)	1,883
Miscellaneous state grants	-	-	4,249	4,249	12,410
Local Government Revenue:					
Local governments--children youth & families	-	50,000	52,750	2,750	-
SWCMHC contribution for Crossroads center	-	-	-	-	889,421
Local match for senior services	-	-	-	-	31,486
Local government contributions for senior services	18,000	18,000	18,427	427	2,162
Council on Aging	200	200	100	(100)	3,149
Total Intergovernmental Revenue	2,295,489	2,345,489	2,871,882	526,393	5,444,122

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget			Variance	2006
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Licenses and Permits	-	-	-	-	-
Liquor licenses	\$ 7,500	\$ 7,500	\$ 4,830	\$ (2,670)	\$ 6,640
Building permits	600,000	600,000	866,397	266,397	729,452
Total Licenses and Permits	607,500	607,500	871,227	263,727	736,092
Charges for Services	-	-	-	-	-
Treasurer's fees	730,000	730,000	697,026	(32,974)	615,288
Clerk and recorder's fees	1,018,000	1,018,000	1,149,634	131,634	1,209,034
Public trustee's fees	90,000	90,000	87,941	(2,059)	108,101
Planning fees	150,000	150,000	340,904	190,904	134,452
Oil and gas fees	175,000	175,000	-	(175,000)	226,490
Assessor's fees	6,000	6,000	101,411	95,411	24,712
Sheriff's fees	69,282	69,282	71,679	2,397	76,027
Law enforcement assistance fund	6,000	6,000	6,141	141	8,111
Airport security reimbursement	10,000	10,000	-	(10,000)	1,231
Other security services	10,000	10,000	6,858	(3,142)	86,266
Jail room & board	100,000	100,000	226,694	126,694	203,452
Other Jail charges	16,500	16,500	17,456	956	14,211
Booking fees	35,000	35,000	47,659	12,659	48,214
Prisoner transportation	20,000	20,000	14,480	(5,520)	25,968
Useful public service program	50,000	50,000	46,895	(3,105)	34,945
Work release/Community service	60,000	60,000	36,099	(23,901)	57,418
Alternatives to incarceration	90,000	90,000	143,738	53,738	87,352
Senior meal donations-Durango	70,000	70,000	73,058	3,058	71,314
Senior meal donations-other	3,500	3,500	4,198	698	3,612
Senior home chore/other revenue	6,000	6,000	31,681	25,681	6,657
Senior transportation income	14,000	14,000	-	(14,000)	20,571
Senior center activities	16,000	16,000	10,635	(5,365)	11,034
Senior center rentals	3,700	3,700	2,070	(1,630)	3,230
Senior services-other	7,337	7,337	8,700	1,363	-
Surveyor's fees	10,000	10,000	6,475	(3,525)	9,915
Indirect cost allocation reimbursement	80,000	80,000	130,034	50,034	63,255
GIS Services reimbursements	15,000	15,000	6,459	(8,541)	10,481
Election Reimbursements	40,000	40,000	34,066	(5,934)	62,911
Inmate medical/phone reimbursements	90,000	90,000	89,375	(625)	40,612
Workforce housing fees	454,780	454,780	-	(454,780)	21,000
Maps/code book sales & sign fees	1,000	1,000	2,263	1,263	4,390
Employee equipment reimbursements	-	-	-	-	-
Total Charges for Services	3,447,099	3,447,099	3,393,629	(53,470)	3,290,254
Investment earnings	1,200,000	1,200,000	2,898,697	1,698,697	1,879,693

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget			Variance	2006
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Miscellaneous Revenue					
Building rentals	\$ 147,131	\$ 147,131	\$ 157,215	\$ 10,084	\$ 198,846
Fairgrounds rentals	75,500	75,500	75,053	(447)	78,098
Forfeitures	22,000	22,000	207,598	185,598	85,427
Senior services-United Way	22,000	22,000	16,558	(5,442)	28,301
Senior services-ColoTrust Healthy Aging Initiative	-	-	62,926	62,926	-
Other miscellaneous grants	-	-	2,526	2,526	-
Tipping fees	-	-	-	-	4,551
Vehicle inspection fees	42,000	42,000	45,560	3,560	42,335
Prisoner commissary collections	75,000	75,000	58,804	(16,196)	57,043
Photocopies	250	250	2,002	1,752	1,613
Telephone/postage refunds	3,200	3,200	3,997	797	4,297
Sales of assets	-	-	800	800	2,171
Parking/Traffic fines	-	-	5,751	5,751	-
Animal control fines	3,000	3,000	4,097	1,097	2,518
Insurance refunds	2,000	2,000	5,148	3,148	51,810
Other refunds	13,000	13,000	22,424	9,424	28,106
Other miscellaneous revenues	2,000	2,000	78,337	76,337	80,783
Total Miscellaneous Revenue	407,081	407,081	748,796	341,715	2,543,074
Total Revenue	43,848,799	43,898,799	48,630,647	4,731,848	45,075,950
Expenditures:					
Current					
General Government					
Board of County Commissioners					
Personnel Expenditures	262,123	262,123	259,793	2,330	229,290
Operating Expenditures	192,300	192,300	168,763	23,537	146,138
	454,423	454,423	428,556	25,867	375,428
County Clerk and Recorder-Operations					
Personnel Expenditures	697,490	697,990	699,275	(1,285)	662,045
Operating Expenditures	191,888	191,888	156,691	35,197	170,236
	889,378	889,878	855,966	33,912	832,281
County Clerk and Recorder-Elections					
Personnel Expenditures	110,831	110,331	88,097	22,234	150,086
Operating Expenditures	81,000	81,000	39,760	41,240	110,741
	191,831	191,331	127,857	63,474	260,827
County Treasurer					
Personnel Expenditures	289,558	289,558	285,579	3,979	263,808
Operating Expenditures	191,685	191,685	143,306	48,379	148,179
	481,243	481,243	428,885	52,358	411,987
Public Trustee's Office					
Personnel Expenditures	15,526	15,526	15,769	(243)	15,420
Operating Expenditures	12,025	12,025	4,377	7,648	3,213
	27,551	27,551	20,146	7,405	18,633
County Assessor					
Personnel Expenditures	1,050,806	1,050,806	1,040,276	10,530	972,389
Operating Expenditures	301,895	301,895	178,898	122,997	146,715
	1,352,701	1,352,701	1,219,174	133,527	1,119,104
County Surveyor					
Personnel Expenditures	11,729	11,729	10,897	832	-
Operating Expenditures	1,000	1,000	1,294	(294)	-
	12,729	12,729	12,191	538	-

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget			Variance	2006
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
General Government (Continued)					
Administrative Offices					
Personnel Expenditures	\$ 346,092	\$ 382,556	\$ 380,612	\$ 1,944	\$ 393,352
Operating Expenditures	246,800	246,800	148,199	98,601	96,738
	592,892	629,356	528,811	100,545	490,090
Construction Management					
Personnel Expenditures	85,547	87,347	86,416	931	-
Operating Expenditures	48,944	48,944	9,490	39,454	-
	134,491	136,291	95,906	40,385	-
County Attorney's Office					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	212,000	212,000	453,762	(241,762)	117,321
	212,000	212,000	453,762	(241,762)	117,321
Geographic Information Services					
Personnel Expenditures	491,293	499,293	497,698	1,595	451,245
Operating Expenditures	53,931	53,931	42,197	11,734	41,720
	545,224	553,224	539,895	13,329	492,965
Finance					
Personnel Expenditures	267,526	274,303	268,039	6,264	294,440
Operating Expenditures	115,000	165,000	127,476	37,524	65,651
	382,526	439,303	395,515	43,788	360,091
Information Services					
Personnel Expenditures	706,797	706,797	695,755	11,042	576,593
Operating Expenditures	684,167	684,167	576,394	107,773	392,521
	1,390,964	1,390,964	1,272,149	118,815	969,114
Procurement/Warehouse					
Personnel Expenditures	196,724	202,724	200,968	1,756	182,421
Operating Expenditures	51,996	51,996	44,109	7,887	38,563
	248,720	254,720	245,077	9,643	220,984
Building Maintenance					
Personnel Expenditures	448,781	453,881	452,382	1,499	409,565
Operating Expenditures	763,042	763,042	387,842	375,200	206,096
	1,211,823	1,216,923	840,224	376,699	615,661
Building Maintenance-OMPO					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	136,500	136,500	78,455	58,045	101,460
	136,500	136,500	78,455	58,045	101,460
Central Services					
Personnel Expenditures	-	-	2,623	(2,623)	-
Operating Expenditures	227,122	177,122	146,787	30,335	131,917
	227,122	177,122	149,410	27,712	131,917
Human Resources					
Personnel Expenditures	340,943	371,743	316,914	54,829	302,065
Operating Expenditures	121,350	121,350	101,485	19,865	94,763
	462,293	493,093	418,399	74,694	396,828
Risk Management					
Personnel Expenditures	340,006	339,699	371,807	(32,108)	334,146
Operating Expenditures	468,415	448,715	436,206	12,509	513,962
	808,421	788,414	808,013	(19,599)	848,108
Budget Contingency/Reserves	671,957	415,727	-	415,727	-
Total General Government	10,434,789	10,253,493	8,918,391	1,335,102	7,762,799

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget			Variance Favorable (Unfavorable)	2006 Actual
	As Adopted	Final	Actual		
Public Safety					
Sheriff-Patrol					
Personnel Expenditures	\$ 2,213,827	\$ 2,213,827	\$ 2,175,867	\$ 37,960	\$ 2,100,485
Operating Expenditures	1,072,814	1,087,007	992,506	94,501	892,101
	3,286,641	3,300,834	3,168,373	132,461	2,992,586
Sheriff-Detentions					
Personnel Expenditures	2,712,515	2,748,151	2,673,702	74,449	2,455,192
Operating Expenditures	1,188,894	1,188,894	1,168,413	20,481	1,218,945
	3,901,409	3,937,045	3,842,115	94,930	3,674,137
Sheriff-Special Services					
Personnel Expenditures	1,356,168	1,347,667	1,320,365	27,302	1,281,672
Operating Expenditures	306,653	306,653	277,464	29,189	356,759
	1,662,821	1,654,320	1,597,829	56,491	1,638,431
Sheriff-Special Investigations					
Personnel Expenditures	347,939	347,939	342,468	5,471	346,293
Operating Expenditures	349,462	349,462	588,236	(238,774)	210,068
	697,401	697,401	930,704	(233,303)	556,361
Sheriff-Criminal Investigations					
Personnel Expenditures	683,762	692,262	692,624	(362)	609,209
Operating Expenditures	160,982	160,982	128,794	32,188	102,302
	844,744	853,244	821,418	31,826	711,511
Alternatives to Incarceration					
Personnel Expenditures	329,342	350,831	350,485	346	323,831
Operating Expenditures	229,075	227,085	227,937	(852)	213,457
	558,417	577,916	578,422	(506)	537,288
County Coroner					
Personnel Expenditures	103,478	103,478	90,049	13,429	47,492
Operating Expenditures	62,062	62,062	54,526	7,536	64,367
	165,540	165,540	144,575	20,965	111,859
Building Inspection Department					
Personnel Expenditures	636,223	637,324	631,978	5,346	592,366
Operating Expenditures	149,602	149,602	92,881	56,721	81,160
	785,825	786,926	724,859	62,067	673,526
Emergency Management Office					
Personnel Expenditures	92,294	93,395	93,259	136	87,339
Operating Expenditures	112,100	112,100	71,271	40,829	48,104
	204,394	205,495	164,530	40,965	135,443
Weed and Rodent Control					
Operating Expenditures	43,000	43,000	43,283	(283)	43,252
Pmt to Component Unit - District Attorney	1,258,231	1,352,290	1,292,674	59,616	1,172,713
Total Public Safety	13,408,423	13,574,011	13,308,782	265,229	12,247,107

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget			Variance Favorable (Unfavorable)	2006 Actual
	As Adopted	Final	Actual		
Auxiliary Services					
Extension Office					
Personnel Expenditures	\$ 68,902	\$ 68,902	\$ 52,610	\$ 16,292	\$ 48,494
Operating Expenditures	57,890	57,890	41,638	16,252	45,881
	126,792	126,792	94,248	32,544	94,375
Fairgrounds					
Personnel Expenditures	486,102	486,102	448,142	37,960	396,690
Operating Expenditures	455,748	455,748	332,731	123,017	309,382
	941,850	941,850	780,873	160,977	706,072
Weed Control					
Personnel Expenditures	83,015	82,734	74,722	8,012	69,897
Operating Expenditures	74,781	75,062	61,750	13,312	61,620
	157,796	157,796	136,472	21,324	131,517
Veterans Services					
Personnel Expenditures	45,384	45,384	44,357	1,027	40,261
Operating Expenditures	9,650	9,650	2,243	7,407	3,385
	55,034	55,034	46,600	8,434	43,646
Senior Services					
Personnel Expenditures	366,853	383,558	388,377	(4,819)	347,198
Operating Expenditures	205,554	386,255	226,211	160,044	200,579
	572,407	769,813	614,588	155,225	547,777
Senior Services - non Joint Sales Tax Supported					
Personnel Expenditures	9,888	9,888	3,568	6,320	5,254
Operating Expenditures	62,455	62,455	56,369	6,086	57,887
	72,343	72,343	59,937	12,406	63,141
Children, Youth and Families Master Plan					
Personnel Expenditures	-	18,613	18,286	327	-
Operating Expenditures	-	83,387	56,670	26,717	-
	-	102,000	74,956	27,044	-
Community Development Department					
Personnel Expenditures	1,056,705	1,056,705	984,362	72,343	918,068
Operating Expenditures	593,943	593,943	233,485	360,458	235,366
	1,650,648	1,650,648	1,217,847	432,801	1,153,434
Total Auxiliary Services	3,576,870	3,876,276	3,025,521	850,755	2,739,962
Public Works					
Convenience Center					
Operating Expenditures	108,000	108,000	97,973	10,027	87,070
Total Public Works	108,000	108,000	97,973	10,027	87,070

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget			Variance Favorable	2006
	As Adopted	Final	Actual	(Unfavorable)	Actual
Community Programs					
Public Service Agencies					
Durango Public Library	\$ 668,880	\$ 668,880	\$ 612,863	\$ 56,017	\$ 544,513
Lodger's tax to DATO	166,600	166,600	176,466	(9,866)	176,662
Other Public Service Agencies	2,412,766	2,585,766	1,935,370	650,396	1,464,416
Total Public Service Agencies	3,248,246	3,421,246	2,724,699	696,547	2,185,591
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	753,380	753,380	697,363	56,017	638,934
Total payments to other governments	853,380	853,380	797,363	56,017	738,934
Pass through of grants received for construction of a non-County mental health ctr of CDBG funds	- 450,000	- 450,000	- 519,918	- (69,918)	2,495,333 670,490
of GOCO funds	-	-	2,391	(2,391)	16,557
of CSBG funds	-	-	-	-	-
Total pass throughs	450,000	450,000	522,309	(72,309)	3,182,380
Total Community Programs	4,551,626	4,724,626	4,044,371	680,255	6,106,905
Total Expenditures	32,079,708	32,536,406	29,395,038	3,141,368	28,943,843
Excess of Revenues Over Expenditures	11,769,091	11,362,393	19,235,609	7,873,216	16,132,107
Other Financing Sources (Uses)					
Transfers in-joint sales tax fund	1,827,276	2,013,980	1,664,053	(349,927)	1,519,968
Transfers in-tribal impact fund	-	-	-	-	782,223
Transfers out-Road and Bridge fund	(5,000,000)	(5,000,000)	(5,000,000)	-	(5,000,000)
Transfers out-joint sales tax	(1,847,108)	(1,847,108)	(2,000,062)	(152,954)	(1,902,155)
Transfers out-emergency reserve fund	(100,000)	(100,000)	(100,000)	-	-
Transfers out-finance authority debt service fund	(466,000)	(466,000)	(466,000)	-	(380,000)
Transfers out-capital improvement	(7,000,000)	(9,000,000)	(9,000,000)	-	(7,000,000)
Transfers out-landfill closure	(50,000)	(50,000)	(50,000)	-	(50,000)
Total Other Financing Sources (Uses)	(12,635,832)	(14,449,128)	(14,952,009)	(502,881)	(12,029,964)
Net Change in Fund Balances	(866,741)	(3,086,735)	4,283,600	7,370,335	4,102,143
Fund Balance Beginning of Year			14,281,756		10,179,613
Fund Balance End of Year			\$ 18,565,356		\$ 14,281,756

La Plata County, Colorado
Road and Bridge Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Cash	\$ 1,100	\$ 1,100
Equity in treasurer's cash and investments	5,364,264	7,526,867
Receivables:		
Accounts	66,725	9,204
Property taxes	2,037,920	2,132,266
Intergovernmental	3,034,974	887,302
Inventory	313,210	304,358
Total Assets	<u>\$ 10,818,193</u>	<u>\$ 10,861,097</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,044,329	\$ 255,359
Accrued salaries and wages	52,883	42,783
Contracts payable	337,256	280,896
Intergovernmental payable	22,328	14,727
Deferred revenues	2,049,057	2,257,266
Total Liabilities	<u>3,505,853</u>	<u>2,851,031</u>
Fund Balances		
Reserved for:		
Inventory	313,210	304,358
Road improvements	3,405,352	2,807,682
Unreserved, undesignated	3,593,778	4,898,026
Total Fund Balances	<u>7,312,340</u>	<u>8,010,066</u>
Total Liabilities and Fund Balances	<u>\$ 10,818,193</u>	<u>\$ 10,861,097</u>

La Plata County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget As Adopted	Budget Final	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Property taxes	\$ 2,273,266	\$ 2,273,266	\$ 2,263,532	\$ (9,734)	\$ 1,917,194
Intergovernmental	4,699,394	6,199,394	5,494,206	(705,188)	5,488,716
Licenses and permits	60,000	60,000	270,851	210,851	81,678
Charges for services	-	-	-	-	-
Miscellaneous	677,000	677,000	1,013,685	336,685	2,446,998
Total Revenues	<u>7,709,660</u>	<u>9,209,660</u>	<u>9,042,274</u>	<u>(167,386)</u>	<u>9,934,586</u>
Expenditures					
Current:					
Public Works					
Maintenance of condition/snow & ice removal	7,307,014	7,568,255	6,773,589	794,666	5,999,956
Flood mitigation/debris removal	-	-	-	-	40,177
Engineering	1,266,303	1,268,052	1,309,367	(41,315)	959,141
General administration	856,558	815,787	642,894	172,893	542,690
Budget contingency	229,044	442,095	-	442,095	-
Capital Outlay	<u>8,041,000</u>	<u>9,105,730</u>	<u>6,014,150</u>	<u>3,091,580</u>	<u>5,364,696</u>
Total Expenditures	<u>17,699,919</u>	<u>19,199,919</u>	<u>14,740,000</u>	<u>4,459,919</u>	<u>12,906,660</u>
(Deficiency of Revenues (Under) Expenditures	<u>(9,990,259)</u>	<u>(9,990,259)</u>	<u>(5,697,726)</u>	<u>4,292,533</u>	<u>(2,972,074)</u>
Other Financing Sources					
Transfers in	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>5,082,400</u>
Total Other Financing Sources (Uses)	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>5,082,400</u>
Net Change in Fund Balances	<u>\$ (4,990,259)</u>	<u>\$ (4,990,259)</u>	<u>(697,726)</u>	<u>\$ 4,292,533</u>	<u>2,110,326</u>
Fund Balances Beginning of Year			<u>8,010,066</u>		<u>5,899,740</u>
Fund Balances End of Year			<u>\$ 7,312,340</u>		<u>\$ 8,010,066</u>

La Plata County, Colorado
Social Services Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	1,796,143	1,459,079
Restricted cash	82,505	56,618
Receivables:		
Accounts	250	19,646
Property taxes	1,096,678	1,141,213
Intergovernmental	391,619	211,700
Total Assets	<u>\$ 3,367,595</u>	<u>\$ 2,888,656</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 394,042	\$ 177,850
Liabilities payable from restricted assets	82,505	56,618
Interfund payable	30,345	-
Intergovernmental payable	71,864	71,864
Deferred revenues	1,096,678	1,141,213
Total Liabilities	1,675,434	1,447,545
Fund Balances		
Unreserved, undesignated	1,692,161	1,441,111
Total Liabilities and Fund Balances	<u>\$ 3,367,595</u>	<u>\$ 2,888,656</u>

La Plata County, Colorado
Social Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for Year Ended December 31, 2006)

	2007				
	Budget As Adopted	Budget Final	Actual	Variance Favorable (Unfavorable)	2006
Revenues					
Property taxes	\$ 1,200,706	\$ 1,200,706	\$ 1,253,530	\$ 52,824	\$ 1,055,850
Intergovernmental	6,033,561	6,033,561	3,532,443	(2,501,118)	3,423,698
Miscellaneous	-	-	224,246	224,246	257,469
Total Revenues	7,234,267	7,234,267	5,010,219	(2,224,048)	4,737,017
Expenditures					
Current:					
Health and welfare	7,251,890	7,251,890	4,759,169	2,492,721	4,731,187
Capital Outlay					
	-	-	-	-	138,526
Total Expenditures	7,251,890	7,251,890	4,759,169	2,492,721	4,869,713
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,623)	(17,623)	251,050	268,673	(132,696)
Other Financing Sources					
Transfers in	-	-	-	-	42,768
Net Change in Fund Balances	\$ (17,623)	\$ (17,623)	251,050	\$ 268,673	(89,928)
Fund Balances Beginning of Year			1,441,111		1,531,039
Fund Balances End of Year			\$ 1,692,161		\$ 1,441,111

La Plata County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	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	\$ 870,973	\$ 1,285,000	\$ 63,190	\$ -	\$ 595,560	\$ 2,814,723
Receivables:						
Property taxes	-	-	65,655	-	-	65,655
Accounts	-	-	-	-	-	-
Interfund	157,942	-	-	-	-	157,942
Total Assets	<u>\$ 1,028,915</u>	<u>\$ 1,285,000</u>	<u>\$ 128,845</u>	<u>\$ -</u>	<u>\$ 595,560</u>	<u>\$ 3,038,320</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 4,355	\$ -	\$ 5,848	\$ -	\$ 32,032	\$ 42,235
Deferred revenues	-	-	65,655	-	-	65,655
Total Liabilities	<u>4,355</u>	<u>-</u>	<u>71,503</u>	<u>-</u>	<u>32,032</u>	<u>107,890</u>
Fund Balances						
Reserved for emergencies	-	1,285,000	-	-	-	1,285,000
Unreserved, undesignated	1,024,560	-	57,342	-	563,528	1,645,430
Total Fund Balances	<u>1,024,560</u>	<u>1,285,000</u>	<u>57,342</u>	<u>-</u>	<u>563,528</u>	<u>2,930,430</u>
Total Liabilities and Fund Balances	<u>\$ 1,028,915</u>	<u>\$ 1,285,000</u>	<u>\$ 128,845</u>	<u>\$ -</u>	<u>\$ 595,560</u>	<u>\$ 3,038,320</u>

La Plata County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Tribal Impact Mitigation	Landfill Closure	Total Nonmajor Special Revenue Funds
Revenues						
Property taxes	\$ -	\$ -	\$ 59,292	\$ -	\$ -	\$ 59,292
Intergovernmental	-	-	-	-	-	-
Investment earnings	31,375	-	-	-	28,434	59,809
Miscellaneous	-	-	54	-	-	54
Total Revenues	31,375	-	59,346	-	28,434	119,155
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	63,544	-	94,571	158,115
Capital Outlay	51,067	-	-	-	-	51,067
Total Expenditures	51,067	-	63,544	-	94,571	209,182
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,692)	-	(4,198)	-	(66,137)	(90,027)
Other Financing Sources (Uses)						
Transfers in	2,000,062	100,000	-	-	60,000	2,160,062
Transfers out	(1,674,053)	-	-	-	-	(1,674,053)
Total Other Financing Sources (Uses)	326,009	100,000	-	-	60,000	486,009
Net Change in Fund Balances	306,317	100,000	(4,198)	-	(6,137)	395,982
Fund Balances Beginning of Year	718,243	1,185,000	61,540	-	569,665	2,534,448
Fund Balances End of Year	\$ 1,024,560	\$ 1,285,000	\$ 57,342	\$ -	\$ 563,528	\$ 2,930,430

La Plata County, Colorado
Joint Sales Tax Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	\$ 870,973	\$ 578,108
Interfund receivable	<u>157,942</u>	<u>144,505</u>
Total Assets	<u><u>\$ 1,028,915</u></u>	<u><u>\$ 722,613</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 4,355	\$ 4,370
Fund Balances		
Unreserved, undesignated	<u>1,024,560</u>	<u>718,243</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,028,915</u></u>	<u><u>\$ 722,613</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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Investment income	\$ -	\$ -	\$ 31,375	\$ 31,375	\$ 13,116
Expenditures					
Capital Outlay:	53,215	53,215	51,067	2,148	59,548
Total Expenditures	53,215	53,215	51,067	2,148	59,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,215)	(53,215)	(19,692)	33,523	(46,432)
Other Financing Sources (Uses)					
Transfers in	1,847,108	1,847,108	2,000,062	152,954	1,902,155
Transfers out	(1,837,276)	(2,023,980)	(1,674,053)	349,927	(1,529,968)
Total Other Financing Sources (Uses)	9,832	(176,872)	326,009	502,881	372,187
Net Change in Fund Balances	<u>\$ (43,383)</u>	<u>\$ (230,087)</u>	306,317	<u>\$ 536,404</u>	325,755
Fund Balances Beginning of Year			718,243		392,488
Fund Balances End of Year			<u>\$ 1,024,560</u>		<u>\$ 718,243</u>

La Plata County, Colorado
Emergency Reserve Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	<u>\$ 1,285,000</u>	<u>\$ 1,185,000</u>
Fund Balances		
Reserved for emergencies	<u>\$ 1,285,000</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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers in	100,000	100,000	100,000	-	-
Total Other Financing Sources (Uses)	100,000	100,000	100,000	-	-
Net Change in Fund Balances	<u>\$ 100,000</u>	<u>\$ 100,000</u>	100,000	<u>\$ -</u>	-
Fund Balances Beginning of Year			<u>1,185,000</u>		<u>1,185,000</u>
Fund Balances End of Year			<u>\$ 1,285,000</u>		<u>\$ 1,185,000</u>

La Plata County, Colorado
Local Improvement District Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	\$ 63,190	\$ 63,190
Accounts receivable	-	1,650
Property taxes receivable	<u>65,655</u>	<u>53,184</u>
Total Assets	<u><u>\$ 128,845</u></u>	<u><u>\$ 118,024</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 5,848	\$ 3,300
Deferred revenues	<u>65,655</u>	<u>53,184</u>
Total Liabilities	71,503	56,484
Fund Balances		
Unreserved, undesignated	<u>57,342</u>	<u>61,540</u>
Total Liabilities and Fund Balances	<u><u>\$ 128,845</u></u>	<u><u>\$ 118,024</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, 2007
 (With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Property taxes	\$ 58,184	\$ 58,184	\$ 59,292	\$ 1,108	\$ 55,873
Miscellaneous	1,750	1,750	54	(1,696)	14,925
Total Revenues	59,934	59,934	59,346	(588)	70,798
Expenditures					
Current:					
Public works	88,000	88,000	63,544	24,456	87,743
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (28,066)</u>	<u>\$ (28,066)</u>	(4,198)	<u>\$ 23,868</u>	(16,945)
Fund Balances Beginning of Year			61,540		78,485
Fund Balances End of Year			<u>\$ 57,342</u>		<u>\$ 61,540</u>

La Plata County, Colorado
Tribal Impact Mitigation Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	<u>\$ -</u>	<u>\$ -</u>
 Fund Balances		
Unreserved, undesignated	<u>\$ -</u>	<u>\$ -</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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Intergovernmental					
Payment from Southern Ute Indian tribe	\$ 260,000	\$ 260,000	\$ -	\$ (260,000)	\$ -
Investment earnings	1,000	1,000	-	(1,000)	4,160
Total Revenues	261,000	261,000	-	(261,000)	4,160
Expenditures					
Current:					
General government	-	-	-	-	732,054
Excess (Deficiency) of Revenues Over (Under) Expenditures	261,000	261,000	-	(261,000)	(727,894)
Other Financing (Uses)					
Transfers out	-	-	-	-	(907,391)
Net Change in Fund Balances	<u>\$ 261,000</u>	<u>\$ 261,000</u>	-	<u>\$ (261,000)</u>	(1,635,285)
Fund Balances Beginning of Year			-		1,635,285
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

La Plata County, Colorado
Landfill Closure Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	\$ 595,560	\$ 571,073
Total Assets	<u>\$ 595,560</u>	<u>\$ 571,073</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 32,032	\$ 1,408
Fund Balances		
Unreserved, undesignated	<u>563,528</u>	<u>569,665</u>
Total Liabilities and Fund Balances	<u>\$ 595,560</u>	<u>\$ 571,073</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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Investment income	\$ 7,000	\$ 7,000	\$ 28,434	\$ 21,434	\$ 27,231
Expenditures					
Current:					
Public works	570,000	570,000	94,571	475,429	144,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	(563,000)	(563,000)	(66,137)	496,863	(117,667)
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>	(6,137)	<u>\$ 496,863</u>	(57,667)
Fund Balances Beginning of Year			569,665		627,332
Fund Balances End of Year			<u>\$ 563,528</u>		<u>\$ 569,665</u>

La Plata County, Colorado
Capital Improvement Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	\$ 15,441,372	\$ 11,122,469
Receivables:		
Accounts	111,700	92,674
Intergovernmental	836,759	1,035,818
Other receivable	<u>55,000</u>	<u>55,000</u>
Total Assets	<u><u>\$ 16,444,831</u></u>	<u><u>\$ 12,305,961</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 834,465	\$ 477,915
Contracts payable	474,498	18,685
Deferred revenue	<u>48,985</u>	<u>48,985</u>
Total Liabilities	1,357,948	545,585
Fund Balances		
Reserved for capital improvements	<u>15,086,883</u>	<u>11,760,376</u>
Total Liabilities and Fund Balances	<u><u>\$ 16,444,831</u></u>	<u><u>\$ 12,305,961</u></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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Intergovernmental	\$ 1,419,657	\$ 1,919,657	\$ 836,759	\$ (1,082,898)	\$ 1,622,818
Miscellaneous revenue	210,000	210,000	159,569	(50,431)	5,452
Total Revenues	<u>1,629,657</u>	<u>2,129,657</u>	<u>996,328</u>	<u>(1,133,329)</u>	<u>1,628,270</u>
Expenditures					
Capital Outlay	<u>17,852,413</u>	<u>21,152,413</u>	<u>6,733,269</u>	<u>14,419,144</u>	<u>4,084,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,222,756)</u>	<u>(19,022,756)</u>	<u>(5,736,941)</u>	<u>13,285,815</u>	<u>(2,456,675)</u>
Other Financing Sources (Uses)					
Transfers in					
From general fund	7,000,000	9,000,000	9,000,000	-	7,000,000
Transfers out					
To debt service fund	-	-	-	-	(601,559)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>63,448</u>	<u>63,448</u>	<u>20,499</u>
Total Other Financing Sources (Uses)	<u>7,000,000</u>	<u>9,000,000</u>	<u>9,063,448</u>	<u>63,448</u>	<u>6,418,940</u>
Net Change in Fund Balances	<u>\$ (9,222,756)</u>	<u>\$(10,022,756)</u>	<u>3,326,507</u>	<u>\$ 13,349,263</u>	<u>3,962,265</u>
Fund Balances Beginning of Year			<u>11,760,376</u>		<u>7,798,111</u>
Fund Balances End of Year			<u>\$ 15,086,883</u>		<u>\$ 11,760,376</u>

La Plata County, Colorado
Finance Authority Capital Project Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Cash held by Trustee	<u>\$ -</u>	<u>\$ 92,162</u>
 Liabilities and Fund Balances		
Liabilities		
Due to General Fund	<u>\$ -</u>	<u>\$ 92,881</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 92,881</u>
 Fund Balances		
Reserved for capital improvements	<u>-</u>	<u>(719)</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 92,162</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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Investment earnings	\$ 2,000	\$ -	\$ 719	\$ 719	\$ 3,916
Expenditures					
Capital Outlay	-	-	-	-	107,468
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,000</u>	<u>-</u>	<u>719</u>	<u>719</u>	<u>(103,552)</u>
Other Financing Sources (Uses)					
Transfers out					
To finance authority debt service	(18,000,000)	-	-	-	-
Proceeds of Certificates of Participation	18,000,000	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 2,000</u>	<u>\$ -</u>	<u>719</u>	<u>\$ 719</u>	<u>(103,552)</u>
Fund Balances Beginning of Year			<u>(719)</u>		<u>102,833</u>
Fund Balances End of Year			<u>\$ -</u>		<u>\$ (719)</u>

La Plata County, Colorado
Nonmajor Debt Service Funds
Combining Balance Sheet
December 31, 2007

	County Debt Service	Finance Authority Debt Service	Total
Assets			
Equity in treasurer's cash and investments	\$ -	\$ 26,548	\$ 26,548
Cash held by Trustee	-	421,974	421,974
Accounts Receivable		-	-
Total Assets	<u>\$ -</u>	<u>\$ 448,522</u>	<u>\$ 448,522</u>
 Fund Balances			
Reserved for debt service	<u>\$ -</u>	<u>\$ 448,522</u>	<u>\$ 448,522</u>

*Nonmajor Debt Service Funds
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2007*

	County Debt Service	Finance Authority Debt Service	Total
Revenues			
Investment earnings	\$ -	\$ 21,218	\$ 21,218
Expenditures			
Debt Service:			
Principal retirement	-	360,000	360,000
Interest and fiscal charges	-	102,089	102,089
Agent fees	-	1,750	1,750
Total Expenditures	-	463,839	463,839
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(442,621)	(442,621)
Other Financing Sources			
Transfers in	-	466,000	466,000
Net Change in Fund Balances	-	23,379	23,379
Fund Balances Beginning of Year	-	425,143	425,143
Fund Balances End of Year	\$ -	\$ 448,522	\$ 448,522

La Plata County, Colorado
Debt Service Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	<u>\$ -</u>	<u>\$ -</u>
Fund Balances		
Reserved for debt service	<u>\$ -</u>	<u>\$ -</u>

Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ 5,055
Expenditures					
Debt Service:					
Principal retirement	-	-	-	-	615,000
Interest and fiscal charges	-	-	-	-	29,213
Agent fees	-	-	-	-	250
Total Expenditures	-	-	-	-	644,463
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(639,408)
Other Financing Sources					
Transfers in	-	-	-	-	601,559
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	(37,849)
Fund Balances Beginning of Year			-		37,849
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

La Plata County, Colorado
Finance Authority Debt Service Fund
Comparative Balance Sheet
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Equity in treasurer's cash and investments	\$ 26,548	\$ 24,387
Cash held by Trustee	421,974	400,756
Total Assets	<u>\$ 448,522</u>	<u>\$ 425,143</u>
Fund Balances		
Reserved for debt service	<u>\$ 448,522</u>	<u>\$ 425,143</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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
Revenues					
Investment earnings	\$ 10,000	\$ 10,000	\$ 21,218	\$ 11,218	\$ 15,641
Expenditures					
Debt Service:					
Principal retirement	360,000	360,000	360,000	-	355,000
Interest and fiscal charges	102,089	102,089	102,089	-	109,959
Agent fees	1,750	1,750	1,750	-	1,750
Total Expenditures	<u>463,839</u>	<u>463,839</u>	<u>463,839</u>	<u>-</u>	<u>466,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(453,839)	(453,839)	(442,621)	11,218	(451,068)
Other Financing Sources					
Transfers in-County General	<u>466,000</u>	<u>466,000</u>	<u>466,000</u>	<u>-</u>	<u>380,000</u>
Net Change in Fund Balances	<u>\$ 12,161</u>	<u>\$ 12,161</u>	<u>23,379</u>	<u>\$ 11,218</u>	<u>(71,068)</u>
Fund Balances Beginning of Year			<u>425,143</u>		<u>496,211</u>
Fund Balances End of Year			<u>\$ 448,522</u>		<u>\$ 425,143</u>

La Plata County, Colorado
Internal Service Funds
Combining Statement of Net Assets
December 31, 2007

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Assets			
Current Assets:			
Equity in treasurer's cash and investments	\$ 1,519,122	\$ 2,872,408	\$ 4,391,530
Accounts receivable	8,411	-	8,411
Inventory	112,210	-	112,210
Total Current Assets	1,639,743	2,872,408	4,512,151
Noncurrent Assets:			
Capital Assets:			
Depreciable capital assets, net	6,492,133	-	6,492,133
Total Assets	\$ 8,131,876	\$ 2,872,408	\$ 11,004,284
Liabilities			
Current Liabilities:			
Accrued payroll	13,155	-	13,155
Accounts payable	41,368	-	41,368
Accrued incurred/unreported claims	-	109,111	109,111
Total Current Liabilities	54,523	109,111	163,634
Net Assets			
Invested in capital assets	6,492,133	-	6,492,133
Unrestricted	1,585,220	2,763,297	4,348,517
Total Net Assets	\$ 8,077,353	\$ 2,763,297	\$ 10,840,650

La Plata County, Colorado
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2007

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Operating Revenues			
Charges for services	\$ 2,523,549	\$ -	\$ 2,523,549
Insurance deposits	-	2,183,834	2,183,834
Total Operating Revenues	2,523,549	2,183,834	4,707,383
Operating Expenses			
Equipment maintenance	1,043,639	-	1,043,639
Depreciation	1,059,122	-	1,059,122
Medical claims	-	2,011,888	2,011,888
Total Operating Expenses	2,102,761	2,011,888	4,114,649
Operating Income (Loss)	420,788	171,946	592,734
Non-Operating Revenues			
Gain (loss) on sale of capital assets	60,166	-	60,166
Investment earnings	58,573	136,939	195,512
Total Non-Operating Revenues (Expenses)	118,739	136,939	255,678
Change in Net Assets	539,527	308,885	848,412
Net Assets Beginning of Year	7,537,826	2,454,412	9,992,238
Net Assets End of Year	<u>\$ 8,077,353</u>	<u>\$ 2,763,297</u>	<u>\$ 10,840,650</u>

La Plata County, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2007

	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	\$ 2,520,947	\$ 2,183,834	\$ 4,704,781
Cash payments for goods and services	(1,066,183)	-	(1,066,183)
Cash payments for claims		(2,064,746)	(2,064,746)
Net Cash Provided by Operating Activities	<u>1,454,764</u>	<u>119,088</u>	<u>1,573,852</u>
Cash Flows from Capital and Related Financing Activities			
Cash sales of capital assets	198,565	-	198,565
Payments for capital acquisitions	(1,268,896)	-	(1,268,896)
Net Cash Used in Capital and Related Financing Activities	<u>(1,070,331)</u>	<u>-</u>	<u>(1,070,331)</u>
Cash Flows from Investing Activities			
Investment earnings	<u>58,573</u>	<u>136,939</u>	<u>195,512</u>
Net Increase (Decrease) in Cash and Cash Equivalents	443,006	256,027	699,033
Cash and Cash Equivalents Beginning of Year	<u>1,076,116</u>	<u>2,616,381</u>	<u>3,692,497</u>
Cash and Cash Equivalents End of Year	<u>\$ 1,519,122</u>	<u>\$ 2,872,408</u>	<u>\$ 4,391,530</u>
<i>Balancing number</i>			
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 420,788	\$ 171,946	\$ 592,734
Adjustments:			
Depreciation	1,059,122	-	1,059,122
(Increase) Decrease in Assets:			
Accounts receivable	(2,602)	-	(2,602)
Inventory	(821)	-	(821)
Increase (Decrease) in Liabilities:			
Accounts payable	(23,799)	-	(23,799)
Accrued incurred/unreported claims		(52,858)	(52,858)
Accrued wages	<u>2,076</u>	<u>-</u>	<u>2,076</u>
Net Cash Provided by Operating Activities	<u>\$ 1,454,764</u>	<u>\$ 119,088</u>	<u>\$ 1,573,852</u>

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Assets
December 31, 2007 and 2006

	2007	2006
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 1,519,122	\$ 1,076,116
Accounts receivable	8,411	5,809
Inventory	112,210	111,389
Total Current Assets	<u>1,639,743</u>	<u>1,193,314</u>
Noncurrent Assets:		
Capital Assets:		
Depreciable capital assets, net	<u>6,492,133</u>	<u>6,420,758</u>
Total Assets	<u>\$ 8,131,876</u>	<u>\$ 7,614,072</u>
Liabilities		
Current Liabilities:		
Accrued payroll	\$ 13,155	\$ 11,079
Accounts payable	41,368	65,167
Total Current Liabilities	<u>54,523</u>	<u>76,246</u>
Net Assets		
Invested in capital assets	6,492,133	6,420,758
Unrestricted	1,585,220	1,117,068
Total Net Assets	<u>\$ 8,077,353</u>	<u>\$ 7,537,826</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, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Operating Revenues		
Charges for services	\$ 2,523,549	\$ 2,020,643
Operating Expenses		
Equipment maintenance	1,043,639	1,026,963
Depreciation	<u>1,059,122</u>	<u>1,205,722</u>
Total Operating Expenses	2,102,761	2,232,685
Operating Income (Loss)	420,788	(212,042)
Non-Operating Revenues		
Gain (loss) on sale of capital assets	60,166	917
Capital grant	-	300,000
Investment earnings	<u>58,573</u>	<u>42,806</u>
Total Non-Operating Revenues (Expenses)	118,739	343,723
Change in Net Assets	539,527	131,681
Net Assets Beginning of Year	<u>7,537,826</u>	<u>7,406,145</u>
Net Assets End of Year	<u><u>\$ 8,077,353</u></u>	<u><u>\$ 7,537,826</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, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Charges for services	\$ 2,597,804	\$ 2,597,804	\$ 2,522,591	\$ (75,213)
Investment earnings	-	-	58,573	58,573
Sales of capital assets	203,500	203,500	198,565	(4,935)
Miscellaneous	-	-	958	958
Total Revenues	<u>2,801,304</u>	<u>2,801,304</u>	<u>2,780,687</u>	<u>(20,617)</u>
Expenditures				
Equipment maintenance	1,124,686	1,124,686	1,029,799	94,887
Capital Outlay	1,465,341	1,465,341	1,282,735	182,606
Total Expenditures	<u>2,590,027</u>	<u>2,590,027</u>	<u>2,312,534</u>	<u>277,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	211,277	211,277	468,153	256,876
Net change in Fund Balances	<u>\$ 211,277</u>	<u>\$ 211,277</u>	468,153	<u>\$ 256,876</u>
Reconciliation to GAAP Net Income:				
Capital assets, disposed net of accumulated depreciation			(138,399)	
Add capital expenditures capitalized			1,268,896	
Less depreciation expense			<u>(1,059,122)</u>	
Change in Net Assets			<u>\$ 539,528</u>	

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Net Assets
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 2,872,408	\$ 2,616,381
Total Current Assets	<u>\$ 2,872,408</u>	<u>\$ 2,616,381</u>
 Liabilities		
Current Liabilities:		
Accrued incurred/unreported claims	\$ 109,111	\$ 161,969
 Net Assets		
Unrestricted	<u>\$ 2,763,297</u>	<u>\$ 2,454,412</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, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Operating Revenues		
Insurance deposits	\$ 2,183,834	\$ 2,104,596
Operating Expenses		
Medical claims	<u>2,011,888</u>	<u>1,803,586</u>
Operating Income (Loss)	171,946	301,010
Non-Operating Revenues		
Investment earnings	<u>136,939</u>	<u>114,448</u>
Change in Net Assets	308,885	415,458
Net Assets Beginning of Year	<u>2,454,412</u>	<u>2,038,954</u>
Net Assets End of Year	<u><u>\$ 2,763,297</u></u>	<u><u>\$ 2,454,412</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, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues				
Insurance deposits	\$ 2,000,000	\$ 2,000,000	\$ 2,183,834	\$ 183,834
Operating Expenses				
Medical claims	2,200,000	2,200,000	2,011,888	188,112
Operating Income (Loss)	(200,000)	(200,000)	171,946	371,946
Non-Operating Revenues				
Investment earnings	50,000	50,000	136,939	86,939
Change in Net Assets	<u>\$ (150,000)</u>	<u>\$ (150,000)</u>	308,885	<u>\$ 458,885</u>
Net Assets Beginning of Year			<u>2,454,412</u>	
Net Assets End of Year			<u>\$ 2,763,297</u>	

La Plata County, Colorado
General Agency Fund
Statement of Changes in Fiduciary Assets and Liabilities
For The Year Ended December 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
Assets				
Equity in treasurer's cash and investments	\$ 1,931,786	\$ 64,665,782	\$ 64,768,295	\$ 1,829,273
Liabilities				
Accounts payable	\$ 67,020	\$ 22,331,269	\$ 22,300,309	\$ 97,980
Due to component unit	75,916	1,820,304	1,798,918	97,302
Deposits held for others	1,788,850	40,514,209	40,669,068	1,633,991
Total Liabilities	\$ 1,931,786	\$ 64,665,782	\$ 64,768,295	\$ 1,829,273

Sixth Judicial District Attorney
Balance Sheet
Governmental Funds
December 31, 2007

	General	Victim's Assistance	Federal Victim's Compensation	State Victim's Compensation	Total Governmental Funds
Assets					
Cash Deposits	\$ 37,406	\$ 112,330	\$ 7,387	\$ 98,897	\$ 256,020
Due from primary government	97,302	-	-	-	97,302
Receivables:					
Accounts	13,174	-	-	-	13,174
Intergovernmental	282,087	-	-	-	282,087
Total Assets	<u>\$ 429,969</u>	<u>\$ 112,330</u>	<u>\$ 7,387</u>	<u>\$ 98,897</u>	<u>\$ 648,583</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 7,217	\$ -	\$ -	\$ -	\$ 7,217
Accrued salaries and benefits	33,155	-	-	-	33,155
Due to primary government	300,000	-	-	-	300,000
Total Liabilities	<u>340,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,372</u>
Fund Balances					
Reserved for emergencies	50,000	-	-	-	50,000
Unreserved, undesignated reported in:					
General fund	39,597	-	-	-	39,597
Special revenue funds	-	112,330	7,387	98,897	218,614
Total Fund Balances	<u>89,597</u>	<u>112,330</u>	<u>7,387</u>	<u>98,897</u>	<u>308,211</u>
Total Liabilities and Fund Balances	<u>\$ 429,969</u>	<u>\$ 112,330</u>	<u>\$ 7,387</u>	<u>\$ 98,897</u>	<u>\$ 648,583</u>
Governmental Fund Balance					\$ 308,211
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					110,437
Compensated absences are not due and payable in the current period and therefore not reported in the funds					(70,485)
Net assets of governmental activities					<u>\$ 348,163</u>

Sixth Judicial District Attorney
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Victim's Assistance	Federal Victim's Compensation	State Victim's Compensation	Total Governmental Funds
Revenues					
Intergovernmental	\$ 439,031	\$ 225,913	\$ 174,495	\$ 134,124	\$ 973,563
Intergovernmental - County	1,292,674	-	-	-	1,292,674
Miscellaneous	39,136	4,048	34,045	41,567	118,796
Total Revenues	<u>1,770,841</u>	<u>229,961</u>	<u>208,540</u>	<u>175,691</u>	<u>2,385,033</u>
Expenditures					
Current:					
Public safety	1,781,677	151,265	207,149	166,373	2,306,464
Capital Outlay	<u>34,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,288</u>
Total Expenditures	<u>1,815,965</u>	<u>151,265</u>	<u>207,149</u>	<u>166,373</u>	<u>2,340,752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(45,124)</u>	<u>78,696</u>	<u>1,391</u>	<u>9,318</u>	<u>44,281</u>
Other Financing Sources (Uses)					
Transfers in	44,504	-	-	-	44,504
Sales of assets	-	-	-	-	-
Transfers out	<u>-</u>	<u>(23,867)</u>	<u>-</u>	<u>(20,637)</u>	<u>(44,504)</u>
Total Other Financing Sources (Uses)	<u>44,504</u>	<u>(23,867)</u>	<u>-</u>	<u>(20,637)</u>	<u>-</u>
Net Change in Fund Balances	<u>(620)</u>	<u>54,829</u>	<u>1,391</u>	<u>(11,319)</u>	<u>44,281</u>
Fund Balances Beginning of Year	<u>90,217</u>	<u>57,500</u>	<u>5,996</u>	<u>110,216</u>	<u>263,929</u>
Fund Balances End of Year	<u>\$ 89,597</u>	<u>\$ 112,329</u>	<u>\$ 7,387</u>	<u>\$ 98,897</u>	<u>\$ 308,210</u>

Net change in fund balances \$ 44,281

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	\$ (21,977)	
Capital outlay	<u>\$ 34,288</u>	\$ 12,311

Capital assets disposed, net of accumulated depreciation \$ (1,758)

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 @ 12/31/07	\$ (70,485)	
Liability @ 12/31/06	<u>\$ 62,428</u>	<u>\$ (8,057)</u>

Change in net assets at the government-wide financial reporting level \$ 46,777

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, 2007*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 382,733	\$ 407,338	\$ 439,031	\$ 31,693
Intergovernmental - County	1,298,231	1,392,290	1,292,674	(99,616)
Miscellaneous	20,000	20,000	39,136	19,136
Total Revenues	<u>1,700,964</u>	<u>1,819,628</u>	<u>1,770,841</u>	<u>(48,787)</u>
Expenditures				
Current:				
Public safety	1,717,868	1,836,532	1,781,677	54,855
Capital Outlay	36,625	36,625	34,288	2,337
Total Expenditures	<u>1,754,493</u>	<u>1,873,157</u>	<u>1,815,965</u>	<u>57,192</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(53,529)</u>	<u>(53,529)</u>	<u>(45,124)</u>	<u>8,405</u>
Other Financing Sources (Uses)				
Transfers in	53,529	53,529	44,504	(9,025)
Total Other Financing Sources (Uses)	<u>53,529</u>	<u>53,529</u>	<u>44,504</u>	<u>(9,025)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(620)</u>	<u>\$ (620)</u>
Fund Balances Beginning of Year			<u>90,217</u>	
Fund Balances End of Year			<u>\$ 89,597</u>	

SPECIAL REPORTS SECTION



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTARY INFORMATION

July 25, 2008

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, 2007, and have issued our report thereon dated July 25, 2008. 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, 2007

Program	County		Expenditures By County Warrant	Total	
	EBT Authorizations	Share of Authorizations		Authorizations & Expenditures By By County Warrant	Total Expenditures
Colorado Works	\$ 454,391	\$ 74,950	\$ 453,717	\$ 908,108	\$ 528,667
Child Care	324,341	68,549	105,712	430,053	174,261
Child Welfare	825,052	86,003	1,242,325	2,067,377	1,328,328
County Administration	-	-	620,385	620,385	620,385
Core Services	374,400	26,630	687,524	1,061,924	714,154
Child Support Administration	-	-	544,634	544,634	544,634
LEAP	263,493	-	22,836	286,329	22,836
AND	161,862	29,246	-	161,862	29,246
Old Age Pension	235,355	105	20,650	256,005	20,755
Food Assistance Fraud	-	-	27,391	27,391	27,391
Food Assistance	2,212,197	-	-	2,212,197	-
Food Assistance Job Search	-	-	15,356	15,356	15,356
Title IV-B PSSF	50,000	-	-	50,000	-
Title XX	-	-	14,264	14,264	14,264
CHAFFEE	3,266	-	43,861	47,127	43,861
General Assistance	-	-	31,167	31,167	31,167
HB 1414 IV-E Eligibility	29,579	-	8,853	38,432	8,853
PSSF	-	-	121,591	121,591	121,591
Totals	<u>\$ 4,933,936</u>	<u>\$ 285,483</u>	<u>\$ 3,960,266</u>	<u>\$ 8,894,202</u>	<u>\$ 4,245,749</u>

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 : December 2007
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)	2,918,723
4. Miscellaneous local receipts (from page 2)	457,857
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)	8,376,580
B. Private Contributions (So Ute Indian Tribe)	64,894
C. Receipts from State government (from page 2)	5,491,245
D. Receipts from Federal Government (from page 2)	109,555
E. Total receipts (A.7 + B + C + D)	14,042,274

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	7,323,516
2. Maintenance:	5,418,871
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	1,354,718
c. Other	
d. Total (a. through c.)	1,354,718
4. General administration & miscellaneous	642,896
5. Highway law enforcement and safety	
6. Total (1 through 5)	14,740,001
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)	14,740,001

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
	8,010,067	14,042,274	14,740,001	7,312,340	(0)

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 2007

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	2,079,531	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	555,827	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	99,363	f. Charges for Services	
5. Specific Ownership &/or Other	184,002	g. Other Misc. Receipts	457,857
6. Total (1. through 5.)	839,192	h. Other	
c. Total (a. + b.)	2,918,723	i. Total (a. through h.)	457,857
(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	2,537,737	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	109,555
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	171,488	d. Federal Transit Admin	
d. Other EIAF	2,782,020	e. U.S. Corps of Engineers	
e. Other LGGF	0	f. Other Federal	
f. Total (a. through e.)	2,953,508	g. Total (a. through f.)	109,555
4. Total (1. + 2. + 3.f)	5,491,245	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		133,006	133,006
b. Engineering Costs		1,309,367	1,309,367
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		5,764,892	5,764,892
(4). System Enhancement & Operation		116,251	116,251
(5). Total Construction (1) + (2) + (3) + (4)	0	5,881,143	5,881,143
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	7,323,516	7,323,516
			(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, 2003-2007
(accrual basis of accounting)

	<u>December 31, 2003</u>	<u>December 31, 2004</u>	<u>December 31, 2005</u>	<u>December 31, 2006</u>	<u>December 31, 2007</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184
Restricted for:					
Capital projects	9,474,624	7,891,609	7,900,944	11,759,657	15,086,883
Emergencies	1,120,000	1,120,000	1,185,000	1,185,000	1,285,000
Debt Service	36,319	433,756	534,060	425,143	448,522
Specific projects and programs	7,369,315	9,036,905	9,410,170	10,192,051	9,674,145
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,418,117
Subtotal Governmental Activities Net Assets	<u>\$ 63,668,437</u>	<u>\$ 72,305,126</u>	<u>\$ 85,588,270</u>	<u>\$ 125,900,019</u>	<u>\$ 145,784,851</u>
Subtotal Business-type Activities Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184
Restricted	18,000,258	18,482,270	19,030,174	23,561,851	26,494,550
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,418,117
Total primary government net assets	<u>\$ 63,668,437</u>	<u>\$ 72,305,126</u>	<u>\$ 85,588,270</u>	<u>\$ 125,900,019</u>	<u>\$ 145,784,851</u>

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 Changes in Net Assets
Fiscal Years 2003-2007
(accrual basis of accounting)

	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2005</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>
Expenses					
Governmental Activities					
General government	\$ 7,754,452	\$ 6,973,916	\$ 7,985,491	\$ 8,776,033	\$ 9,310,267
Public safety	10,227,758	10,363,443	11,205,953	12,529,335	13,408,383
Auxiliary services	2,547,884	4,295,664	4,570,764	4,703,319	4,796,460
Public works	7,998,659	2,301,220	2,740,837	3,055,270	3,290,009
Health and welfare	4,471,450	7,692,460	8,407,331	11,240,436	11,690,024
Community programs	2,522,640	2,680,824	3,322,796	6,106,905	4,044,371
Interest on long-term debt	103,912	120,222	180,491	136,007	104,989
Total Governmental Activities	<u>35,626,755</u>	<u>34,427,749</u>	<u>38,413,663</u>	<u>46,547,305</u>	<u>46,644,503</u>
Business-type Activities	-	-	-	-	-
Total Primary Government Expenses	<u>\$ 35,626,755</u>	<u>\$ 34,427,749</u>	<u>\$ 38,413,663</u>	<u>\$ 46,547,305</u>	<u>\$ 46,644,503</u>
 Program Revenues					
Governmental Activities					
Charges for Services					
General government	\$ 2,717,321	\$ 1,926,114	\$ 2,025,210	\$ 2,895,256	\$ 3,122,679
Public safety	1,008,565	567,003	612,358	688,195	709,336
Auxiliary services	269,514	266,798	204,018	487,274	477,721
Public works	192,447	125,387	47,106	81,678	270,851
Health and welfare					-
Community programs					-
Total Charges for Services	<u>4,187,847</u>	<u>2,885,302</u>	<u>2,888,692</u>	<u>4,152,403</u>	<u>4,580,587</u>
Operating Grants and Contributions	8,335,012	8,558,442	12,056,298	12,390,828	11,291,178
Capital Grants and Contributions	5,427,383	3,533,185	1,773,879	4,392,191	3,905,903
Total Governmental Activities Program Revenues	<u>17,950,242</u>	<u>14,976,929</u>	<u>16,718,869</u>	<u>20,935,422</u>	<u>19,777,668</u>
Total Business-type Activities Program Revenues	-	-	-	-	-
Total Primary Government Program Revenues	<u>\$ 17,950,242</u>	<u>\$ 14,976,929</u>	<u>\$ 16,718,869</u>	<u>\$ 20,935,422</u>	<u>\$ 19,777,668</u>

	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2005</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>
Net (Expense) Revenue					
Governmental activities	\$ (17,676,513)	\$ (19,450,820)	\$ (21,694,794)	\$ (25,611,883)	\$ (26,866,835)
Business activities	-	-	-	-	-
Total Primary Government	<u>\$ (17,676,513)</u>	<u>\$ (19,450,820)</u>	<u>\$ (21,694,794)</u>	<u>\$ (25,611,883)</u>	<u>\$ (26,866,835)</u>

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	\$ 27,340,954
Sales taxes	10,044,453	11,099,303	11,558,412	12,874,145	13,903,657
Other taxes	1,296,970	150,766	166,360	176,662	178,160
Investment earnings	629,156	495,828	1,045,081	2,106,064	3,175,953
Gain (loss) on disposition of capital assets	-	(152,835)	-	17,057	6,592
Miscellaneous	1,148,909	2,135,485	2,269,958	3,390,749	2,146,353
Transfer from (to) business-type activities	18,211	-	-	-	-
Subtotal Governmental Activities	<u>29,588,325</u>	<u>28,150,368</u>	<u>34,977,939</u>	<u>41,602,679</u>	<u>46,751,669</u>
Subtotal Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 29,588,325</u>	<u>\$ 28,150,368</u>	<u>\$ 34,977,939</u>	<u>\$ 41,602,679</u>	<u>\$ 46,751,669</u>

Changes in Net Assets

Governmental activities	\$ 11,911,809	\$ 8,108,553	\$ 13,283,145	\$ 15,990,796	\$ 19,884,834
Business-type activities	(18,211)	-	-	-	-
Total Primary Government	<u>\$ 11,893,598</u>	<u>\$ 8,108,553</u>	<u>\$ 13,283,145</u>	<u>\$ 15,990,796</u>	<u>\$ 19,884,834</u>

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Taxes	\$ 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	\$ 41,422,770
Intergovernmental	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	12,735,290
Licenses and permits	765,392	774,898	653,986	746,136	761,470	743,950	995,007	1,023,634	817,770	1,142,078
Charges for services	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	3,393,629
Fines and forfeitures	-	-	4,292	3,963	2,792	8,605	4,919	6,888	2,518	-
Miscellaneous	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	5,126,793
Total revenues	<u>\$ 27,109,172</u>	<u>\$ 31,869,527</u>	<u>\$ 36,576,342</u>	<u>\$ 36,381,617</u>	<u>\$ 43,611,621</u>	<u>\$ 44,704,174</u>	<u>\$ 43,204,328</u>	<u>\$ 50,349,946</u>	<u>\$ 61,515,740</u>	<u>\$ 63,820,560</u>
% change from prior year	<u>7.6%</u>	<u>17.6%</u>	<u>14.8%</u>	<u>-0.5%</u>	<u>19.9%</u>	<u>2.5%</u>	<u>-3.4%</u>	<u>16.5%</u>	<u>22.2%</u>	<u>3.7%</u>

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

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Current:										
General government	\$ 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	\$ 8,918,391
Public safety	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	13,308,782
Public works	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	3,025,521
Health and welfare	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	8,981,938
Auxiliary services	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	4,759,169
Community Programs	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	4,044,371
Total Current	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	43,038,172
% Change From Prior Year	0.5%	11.4%	17.5%	15.7%	15.2%	3.5%	2.6%	9.6%	16.8%	2.0%
Capital Outlay	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	12,798,486
% Change From Prior Year	-22.4%	93.5%	13.8%	-32.7%	-1.6%	66.4%	47.1%	-43.5%	8.0%	31.2%
Debt Service										
Principal	400,000	420,000	1,268,498 ¹	485,000	510,000	535,000	560,000	930,000 ²	970,000 ³	360,000
Interest	298,415	278,415	128,498	159,226	130,625	107,675	124,405	173,959	139,172	102,089
Agent fees	200,842	306,428	745	250	250	250	250	2,000	2,000	1,750
Total Debt Service	899,257	1,004,843	1,397,741	644,476	640,875	642,925	684,655	1,105,959	1,111,172	463,839
% Change From Prior Year	4.8%	11.7%	39.1%	-53.9%	-0.6%	0.3%	6.5%	61.5%	0.5%	-58.3%
Total Expenditures	\$ 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	\$ 56,300,497
% Change From Prior Year	-5.0%	27.3%	17.2%	-0.9%	11.6%	14.2%	13.8%	-6.8%	14.7%	6.1%
Debt Service as a Percentage of Total Non-capital Expenditures	3.9%	4.8%	5.7%	2.3%	2.0%	2.0%	2.0%	3.0%	2.6%	1.1%

Notes:

1) Refinancing of 1986 Sales Tax Revenue bonds

2) First year of debt service on 2004 Certificates of Purchase, Old Main Professional Building

3) Final year of debt service on 2000 Sales Tax Revenue Bonds

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 117,175	\$ 130,739	\$ 134,763	\$ 186,583	\$ 520,554	\$ 1,376,847	\$ 1,439,011	\$ 1,479,821	\$ 1,503,670	\$ 1,355,569
Unreserved	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	17,209,787
Subtotal General Fund	<u>5,190,182</u>	<u>5,983,860</u>	<u>6,840,773</u>	<u>7,357,149</u>	<u>8,860,887</u>	<u>9,665,600</u>	<u>7,429,185</u>	<u>10,179,613</u>	<u>14,281,756</u>	<u>18,565,356</u>
General Fund Percentage Change	<u>7.9%</u>	<u>15.3%</u>	<u>14.3%</u>	<u>7.5%</u>	<u>20.4%</u>	<u>9.1%</u>	<u>-23.1%</u>	<u>37.0%</u>	<u>40.3%</u>	<u>30.0%</u>
All Other Governmental Funds										
Reserved	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	20,538,967
Unreserved										
Special Revenue Funds	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	6,482,847
Debt Service Funds	852,467	894,354	257,316	131,054	35,927	36,319	-	534,060	425,143	448,522
Capital Projects Fund	3,445,802	3,313,443	4,302,231	6,575,704	9,191,082	9,474,624	-	-	-	-
Subtotal All Other Governmental Funds	<u>13,916,629</u>	<u>14,886,609</u>	<u>15,422,783</u>	<u>16,233,342</u>	<u>19,070,389</u>	<u>18,837,745</u>	<u>19,273,413</u>	<u>19,784,373</u>	<u>24,170,425</u>	<u>27,470,336</u>
Total Governmental Funds										
Reserved	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	21,894,536
Unreserved	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	24,141,156
Total Governmental Funds	<u>\$ 19,106,811</u>	<u>\$ 20,870,469</u>	<u>\$ 22,263,556</u>	<u>\$ 23,590,491</u>	<u>\$ 27,931,276</u>	<u>\$ 28,503,345</u>	<u>\$ 26,702,598</u>	<u>\$ 29,963,986</u>	<u>\$ 38,452,181</u>	<u>\$ 46,035,692</u>
All Governmental Funds Percentage Change	<u>20.8%</u>	<u>9.2%</u>	<u>6.7%</u>	<u>6.0%</u>	<u>18.4%</u>	<u>2.0%</u>	<u>-6.3%</u>	<u>12.2%</u>	<u>28.3%</u>	<u>19.7%</u>

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
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
2007	27,340,954	13,903,657	178,160	41,422,771
Percentage Change				
In Dollars Over				
10 Years	251.4%	75.3%	-35.6%	159.1%

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

Tax Year	Fiscal Year Collected	Total Tax Levy ¹	Current Tax Collection	% of Levy Collected	Delinquent Tax Collections ²	Total Tax Collections	% of Total Tax Collection To Levy
1996	1997	\$ 6,004,182	\$ 5,964,455	99.34%	\$ 36,342	\$ 6,000,797	99.94%
1997	1998	7,804,123	7,781,751	99.71%	(1,498)	7,780,253	99.69%
1998	1999	9,567,946	9,508,662	99.38%	(12,890)	9,495,772	99.25%
1999	2000	9,927,453	9,910,397	99.83%	53,507	9,963,904	100.37%
2000	2001	10,339,617	10,324,889	99.86%	(29,648)	10,295,241	99.57%
2001	2002	14,871,466	14,851,806	99.87%	5,292	14,884,093	100.08%
2002	2003	15,976,500	15,958,581	99.89%	47,595	16,006,175	100.19%
2003	2004	13,002,400	12,959,129	99.67%	48,043	13,045,165	100.33%
2004	2005	18,193,503	18,178,915	99.92%	(541)	18,178,374	99.92%
2005	2006	21,157,511	21,097,564	99.72%	(3,835)	21,093,729	99.70%
2006	2007	25,568,291	25,612,223	100.17%	(603,655)	25,008,568	97.81%

- (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	Oil and Gas As % of Total	Mill Levy
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%	40.1%	8.500
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%	49.9%	8.500
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%	45.3%	8.500
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%	45.8%	8.500
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%	59.2%	8.500
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%	61.2%	8.500
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%	47.8%	8.500
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%	61.9%	8.500
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%	60.8%	8.500
2006	2007	165,544	436,296	289,643	50,881	13,002	3,765	1,982,319	66,595	3,008,045	7.96%	9,779,128	30.8%	65.9%	8.500

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
1998-2007

Collection Year:		1998	1999	2000	2001	2002	2003	2004	2004	2006	2007
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 \$	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	25,568,291
<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 \$	437,191	454,006	516,184	587,480	651,163	683,120	746,788	774,172	949,080	972,396
Town of Bayfield	mill	6.600	6.600	5.964	5.964	5.950	5.169	5.950	5.950	5.950	5.950
	tax \$	67,972	68,883	72,114	72,778	77,784	80,975	108,161	131,330	157,513	212,115
Town of Ignacio	mill	4.321	4.321	3.370	3.370	3.370	3.370	3.370	3.337	3.192	3.084
	tax \$	14,441	14,906	15,399	15,707	16,066	15,928	15,900	16,342	16,906	16,404
<i>School Districts:</i>											
Durango 9R	mill	27.633	22.378	21.500	21.052	15.394	17.307	21.553	16.617	16.347	14.556
	tax \$	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	30,424,187
Bayfield 10R	mill	39.942	37.582	38.766	39.326	28.847	25.974	28.100	22.764	19.429	16.450
	tax \$	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	6,168,019
Ignacio 11JT	mill	22.163	17.429	17.429	15.958	8.825	7.598	7.598	4.183	6.217	4.246
	tax \$	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	2,305,286
<i>Special Districts:</i>											
Animas Fire Protection- Bonded Indebtedness	mill	0.000	2.123	1.828	1.700	1.230	1.024	1.160	0.692	0.631	0.526
	tax \$	-	578,773	576,339	594,782	569,446	527,429	537,020	439,630	506,154	491,804
Animas Fire Protection	mill	7.131	4.468	4.344	4.539	4.112	3.996	5.069	5.069	5.069	5.207
	tax \$	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	4,196,518
Animas La Plata Water Conservancy	mill	0.359	0.372	0.348	0.362	0.319	0.290	0.281	0.286	0.249	0.254
	tax \$	125,937	133,847	139,193	148,507	144,336	135,257	141,825	152,234	160,308	170,545
Animas Mosquito Control	mill	0.550	0.550	0.550	0.550	0.550	0.550	0.990	0.990	0.990	0.990
	tax \$	151,827	158,072	177,660	181,716	200,845	206,500	403,036	419,328	508,366	521,894
Aspen Trails Metro	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18.650	14.224	13.989
	tax \$	-	-	-	-	-	-	-	21,623	24,835	25,083
Durango Conference Center Business Improvement Center	mill	1.500	1.500	1.476	0.000	0.000	0.000	1.500	1.500	1.500	1.500
	tax \$	105,637	105,401	119,160	-	-	-	143,457	141,636	150,619	150,021

Table S-9

Collection Year:		1998	1999	2000	2001	2002	2003	2004	2004	2006	2007
Durango West Metropolitan I	mill	61.200	74.450	71.820	71.280	55.140	57.840	48.100	47.200	38.800	22.400
	tax \$	104,871	136,880	141,973	142,982	135,672	144,173	137,935	140,033	136,218	79,322
Durango West Metropolitan II	mill	34.197	33.591	31.483	30.314	28.769	27.695	25.120	25.410	21.822	20.977
	tax \$	207,755	207,507	211,096	209,747	210,036	204,501	203,450	208,378	210,544	200,708
Durango Hills Local Improvement	mill	18.023	19.037	19.019	20.379	18.525	20.379	18.404	18.573	15.731	16.538
	tax \$	34,884	37,626	40,743	43,956	41,007	45,610	48,753	50,405	51,288	54,304
Edgemont Ranch Metropolitan	mill	6.541	6.541	5.874	5.874	5.874	5.874	5.874	5.874	14.402	12.963
	tax \$	16,944	17,731	19,358	20,135	21,339	25,222	29,934	33,666	128,260	148,516
El Rancho Florida Metropolitan	mill	13.900	14.015	12.156	8.672	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	27,142	27,798	26,611	19,009	-	-	-	-	-	-
Florida Mosquito Control	mill	0.370	0.570	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
	tax \$	45,678	84,649	116,542	130,470	195,340	226,077	174,119	282,197	360,275	447,073
Florida Water Conservancy	mill	0.300	0.280	0.280	0.270	0.201	0.185	0.185	0.119	0.099	0.086
	tax \$	33,003	35,755	37,788	40,410	43,421	46,370	38,829	40,609	43,691	47,064
Forest Lakes Metropolitan	mill	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524
	tax \$	253,351	266,347	287,928	297,521	306,189	316,982	354,184	378,762	583,157	606,152
Fort Lewis Fire Protection	mill	5.565	5.565	5.526	4.768	5.900	5.900	5.900	5.900	5.900	5.900
	tax \$	108,086	107,543	113,312	119,636	156,715	157,544	163,299	165,150	191,814	204,462
Hermosa Cliffs Fire Protection	mill	8.412	10.745	10.897	10.863	10.650	10.650	9.979	9.524	8.961	8.643
	tax \$	249,243	318,198	351,009	346,130	375,538	381,149	412,564	449,080	544,099	602,874
Ignacio Community Library	mill	0.443	0.346	0.343	0.927	0.560	1.000	1.000	1.000	1.500	1.500
	tax \$	39,901	42,779	32,266	96,261	108,698	227,498	175,954	305,861	554,702	814,397
Ignacio-Oxford-Allison Cemetary	mill	0.244	0.118	0.244	0.244	0.244	0.244	0.244	0.244	0.244	0.244
	tax \$	12,398	8,029	14,987	16,329	28,850	34,635	26,852	50,474	60,738	91,782
La Plata Water Conservancy	mill	0.310	0.300	0.285	0.295	0.295	0.295	0.295	0.295	0.295	0.295
	tax \$	5,345	5,118	5,472	6,509	6,623	6,705	6,856	7,148	8,245	8,817
Loma Linda Sanitation	mill	10.000	10.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	23,178	26,450	-	-	-	-	-	-	-	-

Table S-9

Collection Year:		1998	1999	2000	2001	2002	2003	2004	2004	2006	2007
Los Pinos Fire Protection	mill	1.689	3.014	3.378	3.036	3.721	3.521	3.520	3.520	3.520	3.520
	tax \$	183,186	456,541	475,447	504,365	1,235,110	1,288,621	1,028,022	1,693,744	1,962,154	2,738,232
Los Pinos Fire/Mt. Allison	mill	0.000	0.000	0.000	0.000	0.000	0.000	1.500	1.500	1.500	1.500
	tax \$	-	-	-	-	-	-	19,214	31,512	35,061	56,885
Pine River Cemetary	mill	0.294	0.273	0.273	0.273	0.203	0.186	0.186	0.123	0.112	0.091
	tax \$	32,373	33,599	32,464	32,074	34,132	36,178	28,750	29,942	31,456	34,121
Pine River Library	mill	0.541	0.523	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
	tax \$	59,570	64,368	297,289	293,719	420,351	486,268	386,424	608,572	702,151	937,389
Purgatory Metropolitan	mill	27.313	27.313	26.572	27.313	27.313	27.313	27.313	27.313	27.313	27.313
	tax \$	184,134	181,758	207,263	225,579	234,196	237,727	271,678	330,853	399,506	403,027
Rafter J Fire Protection	mill	4.424	4.436	4.436	No Special	No Special	No Special	No Special	No Special	No Special	No Special
	tax \$	32,284	33,012	33,987	District	District	District	District	District	District	District
SW Colorado TV Translator	mill	0.822	0.822	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777
	tax \$	15,483	15,545	15,601	17,867	18,260	18,468	18,738	19,483	22,445	23,944
SW Water Conservancy	mill	0.339	0.321	0.314	0.324	0.260	0.260	0.305	0.254	0.225	0.205
	tax \$	311,246	361,330	365,227	392,446	453,521	487,273	464,807	542,096	558,694	616,647
Tamarron Metro	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40.000	40.000	50.000
	tax \$	-	-	-	-	-	-	-	205,006	339,136	694,766
Three Springs Metro #1	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	35.000
	tax \$	-	-	-	-	-	-	-	-	-	136,969
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 \$	-	-	-	-	-	-	-	-	-	-
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 Protection	mill	2.307	4.758	4.950	4.950	4.950	4.950	4.950	6.739	6.507	6.132
	tax \$	274,510	631,252	642,375	638,510	931,564	1,073,995	858,753	1,835,561	2,035,186	2,524,470
Total tax to be collected		\$ 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	\$ 82,694,484

Source: La Plata County Assessor's Abstract

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

Taxpayer	Type of Business	2007			1998		
		2006 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	1997 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BP America (formerly Amoco)	Energy	\$ 1,130,897,990	1	37.60%	\$ 149,515,590	1	16.28%
Conoco Phillips Company	Energy	141,522,180	2	4.70%			
Samson Resources	Energy	129,508,690	3	4.31%			
Chevron Texaco	Energy	124,907,140	4	4.15%			
XTO Energy Company	Energy	108,434,670	5	3.60%			
Burlington Resources	Energy	87,973,530	6	2.92%	19,049,470	5	2.07%
Red Willow Production	Energy	82,788,580	7	2.75%	11,885,820	8	1.29%
Chevron Midcontinent LP	Energy	49,548,490	8	1.65%			
Williams Production	Energy	31,025,600	9	1.03%			
Williams Gas Processing	Energy	20,819,770	10	0.69%	21,553,440	4	2.35%
Vastar Resources, Inc	Energy	-		0.00%	75,947,780	2	8.27%
Hart Canyon LTD	Energy	-		0.00%	30,080,500	3	3.28%
La Plata Electric	Utility	-		0.00%	12,570,500	6	1.37%
Enervest	Energy	-		0.00%	12,288,510	7	1.34%
Red Cedar Gathering	Energy	-		0.00%	9,265,910	9	1.01%
White Aspen/Cedar Ridge	Energy	-		0.00%	6,872,740	10	0.75%
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 1,907,426,640</u>		<u>63.41%</u>	<u>\$ 349,030,260</u>		<u>38.02%</u>
Total Assessed Valuation for all taxpayers		<u>\$ 3,008,034,270</u>		<u>100.00%</u>	<u>\$ 918,132,090</u>		<u>100.00%</u>

Source: La Plata County Assessor's Office

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%
2007	2.0%	2.9%

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

Taxpayer - Type of Business	2007			2001		
	2007 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2001 Sales Tax Collected	Rank	Percentage of Total Taxes Collected
Retail-General Merchandise	\$ 1,749,046	1	9.62%	\$ 1,007,521	1	10.37%
Public Utility-Electric	636,186	2	3.50%	317,260	3	3.27%
Retail-Building Supplies	567,766	3	3.12%			
Retail-Auto Dealer	433,536	4	2.39%	138,858	10	1.43%
Retail-Food Store	324,970	5	1.79%	385,090	2	3.96%
Retail-Food Store	285,960	6	1.57%	247,455	4	8.50%
Retail-Building Supplies	284,089	7	1.56%			
Retail-Building Supplies	260,449	8	1.43%	145,565	9	5.00%
Retail-Food Store	242,521	9	1.33%	192,249	5	6.61%
Public Utility-Telephone	234,341	10	1.29%	172,143	6	5.92%
Public Utility-Telephone				152,440	7	5.24%
Retail-General Merchandise				151,042	8	5.19%
<hr/>						
Total Sales Taxes Collected by 10 Largest Businesses	\$ 5,018,864		27.61%	\$ 2,909,623		55.49%
Total Sales Taxes Collected by All Businesses	\$ 18,176,032		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
1998-2007

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
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	-	3,290,000	26,517	43,941	74.87	0.28%	0.07%
2001	-	2,805,000	-	2,805,000	28,013	45,614	61.49	0.22%	0.06%
2002	-	2,295,000	-	2,295,000	29,127	46,281	49.59	0.17%	0.04%
2003	-	1,760,000	-	1,760,000	29,807	46,790	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	48,019	88.61	0.27%	0.06%
2006	-	-	3,285,000	3,285,000	36,493	48,752	67.38	0.18%	0.03%
2007	-	-	2,925,000	2,925,000	36,493 ²	48,752 ²	60.00	0.16%	0.03%

Notes:

- (1) 1992 Sales Tax revenue bonds refinanced in 2000, with principal reduction.
(2) 2007 percentages calculated using 2006 personal income data, which is the most recent available.

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

	Fiscal Year									
Assessment Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Fiscal/Budget Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Assessed Value	\$ 918,132,000	\$ 1,125,641,000	\$ 1,163,142,000	\$ 1,211,254,000	\$ 1,744,315,000	\$ 1,874,127,000	\$ 1,523,959,000	\$ 2,134,235,000	\$ 2,483,085,000	\$ 3,008,045,050
Actual Value	\$ 3,805,673,401	\$ 4,168,732,161	\$ 4,507,592,158	\$ 4,697,556,871	\$ 5,728,618,170	\$ 6,038,955,410	\$ 6,460,779,545	\$ 7,351,842,603	\$ 8,804,386,479	\$ 9,779,128,089
Legal Debt Margin:										
Debt limitation - 1.5% of total assessed value	\$ 13,771,980	\$ 16,884,615	\$ 17,447,130	\$ 18,168,810	\$ 26,164,725	\$ 28,111,905				
Debt limitation - 3% of total actual value							193,823,386	220,555,278	264,131,594	293,373,843
Debt applicable to limitation:										
Total debt	\$ 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	\$ 2,925,000
Less: Certificates of participation	-	-	-	-	-	-	3,985,000	3,640,000	3,285,000	2,925,000
Total debt applicable to debt limitation	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	\$ 9,001,980	\$ 12,534,615	\$ 14,157,130	\$ 15,363,810	\$ 23,869,725	\$ 26,351,905	\$ 192,623,386	\$ 219,940,278	\$ 264,131,594	\$ 293,373,843

Notes: Per Colorado Revised Statute 30-26-301(3), the aggregate amount of indebtedness for the County cannot exceed 1.5% of total assessed value for years 1998-2003, and cannot exceed 3% of total actual value for years 2004 forward

La Plata County, Colorado
Sales Tax Revenue Bonds Coverage
1998-2006

<u>Fiscal</u> <u>Year</u>	<u>Gross Sales</u> <u>Tax Revenue</u>	<u>Revenue Available</u> <u>for Debt Service</u> ¹	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
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
2007 ³	13,536,798	N/A	N/A	N/A	N/A	N/A

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

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

(3) 1992 Sales Tax revenue bonds fully paid off in 2006

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

<u>Fiscal</u> <u>Year</u>	<u>Population</u>	<u>Personal Income</u> ¹	<u>Per Capita</u> <u>Personal Income</u>	<u>Unemployment</u> <u>Rate</u>	<u>Median Age</u>	<u>K-12 School</u> <u>Enrollment</u> ²	<u>Higher Education</u> <u>Enrollment</u> ³
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	45,614	1,280,289	28,013	3.7	35.9	6,978	4,441
2002	46,281	1,298,736	29,127	4.4	36.1	6,898	3,961
2003	46,790	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	48,019	1,596,772	33,807	3.9	36.9	6,628	3,946
2006	48,752	1,782,000	36,493	3.4	37.4	6,704	3,907
2007	Unavailable	Unavailable	Unavailable	2.8	Unavailable	6,989	3,935

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
Principal Employers
Current and Nine Years Ago

<u>Employer</u>	<u>Type of Business</u>	<u>Estimate 2007</u>		<u>Estimate 1998</u>	
		<u>Employees</u> <u>FT & PT</u>	<u>Percentage</u> <u>of total County</u> <u>Employment</u>	<u>Employees</u>	<u>Percentage</u> <u>of total County</u> <u>Employment</u>
Durango School District 9-R	Education	795	2.55%	750	2.65%
Southern Ute Indian Tribe	Government	744	2.39%	330	1.17%
Mercy Medical Center	Health	724	2.32%	761	2.69%
Fort Lewis College	Education	645	2.07%	581	2.05%
City of Durango	Government	458	1.47%	292	1.03%
La Plata County	Government	388	1.25%	N/A	
Wal-Mart	Retail	382	1.23%	340	1.20%
Durango Mountain Resort	Recreation	333	1.07%	327	1.15%
Sky Ute Lodge and Casino	Recreation	301	0.97%	315	1.11%
Flint Energy Services	Energy	222	0.71%	N/A	
Golf Hosts/Tamarron	Recreation	N/A		249	0.88%
Bayfield School District 11-JT	Education	N/A		188	0.66%
Total Principal Employers		4,992	16.02%	4,133	14.59%
Total County Employment		31,162	100.00%	28,322	100.00%

*** Figures Not Available

Sources:

Region 9 Economic Development District of SW Colorado

La Plata County, Colorado
Full-time Equivalent County Employees by Function/Program
Fiscal Years 1998 - 2007

Department	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Commissioners	4.1	4.1	4.1	4.1	4.1	4.1	4.1	3.9	4.1	4.1
Clerk/Elections	15.9	14.8	18.0	16.6	19.3	16.7	18.4	16.7	19.4	16.6
Treasurer/Trustee	5.2	5.2	5.7	5.7	5.5	5.5	5.4	5.4	5.4	5.1
Assessor	18.2	18.3	18.4	17.8	18.3	18.8	19.2	19.2	20.6	20.5
Administration	3.7	3.8	4.0	4.0	4.0	3.3	4.5	4.3	5.3	4.2
Attorney	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Facilities & Grounds	6.0	6.0	6.0	7.0	7.0	7.0	8.0	9.0	10.0	10.0
Finance	5.0	5.0	5.0	5.0	5.0	5.3	5.0	5.0	5.0	4.0
Information Services	4.0	4.0	4.5	6.0	8.5	8.5	8.5	8.5	8.5	10.0
Procurement	4.0	4.0	4.0	4.0	4.0	4.2	4.0	4.1	4.1	3.8
GIS	6.5	6.5	6.5	7.0	7.0	7.0	7.0	8.0	8.0	8.0
Human Resources/Risk Mgt	2.0	2.1	2.1	4.1	4.3	4.1	4.3	4.1	4.1	4.1
County Surveyor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Construction Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
General Government Total	75.6	74.8	79.3	81.3	87.0	84.5	88.4	88.1	94.5	91.7
Building Inspection / OEM	8.6	9.0	9.0	10.3	10.7	12.0	12.0	12.5	11.8	11.8
Criminal Investigations	0.0	0.0	0.0	0.0	7.3	7.4	7.6	8.6	8.6	9.9
Special Investigations	0.0	0.0	11.5	12.4	5.0	6.0	6.4	6.7	6.6	5.8
Special Services	18.1	19.2	19.6	21.3	21.0	21.8	21.5	23.5	22.5	24.1
Public Safety	34.2	37.8	30.3	30.2	30.2	29.7	30.4	31.1	34.9	34.9
Alternative to Incarceration	0.0	0.0	1.0	3.0	4.2	4.2	4.2	3.6	4.9	5.3
Detentions	33.0	38.1	42.7	41.0	40.5	43.5	41.9	45.6	46.6	49.6
Coroner	0.5	0.5	0.5	0.6	0.6	1.3	1.3	1.3	1.3	2.1
District Attorney	17.0	18.4	19.0	20.1	22.1	22.1	21.8	23.8	24.3	25.1
Public Safety Total	111.4	123.0	133.6	138.9	141.6	147.9	147.1	156.8	161.5	168.6
Road & Bridge, Eng.	54.7	55.2	58.1	64.5	65.8	67.5	67.0	52.4	53.4	51.9
Public Works Total	54.7	55.2	58.1	64.5	65.8	67.5	67.0	52.4	53.4	51.9
CERF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5	9.5	10.1
Internal Service Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5	9.5	10.1
Human Services	44.5	47.3	49.1	50.3	54.1	54.0	53.6	57.0	58.5	58.4
Health & Welfare Total	44.5	47.3	49.1	50.3	54.1	54.0	53.6	57.0	58.5	58.4
Extension Office	4.3	4.9	4.9	3.9	4.9	4.0	3.0	3.0	3.7	1.8
Weed	2.4	2.1	2.1	2.1	2.1	2.0	1.4	1.8	1.8	1.5
Fairgrounds	8.3	8.2	8.2	9.7	9.7	9.6	10.1	10.4	10.3	10.8
Senior Center Ops & Act	0.0	0.0	0.0	2.0	2.5	2.5	2.5	3.0	0.0	0.0
Community Dev. Svcs.	9.7	9.1	9.4	10.7	10.5	10.6	10.7	14.1	15.3	17.2
Riverbend Youth	8.9	8.8	8.5	8.8	8.8	0.0	0.0	0.0	0.0	0.0
Senior Services	0.0	2.8	3.3	3.8	5.0	5.3	5.5	5.5	9.2	7.7
Veterans' Services Office	0.0	0.0	0.0	0.0	0.4	0.6	0.8	1.0	1.0	1.0
Auxiliary Services	33.6	35.9	36.4	41.1	43.9	34.6	34.0	38.9	41.3	40.0
Grand Total	319.8	336.2	356.5	376.0	392.4	388.6	390.1	401.6	418.6	420.7

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 1998 - 2007

<u>Function/Program</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>	<u>2007</u>
General Government										
<u>Clerk & Recorder</u>										
# Vehicle Transactions Processed	65,327	68,799	85,384	88,002	92,353	93,216	95,336	121,218	96,000	98,829
# Titles Issued (69% printed by staff)	n/a	16,933	18,727	19,400	21,804	19,117	19,631	20,146	20,600	23,230
# documents recorded	22,547	21,251	18,272	25,000	26,866	27,434	24,406	24,904	25,000	20,874
# of registered voters	29,708	30,830	34,245	33,000	35,051	32,600	36,160	36,160	36,000	33,658
# of votes cast	13,669	8,829	22,821	10,000	22,423	10,287	31,718	13,265	24,000	1,485
# of marriage licenses issued	547	514	619	630	562	540	512	550	550	526
<u>Treasurer</u>										
Receipts processed	48,906	48,455	53,723	53,957	57,597	56,699	56,500	57,000	58,000	36,913
<u>Assessor</u>										
# of parcels appraised	31,427	36,701	37,800	38,900	39,600	59,128	58,949	60,100	61,000	
Assessed value (in thousands)	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	
<u>Geographic Information Services</u>										
# of recorded documents processed	4,553	4,627	4,908	4,850	4,897	8,500	5,881	5,790	6,000	5,429
# of rural addresses assigned	433	594	428	550	358	400	800	800	850	481
Public Safety										
<u>Building Inspection</u>										
# of permits issued	1,346	1,435	1,201	1,183	1,190	1,122	1,064	1,001	1,050	951
# of inspections completed	4,608	5,388	5,580	5,500	5,620	5,724	5,620	4,974	5,000	4,662
<u>Emergency Management</u>										
Search & Rescue Missions	25	30	38	36	36	32	33	36	38	
<u>Sheriff - Public Safety</u>										
# of incidents investigated	20,625	19,701	26,172	24,690	21,069	18,662	20,522	20,000	21,000	
# of arrests	561	646	642	690	739	672	679	900	950	
# of citations	n/a	n/a	n/a	n/a	213	123	27	150	200	
<u>Alternative to Incarceration</u>										
# of inmates under Day Reporting Supervision	n/a	n/a	15	39	112	99	88	140	125	88
# of inmates in Community Custody program	n/a	n/a	n/a	na/	n/a	25	93	125	140	178
Pretrial management										245
<u>Detentions</u>										
Total # of inmates booked into facility	2,174	2,604	2,740	2,850	3,049	2,734	2,769	2,995	3,200	3,087
average daily inmate population	65	101	113	115	118	166	144	175	180	186

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Works										
<u>Maintenance Support</u>										
gallons of dust palliative applied	644,150	646,000	804,286	750,000	86,500	875,000	1,103,545	975,605	1,100,000	1,000,000
tons of road base hauled and placed	152,000	150,000	120,000	130,000	150,000	125,000	124,585	132,080	125,000	120,000
# of gallons of highway paint used	n/a	n/a	n/a	n/a	12,690	12,690	12,600	12,500	12,500	12,500
<u>Convenience Center</u>										
Customers served - Bayfield	2,999	3,296	2,811	2,856	3,217	2,954	2,599	2,800	2,800	2,841
Customers served - Marvel	603	706	704	659	843	799	716	750	750	713
Health & Welfare										
<u>Human Services</u>										
Child Welfare - # of assessments opened	222	217	254	245	284	274	261	260	270	303
Adult Protective Services - # of investigations	65	75	110	96	215	128	135	100	100	90
Child Support - \$ of payments collected	\$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	\$3,044,044
Community Programs										
Conservation Trust Funds	\$103,689	\$50,500	\$98,387	\$761,949	\$131,000	\$170,100	\$150,447	\$178,250	\$238,000	\$204,000
Public Service Agency Funds	\$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	\$2,379,166
Auxiliary Services										
<u>Senior Services</u>										
# of meals provided	n/a	20,000	20,821	21,400	28,000	36,394	37,204	37,750	38,800	39,899
# of transportation rides provided	n/a	n/a	n/a	956	2,028	4,237	4,612	4,646	5,000	6,474
<u>Veterans Services</u>										
Compensation Claims	n/a	n/a	n/a	n/a	47	50	n/a	n/a	n/a	168
<u>Weed Management</u>										
# of miles treated for noxious weeds (2002 was a drought year, very few weeds)	1,206	1,206	1,206	1,206	250*	1,206	1,206	1,206	1,206	1,309
<u>Fairgrounds</u>										
small group bookings (less than 500 participants)	1,420	1,470	1,500	1,500	1,500	1,500	1,970	1,728	1,800	
large bookings (more than 500 participants)	85	87	90	90	120	90	57	64	65	
<u>Community Development</u>										
Major projects reviewed	66	64	75	75	72	79	101	85	95	119
Oil & Gas (Major & Minor)	46	62	73	87	76	100	83	85	90	232
Minor/Administrative Projects reviewed	111	108	86	80	70	69	52	90	90	106
Internal Service Funds										
<u>Capital Equipment Replacement Fund</u> (prior to 2005, vehicles were in R & B Fleet division)										
Vehicles maintained (self propelled mobile units)	167	153	177	194	194	194	201	220	230	233

La Plata County, Colorado
Capital Asset Statistics by Function/Program
Fiscal Years 1998 - 2007

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government											
Clerk	Number of business locations	3	3	3	3	3	3	3	3	3	3
Facilities & Grounds	Facilities maintained	4	4	4	4	4	4	4	5	7	17
Procurement	Warehouses operated	1	1	1	1	1	1	1	1	1	1
Public Safety											
Detentions	Jail bed capacity	87	103	129	140	140	140	194	194	197	197
Public Works											
	Miles of Roadways maintained	687.23	686.88	687.03	667.43	679.25	659.69	658.44	659.15	654.68	654.68
	Bridges	52	52	52	52	52	52	53	53	53	53
Auxiliary Services											
Fairgrounds	Ballfields										
Internal Service Funds											
CERF	Number of fleet vehicles maintained	167	153	177	194	194	194	201	220	230	233

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 25, 2008

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, 2007, and have issued our report thereon dated July 25, 2008. 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.



La Plata County, Colorado
July 25, 2008
Page Two

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. We consider Findings 07-01 and 07-02 included in the Schedule of Findings and Questioned Costs to be significant deficiencies in internal control.

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 25, 2008

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, 2007. 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.



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

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, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs.

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.



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

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 25, 2008

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, 2007, and have issued our report thereon dated July 25, 2008. 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, 2007

<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 Colorado Department of Human Services			
Food Assistance EBT	10.551		\$ 2,175,965
Food Assistance Administration	10.561		175,222
TEFAP-Administration	10.568		4,036
TANF-Commodities Received	10.569		9,381
Total Department of Agriculture			<u>2,364,604</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		45,161
Title III-Special Programs for Aging-Nutrition Services	93.045		179,774
Passed through Housing Solutions for the Southwest			
Community Services Block Grant	93.571		5,000
Passed through the Colorado Department of Human Services			
Family Preservation	93.556		174,183
TANF	93.558		750,957
Title IV-D, IV-D Administration	93.563		322,824
LEAP	93.568		208,216
CCDF Discretion	93.575		(29,944)
CCDF	93.596		264,499
Title IV-B, Child Welfare	93.645		17,446
Title IV-E, IV-E Foster Care	93.658		426,648
Title IV-E Adoption	93.659		112,600
Title XX, Block Grant	93.667		280,127
Title IV-E Independent Living	93.674		47,127
Title XIX, Medicaid	93.778		236,134
Passed through the Colorado Department of Regulatory Agencies			
Passed through Division of Insurance			
Special Programs for the Aging	93.041		<u>5,000</u>
Total Department of Health and Human Services			<u>3,045,752</u>

(Continued next page)

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

<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 Colorado Department of Local Affairs			
Emergency Management Assistance	83.552	2EM73934	<u>38,700</u>
Total Federal Emergency Management Agency			<u>38,700</u>
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	<u>519,918</u>
Total Department of Housing and Urban Development			<u>519,918</u>
Department of Justice			
Passed through the Colorado Department of Public Safety			
Justice Assistance Grant--Rural Law Enforcement	16.738		<u>4,550</u>
Sixth Judicial District-Victim's Compensation	16.576		<u>174,495</u>
Total Department of Justice			<u>179,045</u>
Other Federal Assistance			
Office of National Drug Control Policy, Dept of Treasury, Dept of Justice			
HIDTA Funding	None	I6PRMP585	<u>17,145</u>
HIDTA Funding	None	I7PRMP585	<u>202,453</u>
Payments in Lieu of Taxes	15.226		<u>552,890</u>
Forest Service Reserves	10.665		<u>109,555</u>
Total Other Federal Assistance			<u>882,043</u>
Total Federal Assistance			<u>\$ 7,030,062</u>

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, 2007

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

✓ yes _____ none reported

Noncompliance material to financial statements
noted?

_____ yes ✓ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ yes ✓ no

Significant deficiency(ies) identified

not considered to be material weaknesses?

_____ yes ✓ none reported

Type of auditor's report issued on compliance
for major programs:

Unqualified Opinion

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510(a)?

✓ yes _____ no

Identification of major programs:

CFDA	
<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	Food Stamp Cluster
93.563	Title IV-D, IV-D Administration
93.568	Low Income Home Energy Assistance
14.219	Community Development Block Grant

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

✓ yes _____ no

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2007

SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

07-01 Financial Reporting

Criteria: Good business practice dictates that incompatible functions be segregated.

Condition: During the audit it was noted that one employee in the department of human services has access to check stock and the signature stamp for those checks. In addition, this employee performs the review of the cash disbursements and posts them to the general ledger.

Effect: This lack of segregation of duties could result in a material misappropriation of assets and improper recording and reporting of expenditures.

Cause: There is a lack of segregation of duties in the department of human services accounting department.

Recommendations: We recommend that separate employees have access to the check stock and the signature stamp. We also recommend that the Director of DHS reviews each check run prior to it being mailed.

View of Responsible Officials: Management concurs with the auditor's assessment and recommendations. The director of the Department of Human Services will review and initial the cash disbursement report monthly. The accounts payable clerk will no longer have access to the signature stamp. It will be kept locked up and accessible only to the Human Services accounting supervisor, who will review and stamp all checks being written. In the absence of the human services accounting supervisor, the checks will be reviewed and stamped by the finance director or County accounting supervisor.

07-02 Financial Reporting

Criteria: Good business practice dictates that incompatible functions be segregated.

Condition: During the audit it was noted that the finance director has the ability to execute transactions and journal entries without review by another person.

Effect: This lack of segregation of duties and monitoring allows for possible errors to occur and go undetected with the potential for the material misstatement of financial information.

Cause: There is a lack of segregation of duties in the finance department.

Recommendations: We recommend that a person outside of the general ledger posting process review adjustments to the general ledger and review reconciliations performed by the finance director on a regular basis.

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2007

View of Responsible Officials: Management concurs with the auditor's assessment and recommendation and intends to engage the County Manager in this process by having him review the adjustments and reconciliations that are done by the finance director as suggested.

SECTION III – FINDINGS AND QUESTIONED COSTS UNDER OMB CIRCULAR A-133

07-03 Food Stamp Cluster CFDA# 10.551/10.561

Criteria: The County's Department of Human Services is required to comply with all compliance guidelines and criteria as set forth by both the State and Federal Government

Condition: During the course of performing the audit, 40 food stamp case files were selected for testing, of which one was noted with exceptions. The food stamp recipient was noted to have moved out of the State of Colorado per correspondence date stamped November 27, 006 included in his case file, however this recipient continued to receive benefits through 2007.

Questioned Costs: Known Questioned Costs are \$309.

Effect: This food stamp recipient improperly received food stamp benefits for all of 2007. These benefits should have been terminated in January 2007.

View of Responsible Officials: La Plata County does not dispute the findings in this food stamp case. The client did leave the State and there was notification in the file that he was relocating to another State for the winter. The County will do an in-service training for staff regarding closing cases when a client leaves the State.

La Plata County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2007

The 2006 audit reported no findings or questioned costs.