

# **LA PLATA COUNTY, COLORADO**

## **Comprehensive Annual Financial Report**

**for the Year Ended December 31, 2008**

Prepared by the La Plata County Finance Department

## **INTRODUCTORY SECTION**

**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2008**

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**(Unaudited)**

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June 15, 2009

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, 2008.

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 Bondi & Co., LLC., 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, 2008 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, 2008 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 18 years. The County has an area of 1,683 square miles and a population of 48,758 (2007 State Demographer’s estimate), an increase of 17,474 (54%) 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 and 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 and transfers out 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 2008 showed that the La Plata County economy is strong and diverse, although not immune to the effects of the national recession and financial and housing market crises. County sales tax continued to show steady growth through the third quarter of 2008, although it dropped in the fourth quarter. Overall, the increase in sales tax collections for 2008 was only 0.76% while the first quarter of 2009 reflects a 3.2% decrease. Tourism contributes an estimated 28% to the local economy and visitor statistics have slowed somewhat, although Southwest Colorado tourism may have benefited somewhat by being a “drive-to” destination for visitors from neighboring states.

For budget year 2008, the County’s assessed valuation decreased by about 4%, due to the not-unexpected decline in coal-bed methane gas production, which 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, has recently completed a major expansion of local support facilities for their operations. While natural gas prices remain at 2001-2003 levels, they have rebounded slightly in recent weeks from the record lows of late 2008/early 2009.

The construction sector is a major element of the La Plata County Economy, and it remained strong through 2008, although activity has slowed significantly in early 2009. 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 recently completed construction of a new casino and hotel 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 and number of sales has seemed to slow somewhat due to national economic and housing market conditions.

Because the Colorado economy is relatively diverse, economic conditions in Colorado are generally expected to be slightly better than the national picture in 2009 and 2010. The statewide unemployment rate is expected to average 7.2 percent for calendar year 2009, with new jobs in the renewable energy economy somewhat offsetting the impacts in the construction and natural resource extraction sectors. The record high fuel prices of the second and third quarters of 2008 have placed significant pressure on consumer prices, some of which is beginning to retreat as the

effects of the national recession spread. The Colorado Office of Planning and Budgeting projects minimal inflationary pressure for 2009 and 2010. Colorado wage and salary income is projected to decrease by 1.3 percent in 2009 and increase slightly in 2010, driven by increasing unemployment and competition for jobs. The weakness in the housing market nationally makes it harder to buy or sell a home, affecting Colorado's net in-migration, which is expected to drop to 35,000 for 2009, significantly less than the 52,500 experienced in 2008. Statewide, housing permits were down roughly 37.3 percent from 2008 and retail trade continues to suffer the effects of low consumer confidence and unemployment.

### **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 \$41.5 million for road and bridge improvements. Construction of a \$15.7 million, 84-cell expansion of the jail facility was completed in early 2009. 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. 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, which is projected to cost nearly \$600,000. For 2009, the County intends to complete several major road projects, including work on CR 213 and CR 234 and several bridge replacements.

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 and infrastructure improvements. A more recent concern deals with the current market price of natural gas, which is at 2001-2003 levels. Because of the two-year time lag between the extraction of the resource and the taxes assessed, we are somewhat concerned that if price levels remain at current levels, we could experience a significant impact on or property tax collections in budget years 2011 and 2012.

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. Economic development and vitality are one of the County's primary strategic goals.

**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 \$1,927,367 in 2008, which was \$1.250 million less than in 2007. This reflects lower interest rates in 2008 and an intended drawdown of fund balances to complete the jail expansion project as noted above.

**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 \$65,000 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.

### **Budgeting for Results and Outcomes**

La Plata County has recently started implementation of an integrated, results-oriented, performance management system that encompasses planning, budgeting, reporting and decision-making. It builds on the County's strategic plan and provides renewed focus on improving County government management practices and service delivery to customers. As a first step, departments will develop customer-oriented business plans that identify a set of strategic goals for the next 2-5 years. The 2010 budget process will begin to use these business plans for allocating resources, and employee performance plans will also focus on achieving the results identified in the plan. It also includes a commitment to demonstrating accountability by providing clear, concise performance reports on the results being achieved for the community. We believe this new management system will help us continue to demonstrate our accountability for the investments that our citizens make in their government.

## **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, 2007. 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 (CAFR), 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 nineteen (19) consecutive fiscal years (1989-2007) ended December 31st. We believe the 2008 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 Bondi & 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, 2007

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.



President

Executive Director

## LIST OF COUNTY OFFICIALS

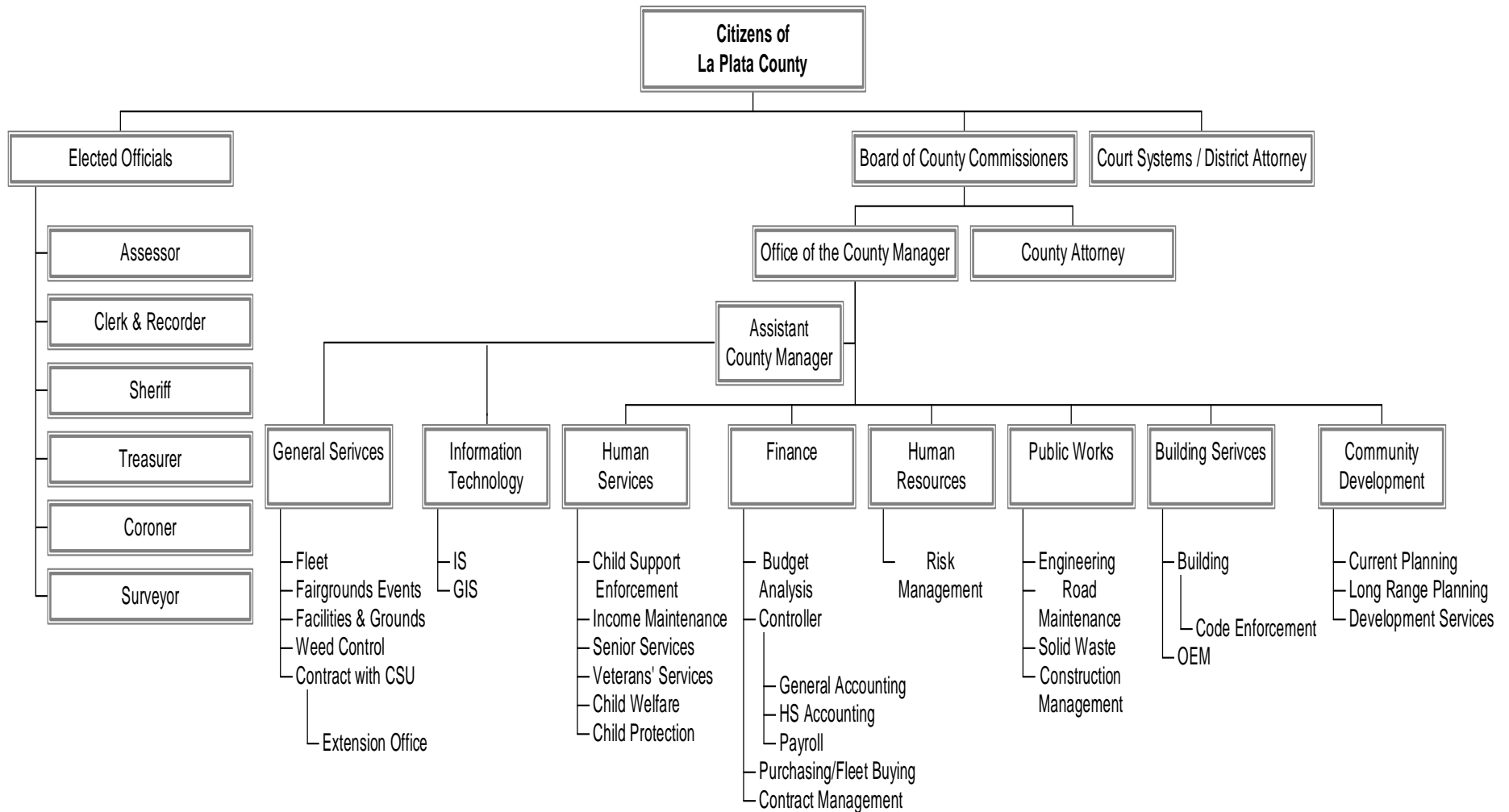
### ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Commissioner	Kellie Hotter
Commissioner	Joelle Riddle
Commissioner	Wallace “Wally” White
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 Attorney	Sheryl Rogers
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 Human Resources	Kelli Ganevsky
Director of Human Services	Lezlie Mayer
Director of Information Services	Alan Andrews
Director of Public Works	Jim Davis

# La Plata County Organizational Chart





## **FINANCIAL SECTION**



**BONDI & Co. LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

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ENGLEWOOD, COLORADO 80112

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**Board of County Commissioners  
La Plata County  
Durango, Colorado**

### Independent Auditors' Report

We have audited the accompanying statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado, (County) as of and for the year ended December 31, 2008, 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 opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the County's December 31, 2007 financial statements, which were audited by other auditors whose report, dated July 25, 2008, expressed an unqualified opinion on those financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information prior to the restatement described in Note 3-O.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Road and Bridge Fund, and Social Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Affiliate Offices Worldwide



**Board of County Commissioners  
La Plata County  
Durango, Colorado**

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 9, 2009, on our consideration of the County's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 20 through 27 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section; combining and individual fund financial statements; the Local Highway Finance Report; Social Services Fund – Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; the Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements; the Local Highway Finance Report; Social Services Fund – Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; 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 section 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.

We also audited the adjustments described in Note 3-O that were applied to restate the 2007 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

June 9, 2009

  
BONDI & Co. LLC

## 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, 2008. 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 \$159,650,634 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$101,427,081 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 \$13,469,003 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  - (3) Net assets of \$12,593,961 are unrestricted, but are invested in a joint venture.
  - (4) The balance of unrestricted net assets of \$32,160,589 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 \$44,280,215 this year. This compares to the prior year ending fund balance of \$45,668,834 showing an decrease of \$1,388,619, during the current year.
- At the end of the current calendar year, unreserved fund balance for the General Fund was \$23,951,512 or 56% of 2008 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

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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 29 & 30 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 31 through 37 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 38 through 41 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 42 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 65. 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 \$159,650,634. The following table provides a summary of the County's net assets:

**Summary of Net Assets**

	<b>Governmental Activities 2008</b>	<b>Percentage of Total 2008</b>	<b>Governmental Activities 2007 as restated</b>	<b>Governmental Activities 2006 as restated</b>	<b>Governmental Activities 2005</b>
<b>Assets:</b>					
Current assets	\$ 79,514,431	40.6%	\$ 80,187,806	\$ 71,299,272	\$ 57,551,405
Investment in joint venture	12,593,961	6.4%	12,555,259	10,093,468	9,589,802
Capital assets	103,977,081	53.0%	88,797,184	79,698,336	49,327,293
<b>Total assets</b>	<b>196,085,473</b>	<b>100.0%</b>	<b>181,540,249</b>	<b>161,091,076</b>	<b>116,468,500</b>
<b>Liabilities:</b>					
Current liabilities	32,015,971	87.9%	31,827,041	30,451,047	26,252,677
Long-term liabilities	4,418,868	12.1%	4,295,215	4,740,010	4,627,552
<b>Total liabilities</b>	<b>36,434,839</b>	<b>100.0%</b>	<b>36,122,256</b>	<b>35,191,057</b>	<b>30,880,229</b>
<b>Net assets:</b>					
Invested in capital assets, net of debt	101,427,081	63.5%	85,872,184	76,413,335	45,072,293
Restricted	13,444,227	8.4%	26,494,550	23,561,851	19,030,174
Unrestricted	44,779,326	28.0%	33,051,259	25,924,833	21,485,803
<b>Total net assets</b>	<b>\$ 159,650,634</b>	<b>100.0%</b>	<b>\$ 145,417,993</b>	<b>\$ 125,900,019</b>	<b>\$ 85,588,270</b>

The current liabilities and net assets for the year ended 12/31/2007 have been restated to reflect amounts due to other governments that were not properly accrued at 12/31/2007. 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 (63.5%) 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**December 31, 2008**

**La Plata County, Colorado**

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 2.5 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 2008 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 8.3 to 1, which demonstrates the liquid position of the County.

The County reported positive balances in net assets. Net assets increased \$14,232,643 for governmental activities, a 9.8% 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 that 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:

	<b>Activities</b>	<b>of Total</b>	<b>2007 As Restated</b>	<b>Increase</b>	<b>2006</b>
Revenues:					
Program:					
Charges for services	\$ 4,475,896	7.0%	\$ 4,580,587	\$ (104,691)	\$ 4,152,403
Operating grants	10,280,747	16.1%	11,291,178	(1,010,431)	12,390,828
Capital grants	4,026,680	6.3%	3,905,903	120,777	4,392,191
General:					
Taxes	41,192,722	64.6%	41,055,913	136,809	36,088,809
Other	3,803,260	6.0%	5,328,898	(1,525,638)	5,513,869
Total revenues	63,779,305	100.0%	66,162,479	(2,383,174)	62,538,100
Program Expenses:					
General government	10,081,860	20.3%	9,310,267	771,593	8,776,033
Public safety	13,909,083	28.1%	13,408,384	500,699	12,529,335
Auxiliary services	3,693,219	7.5%	3,290,008	403,211	3,055,270
Public works	12,532,719	25.3%	11,690,024	842,695	11,240,436
Health and welfare	4,896,385	9.9%	4,796,460	99,925	4,703,319
Community programs	4,341,763	8.8%	4,044,371	297,392	6,106,905
Interest and fiscal charges	91,633	0.2%	104,989	(13,356)	136,007
Total expenses	49,546,662	100.0%	46,644,503	(2,902,159)	46,547,305
Change in net assets	14,232,643		19,517,976	<u>\$ (5,285,333)</u>	15,990,795
Beginning net assets (as restated)	145,417,991		125,900,017		109,909,222
Ending net assets	<u>\$ 159,650,634</u>		<u>\$ 145,417,991</u>		<u>\$125,900,017</u>

## GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes provided 43% of the County's total governmental revenues. Sales taxes are the second largest revenue source with slightly more than \$13.6 million of revenues or 21% of the total. Because of the County's healthy financial position, we have been able to earn nearly \$2 million in interest earnings to support governmental activities in 2008. Also, note that program revenues cover about 38% 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 \$13.9 million dollars or 28% 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 2008						
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Net Cost % of Total</u>	<u>2007 Net Cost</u>	<u>Decrease (Increase)</u>	<u>2006 Net Cost</u>
General government	10,081,860	\$ 4,272,197	13.9%	\$ 4,516,762	\$ 244,565	\$ 3,961,135
Public safety	13,909,083	10,581,891	34.4%	11,531,460	949,569	11,174,915
Auxiliary services	3,693,219	2,734,583	8.9%	2,461,978	(272,605)	2,377,344
Public works	12,532,719	7,831,579	25.5%	5,924,967	(1,906,612)	4,099,411
Change in joint venture	-	(38,702)	-0.1%	(2,461,791)	(2,423,089)	(503,666)
Health and welfare	4,896,385	1,220,626	4.0%	1,264,017	43,391	1,279,621
Community programs	4,341,763	4,069,532	13.2%	3,524,453	(545,079)	3,087,116
Interest	91,633	91,633	0.3%	104,989	13,356	136,007
Total	<u>\$ 49,546,662</u>	<u>\$ 30,763,339</u>	<u>100.0%</u>	<u>\$ 26,866,835</u>	<u>\$ (3,896,504)</u>	<u>\$ 25,611,883</u>

After reducing gross expenses by program revenues, public safety totals 34.4% of the net cost of services, public works comprises 25.5% of total net costs of services, and the general government function's net costs are 13.9% 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 \$44,280,215. Of this year-end total, \$30,428,064 is unreserved indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include: \$5,573,959 committed to fund program purposes, \$2,000,000 set aside for emergency purposes, \$454,883 reserved for debt service, and \$5,440,161 committed to capital projects.



The total ending fund balances of governmental funds show a decrease of \$1,388,619 or 3% below the prior year. This decrease is primarily related to the planned expenditure of nearly \$10 million in 2008 for the expansion of the La Plata County Detention facility. This decrease was partially offset by a \$7 increase in fund balance of the general fund, resulting from expending less than budgeted and higher than budgeted investment income and intergovernmental 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 slightly more than \$7 million. By comparison, in calendar year 2007, the fund balance increased by approximately \$4.2 million.

Property taxes collections in the General Fund were nearly flat compared to calendar 2007. The County's assessed valuation decreased from \$3,008,034,270 in collection year 2007 to \$2,885,995,180 in collection year 2008 (related to decreased valuation in the oil & gas industry), but there were smaller tax abatements in 2008 compared to 2007. Sales taxes totaled about \$13.6 million, a slight increase over the 2007 collections of \$13.5 million. State and federal revenues were \$1.26 million above calendar 2007, primarily due to increase federal funding for payments in lieu of taxes and increased funding through the State's energy impact and gaming impact assistance grant programs. Most other revenue streams were consistent with that of calendar 2007, although investment earnings declined due a planned drawdown of fund balances to support the detention center expansion. Expenditures in the general fund went up slightly (about 7%), but since transfers to other funds declined by more than \$5.3 million, the general fund balance increased \$2.86 million.

The General Fund's ending unreserved fund balance of nearly \$24 million is considered more than adequate, representing nearly 47% of 2009 budgeted general fund expenditures and transfers out to other funds.

The Road and Bridge fund's fund balance increased by \$139,239 in 2008. Property taxes were approximately the same as 2007, while intergovernmental revenues were down \$1.4 million, primarily due to capital grants. In 2008, the County collected \$600,000 in negotiated road impact fees that will be used to fund future infrastructure improvements. This fund spent nearly \$13 million building, improving and maintaining County roads and bridges, which was about \$2 million less than in 2007. Due to the rapidly escalating price of asphalt and other construction products, a major road improvement project was postponed until early 2009. The social services fund spent more than \$4.8 million in providing services to clients, just slightly more than in 2007. Because many of the programs in the social services fund are primarily funded by the state or federal government, revenues also increased, leading to a 17% increase (\$251,050) in fund balances over the prior year. The capital improvement fund balance decreased by more than \$9.6 million in 2008. This was primarily due to the planned 84-cell expansion at the La Plata County detention center and the purchase of a property adjacent to the jail site that will allow for future expansion of County facilities.

### **Budgetary Highlights**

***The General Fund*** – The revenue budget was increased by \$6,985 over the original budget, related to a small grant and a transfer in from another fund. Actual property, sales, and other tax collections were \$400,000 above the final budget. Intergovernmental revenues were \$1.3 million more than budgeted, related to increases in grant funding and state shared revenues. Investment earnings in the General Fund were nearly \$1.8 million, which was more than twice as much budgeted (interest rates and balances were very conservatively budgeted for 2008). In total, the County realized 107% of the final revenue budget.

The expenditure side of the original budget for the General Fund was increased about \$443,000 or 1.3%, mostly related to additional funding for legal services. In 2008, the County placed \$300,000 in a budget reserve account and transferred almost all of that out to other General Fund line items. The County spent 91% 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 under spent, a practice that continued in 2008.

**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, 2008, was \$103,977,081. The total increase in this net investment was 17%. 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**

	<u>@ 12/31/2008</u>	<u>@ 12/31/2007</u>
Non-depreciable assets:		
Land	\$ 5,752,658	\$ 2,769,561
Construction in progress	15,550,861	5,784,332
Total non-depreciable	<u>21,303,519</u>	<u>8,553,893</u>
Depreciable assets:		
Buildings	30,335,950	28,550,059
Improvements	8,998,238	8,400,537
Machinery and equipment	14,254,752	13,594,861
Infrastructure	<u>74,237,813</u>	<u>70,921,277</u>
Total depreciable assets	127,826,753	121,466,734
Less accumulated depreciation	<u>45,153,191</u>	<u>41,223,443</u>
Book value - depreciable assets	<u>82,673,562</u>	<u>80,243,291</u>
Percentage depreciated	<u>35%</u>	<u>34%</u>
Book value - all assets	<u>\$ 103,977,081</u>	<u>\$ 88,797,184</u>

The major changes to the construction in progress asset class relates primarily to the development and design of an 84-cell expansion at the La Plata County jail facility. The detention center expansion was originally projected to cost \$17 million, but through significant value engineering and waiver of fees by the City of Durango, was completed in early 2009 at a project cost of \$15.7 million, and was partially supported by a \$2.4 million energy impact assistance grant through the Department of Local Affairs. The County also purchased property adjacent to the current jail facility to allow for future expansion, at a cost of slightly more than \$2.7 million.

The County has capitalized current year infrastructure costs of over \$3.3 million including the following major projects:

- The replacement of an inadequate bridge on CR 501
- Continuing work on CR 234 to realign several dangerous curves on a major arterial.
- Continuing work on CR 213.

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**Long-term Debt**

At the end of the current fiscal year, La Plata County had no bonded debt, and during 2008, the County retired \$375,000 in certificates of participation issued by the La Plata County Finance Authority in 2004 for the acquisition of the Old Main Professional Building, leaving an outstanding balance of \$2,550,000. Standard and Poor's recently upgraded the "A-" rating on the 2004 COPs to an "A". See Note 3-F for additional information about the County's long-term debt. We discuss the pollution remediation costs in Note 3-I and the landfill closure and postclosure care liability in Note 3-J. A summary of outstanding debt at year end is as follows:

	12/31/2008	12/31/2007	\$ Change	% Change
Certificates of Participation	\$ 2,550,000	\$ 2,925,000	\$ (375,000)	-13%
Compensated Absences	1,403,064	1,360,784	42,280	3%
Pollution remediation costs	587,610	465,000	122,610	26%
Landfill closure and postclosure care costs	1,488,775	1,191,000	297,775	25%
Total Governmental Activities	\$ 6,029,449	\$ 5,941,784	\$ 87,665	1%

**Economic Factors and Next Year's Budget**

For budget year 2009, the County's assessed valuation increased by about 4.6%, resulting in \$758,000 more in property tax collections compared to 2008. Property tax valuation related to the extraction of coal-bed methane gas comprises nearly 54% 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, recently completed 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 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.

Indications are that the national recession and the instability in the housing and financial markets is beginning to affect the La Plata County economy. County sales tax growth, although strong through the third quarter of 2008, dropped significantly for the fourth quarter of 2008 and first quarter of 2009. The local construction sector has slowed significantly, reflected in a sharp drop in building and planning permits requested. The County's 2009 budget has been prepared with consideration of these and other economic factors and community needs, and projects flat to slightly declining revenues (outside of property taxes) and decreased expenditures for budget year 2009. Nearly \$5 million of the 12/31/2008 governmental funds balance has been appropriated in the 2009 budget for capital projects.

In light of the uncertainty surrounding the economy at the end of 2008, the 2009 budget included provisions for executive review of all expenditures for capital and professional services agreement before contracting, as well as all travel and training requests. Non-law enforcement vacancies are reviewed by the management team prior to recruitment. We believe that these steps will allow us to respond quickly to changing economic conditions.

**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. 2<sup>nd</sup> Avenue, Durango, CO 81301.

## **BASIC FINANCIAL STATEMENTS**

**La Plata County, Colorado**  
**Statement of Net Assets**  
**December 31, 2008**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 257,309	\$ 332,848
Equity in treasurer's cash and investments	47,625,598	-
Restricted cash and investments	119,676	-
Cash held by Trustee	431,697	-
Receivables:		
Accounts	282,584	302
Taxes	25,514,903	-
Deposits	92,272	-
Intergovernmental	4,415,778	91,068
Due from component unit	300,000	-
Due from primary government	-	298,617
Inventory	474,614	-
Investment in joint venture	12,593,961	-
<b>Capital Assets</b>		
Nondepreciable capital assets	8,553,893	-
Depreciable capital assets, net	95,423,188	86,695
<b>Total Assets</b>	<u>196,085,473</u>	<u>809,530</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	2,336,319	5,615
Accrued expenses	598,934	39,253
Contracts payable	931,817	-
Intergovernmental payable	512,524	-
Accrued interest payable	7,288	-
Due to primary government	-	300,000
Deposits payable	19,579	-
Unearned revenue	25,514,903	-
Liabilities payable from restricted assets	119,676	-
Claims payable	364,350	-
Current portion-compensated absences payable	350,766	14,414
Current portion-landfill closure and post-closure care costs payable	307,775	-
Current portion-certificates of participation payable	385,000	-
Current portion-pollution remediation costs	587,610	-
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	1,052,298	43,241
Landfill closure/post-closure costs (net of current portion)	1,181,000	-
Certificates of participation payable (net of current portion)	2,165,000	-
<b>Total Liabilities</b>	<u>36,434,839</u>	<u>402,523</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	101,427,081	86,695
Restricted for:		
Capital improvements	5,440,161	-
Debt service	454,883	-
Required legal fund segregations	5,573,959	-
Emergencies	2,000,000	67,869
Unrestricted	44,754,550	252,443
<b>Total Net Assets</b>	<u>\$ 159,650,634</u>	<u>\$ 407,007</u>

See accompanying notes to the basic financial statements

La Plata County, Colorado  
Statement of Activities  
For the Year Ended December 31, 2008

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Operating Grants, Contributions and Interest			Primary Government		
Function/Program	Expenses	Charges for Services and Sales		Capital Grants and Contributions	Governmental Activities	Component Unit	
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 10,081,860	\$ 2,742,547	\$ 1,996,705	\$ 1,070,411	\$ (4,272,198)	\$ -	
Public safety	13,909,083	845,054	638,773	1,843,365	(10,581,891)	-	
Auxiliary services	3,693,219	620,385	338,251	-	(2,734,583)	-	
Public works	12,532,719	267,910	3,320,326	1,112,904	(7,831,579)	-	
Public works-increase (decrease) in joint venture			38,702		38,702		
Health and welfare	4,896,385	-	3,675,759	-	(1,220,626)	-	
Community programs	4,341,763	-	272,231	-	(4,069,532)	-	
Interest and fiscal charges	91,633	-	-	-	(91,633)	-	
<b>Total Governmental Activities</b>	<b>\$ 49,546,662</b>	<b>\$ 4,475,896</b>	<b>\$ 10,280,747</b>	<b>\$ 4,026,680</b>	<b>(30,763,339)</b>	<b>-</b>	
<b>Component Unit</b>							
Office of the District Attorney	<u>\$ 2,312,995</u>	<u>\$ -</u>	<u>\$ 586,245</u>	<u>\$ -</u>	-	<u>(1,726,750)</u>	
<b>General Revenues</b>							
					27,363,462	-	
					13,639,998	-	
					189,262	-	
					-	1,597,926	
					1,927,368	-	
					(261,944)	-	
					2,137,836	187,668	
					44,995,982	1,785,594	
					14,232,643	58,844	
					145,784,849		
					(366,858)		
					145,417,991	348,163	
					\$ 159,650,634	\$ 407,007	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2008**

	<b>General</b>	<b>Road and Bridge</b>	<b>Social Services</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash	\$ 255,809	\$ 1,100	\$ 400	\$ -	\$ -	\$ 257,309
Equity in treasurer's cash and investments	24,050,290	5,997,107	2,075,959	6,918,702	3,425,867	42,467,925
Restricted cash and investments	68,104	-	51,572	-	-	119,676
Cash held by Trustee	-	-	-	-	431,697	431,697
Receivables:						
Accounts	195,999	43,402	2,338	34,097	-	275,836
Taxes	22,207,233	2,109,598	1,129,081	-	68,991	25,514,903
Deposits	2,000	-	-	90,272	-	92,272
Intergovernmental	2,055,026	1,758,185	278,915	323,652	-	4,415,778
Component unit	300,000	-	-	-	-	300,000
Interfund	-	-	-	-	143,058	143,058
Inventory	48,079	335,069	-	-	-	383,148
<b>Total Assets</b>	<b>\$ 49,182,540</b>	<b>\$ 10,244,461</b>	<b>\$ 3,538,265</b>	<b>\$ 7,366,723</b>	<b>\$ 4,069,613</b>	<b>\$ 74,401,602</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 495,265	\$ 446,173	\$ 223,517	\$ 1,118,137	\$ 12,399	\$ 2,295,491
Accrued salaries and wages	485,545	98,794	-	-	-	584,339
Contracts payable	-	123,392	-	808,425	-	931,817
Intergovernmental payable	425,735	14,925	71,864	-	-	512,524
Interfund payable	143,058	-	-	-	-	143,058
Deposits payable	19,579	-	-	-	-	19,579
Deferred revenues	22,207,233	2,109,598	1,129,081	-	68,991	25,514,903
Liabilities payable from restricted assets	68,104	-	51,572	-	-	119,676
<b>Total Liabilities</b>	<b>23,844,519</b>	<b>2,792,882</b>	<b>1,476,034</b>	<b>1,926,562</b>	<b>81,390</b>	<b>30,121,387</b>
<b>Fund Balances</b>						
Reserved for:						
Inventory	48,079	335,069	-	-	-	383,148
Emergencies	-	-	-	-	2,000,000	2,000,000
Program purposes	1,338,430	4,235,529	-	-	-	5,573,959
Capital improvements	-	-	-	5,440,161	-	5,440,161
Debt service	-	-	-	-	454,883	454,883
Unreserved:						
Undesignated, reported in:						
General fund	23,951,512	-	-	-	-	23,951,512
Special revenue funds	-	2,880,981	2,062,231	-	1,533,340	6,476,552
<b>Total Fund Balances</b>	<b>25,338,021</b>	<b>7,451,579</b>	<b>2,062,231</b>	<b>5,440,161</b>	<b>3,988,223</b>	<b>44,280,215</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 49,182,540</b>	<b>\$ 10,244,461</b>	<b>\$ 3,538,265</b>	<b>\$ 7,366,723</b>	<b>\$ 4,069,613</b>	<b>\$ 74,401,602</b>

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, 2008**

<b>Total Governmental Fund Balances</b>		\$ 44,280,215
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
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	\$ 148,963,867	
Less accumulated depreciation	<u>(44,986,786)</u>	103,977,081
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	\$ 143,058	
Interfund payables	<u>(143,058)</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.		12,593,961
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	\$ 5,255,887	
Non-capital liabilities	<u>(419,773)</u>	4,836,114
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.		(7,288)
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	\$ (2,550,000)	
Landfill closure and post-closure care	(1,488,775)	
Pollution remediation costs	(587,610)	
Compensated absences	<u>(1,403,064)</u>	<u>(6,029,449)</u>
<b>Net Assets Of Governmental Activities</b>		<u><u>\$ 159,650,634</u></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, 2008**

	<b>General</b>	<b>Road and Bridge</b>	<b>Social Services</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Taxes	\$ 37,690,387	\$ 2,219,952	\$ 1,211,044	\$ -	\$ 71,339	\$ 41,192,722
Intergovernmental	3,570,148	4,121,982	3,675,759	2,629,479	-	13,997,368
Licenses and permits	664,041	267,910	-	-	-	931,951
Charges for services	3,530,762	-	-	-	-	3,530,762
Investment earnings	1,760,280	-	-	-	48,732	1,809,012
Miscellaneous	600,952	1,219,208	312,726	-	4,949	2,137,836
<b>Total Revenues</b>	<b>47,816,570</b>	<b>7,829,052</b>	<b>5,199,529</b>	<b>2,629,479</b>	<b>125,020</b>	<b>63,599,650</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	9,516,282	-	-	-	58,550	9,574,832
Public safety	13,933,609	-	-	-	-	13,933,609
Auxiliary services	3,306,975	-	-	-	-	3,306,975
Public works	211,033	8,536,690	-	-	226,779	8,974,502
Health and welfare	-	-	4,829,459	-	-	4,829,459
Community programs	4,341,763	-	-	-	-	4,341,763
<b>Capital Outlay</b>	<b>128,443</b>	<b>4,153,123</b>	<b>-</b>	<b>15,276,201</b>	<b>-</b>	<b>19,557,767</b>
<b>Debt Service:</b>						
Principal retirement	-	-	-	-	375,000	375,000
Interest and fiscal charges	-	-	-	-	92,612	92,612
Agent fees	-	-	-	-	1,750	1,750
<b>Total Expenditures</b>	<b>31,438,105</b>	<b>12,689,813</b>	<b>4,829,459</b>	<b>15,276,201</b>	<b>754,691</b>	<b>64,988,269</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>16,378,465</b>	<b>(4,860,761)</b>	<b>370,070</b>	<b>(12,646,722)</b>	<b>(629,671)</b>	<b>(1,388,619)</b>
<b>Other Financing Sources (Uses)</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	2,007,364	5,000,000	-	3,000,000	3,256,306	13,263,670
Transfers out	(11,246,306)	-	-	-	(2,017,364)	(13,263,670)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,238,942)</b>	<b>5,000,000</b>	<b>-</b>	<b>3,000,000</b>	<b>1,238,942</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>7,139,523</b>	<b>139,239</b>	<b>370,070</b>	<b>(9,646,722)</b>	<b>609,271</b>	<b>(1,388,619)</b>
<b>Fund Balances Beginning of Year - As Restated (Note 3-O)</b>	<b>18,198,498</b>	<b>7,312,340</b>	<b>1,692,161</b>	<b>15,086,883</b>	<b>3,378,952</b>	<b>45,668,834</b>
<b>Fund Balances End of Year</b>	<b>\$ 25,338,021</b>	<b>\$ 7,451,579</b>	<b>\$ 2,062,231</b>	<b>\$ 5,440,161</b>	<b>\$ 3,988,223</b>	<b>\$ 44,280,215</b>

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, 2008**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		\$ (1,388,619)
<b>Amounts reported for governmental activities in the statement of activities are different because</b>		
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)	\$ (4,734,484)
	Capital outlay	<u>18,779,869</u>
		14,045,385
Governmental funds do not report the net cost of capital assets disposed of but the cost is reported on the statement of activities		(207,149)
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		38,702
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.		
	Transfers in	\$ 13,263,670
	Transfers out	<u>(13,263,670)</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 @ 12/31/08	\$ (7,288)
	Liability @ 12/31/07	<u>10,018</u>
		2,730
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.		1,829,259
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 @ 12/31/08	\$ (1,488,775)
	Liability @ 12/31/07	<u>1,191,000</u>
		(297,775)
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 @ 12/31/08	\$ (587,610)
	Liability @ 12/31/07	<u>465,000</u>
		(122,610)
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	375,000
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 @ 12/31/08	\$ (1,403,064)
	Liability @ 12/31/07	<u>1,360,784</u>
		(42,280)
<b>Change In Net Assets of Governmental Activities</b>		<u><u>\$ 14,232,643</u></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, 2008**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 37,285,566	\$ 37,285,566	\$ 37,690,387	\$ 404,821
Intergovernmental	2,288,458	2,270,443	3,570,148	1,299,705
Licenses and permits	607,500	607,500	664,041	56,541
Charges for services	3,145,782	3,145,782	3,530,762	384,980
Investment earnings	800,000	800,000	1,760,280	960,280
Miscellaneous	398,081	398,081	600,952	202,871
<b>Total Revenues</b>	<u>44,525,387</u>	<u>44,507,372</u>	<u>47,816,570</u>	<u>3,309,198</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	10,167,577	10,378,728	9,516,282	862,446
Public safety	14,907,496	14,990,716	13,933,609	1,057,107
Auxiliary services	3,976,688	4,007,694	3,306,975	703,476
Public works	228,000	304,452	211,033	93,419
Community programs	4,829,147	4,845,147	4,341,763	503,384
<b>Total Current</b>	<u>34,108,908</u>	<u>34,526,737</u>	<u>31,309,662</u>	<u>3,219,832</u>
<b>Capital Outlay</b>	<u>106,200</u>	<u>131,200</u>	<u>128,443</u>	<u>2,757</u>
<b>Total Expenditures</b>	<u>34,215,108</u>	<u>34,657,937</u>	<u>31,438,105</u>	<u>3,222,589</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>10,310,279</u>	<u>9,849,435</u>	<u>16,378,465</u>	<u>6,529,030</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,375,170	2,400,170	2,007,364	(392,806)
Transfers out	<u>(11,190,600)</u>	<u>(11,190,600)</u>	<u>(11,246,306)</u>	<u>(55,706)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(8,815,430)</u>	<u>(8,790,430)</u>	<u>(9,238,942)</u>	<u>(448,512)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,494,849</u>	<u>\$ 1,059,005</u>	<u>7,139,523</u>	<u>\$ 6,080,518</u>
<b>Fund Balances Beginning of Year - as restated (see note 3-O)</b>			<u>18,198,498</u>	
<b>Fund Balances End of Year</b>			<u>\$ 25,338,021</u>	

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, 2008*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 2,237,057	\$ 2,237,057	\$ 2,219,952	\$ (17,105)
Intergovernmental	4,545,000	4,545,000	4,121,982	(423,018)
Licenses and permits	222,000	222,000	267,910	45,910
Miscellaneous	677,000	677,000	1,219,208	542,208
<b>Total Revenues</b>	<u>7,681,057</u>	<u>7,681,057</u>	<u>7,829,052</u>	<u>147,995</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public works	9,796,478	10,023,531	8,536,690	1,486,841
<b>Capital Outlay</b>	<u>8,029,000</u>	<u>8,019,000</u>	<u>4,153,123</u>	<u>3,865,877</u>
<b>Total Expenditures</b>	<u>17,825,478</u>	<u>18,042,531</u>	<u>12,689,813</u>	<u>3,865,877</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(10,144,421)</u>	<u>(10,361,474)</u>	<u>(4,860,761)</u>	<u>4,013,872</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (5,144,421)</u>	<u>\$ (5,361,474)</u>	<u>139,239</u>	<u>\$ 4,013,872</u>
<b>Fund Balances Beginning of Year</b>			<u>7,312,340</u>	
<b>Fund Balances End of Year</b>			<u>\$ 7,451,579</u>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Social Services Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2008**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 1,178,678	\$ 1,178,678	\$ 1,211,044	\$ 32,366
Intergovernmental	6,446,623	6,446,623	3,675,759	(2,770,864)
Miscellaneous	-	-	312,726	312,726
<b>Total Revenues</b>	<u>7,625,301</u>	<u>7,625,301</u>	<u>5,199,529</u>	<u>(2,425,772)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Health and welfare	<u>7,628,164</u>	<u>7,628,164</u>	<u>4,829,459</u>	<u>2,798,705</u>
<b>Total Expenditures</b>	<u>7,628,164</u>	<u>7,628,164</u>	<u>4,829,459</u>	<u>2,798,705</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,863)</u>	<u>(2,863)</u>	<u>370,070</u>	<u>372,933</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,863)</u>	<u>\$ (2,863)</u>	<u>370,070</u>	<u>\$ 372,933</u>
<b>Fund Balances Beginning of Year</b>			<u>1,692,161</u>	
<b>Fund Balances End of Year</b>			<u>\$ 2,062,231</u>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Net Assets**  
**Internal Service Funds**  
**December 31, 2008**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>	
<b>Current Assets:</b>	
Equity in treasurer's cash and investments	\$ 5,157,673
Accounts receivable	6,748
Inventory	91,466
<b>Total Current Assets</b>	<b>5,255,887</b>
<b>Noncurrent Assets:</b>	
<b>Capital Assets:</b>	
Depreciable capital assets, net	7,100,766
<b>Total Assets</b>	<b>\$ 12,356,653</b>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accrued payroll	14,595
Accounts payable	40,828
Accrued incurred/unreported claims	364,350
<b>Total Current Liabilities</b>	<b>419,773</b>
<b>Net Assets</b>	
Invested in capital assets	7,100,766
Unrestricted	4,836,114
<b>Total Net Assets</b>	<b>\$ 11,936,880</b>

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, 2008**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 2,732,625
Insurance deposits	1,988,173
<b>Total Operating Revenues</b>	<b>4,720,798</b>
<b>Operating Expenses</b>	
Equipment maintenance	966,635
Depreciation	843,070
Medical claims	2,259,822
<b>Total Operating Expenses</b>	<b>4,069,527</b>
<b>Operating Income (Loss)</b>	<b>651,271</b>
<b>Non-Operating Revenues</b>	
Gain (loss) on sale of capital assets	(54,794)
Capital grant	271,357
Investment earnings	118,355
<b>Total Non-Operating Revenues (Expenses)</b>	<b>334,918</b>
<b>Loss before Contributions</b>	<b>986,189</b>
Contributions-capital assets, net of accumulated depreciation	110,041
<b>Total Contributions</b>	<b>110,041</b>
<b>Change in Net Assets</b>	<b>1,096,230</b>
<b>Net Assets Beginning of Year</b>	<b>10,840,650</b>
<b>Net Assets End of Year</b>	<b>\$ 11,936,880</b>

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, 2008**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 4,722,461
Cash payments for goods and services	(944,991)
Cash payments for claims	(2,004,583)
	<u>1,772,887</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>1,772,887</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Cash sales of capital assets	56,138
Cash from capital grant	271,357
Payments for capital acquisitions	(1,452,594)
	<u>(1,125,099)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(1,125,099)</u>
<b>Cash Flows from Investing Activities</b>	
Investment earnings	<u>118,355</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	766,143
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>4,391,530</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 5,157,673</u></u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>	
<b>Operating Income (Loss)</b>	\$ 651,271
<b>Adjustments:</b>	
Depreciation	843,070
<b>(Increase) Decrease in Assets:</b>	
Accounts receivable	1,663
Inventory	20,744
<b>Increase (Decrease) in Liabilities:</b>	
Accounts payable	(540)
Accrued incurred/unreported claims	255,239
Accrued wages	<u>1,440</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,772,887</u>
<b>Non-cash Investing, Capital and Financing Activities</b>	<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, 2008 and 2007***

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 1,880,295	\$ 1,829,273
<b>Liabilities</b>		
Accounts payable	\$ 60,279	\$ 97,980
Due to component unit	298,617	97,302
Deposits held for others	1,521,399	1,633,991
<b>Total Liabilities</b>	\$ 1,880,295	\$ 1,829,273

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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**La Plata County, Colorado**  
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***For the Year Ended December 31, 2008***

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, planning and protective inspections, property tax assessment, property tax collection and distribution, 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 of America as applicable to governmental entities. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The County has implemented the provisions of GASB Statement 20 with regard to the application of Financial Accounting Standards Board (FASB) pronouncements to its proprietary funds. In accordance with the provisions of GASB Statement 20, the County has elected not to apply those FASB statements and interpretations issued after November 30, 1989. A summary of significant policies is as follows:

***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

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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-G). 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, 2008**

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 Improvement 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 and is used by the La Plata County Treasurer to account for taxes collected for and remitted to other taxing entities.

**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

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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**  
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***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 \$51,572 and La Plata County jail inmate commissary funds of \$68,104.

***1-E-6 Capital Assets***

General capital assets are those assets not specifically related to business-type activities. 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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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	20 - 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, 2008, 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 the 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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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 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.

**La Plata County, Colorado**  
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**1-E-14 Comparative Data**

Certain comparative data for the prior year have been presented to provide an understanding of the changes in the financial position and operations. This data is not included at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2007, from which the data was derived. Also, certain amounts presented in the prior year data have been reclassified in order 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 2008.

**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

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Colorado Commissioner of Savings and Loan Associations and must report quarterly on all public deposits held. The Colorado State Auditor has determined that there is no custodial credit risk for public deposits collateralized under the PDPA. The County's formal investment policy provides that all banks and savings banks eligible to provide depository and other banking services must be a member of the FDIC and shall qualify as a depository of public funds as defined by Colorado State Statute.

On October 3, 2008, as part of the Economic Stabilization Act, Congress temporarily increased FDIC insurance from \$100,000 to \$250,000 per depositor through December 31, 2009.

At year-end, the carrying amount of the County's deposits was \$3,199,827 and the bank balance was \$3,947,004. Of the bank balance, \$1,206,466 was covered by federal depository insurance and \$2,740,538 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 \$332,848 and the bank balance was \$374,070. Of the bank balance, \$374,070 was covered by federal depository insurance.

**Credit Risk** – The County's investment policy is to apply the prudent person rule where investments are made as a prudent person would be expected to act. The County's investment policy limits investments in fixed income securities to U.S. Treasury obligations; Federal instrumentality securities, limited to the following: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC); Corporate bonds (rated at least AA-/Aa2), Prime Commercial Paper (rated at least A-1+/P-1/F-1+); Certificates of Deposit; Commercial Paper (rated at least A+/A1/A+), eligible bankers acceptances; repurchase agreements; local government investment pools authorized under C.R.S. 24-75-701 and C.R.S. 30-10-708(4), money market mutual load funds registered under the Investment Company Act of 1940; and non-negotiable certificates of deposit.

As of December 31, 2008, the County's investments in local government investment pools (COLOTRUST) were rated AAA by Standard & Poor's. To obtain financial statements for COLOTRUST, you may visit their website at [www.colotrust.com](http://www.colotrust.com).

**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.

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As of December 31, 2008, 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 Prime	-	AAA/Aaa	53.16	\$ 24,642,348
Local government investment pool-ColoTrust Plus	-	AAA/Aaa	14.46	6,703,918
Money market investment--First American Gov Obl	-	AAA/m/none	0.93	431,697
United States Treasury notes	1.25	AAA/Aaa	3.39	1,573,281
Federal Home Loan Mortgage Corporation (FHLMC)	0.97	AAA/Aaa	2.16	1,000,772
Federal Home Loan Bank (FHLB)	2.63	AAA/Aaa	12.63	5,853,800
Federal National Mortgage Association (FNMA)	1.04	AAA/Aaa	9.81	4,549,092
Federal Farm Credit Bank (FFCB)	2.49	AAA/Aaa	2.36	1,092,556
Corporate--GE Capital	0.33	AAA/Aaa	1.09	506,468
<b>Total</b>			<u>100.00</u>	<u>\$ 46,353,932</u>

**Cash & Investment Reconciliation:**

Description	Carrying Amounts		Cash and Cash Equivalents
Cash on hand	\$ 760,218	From Statement of Net Assets:	
Deposits	3,199,827	Cash & Cash Deposits	\$ 257,309
Investments	46,353,932	Equity in treasurer's cash and investments	47,625,598
Interest Receivable	598	Cash held by Trustee	431,697
Total	<u>\$ 50,314,575</u>	Restricted cash and investments	119,676
		From Statement of Fiduciary Assets and Liabilities	1,880,295
		Total	<u>\$ 50,314,575</u>

**3-B. Receivables**

Receivables at December 31, 2008, consisted of taxes, interest, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

**3-C. Property Taxes**

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

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**3-D. Capital Assets**

Capital asset activity for governmental activities (including internal service funds) for the year ended December 31, 2008, was as follows:

	Balance 1/1/2008	Reclassifications	Additions	Deletions	Balance 12/31/2008
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 2,769,561	\$ -	\$ 2,983,097	\$ -	\$ 5,752,658
Construction in progress	5,784,332	-	9,766,529	-	15,550,861
Total capital assets not being depreciated	8,553,893	-	12,749,626	-	21,303,519
Depreciable capital assets:					
Buildings	28,550,059	875,557	1,106,836	196,502	30,335,950
Improvements	8,400,537	(253,516)	874,811	23,594	8,998,238
Machinery and equipment	13,594,861	(622,041)	2,184,654	902,722	14,254,752
Infrastructure	70,921,277	-	3,316,536	-	74,237,813
Total depreciable capital assets	121,466,734	-	7,482,837	1,122,818	127,826,753
Total capital assets	130,020,627	-	20,232,463	1,122,818	149,130,272
Accumulated depreciation:					
Buildings	5,548,871	162,038	620,537	37,010	6,294,436
Improvements	956,122	(31,907)	262,893	8,994	1,178,114
Machinery and equipment	5,534,779	(130,131)	1,083,214	758,733	5,729,129
Infrastructure	29,183,671	-	2,767,841	-	31,951,512
Total accumulated depreciation	41,223,443	-	4,734,485	804,737	45,153,191
Governmental activities capital assets, net	\$ 88,797,184	\$ -	\$ 15,497,978	\$ 318,081	\$ 103,977,081

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**Note 3-D. Capital Assets (Continued)**

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2008

	Balance 1/1/2008	Additions	Deductions	Balance 12/31/2008
Depreciable capital assets:				
Improvements	\$ 23,334	\$ -	\$ -	\$ 23,334
Machinery and equipment	150,388	-	-	150,388
Less accumulated depreciation	(63,285)	(23,742)	-	(87,027)
Component units capital assets, net	<u>\$ 110,437</u>	<u>\$ (23,742)</u>	<u>\$ -</u>	<u>\$ 86,695</u>

Governmental activities depreciation expense

	Total
General government	\$ 432,294
Public safety	324,061
Auxiliary services	372,223
Public works	3,580,760
Health and welfare	25,147
Total governmental activities depreciation expense	<u>\$ 4,734,485</u>

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**3-E. Interfund Balances and Transfers**

Interfund balances at December 31, 2008, 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.

	<u>Pay able from:</u>
Pay able to:	<u>General fund</u>
Non-major governmental funds	<u>143,058</u>
Total	<u><u>\$ 143,058</u></u>

Interfund transfers for the year ended December 31, 2008, consisted of the following:

	<u>Tranfers From:</u>		
	General	Non-major	
<u>Transfer to</u>	<u>fund</u>	<u>governmental</u>	<u>Total</u>
General fund	\$ -	\$ 2,007,364	\$ 2,007,364
Road and bridge fund	5,000,000	-	5,000,000
Capital projects fund	3,000,000	-	3,000,000
Non-major governmental funds	<u>3,246,306</u>	<u>10,000</u>	<u>3,256,306</u>
Totals	<u><u>\$ 11,246,306</u></u>	<u><u>\$ 2,017,364</u></u>	<u><u>\$ 13,263,670</u></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, 2008**

**3-F. Long-Term Debt**

**Changes in Long-term Debt** - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2008:

Governmental Activities	1/1/2008	Additions	Reductions	12/31/2008	in One Year
Certificates of Participation	\$ 2,925,000	\$ -	\$ 375,000	\$ 2,550,000	\$ 385,000
Compensated Absences	1,360,784	1,905,430	1,863,150	1,403,064	350,766
Pollution remediation costs	465,000	439,843	317,233	587,610	587,610
Landfill closure and postclosure care costs	1,191,000	461,507	163,732	1,488,775	307,775
<b>Total Governmental Activities</b>	<b>\$ 5,941,784</b>	<b>\$ 2,806,780</b>	<b>\$ 2,719,115</b>	<b>\$ 6,029,449</b>	<b>\$ 1,631,151</b>
<b>Component Unit:</b>					
Compensated absences	\$ 70,485	\$ 50,069	\$ 62,899	\$ 57,655	\$ 14,414

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. The landfill closure and postclosure care liability is being retired by the landfill closure special revenue fund.

**3-G. 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, 2008 follow:

Year	Principal	Interest	Total
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	450,000	25,837	475,837
2014	470,000	8,813	478,813
	<b>\$ 2,550,000</b>	<b>\$ 283,515</b>	<b>\$ 2,833,515</b>

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
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**3-G. 2004 La Plata County Finance Authority Certificates of Participation (Continued)**

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, 2008 follows:

<u>Year</u>	<u>Facility Lease</u>
2009	\$ 466,681
2010	469,506
2011	471,103
2012	471,575
2013	475,837
2014	478,813
Total minimum lease payments	2,833,515
Less amounts representing interest	283,515
Present value of minimum lease payments	<u>\$ 2,550,000</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.

**3-H. 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-I. 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 \$587,610.

The estimated total current cost of pollution investigation pre-cleanup activities of \$587,610 is based on the amount that would be paid if all equipment, facilities, and services required to do the known pollution investigation were acquired as of December 31, 2008. 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

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

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 pollution remediation liability does not include outlays for any site cleanup because those outlays, if any, are not yet reasonably estimable.

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

***Note 3-J. 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 \$1,488,775 as of December 31, 2008, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 5,000	100%	\$ 5,000
Marvel	5,000	100%	5,000
Gun Club	5,000	100%	5,000
Durango	661,275	100%	661,275
Bayfield	812,500	100%	812,500
Totals	\$ 1,488,775		\$ 1,488,775

The estimated total current cost of the landfill closure and postclosure care of \$1,488,775 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, 2008. 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.

**La Plata County, Colorado**  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2008***

**3-K. 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, 2008 is \$8,845,000.

**3-L. 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-M. 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.

The County's total payroll in calendar 2008 was \$18,644,456. The County's contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$17,205,251. Both the County and the covered employees made the required contributions, amounting to \$1,061,887 from the County and \$1,061,887 from employees, or \$2,123,773 total.

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
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**3- N. 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 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 2008, the amount of fiscal year spending to be reserved is three percent of non-federal revenues. Unused reserves carry over to subsequent years. The County carries its emergency reserve, as required and defined in TABOR, in the special revenue fund "emergency reserve fund."

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

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

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

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

**3-O. Net Assets/Fund Balances/Restatement of Net Assets**

The December 31, 2007 general fund balance has been restated to correct for an error in reporting the net amount of sales tax collected in 2007. The State of Colorado remits the entirety of the County's 2% sales tax to the County and the County then remits a portion of the sales taxes received to the City of Durango, Town of Bayfield and Town of Ignacio pursuant to an intergovernmental agreement to share sales taxes. The amount of sales taxes due to the municipalities at December 31, 2008 (\$366,858) was not properly accrued as a liability at December 31, 2007.

12/31/2007 General Fund Balance, as previously reported	\$ 18,565,356
Restatement for intergovernmental payment accrual	<u>(366,858)</u>
12/31/2007 General Fund Balance, as restated	<u>\$ 18,198,498</u>

Beginning net assets as previously reported:	\$ 145,784,851
Restatement for intergovernmental payment accrual	<u>(366,858)</u>
Beginning net assets, as restated	<u>\$ 145,417,993</u>

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**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 \$65,000 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 \$364,350 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, 2008 and the amount of the loss can be reasonably estimated.

Changes in the funds claims liability amount in calendar 2008 and 2007k were:

	<u>2008</u>	<u>2007</u>
Liability at January 1	\$ 109,111	\$ 161,969
Add: Current year claims & changes in estimates	2,346,969	2,011,888
Less: Claim Payments	<u>(2,091,730)</u>	<u>(2,064,746)</u>
Balance at December 31	<u>\$ 364,350</u>	<u>\$ 109,111</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 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.

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2008**

**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 2008, 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, 2008. 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:

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

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

<b>Grant</b>	<b>Period</b>	<b>Grant Funds</b>	<b>County Funds</b>	<b>Description</b>
EIAF #5603	12/19/2006--09/30/2009	1,000,000	1,664,000	Improvements to a section of CR 213
EIAF #5676	06/14/2007--06/30/2009	2,400,000	12,617,650	Jail expansion
EIAF #5857	04/10/2007--12/31/2008	31,500	31,500	Regional transit plan
EIAF #5884	09/21/2007--09/30/2009	500,000	581,000	R&B Equipment and Improvements
EIAF #5967	12/27/2007--12/31/2009	500,000	650,000	CR 141 Bridge/Intersection Improvements
EIAF #6072	12/27/2007--12/31/2009	30,000	30,000	Administrative intern
EIAF #6135	06/27/2008--10/31/2009	300,000	300,000	Sheriff's Records Management and Equipment
EIAF #6222	09/26/2008--11/30/2010	538,613	538,613	Improvements to a section of CR 234
EIAF #6398	06/26/2009--01/31/2011	700,000	486,216	Energy Efficiency Improvements
EIAF #6463	03/26/2009--06/30/2012	703,000	147,500	New Energy Communities
LGIF #07-549	12/31/2007--12/31/2009	400,000	600,000	Road Maintenance
LGIF #08-600	12/31/2008--12/31/2009	395,000	98,000	Sheriff Public Safety
LGIF #08-602	12/31/2008--12/31/2009	32,070	0	District attorney
Totals		<u>\$7,530,183</u>	<u>\$17,744,479</u>	

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2008***

***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 12/31/2008 is \$12,895,912, with \$11,990,649 having been paid to the contractor at December 31, 2008. The final amount of the contract was \$12,759,021 and was closed out at project completion in early 2009.

***Note 6 - Joint Venture***

The County is a participant with the City of Durango (the City) in a joint venture to operate the Durango-La Plata 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-La Plata County Airport was \$12,593,961 at December 31, 2008. 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, 2008, and may be obtained by contacting the management of the Durango-La Plata County Airport at 1000 Airport Road, Durango, Colorado, 81303 or via telephone at 970-247-8143.

***Note 7 - Tax, Spending and Debt Limitations***

In 1992 Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment, also known as TABOR (Taxpayers Bill of Rights), is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance. The Colorado Revised Statutes, 29-1-301, also include an annual property tax growth limitation of 5.5%.

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

***Note 8 - Schedule of Expenditures of Federal Awards***

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

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

<b>CFDA &amp; Program</b>	<b>Subgrantee</b>	<b>Amount Awarded</b>
14.219—Community Development Block Grant	Region 9 Economic Development District	\$272,231



**La Plata County, Colorado**  
**Combining Balance Sheet - by Fund Type**  
**Nonmajor Governmental Funds**  
**December 31, 2008**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Equity in treasurer's cash and investments	\$ 3,402,681	\$ 23,186	\$ 3,425,867
Cash held by Trustee	-	431,697	431,697
Receivables:			
Property taxes	68,991	-	68,991
Interfund	143,058	-	143,058
<b>Total Assets</b>	<b>\$ 3,614,730</b>	<b>\$ 454,883</b>	<b>\$ 4,069,613</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 12,399	\$ -	\$ 12,399
Deferred revenues	68,991	-	68,991
<b>Total Liabilities</b>	<b>81,390</b>	<b>-</b>	<b>81,390</b>
<b>Fund Balances</b>			
Reserved for:			
Emergencies	2,000,000	-	2,000,000
Debt service	-	454,883	454,883
Unreserved, undesignated	1,533,340	-	1,533,340
<b>Total Fund Balances</b>	<b>3,533,340</b>	<b>454,883</b>	<b>3,988,223</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,614,730</b>	<b>\$ 454,883</b>	<b>\$ 4,069,613</b>

**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, 2008**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ 71,339	\$ -	\$ 71,339
Investment earnings	39,009	9,723	48,732
Miscellaneous	4,949	-	4,949
<b>Total Revenues</b>	<u>115,297</u>	<u>9,723</u>	<u>125,020</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	58,550	-	58,550
Public works	226,779	-	226,779
<b>Debt Service:</b>			
Principal retirement	-	375,000	375,000
Interest and fiscal charges	-	92,612	92,612
Agent fees	-	1,750	1,750
<b>Total Expenditures</b>	<u>285,329</u>	<u>469,362</u>	<u>754,691</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(170,032)</u>	<u>(459,639)</u>	<u>(629,671)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	2,790,306	466,000	3,256,306
Transfers out	(2,017,364)	-	(2,017,364)
<b>Total Other Financing Sources (Uses)</b>	<u>772,942</u>	<u>466,000</u>	<u>1,238,942</u>
<b>Net Change in Fund Balances</b>	602,910	6,361	609,271
<b>Fund Balances Beginning of Year</b>	<u>2,930,430</u>	<u>448,522</u>	<u>3,378,952</u>
<b>Fund Balances End of Year</b>	<u><u>\$ 3,533,340</u></u>	<u><u>\$ 454,883</u></u>	<u><u>\$ 3,988,223</u></u>

## **GENERAL FUND**

The General Fund is the general operating fund of the County which accounts for all financial resources that are not properly accounted for in other funds. Ordinary operations of the County such as public safety, county administration and other activities financed from taxes and general revenues are reflected in this fund.

**La Plata County, Colorado**  
**General Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash deposits	\$ 255,809	\$ 317,774
Equity in treasurer's cash and investments	24,050,290	16,753,477
Restricted cash and investments	68,104	111,910
Receivables:		
Accounts	195,999	356,606
Property taxes	22,207,233	21,825,990
Deposits	2,000	2,000
Intergovernmental	2,055,026	1,972,713
Component unit	300,000	300,000
Interfund	-	30,345
Inventory	<u>48,079</u>	<u>75,666</u>
<b>Total Assets</b>	<u><u>\$ 49,182,540</u></u>	<u><u>\$ 41,746,481</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 495,265	\$ 504,311
Accrued salaries and benefits	485,545	333,444
Intergovernmental payable	425,735	150,664
Interfund payable	143,058	157,942
Deposits payable	19,579	18,890
Deferred revenue	22,207,233	21,954,206
Liabilities payable from restricted assets	<u>68,104</u>	<u>61,668</u>
<b>Total Liabilities</b>	<u>23,844,519</u>	<u>23,181,125</u>
<b>Fund Balances</b>		
Reserved for:		
Inventory	48,079	75,666
Public trustee	23,457	27,735
Prisoner commissary	18,416	18,416
Law enforcement	246,214	309,979
Revolving loan activities	-	46,209
Conservation trust	1,050,343	877,564
Unreserved, undesignated	<u>23,951,512</u>	<u>17,209,787</u>
<b>Total Fund Balances</b>	<u>25,338,021</u>	<u>18,565,356</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 49,182,540</u></u>	<u><u>\$ 41,746,481</u></u>

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008					2007 Actual
	Budget		Actual	Variance Favorable (Unfavorable)		
	As Adopted	Final				
Revenues:						
Taxes						
General property & delinquent taxes	\$ 21,972,221	\$ 21,972,221	\$ 21,943,811	\$ (28,410)	\$ 21,781,981	
Specific ownership	1,800,000	1,800,000	1,825,274	25,274	1,923,607	
Sales tax	13,262,945	13,262,945	13,639,998	377,053	13,536,799	
Cable franchise fees	84,000	84,000	92,042		59,011	
Lodger's tax	166,400	166,400	189,262	22,862	178,160	
Total Taxes	37,285,566	37,285,566	37,690,387	404,821	37,479,558	
Intergovernmental Revenue						
Federal Revenue:						
Payment In Lieu of Taxes	475,000	475,000	877,851	402,851	552,890	
Senior Services-Older American Act	105,366	105,366	134,113	28,747	261,265	
Senior Services-USDA	13,000	13,000	21,306	8,306	12,767	
HIDTA grant	230,000	230,000	226,119	(3,881)	225,617	
Bulletproof vest grant	4,000	4,000		(4,000)	-	
SCAAP	0	0	7,740	7,740		
Other miscellaneous federal grants	0	0	623	623	4,550	
Southern Ute Payment in Lieu of Taxes	60,000	60,000	577,970	517,970	395,384	
State Revenues:						
Office of Emergency Management	25,000	25,000	42,300	17,300	38,700	
Minority Over Representation Grant				-	-	
Lottery Funds	225,000	225,000	286,938	61,938	284,733	
Community Services Block Grant-passed thru				-	-	
Community Services Block Grant-for Sr. Svcs	5,000	5,000	5,000	-	5,000	
Community Development Block Grant	450,000	450,000	272,231	(177,769)	519,918	
Cigarette taxes	25,000	25,000	35,787	10,787	35,439	
Search and rescue monies	5,000	5,000	11,991	6,991	6,905	
Search and rescue tier III	0	0		-	-	
Mineral severance tax	120,000	120,000	372,301	252,301	82,138	
Mineral leasing	0	0	99,941	99,941	14,693	
DOW Impact assistance	2,500	2,500	3,660	1,160	3,603	
Local Government Limited Gaming grants	350,000	350,000	350,000	-	290,057	
Energy Impact Assistance grants	0	0	15,000	15,000	-	
Great Outdoors Colorado grants	40,000	40,000	37,250	(2,750)	2,391	
Beanpole (MNT) grant	30,000	11,985	11,985	-	60,306	
Veteran's Services	1,200	1,200	1,200	-	-	
Predator Control Reimbursement	2,000	2,000	2,210	210	-	
Planning Department Grant	93,792	93,792	40,869	(52,923)	-	
Miscellaneous state grants	0	0	0	-	4,249	
Local Government Revenue:						
Local governments--children youth & families	0	0		-	52,750	
Local match for senior services	6,600	6,600		(6,600)	-	
Local government contributions for senior services	20,000	20,000	135,078	115,078	18,427	
Council on Aging	0	0	685	685	100	
Total Intergovernmental Revenue	2,288,458	2,270,443	3,570,148	1,299,705	2,871,882	

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008				
	Budget			Variance Favorable	2007
	As Adopted	Final	Actual	(Unfavorable)	Actual
Licenses and Permits					
Liquor licenses	\$ 7,500	\$ 7,500	\$ 7,983	\$ 483	\$ 4,830
Building permits	600,000	600,000	656,058	56,058	866,397
Total Licenses and Permits	607,500	607,500	664,041	56,541	871,227
Charges for Services					
Treasurer's fees	648,000	648,000	705,779	57,779	697,026
Clerk and recorder's fees	1,321,000	1,321,000	1,078,039	(242,961)	1,149,634
Public trustee's fees	86,000	86,000	88,023	2,023	87,941
Planning fees	100,000	100,000	56,600	(43,400)	340,904
Oil and gas fees	175,000	175,000	340,350	165,350	-
Assessor's fees	6,000	6,000	31,076	25,076	101,411
Sheriff's fees	69,282	69,282	84,166	14,884	71,679
Law enforcement assistance fund	6,000	6,000	7,272	1,272	6,141
Airport security reimbursement	10,000	10,000	-	(10,000)	-
Other security services	10,000	10,000	62,375	52,375	6,858
Jail room & board	100,000	100,000	298,415	198,415	226,694
Jail bond fees	12,000	12,000	9,205	(2,795)	-
Other Jail charges	4,500	4,500	13,044	8,544	17,456
Booking fees	35,000	35,000	40,475	5,475	47,659
Prisoner transportation	15,000	15,000	11,389	(3,611)	14,480
Useful public service program	50,000	50,000	53,834	3,834	46,895
Work release/Community service	60,000	60,000	36,359	(23,641)	36,099
Alternatives to incarceration	90,000	90,000	139,352	49,352	143,738
Senior meal donations-Durango	72,000	72,000	73,203	1,203	73,058
Senior meal donations-other	4,000	4,000	4,629	629	4,198
Senior home chore/other revenue	5,000	5,000	6,746	1,746	31,681
Senior transportation income	20,000	20,000	15,998	(4,002)	-
Senior center activities	13,000	13,000	5,656	(7,344)	10,635
Senior center rentals	2,000	2,000	1,583	(417)	2,070
Senior services-other	-	-	104,135	104,135	8,700
Surveyor's fees	6,000	6,000	11,485	5,485	6,475
Indirect cost allocation reimbursement	80,000	80,000	93,204	13,204	130,034
GIS Services reimbursements	15,000	15,000	4,575	(10,425)	6,459
Election Reimbursements	40,000	40,000	64,627	24,627	34,066
Inmate medical/phone reimbursements	90,000	90,000	85,808	(4,192)	89,375
Maps/code book sales & sign fees	1,000	1,000	3,360	2,360	2,263
Employee equipment reimbursements	-	-	-	-	-
Total Charges for Services	3,145,782	3,145,782	3,530,762	384,980	3,393,629
Investment earnings	800,000	800,000	1,760,280	960,280	2,898,697

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008					
	Budget			Variance		
	As Adopted	Final	Actual	Favorable (Unfavorable)	2007 Actual	
Miscellaneous Revenue						
Building rentals	\$ 137,131	\$ 137,131	\$ 145,354	\$ 8,223	\$ 157,215	
Fairgrounds rentals	75,500	75,500	76,884	1,384	75,053	
Forfeitures	22,000	22,000	47,061	25,061	207,598	
Senior services-United Way	21,000	21,000	38,661	17,661	16,558	
Senior services-ColoTrust Healthy Aging Initiative				-	62,926	
Other miscellaneous grants			22,646	22,646	2,526	
Hazardous waste fees and cost share			44,739	44,739	-	
Vehicle inspection fees	44,000	44,000	39,925	(4,075)	45,560	
Prisoner commissary collections	75,000	75,000	39,798	(35,202)	58,804	
Photocopies	250	250	5,446	5,196	2,002	
Telephone/postage refunds	3,200	3,200	5,520	2,320	3,997	
Sales of assets				-	800	
Parking/Traffic fines			1,125	1,125	5,751	
Animal control fines	3,000	3,000	3,504	504	4,097	
Insurance refunds	2,000	2,000	43,995	41,995	5,148	
Other refunds	13,000	13,000	45,345	32,345	22,424	
Other miscellaneous revenues	2,000	2,000	40,949	38,949	78,337	
Total Miscellaneous Revenue	398,081	398,081	600,952	202,871	748,796	
Total Revenue	44,525,387	44,507,372	47,816,570	3,309,198	48,263,789	
Expenditures:						
Current						
General Government						
Board of County Commissioners						
Personnel Expenditures	270,929	290,927	283,310	7,617	259,793	
Operating Expenditures	213,925	288,925	279,210	9,715	168,763	
	484,854	579,852	562,520	17,332	428,556	
County Clerk and Recorder-Operations						
Personnel Expenditures	739,843	739,843	710,294	29,549	699,275	
Operating Expenditures	252,602	358,446	372,181	(13,735)	156,691	
	992,445	1,098,289	1,082,475	15,814	855,966	
County Clerk and Recorder-Elections						
Personnel Expenditures	201,423	201,423	219,461	(18,038)	88,097	
Operating Expenditures	140,000	140,000	193,465	(53,465)	39,760	
	341,423	341,423	412,926	(71,503)	127,857	
County Treasurer						
Personnel Expenditures	295,073	295,073	286,989	8,084	285,579	
Operating Expenditures	191,685	191,685	143,260	48,425	143,306	
	486,758	486,758	430,249	56,509	428,885	
Public Trustee's Office						
Personnel Expenditures	15,710	15,710	15,562	148	15,769	
Operating Expenditures	12,025	12,025	5,432	6,593	4,377	
	27,735	27,735	20,994	6,741	20,146	
County Assessor						
Personnel Expenditures	1,096,446	1,096,446	1,071,430	25,016	1,040,276	
Operating Expenditures	320,109	365,109	281,582	83,527	178,898	
	1,416,555	1,461,555	1,353,012	108,543	1,219,174	
County Surveyor						
Personnel Expenditures	12,296	12,296	11,612	684	10,897	
Operating Expenditures	1,000	3,902	3,252	650	1,294	
	13,296	16,198	14,864	1,334	12,191	

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008				
	Budget		Actual	Variance Favorable (Unfavorable)	2007 Actual
	As Adopted	Final			
General Government (Continued)					
Administrative Offices					
Personnel Expenditures	\$ 443,664	\$ 423,666	\$ 391,680	\$ 31,986	\$ 380,612
Operating Expenditures	258,600	208,600	140,051	68,549	148,199
	702,264	632,266	531,731	100,535	528,811
Construction Management					
Personnel Expenditures	94,157	94,157	95,371	(1,214)	86,416
Operating Expenditures	45,588	45,588	8,908	36,680	9,490
	139,745	139,745	104,279	35,466	95,906
County Attorney's Office					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	393,000	693,000	646,853	46,147	453,762
	393,000	693,000	646,853	46,147	453,762
Geographic Information Services					
Personnel Expenditures	529,039	529,039	504,127	24,912	497,698
Operating Expenditures	52,650	52,650	30,800	21,850	42,197
	581,689	581,689	534,927	46,762	539,895
Finance					
Personnel Expenditures	282,787	271,787	255,964	15,823	268,039
Operating Expenditures	114,200	164,200	138,579	25,621	127,476
	396,987	435,987	394,543	41,444	395,515
Information Services					
Personnel Expenditures	741,225	741,225	715,935	25,290	695,755
Operating Expenditures	512,334	494,319	389,142	105,177	576,394
	1,253,559	1,235,544	1,105,077	130,467	1,272,149
Procurement/Warehouse					
Personnel Expenditures	214,736	225,736	224,499	1,237	200,968
Operating Expenditures	46,139	46,139	40,890	5,249	44,109
	260,875	271,875	265,389	6,486	245,077
Building Maintenance					
Personnel Expenditures	476,271	476,271	461,836	14,435	452,382
Operating Expenditures	253,374	253,374	250,295	3,079	387,842
	729,645	729,645	712,131	17,514	840,224
Building Maintenance-OMPO					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	116,500	116,500	78,120	38,380	78,455
	116,500	116,500	78,120	38,380	78,455
Central Services					
Personnel Expenditures	5,000	5,000	(1,814)	6,814	2,623
Operating Expenditures	167,140	167,140	108,748	58,392	146,787
	172,140	172,140	106,934	65,206	149,410
Human Resources					
Personnel Expenditures	399,476	399,476	338,930	60,546	316,914
Operating Expenditures	139,100	139,100	99,529	39,571	101,485
	538,576	538,576	438,459	100,117	418,399
Risk Management					
Personnel Expenditures	406,198	406,198	288,915	117,283	371,807
Operating Expenditures	413,333	413,333	431,884	(18,551)	436,206
	819,531	819,531	720,799	98,732	808,013
Budget Contingency/Reserves	300,000	420	-	420	-
Total General Government	10,167,577	10,378,728	9,516,282	862,446	8,918,391

(Continued)



**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008				2007 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	As Adopted	Final			
Public Safety					
Sheriff-Patrol					
Personnel Expenditures	\$ 2,336,240	\$ 2,336,240	\$ 2,315,088	\$ 21,152	\$ 2,175,867
Operating Expenditures	1,141,156	1,144,156	1,074,531	69,625	992,506
	3,477,396	3,480,396	3,389,619	90,777	3,168,373
Sheriff-Detentions					
Personnel Expenditures	3,355,347	3,355,347	3,028,200	327,147	2,673,702
Operating Expenditures	1,325,859	1,395,859	1,272,431	123,428	1,168,413
	4,681,206	4,751,206	4,300,631	450,575	3,842,115
Sheriff-Special Services					
Personnel Expenditures	1,379,071	1,379,071	1,346,204	32,867	1,320,365
Operating Expenditures	345,361	345,361	273,389	71,972	277,464
	1,724,432	1,724,432	1,619,593	104,839	1,597,829
Sheriff-Special Investigations					
Personnel Expenditures	365,880	365,880	379,176	(13,296)	342,468
Operating Expenditures	404,021	404,021	332,059	71,962	588,236
	769,901	769,901	711,235	58,666	930,704
Sheriff-Criminal Investigations					
Personnel Expenditures	780,189	780,189	805,570	(25,381)	692,624
Operating Expenditures	178,332	178,332	166,553	11,779	128,794
	958,521	958,521	972,123	(13,602)	821,418
Alternatives to Incarceration					
Personnel Expenditures	363,439	363,439	364,132	(693)	350,485
Operating Expenditures	236,394	236,394	218,224	18,170	227,937
	599,833	599,833	582,356	17,477	578,422
County Coroner					
Personnel Expenditures	90,141	100,361	97,764	2,597	90,049
Operating Expenditures	57,739	57,739	52,061	5,678	54,526
	147,880	158,100	149,825	8,275	144,575
Building Inspection Department					
Personnel Expenditures	752,657	752,657	659,384	93,273	631,978
Operating Expenditures	171,848	171,848	127,441	44,407	92,881
	924,505	924,505	786,825	137,680	724,859
Emergency Management Office					
Personnel Expenditures	97,433	97,433	75,994	21,439	93,259
Operating Expenditures	109,600	109,600	38,919	70,681	71,271
	207,033	207,033	114,913	92,120	164,530
Weed and Rodent Control					
Operating Expenditures	43,000	43,000	42,235	765	43,283
Pmt to Component Unit - District Attorney	1,373,789	1,373,789	1,264,254	109,535	1,292,674
Total Public Safety	14,907,496	14,990,716	13,933,609	1,057,107	13,308,782

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008				
	Budget			Variance Favorable	2007
	As Adopted	Final	Actual	(Unfavorable)	Actual
Auxiliary Services					
Extension Office					
Personnel Expenditures	\$ 67,899	\$ 67,899	\$ 67,978	\$ (79)	\$ 52,610
Operating Expenditures	54,289	54,289	44,038	10,251	41,638
	122,188	122,188	112,016	10,172	94,248
Fairgrounds					
Personnel Expenditures	482,529	482,529	458,021	24,508	448,142
Operating Expenditures	394,943	394,943	336,990	57,953	332,731
	877,472	877,472	795,011	82,461	780,873
Weed Control					
Personnel Expenditures	97,654	97,654	83,393	14,261	74,722
Operating Expenditures	75,527	75,527	37,193	38,334	61,750
	173,181	173,181	120,586	52,595	136,472
Veterans Services					
Personnel Expenditures	54,104	54,104	51,092	3,012	44,357
Operating Expenditures	9,650	9,650	5,378	4,272	2,243
	63,754	63,754	56,470	7,284	46,600
Senior Services					
Personnel Expenditures	417,304	417,304	400,707	16,597	388,377
Operating Expenditures	319,525	319,525	268,603	50,922	226,211
Capital Expenditures	106,200	131,200	128,443	2,757	-
	843,029	868,029	797,753	70,276	614,588
Senior Services - non Joint Sales Tax Supported					
Personnel Expenditures	9,888	9,888	14,591	(4,703)	3,568
Operating Expenditures	66,255	76,255	67,612	8,643	56,369
	76,143	86,143	82,203	3,940	59,937
Children, Youth and Families Master Plan					
Personnel Expenditures	11,015	11,015	9,102	1,913	18,286
Operating Expenditures	15,387	36,393	28,265	8,128	56,670
	26,402	47,408	37,367	10,041	74,956
Planning Department					
Personnel Expenditures	1,159,363	1,159,363	1,032,549	126,814	984,362
Operating Expenditures	741,356	741,356	401,463	339,893	233,485
	1,900,719	1,900,719	1,434,012	466,707	1,217,847
Total Auxiliary Services	4,082,888	4,138,894	3,435,418	703,476	3,025,521
Public Works					
Convenience Center					
Personnel Expenditures	-	72,952	66,702	6,250	-
Operating Expenditures	228,000	231,500	144,331	87,169	97,973
	228,000	304,452	211,033	93,419	97,973
Total Public Works	228,000	304,452	211,033	93,419	97,973

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2008**  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008				
	Budget			Variance Favorable	2007
	As Adopted	Final	Actual	(Unfavorable)	Actual
Community Programs					
Public Service Agencies					
Durango Public Library	\$ 817,713	\$ 817,713	\$ 740,692	\$ 77,021	\$ 612,863
Lodger's tax to DATO	170,000	17,000	189,262	(172,262)	176,466
Other Public Service Agencies	2,349,221	2,518,221	2,172,635	345,586	1,935,370
Total Public Service Agencies	3,336,934	3,352,934	3,102,589	250,345	2,724,699
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	902,213	902,213	826,692	75,521	697,363
Total payments to other governments	1,002,213	1,002,213	926,692	75,521	797,363
Pass through of grants received					
of CDBG funds	450,000	450,000	272,482	177,518	519,918
of GOCO funds	40,000	40,000	40,000	-	2,391
Total pass throughs	490,000	490,000	312,482	177,518	522,309
Total Community Programs	4,829,147	4,845,147	4,341,763	503,384	4,044,371
Total Expenditures	34,215,108	34,657,937	31,438,105	3,219,832	29,395,038
Excess of Revenues Over Expenditures	10,310,279	9,849,435	16,378,465	6,529,030	18,868,751
Other Financing Sources (Uses)					
Transfers in-joint sales tax fund	2,375,170	2,400,170	2,007,364	(392,806)	1,664,053
Transfers in-tribal impact fund	-	-	-	-	-
Transfers out-Road and Bridge fund	(5,000,000)	(5,000,000)	(5,000,000)	-	(5,000,000)
Transfers out-joint sales tax	(1,959,600)	(1,959,600)	(2,015,306)	(55,706)	(2,000,062)
Transfers out-emergency reserve fund	(715,000)	(715,000)	(715,000)	-	(100,000)
Transfers out-finance authority debt service fund	(466,000)	(466,000)	(466,000)	-	(466,000)
Transfers out-capital improvement	(3,000,000)	(3,000,000)	(3,000,000)	-	(9,000,000)
Transfers out-landfill closure	(50,000)	(50,000)	(50,000)	-	(50,000)
Total Other Financing Sources (Uses)	(8,815,430)	(8,790,430)	(9,238,942)	(448,512)	(14,952,009)
Net Change in Fund Balances	1,494,849	1,059,005	7,139,523	6,080,518	3,916,742
Fund Balance Beginning of Year - as restated			18,198,498		14,281,756
Fund Balance End of Year			\$ 25,338,021		\$ 18,198,498

(Continued)

## **SPECIAL REVENUE FUNDS**

Special Revenue Funds account for taxes or other earmarked revenue of the County which finance specified activities as required by law or administrative action.

Major Special Revenue Funds:

*Road and Bridge Fund:*

Colorado counties are required by State law to maintain a Road and Bridge Fund. The Road and Bridge Fund records costs related to County road and bridge construction and maintenance.

*Social Services Fund:*

Colorado counties are required by State law to maintain a Social Services Fund. The Social Services Fund accounts for many federal and state public welfare programs administered by the County.

Non-Major Special Revenue Funds:

*Joint Sales Tax Fund:*

The Joint Sales Tax Fund receives 14.775% of all sales taxes received by the County. These receipts are the result of the Joint Funding agreement between the County and the City of Durango. Resources of this fund are used to provide funding for projects considered to be of mutual benefit to both entities.

*Emergency Reserve Fund:*

On November 3, 1992, Colorado voters approved an amendment to the State Constitution known as the Taxpayer's Bill of Rights or Amendment 1. The amendment is a tax, revenue, spending and debt limitation. In addition, the amendment requires that the County establish a separate reserve fund to cover expenditures for declared emergencies. It requires that the County reserve 3% of its fiscal year spending for such emergencies.

*Local Improvement Districts Fund:*

Taxpayers living in certain subdivisions within the County have elected to assess themselves a extra property tax to fund certain road maintenance/improvements. The Board of County Commissioners serves as the Board of Directors of these local improvement districts. This fund accounts for the revenues and expenditures associated with these districts.

*Landfill Closure Fund:*

There are four former landfill sites in La Plata County for which the County has ongoing responsibility for long-term maintenance, closure and monitoring costs. The activity in this fund represents the County liability for the continuing closure and postclosure care costs.

**La Plata County, Colorado**  
**Road and Bridge Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2007</u>	<u>2007</u>
<b>Assets</b>		
Cash	\$ 1,100	\$ 1,100
Equity in treasurer's cash and investments	5,997,107	5,364,264
Receivables:		
Accounts	43,402	66,725
Property taxes	2,109,598	2,037,920
Intergovernmental	1,758,185	3,034,974
Inventory	<u>335,069</u>	<u>313,210</u>
<b>Total Assets</b>	<u><u>\$ 10,244,461</u></u>	<u><u>\$ 10,818,193</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 446,173	\$ 1,044,329
Accrued salaries and wages	98,794	52,883
Contracts payable	123,392	337,256
Intergovernmental payable	14,925	22,328
Deferred revenues	<u>2,109,598</u>	<u>2,049,057</u>
<b>Total Liabilities</b>	<u>2,792,882</u>	<u>3,505,853</u>
<b>Fund Balances</b>		
Reserved for:		
Inventory	335,069	313,210
Road improvements	4,177,853	3,405,352
Title III Expenditures	57,676	-
Unreserved, undesignated	<u>2,880,981</u>	<u>3,593,778</u>
<b>Total Fund Balances</b>	<u>7,451,579</u>	<u>7,312,340</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 10,244,461</u></u>	<u><u>\$ 10,818,193</u></u>

**La Plata County, Colorado**  
**Road and Bridge Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2008*  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008				
	Budget As Adopted	Budget Final	Actual	Variance Favorable (Unfavorable)	2007 Actual
<b>Revenues</b>					
Property taxes	\$ 2,237,057	\$ 2,237,057	\$ 2,219,952	\$ (17,105)	\$ 2,263,532
Intergovernmental	4,545,000	4,545,000	4,121,982	(423,018)	5,494,206
Licenses and permits	222,000	222,000	267,910	45,910	270,851
Miscellaneous	677,000	677,000	1,219,208	542,208	1,013,685
<b>Total Revenues</b>	<u>7,681,057</u>	<u>7,681,057</u>	<u>7,829,052</u>	<u>147,995</u>	<u>9,042,274</u>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Public Works</b>					
Maintenance of condition/snow & ice removal	7,385,259	7,592,313	6,822,940	769,373	6,773,589
Engineering	1,568,059	1,588,058	1,064,165	523,893	1,309,367
General administration	643,160	643,160	649,585	(6,425)	642,894
Budget contingency	200,000	200,000	-	200,000	-
<b>Capital Outlay</b>	<u>8,029,000</u>	<u>8,019,000</u>	<u>4,153,123</u>	<u>3,865,877</u>	<u>6,014,150</u>
<b>Total Expenditures</b>	<u>17,825,478</u>	<u>18,042,531</u>	<u>12,689,813</u>	<u>5,352,718</u>	<u>14,740,000</u>
<b>Deficiency of Revenues (Under) Expenditures</b>	<u>(10,144,421)</u>	<u>(10,361,474)</u>	<u>(4,860,761)</u>	<u>5,500,713</u>	<u>(5,697,726)</u>
<b>Other Financing Sources</b>					
Transfers in--General Fund	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
<b>Total Other Financing Sources (Uses)</b>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (5,144,421)</u>	<u>\$ (5,361,474)</u>	<u>139,239</u>	<u>\$ 5,500,713</u>	<u>(697,726)</u>
<b>Fund Balances Beginning of Year</b>			<u>7,312,340</u>		<u>8,010,066</u>
<b>Fund Balances End of Year</b>			<u>\$ 7,451,579</u>		<u>\$ 7,312,340</u>

**La Plata County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
<b>Assets</b>		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	2,075,959	1,796,143
Restricted cash	51,572	82,505
Receivables:		
Accounts	2,338	250
Property taxes	1,129,081	1,096,678
Intergovernmental	278,915	391,619
<b>Total Assets</b>	<b>\$ 3,538,265</b>	<b>\$ 3,367,595</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 223,517	\$ 394,042
Liabilities payable from restricted assets	51,572	82,505
Interfund payable	-	30,345
Intergovernmental payable	71,864	71,864
Deferred revenues	1,129,081	1,096,678
<b>Total Liabilities</b>	1,476,034	1,675,434
<b>Fund Balances</b>		
Unreserved, undesignated	2,062,231	1,692,161
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,538,265</b>	<b>\$ 3,367,595</b>

**La Plata County, Colorado**  
**Social Service Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended December 31, 2008*  
*(With Comparative Actual Amounts for Year Ended December 31, 2007)*

	2008				
	<b>Budget As Adopted</b>	<b>Budget Final</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2007</b>
<b>Revenues</b>					
Property taxes	\$ 1,178,678	\$ 1,178,678	\$ 1,211,044	\$ 32,366	\$ 1,253,530
Intergovernmental	6,446,623	6,446,623	3,675,759	(2,770,864)	3,532,443
Miscellaneous	-	-	312,726	312,726	224,246
<b>Total Revenues</b>	7,625,301	7,625,301	5,199,529	(2,425,772)	5,010,219
<b>Expenditures</b>					
<b>Current:</b>					
Health and welfare	7,628,164	7,628,164	4,829,459	2,798,705	4,759,169
<b>Total Expenditures</b>	7,628,164	7,628,164	4,829,459	2,798,705	4,759,169
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,863)	(2,863)	370,070	372,933	251,050
<b>Net Change in Fund Balances</b>	<u>\$ (2,863)</u>	<u>\$ (2,863)</u>	370,070	<u>\$ 372,933</u>	251,050
<b>Fund Balances Beginning of Year</b>			1,692,161		1,441,111
<b>Fund Balances End of Year</b>			<u>\$ 2,062,231</u>		<u>\$ 1,692,161</u>



**La Plata County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2008**

	<b>Joint Sales Tax</b>	<b>Emergency Reserve</b>	<b>Local Improvement Districts</b>	<b>Landfill Closure</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets</b>					
Equity in treasurer's cash and investments	\$ 845,065	\$ 2,000,000	\$ 74,299	\$ 483,317	\$ 3,402,681
Receivables:					
Property taxes	-		68,991	-	68,991
Interfund	143,058	-	-	-	143,058
<b>Total Assets</b>	<b>\$ 988,123</b>	<b>\$ 2,000,000</b>	<b>\$ 143,290</b>	<b>\$ 483,317</b>	<b>\$ 3,614,730</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,532	\$ -	\$ 3,716	\$ 6,151	\$ 12,399
Deferred revenues	-	-	68,991	-	68,991
<b>Total Liabilities</b>	<b>2,532</b>	<b>-</b>	<b>72,707</b>	<b>6,151</b>	<b>81,390</b>
<b>Fund Balances</b>					
Reserved for emergencies	-	2,000,000	-	-	2,000,000
Unreserved, undesignated	985,591	-	70,583	477,166	1,533,340
<b>Total Fund Balances</b>	<b>985,591</b>	<b>2,000,000</b>	<b>70,583</b>	<b>477,166</b>	<b>3,533,340</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 988,123</b>	<b>\$ 2,000,000</b>	<b>\$ 143,290</b>	<b>\$ 483,317</b>	<b>\$ 3,614,730</b>

**La Plata County, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2008**

	<b>Joint Sales Tax</b>	<b>Emergency Reserve</b>	<b>Local Improvement Districts</b>	<b>Landfill Closure</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 71,339	\$ -	\$ 71,339
Investment earnings	21,639	-	-	17,370	39,009
Miscellaneous	-	-	4,949	-	4,949
<b>Total Revenues</b>	<b>21,639</b>	<b>-</b>	<b>76,288</b>	<b>17,370</b>	<b>115,297</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	58,550	-	-	-	58,550
Public works	-	-	63,047	163,732	226,779
<b>Total Expenditures</b>	<b>58,550</b>	<b>-</b>	<b>63,047</b>	<b>163,732</b>	<b>285,329</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(36,911)</b>	<b>-</b>	<b>13,241</b>	<b>(146,362)</b>	<b>(170,032)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,015,306	715,000	-	60,000	2,790,306
Transfers out	(2,017,364)	-	-	-	(2,017,364)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,058)</b>	<b>715,000</b>	<b>-</b>	<b>60,000</b>	<b>772,942</b>
<b>Net Change in Fund Balances</b>	<b>(38,969)</b>	<b>715,000</b>	<b>13,241</b>	<b>(86,362)</b>	<b>602,910</b>
<b>Fund Balances Beginning of Year</b>	<b>1,024,560</b>	<b>1,285,000</b>	<b>57,342</b>	<b>563,528</b>	<b>2,930,430</b>
<b>Fund Balances End of Year</b>	<b>\$ 985,591</b>	<b>\$ 2,000,000</b>	<b>\$ 70,583</b>	<b>\$ 477,166</b>	<b>\$ 3,533,340</b>

**La Plata County, Colorado**  
**Joint Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 845,065	\$ 870,973
Interfund receivable	<u>143,058</u>	<u>157,942</u>
<b>Total Assets</b>	<u><u>\$ 988,123</u></u>	<u><u>\$ 1,028,915</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	<u>\$ 2,532</u>	<u>\$ 4,355</u>
<b>Fund Balances</b>		
Unreserved, undesignated	<u>985,591</u>	<u>1,024,560</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 988,123</u></u>	<u><u>\$ 1,028,915</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, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	<b>2008</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2007 Actual</b>
<b>Revenues</b>					
Investment income	\$ 15,000	\$ 15,000	\$ 21,639	\$ 6,639	\$ 31,375
<b>Expenditures</b>					
<b>Current, General Government:</b>	56,015	56,015	58,550	(2,535)	51,067
<b>Total Expenditures</b>	56,015	56,015	58,550	(2,535)	51,067
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(41,015)	(41,015)	(36,911)	4,104	(19,692)
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,959,600	1,959,600	2,015,306	55,706	2,000,062
Transfers out	(2,375,170)	(2,400,170)	(2,017,364)	382,806	(1,674,053)
<b>Total Other Financing Sources (Uses)</b>	(415,570)	(440,570)	(2,058)	438,512	326,009
<b>Net Change in Fund Balances</b>	<u>\$ (456,585)</u>	<u>\$ (481,585)</u>	(38,969)	<u>\$ 442,616</u>	306,317
<b>Fund Balances Beginning of Year</b>			1,024,560		718,243
<b>Fund Balances End of Year</b>			<u>\$ 985,591</u>		<u>\$ 1,024,560</u>

**La Plata County, Colorado**  
***Emergency Reserve Fund***  
***Comparative Balance Sheet***  
***December 31, 2008 and 2007***

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 2,000,000</u>	<u>\$ 1,285,000</u>
<b>Fund Balances</b>		
Reserved for emergencies	<u>\$ 2,000,000</u>	<u>\$ 1,285,000</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, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Actual
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-	-	-
<b>Excess of Revenues Over Expenditures</b>	-	-	-	-	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	715,000	715,000	715,000	-	100,000
<b>Total Other Financing Sources (Uses)</b>	715,000	715,000	715,000	-	100,000
<b>Net Change in Fund Balances</b>	<u>\$ 715,000</u>	<u>\$ 715,000</u>	715,000	<u>\$ -</u>	100,000
<b>Fund Balances Beginning of Year</b>			1,285,000		1,185,000
<b>Fund Balances End of Year</b>			<u>\$ 2,000,000</u>		<u>\$ 1,285,000</u>

**La Plata County, Colorado**  
**Local Improvement District Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 74,299	\$ 63,190
Property taxes receivable	<u>68,991</u>	<u>65,655</u>
<b>Total Assets</b>	<u>\$ 143,290</u>	<u>\$ 128,845</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,716	\$ 5,848
Deferred revenues	<u>68,991</u>	<u>65,655</u>
<b>Total Liabilities</b>	72,707	71,503
<b>Fund Balances</b>		
Unreserved, undesignated	<u>70,583</u>	<u>57,342</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 143,290</u>	<u>\$ 128,845</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, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	<b>2008</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2007 Actual</b>
<b>Revenues</b>					
Property taxes	\$ 70,655	\$ 70,655	\$ 71,339	\$ 684	\$ 59,292
Miscellaneous	1,750	1,750	4,949	3,199	54
<b>Total Revenues</b>	<u>72,405</u>	<u>72,405</u>	<u>76,288</u>	<u>3,883</u>	<u>59,346</u>
<b>Expenditures</b>					
<b>Current:</b>					
Public works	63,500	63,500	63,047	453	63,544
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 8,905</u>	<u>\$ 8,905</u>	13,241	<u>\$ 4,336</u>	(4,198)
<b>Fund Balances Beginning of Year</b>			<u>57,342</u>		<u>61,540</u>
<b>Fund Balances End of Year</b>			<u>\$ 70,583</u>		<u>\$ 57,342</u>



**La Plata County, Colorado**  
**Landfill Closure Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 483,317	\$ 595,560
<b>Total Assets</b>	<u>\$ 483,317</u>	<u>\$ 595,560</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 6,151	\$ 32,032
<b>Fund Balances</b>		
Unreserved, undesignated	477,166	563,528
<b>Total Liabilities and Fund Balances</b>	<u>\$ 483,317</u>	<u>\$ 595,560</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, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	<b>2008</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2007 Actual</b>
<b>Revenues</b>					
Investment income	\$ 7,000	\$ 7,000	\$ 17,370	\$ 10,370	\$ 28,434
<b>Expenditures</b>					
<b>Current:</b>					
Public works	570,000	570,000	163,732	406,268	94,571
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(563,000)	(563,000)	(146,362)	416,638	(66,137)
<b>Other Financing Sources (Uses)</b>					
Transfers in	60,000	60,000	60,000	-	60,000
<b>Net Change in Fund Balances</b>	<u>\$ (503,000)</u>	<u>\$ (503,000)</u>	(86,362)	<u>\$ 416,638</u>	(6,137)
<b>Fund Balances Beginning of Year</b>			563,528		569,665
<b>Fund Balances End of Year</b>			<u>\$ 477,166</u>		<u>\$ 563,528</u>

## **CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for the acquisition and construction of major capital equipment and facilities other than those finance by proprietary funds and trust funds.

### *Capital Improvement Fund:*

The Capital Improvement Fund was established in 1985 to provide for continuing capital improvements required by the County. This fund receives at least \$1,500,000 of sales taxes from the General Fund. Expenditures are limited to continuing capital and major capital improvements as determined by the Board of County Commissioners.

**La Plata County, Colorado**  
**Capital Improvement Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 6,918,702	\$ 15,441,372
Receivables:		
Accounts	34,097	15,156
Intergovernmental	323,652	836,759
Deposits receivable	<u>90,272</u>	<u>151,544</u>
<b>Total Assets</b>	<u><u>\$ 7,366,723</u></u>	<u><u>\$ 16,444,831</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,118,137	\$ 834,465
Contracts payable	808,425	474,498
Deferred revenue	<u>-</u>	<u>48,985</u>
<b>Total Liabilities</b>	1,926,562	1,357,948
<b>Fund Balances</b>		
Reserved for capital improvements	<u>5,440,161</u>	<u>15,086,883</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 7,366,723</u></u>	<u><u>\$ 16,444,831</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, 2008**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	<b>2008</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>2007 Actual</b>
<b>Revenues</b>					
Intergovernmental	\$ 3,669,028	\$ 3,669,028	\$ 2,629,479	\$ (1,039,549)	\$ 836,759
Miscellaneous revenue	-	-	-	-	159,569
<b>Total Revenues</b>	<u>3,669,028</u>	<u>3,669,028</u>	<u>2,629,479</u>	<u>(1,039,549)</u>	<u>996,328</u>
<b>Expenditures</b>					
<b>Capital Outlay</b>	<u>18,203,663</u>	<u>18,203,663</u>	<u>15,276,201</u>	<u>2,927,462</u>	<u>6,733,269</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(14,534,635)</u>	<u>(14,534,635)</u>	<u>(12,646,722)</u>	<u>1,887,913</u>	<u>(5,736,941)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in					
From general fund	3,000,000	3,000,000	3,000,000	-	9,000,000
Sale of capital assets	-	-	-	-	63,448
<b>Total Other Financing Sources (Uses)</b>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>9,063,448</u>
<b>Net Change in Fund Balances</b>	<u><u>\$ (11,534,635)</u></u>	<u><u>\$ (11,534,635)</u></u>	<u>(9,646,722)</u>	<u><u>\$ 1,887,913</u></u>	<u>3,326,507</u>
<b>Fund Balances Beginning of Year</b>			<u>15,086,883</u>		<u>11,760,376</u>
<b>Fund Balances End of Year</b>			<u><u>\$ 5,440,161</u></u>		<u><u>\$ 15,086,883</u></u>

## **Debt Service Fund**

The Finance Authority Debt Service Fund accumulates monies for payment of the 2004 Certificates of Participation (COPs) issued in 2004 for the purchase of the Old Main Professional building. Resources are provided for payment of interest and principal on this issue through a lease-purchase agreement with the General Fund.

**La Plata County, Colorado**  
**Finance Authority Debt Service Fund**  
**Comparative Balance Sheet**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 23,186	\$ 26,548
Cash held by Trustee	431,697	421,974
<b>Total Assets</b>	<u>\$ 454,883</u>	<u>\$ 448,522</u>
<b>Fund Balances</b>		
Reserved for debt service	<u>\$ 454,883</u>	<u>\$ 448,522</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, 2008*  
*(With Comparative Actual Amounts for the Year Ended December 31, 2007)*

	2008				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2007 Actual
<b>Revenues</b>					
Investment earnings	\$ 10,000	\$ 10,000	\$ 9,723	\$ (277)	\$ 21,218
<b>Expenditures</b>					
<b>Debt Service:</b>					
Principal retirement	375,000	375,000	375,000	-	360,000
Interest and fiscal charges	92,612	92,612	92,612	-	102,089
Agent fees	1,750	1,750	1,750	-	1,750
<b>Total Expenditures</b>	469,362	469,362	469,362	-	463,839
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(459,362)	(459,362)	(459,639)	(277)	(442,621)
<b>Other Financing Sources</b>					
Transfers in-County General	466,000	466,000	466,000	-	466,000
<b>Net Change in Fund Balances</b>	<u>\$ 6,638</u>	<u>\$ 6,638</u>	6,361	<u>\$ (277)</u>	23,379
<b>Fund Balances Beginning of Year</b>			448,522		425,143
<b>Fund Balances End of Year</b>			<u>\$ 454,883</u>		<u>\$ 448,522</u>



## **PROPRIETARY FUNDS**

### **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

#### *Capital Equipment Replacement Fund:*

This fund consolidates the purchase, maintenance, repair and disposal of the County's vehicles and heavy equipment into one location. Vehicles and equipment are rented to the using County departments.

#### *Employee Health Insurance Fund:*

This fund is used to accumulate funds to pay medical and dental claims for employees and covered dependents through insurance premiums billed to other County departments and from contributions from the employees themselves.

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**December 31, 2008**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets:</b>			
Equity in treasurer's cash and investments	\$ 2,229,171	\$ 2,928,502	\$ 5,157,673
Accounts receivable	6,748	-	6,748
Inventory	91,466	-	91,466
<b>Total Current Assets</b>	<b>2,327,385</b>	<b>2,928,502</b>	<b>5,255,887</b>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Depreciable capital assets, net	7,100,766	-	7,100,766
<b>Total Assets</b>	<b>\$ 9,428,151</b>	<b>\$ 2,928,502</b>	<b>\$ 12,356,653</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accrued payroll	14,595	-	14,595
Accounts payable	40,828	-	40,828
Accrued incurred/unreported claims	-	364,350	364,350
<b>Total Current Liabilities</b>	<b>55,423</b>	<b>364,350</b>	<b>419,773</b>
<b>Net Assets</b>			
Invested in capital assets	7,100,766	-	7,100,766
Unrestricted	2,271,962	2,564,152	4,836,114
<b>Total Net Assets</b>	<b>\$ 9,372,728</b>	<b>\$ 2,564,152</b>	<b>\$ 11,936,880</b>

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Year Ended December 31, 2008**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 2,732,625	\$ -	\$ 2,732,625
Insurance deposits	-	1,988,173	1,988,173
<b>Total Operating Revenues</b>	<b>2,732,625</b>	<b>1,988,173</b>	<b>4,720,798</b>
<b>Operating Expenses</b>			
Equipment maintenance	966,635	-	966,635
Depreciation	843,070	-	843,070
Medical claims	-	2,259,822	2,259,822
<b>Total Operating Expenses</b>	<b>1,809,705</b>	<b>2,259,822</b>	<b>4,069,527</b>
<b>Operating Income (Loss)</b>	<b>922,920</b>	<b>(271,649)</b>	<b>651,271</b>
<b>Non-Operating Revenues</b>			
Gain (loss) on sale of capital assets	(54,794)	-	(54,794)
Capital grant	271,357	-	271,357
Investment earnings	45,851	72,504	118,355
<b>Total Non-Operating Revenues (Expenses)</b>	<b>262,414</b>	<b>72,504</b>	<b>334,918</b>
<b>Loss before Contributions</b>	<b>1,185,334</b>	<b>(199,145)</b>	<b>986,189</b>
Contributions-capital assets, net of accumulated depreciation	110,041	-	110,041
<b>Total Contributions</b>	<b>110,041</b>	<b>-</b>	<b>110,041</b>
<b>Change in Net Assets</b>	<b>1,295,375</b>	<b>(199,145)</b>	<b>1,096,230</b>
<b>Net Assets Beginning of Year</b>	<b>8,077,353</b>	<b>2,763,297</b>	<b>10,840,650</b>
<b>Net Assets End of Year</b>	<b>\$ 9,372,728</b>	<b>\$ 2,564,152</b>	<b>\$ 11,936,880</b>

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2008**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 2,734,288	\$ 1,988,173	\$ 4,722,461
Cash payments for goods and services	(944,991)	-	(944,991)
Cash payments for claims		(2,004,583)	(2,004,583)
<b>Net Cash Provided by Operating Activities</b>	<u>1,789,297</u>	<u>(16,410)</u>	<u>1,772,887</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Cash sales of capital assets	56,138	-	56,138
Cash from capital grant	271,357		271,357
Payments for capital acquisitions	(1,452,594)	-	(1,452,594)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(1,125,099)</u>	<u>-</u>	<u>(1,125,099)</u>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	45,851	72,504	118,355
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	710,049	56,094	766,143
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>1,519,122</u>	<u>2,872,408</u>	<u>4,391,530</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 2,229,171</u></u>	<u><u>\$ 2,928,502</u></u>	<u><u>\$ 5,157,673</u></u>
<i>Balancing number</i>			
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
<b>Operating Income (Loss)</b>	\$ 922,920	\$ (271,649)	\$ 651,271
<b>Adjustments:</b>			
Depreciation	843,070	-	843,070
<b>(Increase) Decrease in Assets:</b>			
Accounts receivable	1,663	-	1,663
Inventory	20,744	-	20,744
<b>Increase (Decrease) in Liabilities:</b>			
Accounts payable	(540)	-	(540)
Accrued incurred/unreported claims		255,239	255,239
Accrued wages	1,440	-	1,440
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 1,789,297</u></u>	<u><u>\$ (16,410)</u></u>	<u><u>\$ 1,772,887</u></u>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 2,229,171	\$ 1,519,122
Accounts receivable	6,748	8,411
Inventory	91,466	112,210
<b>Total Current Assets</b>	<b>2,327,385</b>	<b>1,639,743</b>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b>		
Depreciable capital assets, net	7,100,766	6,492,133
<b>Total Assets</b>	<b>\$ 9,428,151</b>	<b>\$ 8,131,876</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued payroll	\$ 14,595	\$ 13,155
Accounts payable	40,828	41,368
<b>Total Current Liabilities</b>	<b>55,423</b>	<b>54,523</b>
<b>Net Assets</b>		
Invested in capital assets	7,100,766	6,492,133
Unrestricted	2,271,962	1,585,220
<b>Total Net Assets</b>	<b>\$ 9,372,728</b>	<b>\$ 8,077,353</b>

**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, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
<b>Operating Revenues</b>		
Charges for services	\$ 2,732,625	\$ 2,523,549
<b>Operating Expenses</b>		
Equipment maintenance	966,635	1,043,639
Depreciation	843,070	1,059,122
<b>Total Operating Expenses</b>	<b>1,809,705</b>	<b>2,102,761</b>
<b>Operating Income (Loss)</b>	<b>922,920</b>	<b>420,788</b>
<b>Non-Operating Revenues</b>		
Gain (loss) on sale of capital assets	(54,794)	60,166
Capital grant	271,357	-
Investment earnings	45,851	58,573
<b>Total Non-Operating Revenues (Expenses)</b>	<b>262,414</b>	<b>118,739</b>
<b>Loss before Contributions</b>	<b>1,185,334</b>	<b>539,527</b>
<b>Contributions-capital assets, net of accumulated depreciation</b>	<b>110,041</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>1,295,375</b>	<b>539,527</b>
<b>Net Assets Beginning of Year</b>	<b>8,077,353</b>	<b>7,537,826</b>
<b>Net Assets End of Year</b>	<b>\$ 9,372,728</b>	<b>\$ 8,077,353</b>

**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, 2008**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Charges for services	\$ 2,575,969	\$ 2,575,969	\$ 2,732,625	\$ 156,656
Intergovernmental	333,823	333,823	271,357	
Investment earnings	-	-	45,851	45,851
Sales of capital assets	315,000	315,000	56,138	(258,862)
Miscellaneous	50,982	50,982	-	(50,982)
<b>Total Revenues</b>	<b>3,275,774</b>	<b>3,275,774</b>	<b>3,105,971</b>	<b>(169,803)</b>
<b>Expenditures</b>				
Equipment maintenance	1,193,235	1,193,235	966,635	226,600
Capital Outlay	1,596,103	1,596,103	1,452,594	143,509
<b>Total Expenditures</b>	<b>2,789,338</b>	<b>2,789,338</b>	<b>2,419,229</b>	<b>370,109</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>486,436</b>	<b>486,436</b>	<b>686,742</b>	<b>200,306</b>
<b>Net change in Fund Balances</b>	<b>\$ 486,436</b>	<b>\$ 486,436</b>	<b>686,742</b>	<b>\$ 200,306</b>
<b>Reconciliation to GAAP Net Income:</b>				
Less: Capital assets, disposed net of accumulated depreciation			(110,932)	
Add: capital contributions			110,041	
Add capital expenditures capitalized			1,452,594	
Less depreciation expense			(843,070)	
<b>Change in Net Assets</b>			<b>\$ 1,295,375</b>	

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 2,928,502	\$ 2,872,408
<b>Total Current Assets</b>	<u>\$ 2,928,502</u>	<u>\$ 2,872,408</u>
 <b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued incurred/unreported claims	\$ 364,350	\$ 109,111
 <b>Net Assets</b>		
Unrestricted	<u>\$ 2,564,152</u>	<u>\$ 2,763,297</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, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Operating Revenues</b>		
Insurance deposits	\$ 1,988,173	\$ 2,183,834
<b>Operating Expenses</b>		
Medical claims	<u>2,259,822</u>	<u>2,011,888</u>
<b>Operating Income (Loss)</b>	<u>(271,649)</u>	<u>171,946</u>
<b>Non-Operating Revenues</b>		
Investment earnings	<u>72,504</u>	<u>136,939</u>
<b>Change in Net Assets</b>	(199,145)	308,885
<b>Net Assets Beginning of Year</b>	<u>2,763,297</u>	<u>2,454,412</u>
<b>Net Assets End of Year</b>	<u><u>\$ 2,564,152</u></u>	<u><u>\$ 2,763,297</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, 2008**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Operating Revenues</b>				
Insurance deposits	\$ 2,500,000	\$ 2,500,000	\$ 1,988,173	\$ (511,827)
<b>Operating Expenses</b>				
Medical claims	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,259,822</u>	<u>240,178</u>
<b>Operating Income (Loss)</b>	-	-	(271,649)	(271,649)
<b>Non-Operating Revenues</b>				
Investment earnings	<u>130,000</u>	<u>130,000</u>	<u>72,504</u>	<u>(57,496)</u>
<b>Change in Net Assets</b>	<u>\$ 130,000</u>	<u>\$ 130,000</u>	(199,145)	<u>\$ (329,145)</u>
<b>Net Assets Beginning of Year</b>			<u>2,763,297</u>	
<b>Net Assets End of Year</b>			<u>\$ 2,564,152</u>	

## **TRUST AND AGENCY FUNDS**

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

### *General Agency Fund:*

This fund is used to account for the property taxes collected for and remitted to other taxing entities by the La Plata County Treasurer.

**La Plata County, Colorado**  
**General Agency Fund**  
*Statement of Changes in Fiduciary Assets and Liabilities*  
*For The Year Ended December 31, 2008*

	<b>Balance</b> <b>January 1, 2008</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b> <b>December 31, 2008</b>
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 1,829,273	\$ 82,103,538	\$ 82,052,516	\$ 1,880,295
<b>Liabilities</b>				
Accounts payable	\$ 97,980	\$ 11,555,465	\$ 11,593,166	\$ 60,279
Due to component unit	97,302	1,970,768	1,769,453	298,617
Deposits held for others	1,633,991	68,577,305	68,689,897	1,521,399
<b>Total Liabilities</b>	\$ 1,829,273	\$ 82,103,538	\$ 82,052,516	\$ 1,880,295

## **Discretely Presented Component Units**

Discretely presented component units are those entities that are legally separate from the primary government (the County) but for which the elected officials of the County are financially accountable, or where the nature and significance of their relationship with the County would cause the County's statements to be misleading or incomplete if they were excluded.

### *Office of the District Attorney, Sixth Judicial District:*

The office of the District Attorney of the Sixth Judicial District provides prosecutorial and other public safety services to the citizens of La Plata, Archuleta, and San Juan Counties. The office is governed by a separately elected District Attorney.

**Sixth Judicial District Attorney**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2008**

	<b>General</b>	<b>Victim's Assistance</b>	<b>Federal Victim's Compensation</b>	<b>State Victim's Compensation</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash Deposits	\$ 103,339	\$ 141,084	\$ 498	\$ 87,927	\$ 332,848
Due from primary government	298,617	-	-	-	298,617
Receivables:					
Accounts	302	-	-	-	302
Intergovernmental	91,068	-	-	-	91,068
<b>Total Assets</b>	<b>\$ 493,326</b>	<b>\$ 141,084</b>	<b>\$ 498</b>	<b>\$ 87,927</b>	<b>\$ 722,835</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 5,615	\$ -	\$ -	\$ -	\$ 5,615
Accrued salaries and benefits	39,253	-	-	-	39,253
Due to primary government	300,000	-	-	-	300,000
<b>Total Liabilities</b>	<b>344,868</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>344,868</b>
<b>Fund Balances</b>					
Reserved for emergencies	67,869	-	-	-	67,869
Unreserved, undesignated reported in:					
General fund	80,589	-	-	-	80,589
Special revenue funds	-	141,084	498	87,927	229,509
<b>Total Fund Balances</b>	<b>148,458</b>	<b>141,084</b>	<b>498</b>	<b>87,927</b>	<b>377,967</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 493,326</b>	<b>\$ 141,084</b>	<b>\$ 498</b>	<b>\$ 87,927</b>	<b>\$ 722,835</b>
Governmental Fund Balance					\$ 377,967
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					86,695
Compensated absences are not due and payable in the current period and therefore not reported in the funds					(57,655)
Net assets of governmental activities					<u>\$ 407,007</u>

**Sixth Judicial District Attorney**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2008**

	<u>General</u>	<u>Victim's Assistance</u>	<u>Federal Victim's Compensation</u>	<u>State Victim's Compensation</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Intergovernmental	\$ 91,790	\$ 249,475	\$ 85,000	\$ 159,980	\$ 586,245
Intergovernmental - County	1,597,926	-	-	-	1,597,926
Miscellaneous	117,957	3,894	24,529	41,288	187,668
<b>Total Revenues</b>	<u>1,807,673</u>	<u>253,369</u>	<u>109,529</u>	<u>201,268</u>	<u>2,371,839</u>
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	1,799,706	195,618	116,418	190,341	2,302,083
<b>Total Expenditures</b>	<u>1,799,706</u>	<u>195,618</u>	<u>116,418</u>	<u>190,341</u>	<u>2,302,083</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>7,967</u>	<u>57,751</u>	<u>(6,889)</u>	<u>10,927</u>	<u>69,756</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	50,894	-	-	-	50,894
Sales of assets	-	-	-	-	-
Transfers out	-	(28,997)	-	(21,897)	(50,894)
<b>Total Other Financing Sources (Uses)</b>	<u>50,894</u>	<u>(28,997)</u>	<u>-</u>	<u>(21,897)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>58,861</u>	<u>28,754</u>	<u>(6,889)</u>	<u>(10,970)</u>	<u>69,756</u>
<b>Fund Balances Beginning of Year</b>	<u>89,597</u>	<u>112,330</u>	<u>7,387</u>	<u>98,897</u>	<u>308,211</u>
<b>Fund Balances End of Year</b>	<u>\$ 148,458</u>	<u>\$ 141,084</u>	<u>\$ 498</u>	<u>\$ 87,927</u>	<u>\$ 377,967</u>
Net change in fund balances					\$ 69,756
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				\$ (23,742)	
Capital outlay				\$ -	\$ (23,742)
Capital assets disposed, net of accumulated depreciation					\$ -
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 @ 12/31/08				\$ (57,655)	
Liability @ 12/31/07				\$ 70,485	\$ 12,830
Change in net assets at the government-wide financial reporting level					<u>\$ 58,844</u>

**Sixth Judicial District Attorney**  
**Governmental funds (General) with adopted budget**  
*Schedule of Revenues, Expenses and*  
*Changes in Net Assets - Budget and Actual*  
*For the Year Ended December 31, 2008*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Intergovernmental	\$ 85,372	\$ 85,372	\$ 91,790	\$ 6,418
Intergovernmental - County	1,736,371	1,736,371	1,597,926	(138,445)
Miscellaneous	20,000	20,000	117,957	97,957
<b>Total Revenues</b>	<b>1,841,743</b>	<b>1,841,743</b>	<b>1,807,673</b>	<b>(34,070)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	1,895,272	1,895,272	1,799,706	95,566
<b>Total Expenditures</b>	<b>1,895,272</b>	<b>1,895,272</b>	<b>1,799,706</b>	<b>95,566</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(53,529)</b>	<b>(53,529)</b>	<b>7,967</b>	<b>61,496</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	53,529	53,529	50,894	(2,635)
<b>Total Other Financing Sources (Uses)</b>	<b>53,529</b>	<b>53,529</b>	<b>50,894</b>	<b>(2,635)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>58,861</b>	<b>\$ 58,861</b>
<b>Fund Balances Beginning of Year</b>			<b>89,597</b>	
<b>Fund Balances End of Year</b>			<b>\$ 148,458</b>	



## **SPECIAL REPORTS SECTION**

**La Plata County, Colorado**  
**Social Services Fund**  
**Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures**  
**For the Year Ended December 31, 2008**

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	Total Authorizations & Expenditures By By County Warrant	Total Expenditures
Colorado Works	\$ 450,944	\$ 81,600	\$ 529,900	\$ 980,844	\$ 611,500
Child Care	383,763	61,657	134,024	517,787	195,681
Child Welfare	780,060	116,798	1,296,550	2,076,610	1,413,348
County Administration	-	-	768,152	768,152	768,152
Core Services	426,985	24,622	797,768	1,224,753	822,390
Child Support Administration	-	-	500,983	500,983	500,983
LEAP	469,300	-	24,604	493,904	24,604
AND	155,677	30,075		155,677	30,075
Old Age Pension	208,791	87	21,886	230,677	21,973
Food Assistance Fraud	-	-	31,502	31,502	31,502
Food Assistance	2,486,986			2,486,986	-
Food Assistance Job Search			33,089	33,089	33,089
Title IV-B PSSF				-	-
Title XX	-	-	5,854	5,854	5,854
CHAFFEE	15,517		33,778	49,295	33,778
General Assistance			49,361	49,361	49,361
HB 1414 IV-E Eligibility	5,727		21,592	27,319	21,592
PSSF	-	-	121,731	121,731	121,731
Totals	<u>\$ 5,383,750</u>	<u>\$ 314,839</u>	<u>\$ 4,370,774</u>	<u>\$ 9,754,524</u>	<u>\$ 4,685,613</u>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:
		County
		YEAR ENDING : December 2008
This Information From The Records Of: County of La Plata, Coloradc		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
<b>A. Receipts from local sources:</b>	
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)	2,923,378
4. Miscellaneous local receipts (from page 2)	616,529
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)	8,539,907
<b>B. Private Contributions (So Ute Indian Tribe)</b>	53,970
<b>C. Receipts from State government</b> (from page 2)	3,795,897
<b>D. Receipts from Federal Government</b> (from page 2)	439,277
<b>E. Total receipts (A.7 + B + C + D)</b>	12,829,051

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	5,217,288
2. Maintenance:	5,458,352
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	1,364,588
c. Other	
d. Total (a. through c.)	1,364,588
4. General administration & miscellaneous	649,584
5. Highway law enforcement and safety	
6. Total (1 through 5)	12,689,812
<b>B. Debt service on local obligations:</b>	
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
<b>C. Payments to State for highways</b>	
<b>D. Payments to toll facilities</b>	
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	12,689,812

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	7,312,340	12,829,051	12,689,812	7,451,579	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 2008	
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	2,049,311	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	606,178	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses			
5. Specific Ownership &/or Other			
6. Total (1. through 5.)			
c. Total (a. + b.)			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes		1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	325,624
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	170,662	d. Federal Transit Admin	
d. Other EIAF	640,731	e. U.S. Corps of Engineers	
e. Other LGGF	554,524	f. Other Federal	113,653
f. Total (a. through e.)	1,365,917	g. Total (a. through f.)	439,277
4. Total (1. + 2. + 3.f)		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		227,519	227,519
b. Engineering Costs		1,064,165	1,064,165
			0
			0
(3). System Preservation		3,316,536	3,316,536
(4). System Enhancement & Operation		609,068	609,068
(5). Total Construction (1) + (2) + (3) + (4)	0	3,925,604	3,925,604
+ 1.c.5)	0	5,217,288	5,217,288
			(Carry forward to page 1)
Notes and Comments:			

## **STATISTICAL SECTION**

**La Plata County, Colorado**  
**Government-wide Net Assets by Component**  
**December 31, 2003-2008**  
*(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>	<u>December 31, 2008</u>
<b>Governmental Activities</b>						
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 101,427,081
Restricted for:						
Capital projects	9,474,624	7,891,609	7,900,944	11,759,657	15,086,883	5,440,161
Emergencies	1,120,000	1,120,000	1,185,000	1,185,000	1,285,000	2,000,000
Debt Service	36,319	433,756	534,060	425,143	448,522	454,883
Specific projects and programs	7,369,315	9,036,905	9,410,170	10,192,051	9,674,145	5,573,959
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,418,117	44,754,550
<b>Subtotal Governmental Activities Net Assets</b>	<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>	<u>\$ 159,650,634</u>
<b>Subtotal Business-type Activities Net assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Primary Government</b>						
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 101,427,081
Restricted	18,000,258	18,482,270	19,030,174	23,561,851	26,494,550	13,469,003
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,418,117	44,754,550
<b>Total primary government net assets</b>	<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>	<u>\$ 159,650,634</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 2003-2008**  
**(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>	<u>Fiscal Year 2008</u>
<b>Expenses</b>						
<b>Governmental Activities</b>						
General government	\$ 7,754,452	\$ 6,973,916	\$ 7,985,491	\$ 8,776,033	\$ 9,310,267	\$ 10,081,860
Public safety	10,227,758	10,363,443	11,205,953	12,529,335	13,408,383	13,909,083
Auxiliary services	2,547,884	4,295,664	4,570,764	4,703,319	4,796,460	3,693,219
Public works	7,998,659	2,301,220	2,740,837	3,055,270	3,290,009	12,532,719
Health and welfare	4,471,450	7,692,460	8,407,331	11,240,436	11,690,024	4,896,385
Community programs	2,522,640	2,680,824	3,322,796	6,106,905	4,044,371	4,341,763
Interest on long-term debt	103,912	120,222	180,491	136,007	104,989	91,633
<b>Total Governmental Activities</b>	<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>	<u>49,546,662</u>
<b>Business-type Activities</b>	-	-	-	-	-	-
<b>Total Primary Government Expenses</b>	<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>	<u>\$ 49,546,662</u>
 <b>Program Revenues</b>						
<b>Governmental Activities</b>						
Charges for Services						
General government	\$ 2,717,321	\$ 1,926,114	\$ 2,025,210	\$ 2,895,256	\$ 3,122,679	\$ 2,742,547
Public safety	1,008,565	567,003	612,358	688,195	709,336	845,054
Auxiliary services	269,514	266,798	204,018	487,274	477,721	620,385
Public works	192,447	125,387	47,106	81,678	270,851	12,532,719
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>	<u>16,740,704</u>
Operating Grants and Contributions	8,335,012	8,558,442	12,056,298	12,390,828	11,291,178	10,280,747
Capital Grants and Contributions	<u>5,427,383</u>	<u>3,533,185</u>	<u>1,773,879</u>	<u>4,392,191</u>	<u>3,905,903</u>	<u>4,026,680</u>
<b>Total Governmental Activities Program Revenues</b>	<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>31,048,131</u>
<b>Total Business-type Activities Program Revenues</b>	-	-	-	-	-	-
<b>Total Primary Government Program Revenues</b>	<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>\$ 31,048,131</u>
 <b>Net (Expense) Revenue</b>						
Governmental activities	\$ (17,676,513)	\$ (19,450,820)	\$ (21,694,794)	\$ (25,611,883)	\$ (26,866,835)	\$ (18,498,530)
Business activities	-	-	-	-	-	-
<b>Total Primary Government</b>	<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>	<u>\$ (18,498,530)</u>

General revenues and other changes in net assets

	<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>	<u>Fiscal Year 2008</u>
<b>Governmental Activities:</b>						
Taxes						
Property taxes levied for general purposes	\$ 16,450,626	\$ 14,421,821	\$ 19,938,128	\$ 23,038,002	\$ 27,340,954	\$ 27,363,462
Sales taxes	10,044,453	11,099,303	11,558,412	12,874,145	13,536,799	13,639,998
Other taxes	1,296,970	150,766	166,360	176,662	178,160	189,262
Investment earnings	629,156	495,828	1,045,081	2,106,064	3,175,953	1,927,368
Gain (loss) on disposition of capital assets	-	(152,835)	-	17,057	6,592	(261,944)
Miscellaneous	1,148,909	2,135,485	2,269,958	3,390,749	2,146,353	2,137,836
Transfer from (to) business-type activities	18,211	-	-	-	-	-
<b>Subtotal Governmental Activities</b>	<u>29,588,325</u>	<u>28,150,368</u>	<u>34,977,939</u>	<u>41,602,679</u>	<u>46,384,811</u>	<u>44,995,982</u>
<b>Subtotal Business-type Activities</b>	-	-	-	-	-	-
<b>Total Primary Government</b>	<u>\$ 29,588,325</u>	<u>\$ 28,150,368</u>	<u>\$ 34,977,939</u>	<u>\$ 41,602,679</u>	<u>\$ 46,384,811</u>	<u>\$ 44,995,982</u>
 <b>Changes in Net Assets</b>						
Governmental activities	\$ 11,911,809	\$ 8,108,553	\$ 13,283,145	\$ 15,990,796	\$ 19,517,976	\$ 26,497,452
Business-type activities	(18,211)	-	-	-	-	-
<b>Total Primary Government</b>	<u>\$ 11,893,598</u>	<u>\$ 8,108,553</u>	<u>\$ 13,283,145</u>	<u>\$ 15,990,796</u>	<u>\$ 19,517,976</u>	<u>\$ 26,497,452</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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Taxes	\$ 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	\$ 41,192,722
Intergovernmental	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	13,997,368
Licenses and permits	774,898	653,986	746,136	761,470	743,950	995,007	1,023,634	817,770	1,142,078	931,951
Charges for services	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	3,530,762
Fines and forfeitures	-	4,292	3,963	2,792	8,605	4,919	6,888	2,518	-	-
Miscellaneous	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	3,946,848
Total revenues	<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>	<u>\$ 63,599,650</u>
% change from prior year	<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>	<u>-0.3%</u>

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

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Current:</b>										
General government	\$ 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	\$ 9,574,832
Public safety	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	13,933,609
Public works	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	3,306,975
Health and welfare	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	8,974,502
Auxiliary services	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	4,829,459
Community Programs	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	4,341,763
<b>Total Current</b>	<b>19,812,946</b>	<b>23,280,046</b>	<b>26,936,176</b>	<b>31,029,964</b>	<b>32,107,037</b>	<b>32,954,093</b>	<b>36,118,559</b>	<b>42,181,689</b>	<b>43,038,172</b>	<b>44,961,140</b>
<b>% Change From Prior Year</b>	<b>11.4%</b>	<b>17.5%</b>	<b>15.7%</b>	<b>15.2%</b>	<b>3.5%</b>	<b>2.6%</b>	<b>9.6%</b>	<b>16.8%</b>	<b>2.0%</b>	<b>4.5%</b>
<b>Capital Outlay</b>	<b>8,665,506</b>	<b>9,863,624</b>	<b>6,642,809</b>	<b>6,534,194</b>	<b>10,874,580</b>	<b>15,993,081</b>	<b>9,030,115</b>	<b>9,755,183</b>	<b>12,798,486</b>	<b>19,557,767</b>
<b>% Change From Prior Year</b>	<b>93.5%</b>	<b>13.8%</b>	<b>-32.7%</b>	<b>-1.6%</b>	<b>66.4%</b>	<b>47.1%</b>	<b>-43.5%</b>	<b>8.0%</b>	<b>31.2%</b>	<b>52.8%</b>
<b>Debt Service</b>										
Principal	420,000	1,268,498 <sup>1</sup>	485,000	510,000	535,000	560,000	930,000 <sup>2</sup>	970,000 <sup>3</sup>	360,000 <sup>3</sup>	375,000
Interest	278,415	128,498	159,226	130,625	107,675	124,405	173,959	139,172	102,089	92,612
Agent fees	306,428	745	250	250	250	250	2,000	2,000	1,750	1,750
<b>Total Debt Service</b>	<b>1,004,843</b>	<b>1,397,741</b>	<b>644,476</b>	<b>640,875</b>	<b>642,925</b>	<b>684,655</b>	<b>1,105,959</b>	<b>1,111,172</b>	<b>463,839</b>	<b>469,362</b>
<b>% Change From Prior Year</b>	<b>11.7%</b>	<b>39.1%</b>	<b>-53.9%</b>	<b>-0.6%</b>	<b>0.3%</b>	<b>6.5%</b>	<b>61.5%</b>	<b>0.5%</b>	<b>-58.3%</b>	<b>1.2%</b>
<b>Total Expenditures</b>	<b>\$ 29,483,295</b>	<b>\$ 34,541,411</b>	<b>\$ 34,223,461</b>	<b>\$ 38,205,033</b>	<b>\$ 43,624,542</b>	<b>\$ 49,631,829</b>	<b>\$ 46,254,633</b>	<b>\$ 53,048,044</b>	<b>\$ 56,300,497</b>	<b>\$ 64,988,269</b>
<b>% Change From Prior Year</b>	<b>27.3%</b>	<b>17.2%</b>	<b>-0.9%</b>	<b>11.6%</b>	<b>14.2%</b>	<b>13.8%</b>	<b>-6.8%</b>	<b>14.7%</b>	<b>6.1%</b>	<b>15.4%</b>
<b>Debt Service as a Percentage of Total Non-capital Expenditures</b>	<b>4.8%</b>	<b>5.7%</b>	<b>2.3%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>1.1%</b>	<b>1.0%</b>

## 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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ 130,739	\$ 134,763	\$ 186,583	\$ 520,554	\$ 1,376,847	\$ 1,439,011	\$ 1,479,821	\$ 1,503,670	\$ 1,355,569	\$ 1,386,509
Unreserved	5,853,121	6,706,010	7,170,566	8,340,333	8,288,753	5,990,174	8,699,792	12,778,086	16,842,929	23,951,512
<b>Subtotal General Fund</b>	5,983,860	6,840,773	7,357,149	8,860,887	9,665,600	7,429,185	10,179,613	14,281,756	18,198,498	25,338,021
<b>General Fund Percentage Change</b>	15.3%	14.3%	7.5%	20.4%	9.1%	-23.1%	37.0%	40.3%	27.4%	39.2%
<b>All Other Governmental Funds</b>										
Reserved	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	12,465,642
Unreserved										
Special Revenue Funds	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	6,021,669
Debt Service Funds	894,354	257,316	131,054	35,927	36,319	-	534,060	425,143	448,522	454,883
Capital Projects Fund	3,313,443	4,302,231	6,575,704	9,191,082	9,474,624	-	-	-	-	-
<b>Subtotal All Other Governmental Funds</b>	14,886,609	15,422,783	16,233,342	19,070,389	18,837,745	19,273,413	19,784,373	24,170,425	27,470,336	18,942,194
<b>Total Governmental Funds</b>										
Reserved	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	13,852,151
Unreserved	19,221,517	20,597,577	21,881,780	25,546,972	24,828,982	14,964,326	17,781,041	20,466,671	23,774,298	30,428,064
<b>Total Governmental Funds</b>	<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>\$ 45,668,834</u>	<u>\$ 44,280,215</u>
<b>All Governmental Funds Percentage Change</b>	<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>18.8%</u>	<u>-3.0%</u>

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

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales</b>	<b>Other</b>	<b>Total</b>
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	13,536,799	176,662	41,054,415
2008	27,363,462	13,639,998	189,262	41,192,722
Percentage Change In Dollars Over 10 Years	188.2%	57.1%	-29.3%	123.3%

**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 <sup>1</sup>	Current Tax Collection	% of Levy Collected	Delinquent Tax Collections <sup>2</sup>	Total Tax Collections	% of Tax Collected To Date
1997	1998	\$ 7,804,123	\$ 7,781,751	99.71%	\$ (1,498)	\$ 7,780,253	
1998	1999	9,567,946	9,508,662	99.38%	(12,890)	9,495,772	
1999	2000	9,927,453	9,910,397	99.83%	53,507	9,963,904	1
2000	2001	10,339,617	10,324,889	99.86%	(29,648)	10,295,241	
2001	2002	14,871,466	14,851,806	99.87%	5,292	14,884,093	1
2002	2003	15,976,500	15,958,581	99.89%	47,595	16,006,175	1
2003	2004	13,002,400	12,959,129	99.67%	48,043	13,045,165	1
2004	2005	18,193,503	18,178,915	99.92%	(541)	18,178,374	
2005	2006	21,157,511	21,097,564	99.72%	(3,835)	21,093,729	
2006	2007	25,568,291	25,612,223	100.17%	(603,655)	25,008,568	
2007	2008	25,153,611	25,093,768	99.76%	(71,319)	25,022,449	

(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
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
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
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
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
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
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
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
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
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
2007	2008	230,111	546,744	369,900	46,304	12,666	4,909	1,597,384	77,977	2,885,995	7.96%	11,252,387

Source: La Plata County Assessor's Abstract

<sup>1</sup>One-time mill levy to recoup abated taxes, does not require voter approval.

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**  
**1999-2008**

Collection Year:		<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2006</u>
La Plata County	mill	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.50
	tax \$	9,567,946	9,886,710	10,295,660	14,826,677	15,930,085	12,953,647	18,140,996	21,106,223
<i>Municipalities:</i>									
City of Durango	mill	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.50
	tax \$	454,006	516,184	587,480	651,163	683,120	746,788	774,172	949,080
Town of Bayfield	mill	6.600	5.964	5.964	5.950	5.169	5.950	5.950	5.95
	tax \$	68,883	72,114	72,778	77,784	80,975	108,161	131,330	157,513
Town of Ignacio	mill	4.321	3.370	3.370	3.370	3.370	3.370	3.337	3.19
	tax \$	14,906	15,399	15,707	16,066	15,928	15,900	16,342	16,906
<i>School Districts:</i>									
Durango 9R	mill	22.378	21.500	21.052	15.394	17.307	21.553	16.617	16.34
	tax \$	19,668,621	20,428,405	20,839,916	21,275,601	25,131,881	25,722,113	26,337,033	29,954,630
Bayfield 10R	mill	37.582	38.766	39.326	28.847	25.974	28.100	22.764	19.42
	tax \$	4,625,394	4,609,886	4,620,310	4,850,340	5,052,127	4,343,404	5,541,416	5,456,837
Ignacio 11JT	mill	17.429	17.429	15.958	8.825	7.598	7.598	4.183	6.21
	tax \$	2,154,910	1,643,467	1,657,096	1,712,965	1,728,532	1,336,895	1,279,416	2,299,053
<i>Special Districts:</i>									
Animas Fire Protection- Bonded Indebtedness	mill	2.123	1.828	1.700	1.230	1.024	1.160	0.692	0.63
	tax \$	578,773	576,339	594,782	569,446	527,429	537,020	439,630	506,154
Animas Fire Protection	mill	4.468	4.344	4.539	4.112	3.996	5.069	5.069	5.06
	tax \$	1,158,692	1,291,488	1,395,101	1,701,189	1,859,997	2,072,739	2,941,314	3,449,902
Animas La Plata Water Conservancy	mill	0.372	0.348	0.362	0.319	0.290	0.281	0.286	0.24
	tax \$	133,847	139,193	148,507	144,336	135,257	141,825	152,234	160,308
Animas Mosquito Control	mill	0.550	0.550	0.550	0.550	0.550	0.990	0.990	0.99
	tax \$	158,072	177,660	181,716	200,845	206,500	403,036	419,328	508,366
Aspen Trails Metro	mill	0.000	0.000	0.000	0.000	0.000	0.000	18.650	14.22
	tax \$	-	-	-	-	-	-	21,623	24,835
Durango Conference Center Business Improvement Center	mill	1.500	1.476	0.000	0.000	0.000	1.500	1.500	1.50
	tax \$	105,401	119,160	-	-	-	143,457	141,636	150,619

Collection Year:		<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2006</u>
Durango West Metropolitan I	mill	74.450	71.820	71.280	55.140	57.840	48.100	47.200	38.80
	tax \$	136,880	141,973	142,982	135,672	144,173	137,935	140,033	136,218
Durango West Metropolitan II	mill	33.591	31.483	30.314	28.769	27.695	25.120	25.410	21.82
	tax \$	207,507	211,096	209,747	210,036	204,501	203,450	208,378	210,544
Durango Hills Local Improvement	mill	19.037	19.019	20.379	18.525	20.379	18.404	18.573	15.73
	tax \$	37,626	40,743	43,956	41,007	45,610	48,753	50,405	51,288
Edgemont Ranch Metropolitan	mill	6.541	5.874	5.874	5.874	5.874	5.874	5.874	14.40
	tax \$	17,731	19,358	20,135	21,339	25,222	29,934	33,666	128,260
El Rancho Florida Metropolitan	mill	14.015	12.156	8.672	0.000	0.000	0.000	0.000	0.00
	tax \$	27,798	26,611	19,009	-	-	-	-	-
Florida Mosquito Control	mill	0.570	0.700	0.700	0.700	0.700	0.700	0.700	0.70
	tax \$	84,649	116,542	130,470	195,340	226,077	174,119	282,197	360,275
Florida Water Conservancy	mill	0.280	0.280	0.270	0.201	0.185	0.185	0.119	0.09
	tax \$	35,755	37,788	40,410	43,421	46,370	38,829	40,609	43,691
Forest Lakes Metropolitan	mill	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.52
	tax \$	266,347	287,928	297,521	306,189	316,982	354,184	378,762	583,157
Fort Lewis Fire Protection	mill	5.565	5.526	4.768	5.900	5.900	5.900	5.900	5.90
	tax \$	107,543	113,312	119,636	156,715	157,544	163,299	165,150	191,814
Hermosa Cliffs Fire Protection	mill	10.745	10.897	10.863	10.650	10.650	9.979	9.524	8.96
	tax \$	318,198	351,009	346,130	375,538	381,149	412,564	449,080	544,095
Ignacio Community Library	mill	0.346	0.343	0.927	0.560	1.000	1.000	1.000	1.50
	tax \$	42,779	32,266	96,261	108,698	227,498	175,954	305,861	554,702
Ignacio-Oxford-Allison Cemetary	mill	0.118	0.244	0.244	0.244	0.244	0.244	0.244	0.24
	tax \$	8,029	14,987	16,329	28,850	34,635	26,852	50,474	60,738
La Plata Water Conservancy	mill	0.300	0.285	0.295	0.295	0.295	0.295	0.295	0.29
	tax \$	5,118	5,472	6,509	6,623	6,705	6,856	7,148	8,245
Loma Linda Sanitation	mill	10.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00
	tax \$	26,450	-	-	-	-	-	-	-



Table S-9

Collection Year:		<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2006</u>
Los Pinos Fire Protection	mill	3.014	3.378	3.036	3.721	3.521	3.520	3.520	3.52
	tax \$	456,541	475,447	504,365	1,235,110	1,288,621	1,028,022	1,693,744	1,962,154
Los Pinos Fire/Mt. Allison	mill	0.000	0.000	0.000	0.000	0.000	1.500	1.500	1.50
	tax\$	-	-	-	-	-	19,214	31,512	35,061
Pine River Cemetary	mill	0.273	0.273	0.273	0.203	0.186	0.186	0.123	0.11
	tax \$	33,599	32,464	32,074	34,132	36,178	28,750	29,942	31,456
Pine River Library	mill	0.523	2.500	2.500	2.500	2.500	2.500	2.500	2.50
	tax \$	64,368	297,289	293,719	420,351	486,268	386,424	608,572	702,151
Purgatory Metropolitan	mill	27.313	26.572	27.313	27.313	27.313	27.313	27.313	27.31
	tax \$	181,758	207,263	225,579	234,196	237,727	271,678	330,853	399,506
Rafter J Fire Protection	mill	4.436	4.436	No Special	No Special	No Special	No Special	No Special	No Special
	tax \$	33,012	33,987	District	District	District	District	District	District
SW Colorado TV Translator	mill	0.822	0.777	0.777	0.777	0.777	0.777	0.777	0.77
	tax \$	15,545	15,601	17,867	18,260	18,468	18,738	19,483	22,445
SW Water Conservancy	mill	0.321	0.314	0.324	0.260	0.260	0.305	0.254	0.22
	tax \$	361,330	365,227	392,446	453,521	487,273	464,807	542,096	558,694
Tamarron Metro	mill	0.000	0.000	0.000	0.000	0.000	0.000	40.000	40.00
	tax \$	-	-	-	-	-	-	205,006	339,136
Three Springs Metro #1	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00
	tax \$	-	-	-	-	-	-	-	-
Three Springs Metro #2	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00
	tax \$	-	-	-	-	-	-	-	-
Three Springs Metro #2	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00
	tax \$	-	-	-	-	-	-	-	-
Upper Pine River Fire Protection	mill	4.758	4.950	4.950	4.950	4.950	4.950	6.739	6.50
	tax \$	<u>631,252</u>	<u>642,375</u>	<u>638,510</u>	<u>931,564</u>	<u>1,073,995</u>	<u>858,753</u>	<u>1,835,561</u>	<u>2,035,186</u>
<b>Total tax to be collected</b>		<b>\$ 41,789,266</b>	<b>\$ 42,944,743</b>	<b>\$ 44,002,708</b>	<b>\$ 50,982,974</b>	<b>\$ 56,796,827</b>	<b>\$ 53,374,100</b>	<b>\$ 63,745,002</b>	<b>\$ 73,699,246</b>

Source: La Plata County Assessor's Abstract

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

Taxpayer	Type of Business	2008			1998		
		2008 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	1998 Assessed Valuation	Rank	Percent Total Assessed Valuation
BP America (formerly Amoco)	Energy	\$ 922,686,750	1	30.57%	\$ 188,679,100	1	16.7
Samson Resources	Energy	197,217,200	2	6.53%			
XTO Energy Company	Energy	91,615,790	3	3.04%			
Conoco Phillips Company	Energy	89,950,250	4	2.98%			
Red Cedar	Energy	88,351,250	5	2.93%			
Four Star Oil & Gas Co	Energy	67,154,930	6	2.23%			
Burlington Resources Oil & Gas	Energy	65,989,360	7	2.19%	27,066,840	5	2.4
Red Willow Production Company	Energy	62,089,020	8	2.06%	31,342,220	4	
Chevron Texaco	Energy	34,389,170	9	1.14%			
Williams Gas Processing	Energy	28,010,820	10	0.93%	15,170,560	6	1.3
Vastar Resources, Inc	Energy	-		0.00%	128,570,000	2	11.4
Hart Canyon LTD	Energy	-		0.00%	61,289,850	3	5.4
La Plata Electric	Utility	-		0.00%	14,027,300	7	1.2
Enervest	Energy	-		0.00%	13,957,250	8	1.2
S G Interest I LTD	Energy	-		0.00%	13,896,590	9	1.2
White Aspen/Cedar Ridge	Energy	-		0.00%	11,409,670	10	1.0
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 1,647,454,540</u>		<u>54.59%</u>	<u>\$ 505,409,380</u>		<u>42.1</u>
Total Assessed Valuation for all taxpayers		<u>\$ 3,017,991,395</u>		<u>100.00%</u>	<u>\$ 1,125,640,730</u>		<u>100.</u>

Note: The 2008 property tax collections are based upon 2007 assessed valuations. The La Plata County Assessor is unable to supply 2007, therefore 2008 data is used.  
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>
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%
2008	2.0%	2.9%

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

Taxpayer - Type of Business	2008			2001		
	2008 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2001 Sales Tax Collected	Rank	Percentage of Total Taxes Collected
Retail-General Merchandise	\$ 1,294,955	1	9.49%	\$ 1,007,521	1	10.37%
Public Utility	526,003	2	3.86%	317,260	3	3.27%
Retail-Building Supplies	413,011	3	3.03%			
Retail-Auto Dealer	317,767	4	2.33%	138,858	10	1.43%
Retail-Food Store	240,508	5	1.76%	385,090	2	3.96%
Retail-Food Store	215,597	6	1.58%	247,455	4	8.50%
Retail-Food Store	173,372	7	1.27%			
Retail-Building Supplies	172,237	8	1.26%	145,565	9	5.00%
Retail-Building Supplies	168,744	9	1.24%	192,249	5	6.61%
Public Utility	142,666	10	1.05%	172,143	6	5.92%
Public Utility				152,440	7	5.24%
Retail-General Merchandise				151,042	8	5.19%
<hr/>						
Total Sales Taxes Collected by 10 Largest Businesses	<u>\$ 3,664,859</u>		<u>26.87%</u>	<u>\$ 2,909,623</u>		<u>55.49%</u>
Total Sales Taxes Collected by All Businesses	<u>\$ 13,639,990</u>		<u>100.00%</u>	<u>\$ 9,715,464</u>		<u>100.00%</u>

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.

The amount shown represents only the portion of sales collected that is retained by La Plata County (74.45% of total collections)

**La Plata County, Colorado**  
**Ratios of Outstanding Debt by Type**  
**1999-2008**

<u>Fiscal</u> <u>Year</u>	<u>General</u> <u>Obligation</u>	<u>Sales Tax</u> <u>Revenue</u>	<u>Certificates of</u> <u>Participation</u>	<u>Total</u>	<u>Per Capita</u> <u>Personal Income</u>	<u>Population</u>	<u>Debt Per</u> <u>Capita</u>	<u>Percentage of</u> <u>Personal Income</u>	<u>Perc</u> <u>Taxabl</u>
1999	\$ -	\$ 4,350,000	\$ -	\$ 4,350,000	\$ 25,384	43,344	\$ 100.36	0.40%	
2000	-	3,290,000 <sup>1</sup>	-	3,290,000	26,517	43,941	74.87	0.28%	
2001	-	2,805,000	-	2,805,000	28,013	45,614	61.49	0.22%	
2002	-	2,295,000	-	2,295,000	29,127	46,281	49.59	0.17%	
2003	-	1,760,000	-	1,760,000	29,807	46,790	37.61	0.13%	
2004	-	1,200,000	3,985,000	5,185,000	31,860	47,173	109.91	0.34%	
2005	-	615,000	3,640,000	4,255,000	33,207	48,019	88.61	0.27%	
2006	-	-	3,285,000	3,285,000	36,493	48,752	67.38	0.18%	
2007	-	-	2,925,000	2,925,000	36,493 <sup>2</sup>	48,752 <sup>2</sup>	60.00	0.16%	
2008	-	-	2,550,000	2,550,000	36,493 <sup>2</sup>	48,752 <sup>2</sup>	52.31	0.14%	

## 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	1998	1999	2000	2001	2002	2003	2004	:
Fiscal/Budget Year	1999	2000	2001	2002	2003	2004	2005	:
Assessed Value	\$ 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	\$ 2,4
Actual Value	\$ 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	\$ 8,8
Legal Debt Margin:								
Debt limitation - 1.5% of total assessed value	\$ 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	2
Debt applicable to limitation:								
Total debt	\$ 4,350,000	\$ 3,290,000	\$ 2,805,000	\$ 2,295,000	\$ 1,760,000	\$ 5,185,000	\$ 4,255,000	\$
Less: Certificates of participation	-	-	-	-	-	3,985,000	3,640,000	
Total debt applicable to debt limitation	4,350,000	3,290,000	2,805,000	2,295,000	1,760,000	1,200,000	615,000	
Legal debt margin	\$ 12,534,615	\$ 14,157,130	\$ 15,363,810	\$ 23,869,725	\$ 26,351,905	\$ 192,623,386	\$ 219,940,278	\$ 2

**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**  
**1999-2008**

<u>Fiscal</u> <u>Year</u>	<u>Gross Sales</u> <u>Tax Revenue</u>	<u>Revenue Available</u> <u>for Debt Service</u> <sup>1</sup>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverag</u>
1999	\$ 8,682,717	\$ 5,899,846	\$ 420,000	\$ 278,415	\$ 698,415	8
2000	9,403,815	6,514,401	1,268,498 <sup>2</sup>	128,498	1,396,996	4
2001	9,538,472	6,629,163	485,000	159,226	644,226	10
2002	9,675,960	6,746,337	510,000	130,625	640,625	10
2003	10,044,453	7,060,385	535,000	107,675	642,675	11
2004	11,099,304	7,959,382	560,000	83,600	643,600	12
2005	11,558,412	8,350,657	585,000	57,000	642,000	13
2006	12,874,145	9,471,990	615,000	29,213	644,213	14
2007 <sup>3</sup>	13,536,798	N/A	N/A	N/A	N/A	N/A
2008	13,639,998	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> <sup>1</sup>	<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> <sup>2</sup>	<u>Higher Education</u> <u>Enrollment</u> <sup>3</sup>
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
2008	50,241	Unavailable	Unavailable	3.9	38.3	6,737	3,746

**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 &amp; Employment

Bayfield, Durango, &amp; 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 &amp; 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%
<b>Total Principal Employers</b>		<b>4,992</b>	<b>16.02%</b>	<b>4,133</b>	<b>14.59%</b>
<b>Total County Employment</b>		<b>31,162</b>	<b>100.00%</b>	<b>28,322</b>	<b>100.00%</b>

\*\*\* 2008 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 - 2008**

<b>Department</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>% Change</b>
Commissioners	4.1	4.1	4.1	4.1	4.1	4.1	4.1	3.9	4.1	4.1	5.1	24.4%
Clerk/Elections	15.9	14.8	18.0	16.6	19.3	16.7	18.4	16.7	19.4	16.6	18.8	13.0%
Treasurer/Trustee	5.2	5.2	5.7	5.7	5.5	5.5	5.4	5.4	5.4	5.1	5.0	-2.3%
Assessor	18.2	18.3	18.4	17.8	18.3	18.8	19.2	19.2	20.6	20.5	20.5	0.0%
Administration	3.7	3.8	4.0	4.0	4.0	3.3	4.5	4.3	5.3	4.2	5.2	23.6%
Attorney	1.0	1.0	1.0	0.0	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	10.0	0.0%
Finance	5.0	5.0	5.0	5.0	5.0	5.3	5.0	5.0	5.0	4.0	4.0	-0.5%
Information Services	4.0	4.0	4.5	6.0	8.5	8.5	8.5	8.5	8.5	10.0	10.0	0.0%
Procurement	4.0	4.0	4.0	4.0	4.0	4.2	4.0	4.1	4.1	3.8	3.8	0.0%
GIS	6.5	6.5	6.5	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	0.0%
Human Resources/Risk Mgt	2.0	2.1	2.1	4.1	4.3	4.1	4.3	4.1	4.1	4.1	4.1	-0.7%
County Surveyor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0%
Construction Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.3	8.5%
Sustainability Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
<b>General Government Total</b>	<b>75.6</b>	<b>74.8</b>	<b>79.3</b>	<b>81.3</b>	<b>87.0</b>	<b>84.5</b>	<b>88.4</b>	<b>88.1</b>	<b>94.5</b>	<b>91.7</b>	<b>96.8</b>	5.6%
Building Inspection / OEM	8.6	9.0	9.0	10.3	10.7	12.0	12.0	12.5	11.8	11.8	14.0	19.1%
Criminal Investigations	0.0	0.0	0.0	0.0	7.3	7.4	7.6	8.6	8.6	9.9	10.9	10.1%
Special Investigations	0.0	0.0	11.5	12.4	5.0	6.0	6.4	6.7	6.6	5.8	5.8	-0.7%
Special Services	18.1	19.2	19.6	21.3	21.0	21.8	21.5	23.5	22.5	24.1	23.2	-3.7%
Public Safety	34.2	37.8	30.3	30.2	30.2	29.7	30.4	31.1	34.9	34.9	34.9	0.1%
Alternative to Incarceration	0.0	0.0	1.0	3.0	4.2	4.2	4.2	3.6	4.9	5.3	5.5	3.4%
Detentions	33.0	38.1	42.7	41.0	40.5	43.5	41.9	45.6	46.6	49.6	60.6	22.2%

Department	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	% Change
Coroner	0.5	0.5	0.5	0.6	0.6	1.3	1.3	1.3	1.3	2.1	1.6	-26.2%
District Attorney	17.0	18.4	19.0	20.1	22.1	22.1	21.8	23.8	24.3	25.1	25.1	0.0%
<b>Public Safety Total</b>	<b>111.4</b>	<b>123.0</b>	<b>133.6</b>	<b>138.9</b>	<b>141.6</b>	<b>147.9</b>	<b>147.1</b>	<b>156.8</b>	<b>161.5</b>	<b>168.6</b>	<b>181.5</b>	7.7%
Road & Bridge, Eng.	54.7	55.2	58.1	64.5	65.8	67.5	67.0	52.4	53.4	51.9	52.6	1.4%
<b>Public Works Total</b>	<b>54.7</b>	<b>55.2</b>	<b>58.1</b>	<b>64.5</b>	<b>65.8</b>	<b>67.5</b>	<b>67.0</b>	<b>52.4</b>	<b>53.4</b>	<b>51.9</b>	<b>52.6</b>	1.4%
CERF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.5	9.5	10.1	9.1	-9.6%
<b>Internal Service Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.5</b>	<b>9.5</b>	<b>10.1</b>	<b>9.1</b>	-9.6%
Human Services	44.5	47.3	49.1	50.3	54.1	54.0	53.6	57.0	58.5	58.4	59.4	1.7%
<b>Health &amp; Welfare Total</b>	<b>44.5</b>	<b>47.3</b>	<b>49.1</b>	<b>50.3</b>	<b>54.1</b>	<b>54.0</b>	<b>53.6</b>	<b>57.0</b>	<b>58.5</b>	<b>58.4</b>	<b>59.4</b>	1.7%
Extension Office	4.3	4.9	4.9	3.9	4.9	4.0	3.0	3.0	3.7	1.8	2.4	34.4%
Weed	2.4	2.1	2.1	2.1	2.1	2.0	1.4	1.8	1.8	1.5	1.7	13.3%
Fairgrounds	8.3	8.2	8.2	9.7	9.7	9.6	10.1	10.4	10.3	10.8	10.6	-1.8%
Senior Center Ops & Act	0.0	0.0	0.0	2.0	2.5	2.5	2.5	3.0	0.0	0.0	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	18.3	6.3%
Riverbend Youth	8.9	8.8	8.5	8.8	8.8	0.0	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	8.4	9.2%
Veterans' Services Office	0.0	0.0	0.0	0.0	0.4	0.6	0.8	1.0	1.0	1.0	1.0	0.0%
<b>Auxiliary Services</b>	<b>33.6</b>	<b>35.9</b>	<b>36.4</b>	<b>41.1</b>	<b>43.9</b>	<b>34.6</b>	<b>34.0</b>	<b>38.9</b>	<b>41.3</b>	<b>40.0</b>	<b>42.4</b>	6.1%
<b>Grand Total</b>	<b>319.8</b>	<b>336.2</b>	<b>356.5</b>	<b>376.0</b>	<b>392.4</b>	<b>388.6</b>	<b>390.1</b>	<b>401.6</b>	<b>418.6</b>	<b>420.6</b>	<b>441.9</b>	5.1%

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 1999 - 2008**

**Function/Program**

	<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>	<u>2008</u>
<b>General Government</b>										
<u>Clerk &amp; Recorder</u>										
# Vehicle Transactions Processed	68,799	85,384	88,002	92,353	93,216	95,336	121,218	96,000	98,829	98,951
# Titles Issued (69% printed by staff)	16,933	18,727	19,400	21,804	19,117	19,631	20,146	20,600	23,230	19,083
# documents recorded	21,251	18,272	25,000	26,866	27,434	24,406	24,904	25,000	20,874	18,969
# of registered voters	30,830	34,245	33,000	35,051	32,600	36,160	36,160	36,000	33,658	37,615
# of votes cast	8,829	22,821	10,000	22,423	10,287	31,718	13,265	24,000	1,485	28,117
# of marriage licenses issued	514	619	630	562	540	512	550	550	526	528
<u>Treasurer</u>										
Receipts processed	48,455	53,723	53,957	57,597	56,699	56,500	57,000	58,000	36,913	Unavailable
<u>Assessor</u>										
# of parcels appraised	36,701	37,800	38,900	39,600	59,128	58,949	60,100	61,000		46,293
Assessed value (in thousands)	1,125,640	1,163,142	1,211,254	1,744,314	1,523,858	2,134,234	2,487,511	2,500,000		3,017,991
<u>Geographic Information Services</u>										
# of recorded documents processed	4,627	4,908	4,850	4,897	8,500	5,881	5,790	6,000	5,429	4,024
# of rural addresses assigned	594	428	550	358	400	800	800	850	481	314
<b>Public Safety</b>										
<u>Building Inspection</u>										
# of permits issued	1,435	1,201	1,183	1,190	1,122	1,064	1,001	1,050	951	781
# of inspections completed	5,388	5,580	5,500	5,620	5,724	5,620	4,974	5,000	4,662	4,651
<u>Emergency Management</u>										
Search & Rescue Missions	30	38	36	36	32	33	36	38		37
<u>Sheriff - Public Safety</u>										
# of incidents investigated	19,701	26,172	24,690	21,069	18,662	20,522	20,000	21,000		25,530
# of arrests	646	642	690	739	672	679	900	950		946
# of citations	n/a	n/a	n/a	213	123	27	150	200		223
<u>Alternative to Incarceration</u>										
# of inmates under Day Reporting Supervision	n/a	15	39	112	99	88	140	125	88	93
# of inmates in Community Custody program	n/a	n/a	na/	n/a	25	93	125	140	178	185
Pretrial management									245	255
<u>Detentions</u>										
Total # of inmates booked into facility	2,604	2,740	2,850	3,049	2,734	2,769	2,995	3,200	3,087	2,900
average daily inmate population	101	113	115	118	166	144	175	180	186	181
<b>Public Works</b>										
<u>Maintenance Support</u>										
gallons of dust palliative applied	646,000	804,286	750,000	86,500	875,000	1,103,545	975,605	1,100,000	1,000,000	1,200,000

	<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>	<u>2008</u>
tons of road base hauled and placed	150,000	120,000	130,000	150,000	125,000	124,585	132,080	125,000	120,000	120,000
# of gallons of highway paint used	n/a	n/a	n/a	12,690	12,690	12,600	12,500	12,500	12,500	12,750
<u>Convenience Center</u>										
Customers served - Bayfield	3,296	2,811	2,856	3,217	2,954	2,599	2,800	2,800	2,841	2,506
Customers served - Marvel	706	704	659	843	799	716	750	750	713	699
<b>Health &amp; Welfare</b>										
<u>Human Services</u>										
Child Welfare - # of assessments opened	217	254	245	284	274	261	260	270	303	283
Adult Protective Services - # of investigations	75	110	96	215	128	135	100	100	90	89
Child Support - \$ of payments collected	\$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	\$3,570,909
<b>Community Programs</b>										
Conservation Trust Funds	\$50,500	\$98,387	\$761,949	\$131,000	\$170,100	\$150,447	\$178,250	\$238,000	\$204,000	\$234,250
Public Service Agency Funds	\$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	\$3,113,539
<b>Auxiliary Services</b>										
<u>Senior Services</u>										
# of meals provided	20,000	20,821	21,400	28,000	36,394	37,204	37,750	38,800	39,899	41,549
# of transportation rides provided	n/a	n/a	956	2,028	4,237	4,612	4,646	5,000	6,474	5,571
<u>Veterans Services</u>										
Compensation Claims	n/a	n/a	n/a	47	50	n/a	n/a	n/a	168	57
<u>Weed Management</u>										
# of miles treated for noxious weeds (2002 was a drought year, very few weeds)	1,206	1,206	1,206	250*	1,206	1,206	1,206	1,206	1,309	680
<u>Fairgrounds</u>										
small group bookings (less than 500 participants)	1,470	1,500	1,500	1,500	1,500	1,970	1,728	1,800		2,548
large bookings (more than 500 participants)	87	90	90	120	90	57	64	65		74
<u>Community Development</u>										
Major projects reviewed	64	75	75	72	79	101	85	95	119	91
Oil & Gas (Major & Minor)	62	73	87	76	100	83	85	90	232	230
Minor/Administrative Projects reviewed	108	86	80	70	69	52	90	90	106	134
<b>Internal Service Funds</b>										
<u>Capital Equipment Replacement Fund</u> (prior to 2005, vehicles were in R & B Fleet division)										
Vehicles maintained (self propelled mobile units)	153	177	194	194	194	201	220	230	233	237

**La Plata County, Colorado**  
**Capital Asset Statistics by Function/Program**  
**Fiscal Years 1999 - 2008**

		<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>	<u>2008</u>
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	5	7	17	17
Procurement	Warehouses operated	1	1	1	1	1	1	1	1	1	1
Public Safety											
Detentions	Jail bed capacity	103	129	140	140	140	194	194	197	197	197
Public Works											
	Miles of Roadways maintained	686.88	687.03	667.43	679.25	659.69	658.44	659.15	654.68	654.68	658
	Bridges	52	52	52	52	52	53	53	53	53	53
Internal Service Funds											
CERF	Number of fleet vehicles maintained	153	177	194	194	194	201	220	230	233	237

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

## **SINGLE AUDIT SECTION**



**BONDI & Co. LLC**

CERTIFIED PUBLIC ACCOUNTANTS  
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**Board of County Commissioners  
La Plata County  
Durango, Colorado**

**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
Government Auditing Standards**

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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



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Board of County Commissioners  
La Plata County  
Durango, Colorado

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated May 1, 2009.

This report is intended solely for the information and use of the County Commissioners, management, 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.

June 9, 2009

  
BONDI & Co. LLC



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**Board of County Commissioners  
La Plata County  
Durango, Colorado**

**Report on Compliance With Requirements Applicable to Each Major Program and on  
Internal Control Over Compliance in Accordance With OMB Circular A-133**

**Compliance**

We have audited the compliance of La Plata County, Colorado (County), 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, 2008. The County's major federal programs are identified in the summary of auditors' 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government 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 our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County 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, 2008.



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Board of County Commissioners  
La Plata County  
Durango, Colorado

### Internal Control Over Compliance

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

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

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

This report is intended solely for the information and use of the County Commissioners, management, 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.

June 9, 2009

  
BONDI & Co. LLC

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2008**

<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>
Passed through the Colorado Department of Human Services			
Food Assistance EBT	10.551		\$ 2,431,669
Food Assistance Administration	10.561		210,284
TEFAP-Administration	10.568		1,855
TANF-Commodities Received	10.569		<u>27,128</u>
Total Department of Agriculture			<u>2,670,936</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		26,818
Title III-Special Programs for Aging-Nutrition Services	93.045		77,583
Nutrition Service Incentive Program (NSIP)	93.053		31,138
Community Services Block Grant	93.571		9,000
Passed through the Colorado Department of Human Services			
Family Preservation	93.556		124,999
TANF	93.558		825,136
TANF	93.558		39,629
Title IV-D, IV-D Administration	93.563		247,823
LEAP	93.568		470,671
CCDF Discretion	93.575		(7,723)
CCDF	93.596		296,917
Title IV-B, Child Welfare	93.645		17,858
Title IV-E, IV-E Foster Care	93.658		437,847
Title IV-E Adoption	93.659		107,130
Title XX, Block Grant	93.667		224,725
Title IV-E Independent Living	93.674		49,295
Title XIX, Medicaid	93.778		<u>231,095</u>
Passed through the Colorado Department of Regulatory Agencies			
Total Department of Health and Human Services			<u>3,209,940</u>
 Department of Interior, Bureau of Reclamation			
Utility Relocation (CR 211 Realignment)	15.BBD 02-FC-40-6250		<u>40,125</u>
 Department of Homeland Security			
Federal Emergency Management Agency			
Passed through the Area Agency on Aging			
FEMA Meals on Wheels	97.024		1,598
Passed through the Colorado Department of Local Affairs			
Emergency Management Assistance	83.552 2EM73934		42,300
Passed through City of Cortez			
2005 LETPP	16.007		<u>623</u>
Total Department of Homeland Security			<u>44,521</u>

(Continued next page)

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2008**

<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 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>272,231</u>
Total Department of Housing and Urban Development			<u>272,231</u>
Department of Transportation			
Passed through the Colorado Department of Natural Resources			
FHWA - Recreational Trails Program	20.219		37,250
Passed through the Colorado Department of Transportation			
Public Transportation for elderly and disabled (5310)	20.513		44,690
Federal Enhancement Funds	20.200		<u>38,528</u>
Total Department of Transportation			<u>120,468</u>
Department of Justice			
Office of Justice Programs			
State Criminal Alien Assistance Program	16.606		7,740
Passed through the Colorado Department of Public Safety			
Sixth Judicial District-Victim's Compensation	16.576		<u>85,000</u>
Total Department of Justice			<u>92,740</u>
Other Federal Assistance			
Office of National Drug Control Policy, Dept of Treasury, Dept of Justice			
HIDTA Funding	None	I5PRMP585	5,473
HIDTA Funding	None	I6PRMP585	47,378
HIDTA Funding	None	I7PRMP585	6,170
HIDTA Funding	None	I8PRMP585	161,098
Payments in Lieu of Taxes	15.226		877,851
Secure Rural Schools and Community Self Determination Act	10.665		<u>24,776</u>
Total Other Federal Assistance			<u>1,122,746</u>
Total Federal Assistance			<u>\$ 7,573,707</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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended December 31, 2008**

**Section I – Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unqualified  
Internal control over financial reporting:  
Material weakness(es) identified? ☐ yes ☒ no  
Significant deficiency(ies) identified that are  
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 that are  
not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditors' report issued on compliance  
for major programs: Unqualified  
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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	Food Assistance
93.558	Temporary Assistance for Needy Families (TANF)
93.658	Title IV-E, IV-E Foster Care
93.659	Title IV-E Adoption

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**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended December 31, 2008**

**Section II – Financial Statement Findings**

There were no findings or questioned costs that are required to be reported.

**Section III – Federal Award Findings and Questioned Costs**

There were no findings or questioned costs that are required to be reported.

**Section IV – Prior Year Financial Statement Findings**

**07-03 Food Stamp Cluster CFDA #10.551/10.561**

Condition: Out of a sample of 40 food stamp case files selected for testing, one recipient was noted to have moved out of the state in November 2007 and continued to receive benefits through the remainder of 2007.

County's Planned Corrective Action: The County determined it would do an in-service training for staff regarding closing cases when a client leaves the state.

Auditors Comment: Corrective action taken.