



# **Comprehensive Annual Financial Report**

**for the Year Ended December 31, 2013**

Prepared by the La Plata County Finance Department

## **INTRODUCTORY SECTION**

**La Plata County, Colorado**  
***Comprehensive Annual Financial Report***  
***For The Year Ended December 31, 2013***

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**(Unaudited)**

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June 27, 2014

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, the comprehensive annual financial report (CAFR) of La Plata County (the County) for the fiscal year ended December 31, 2013 is hereby submitted.

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 implemented internal controls that are designed to protect the County'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 internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of my knowledge and belief, this financial report is complete and reliable in all material aspects and reported in a manner which fairly represents the financial position and results of operations of the County as measured by the financial activity of its various funds. Further, I believe all disclosures that are necessary to enable the reader to gain the maximum understanding of the County's financial activities have been included.

The County's financial statements have been audited by the certified public accounting firm of Chadwick, Steinkirchner, Davis & Co., P.C. 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, 2013 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, 2013 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. 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 (Single Audit Act Amendments of 1996 and related Office of Management and Budget (OMB) Circular A-133). 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 La Plata County**

La Plata County incorporated in 1874 and located in the southwestern part of Colorado. The County has land area of 1,692 square miles and a population of 53,520 (2012 State Demographer’s estimate), an increase of 6,730 (14%) since 2003. There are three municipalities in the County: the City of Durango, the Town of Bayfield and the Town of Ignacio. The Southern Ute Indian Reservation is located within La Plata County and its neighboring counties, with the Southern Ute Tribal Council headquarters, the Southern Ute Growth Fund administrative offices, the Sky Ute Casino Resort and the Southern Ute Cultural Center and Museum located near the Town of Ignacio. Durango, the county seat, is the home of Fort Lewis College, a four-year liberal arts state institution of approximately 4,065 students and Southwest Colorado Community College.

The local economy is heavily tourism-based, and the Durango Mountain Resort/Purgatory Ski Area and the Durango and Silverton Narrow Gauge Railroad both draw a significant number of visitors to the County each year. The nearby Mesa Verde National Park, although not in La Plata County, also brings many visitors. La Plata County is also the home to annual events including the Iron Horse Bicycle Classic (one of the largest and longest continuously run cycling events in the United States) over the Memorial Day weekend with over 1,500 riders; and over the Labor Day weekend, an estimated 22,000 motorcycles participate in events at multiple locations in Southwest Colorado.

The County is one of the top three natural gas producers in the state and a significant portion of the County’s revenues are related to the energy industry. Industries providing employment include Educational, health and social services (18.7%), Arts, entertainment, recreation, accommodation and food services (14%), Retail trade (12.4%) Construction (11.8%), Professional, scientific, management, administrative, and waste management services (11.2%).

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. There are six other elected officials: the Sheriff, Clerk and Recorder, Assessor, Treasurer/Public Trustee, Coroner, and Surveyor, who derive their responsibilities and authorities from state statute. There are no term limits on the elected positions other than the Commissioners.

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. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

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. Appointed officials manage the remainder of the County's functions including Public Works, Human Services, Planning, Building Inspection, Emergency Management, Administration, Technology, General Services, Human Resources and Finance.

The Board is charged with providing adequate budget appropriations to fund statutory functions. The other elected and appointed officials are charged with managing their authorized budgets in order to meet their statutory obligations and service demands.

The County is also financially accountable for the Durango Hills Local Improvement District. Additionally, because of the relationship between the County and the District Attorney of the Sixth Judicial District, the District Attorney is included in the County's financial statements as a discretely presented component unit.

### **Budgetary Controls**

Colorado state law requires the adoption of budgets for all local governments, adopted by fund, so each summer La Plata County begins the annual budget preparation process. Every elected official and department head submits a requested budget to the County Manager who serves as the County's Budget Officer. The Finance Department prepares an estimate of the subsequent year's projected revenues, and the requests for expenditures are balanced against the projected revenues. The annual budget is adopted in December of the prior year, and the property tax mill levy is set. Once the budget is adopted, La Plata County maintains budgetary controls to ensure compliance with the annual budget. 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 County further monitors expenditures at the spending authority (elected official/department head) level within individual funds. The Finance Department monitors revenues and expenditures and informs the department heads, the County Manager and the Board of issues of budgetary concern. 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.

The County retired \$1,350,000 certificates of participation in 2012. The County has increased fund balances eight of the last ten budget years, and increased reserves over the last five years by over 42% to more than \$73 million. The unassigned general fund balance is 143% of 2014 budgeted general fund expenditures and transfers out.

However, the last few years have demonstrated the effects of volatility and uncertainty on the local economy. Much of the County's property tax base is related to coal bed methane gas production, and natural gas prices have fluctuated wildly over the last few years, leading to trailing swings in property tax revenue. In 2014 property tax revenue is anticipated to be \$15.5 million, this is a decline of 47.8% since 2010's \$29.7 million. Property tax and sales tax serve as the primary revenue sources for the statutory and general government services. Combined property tax and sales tax revenues are at the lowest level since 2005.

Looking forward to the budget year 2014 and beyond, we project that assessed valuation will continue to decline as a result of low natural gas production, perhaps by as much as 30% for budget year 2014 and

slowly recovering in budget year 2016. Over the last several years we have instituted a number of measures to keep our budget sustainable, including operating budget reductions and staffing adjustments.

Tourism contributes an estimated 28% to the local economy. Statewide retail trades are slowing after very strong growth in 2012. La Plata County is experiencing strong consumer spending, growing faster than the state as a whole with sales tax revenue increasing 3% over 2012 and 4% over the peak years of 2007 and 2008. The construction industry has been the hardest hit sector since 2006 with county building permits declining over 48% from 2006 to 2012. However, permits issued in 2013 increased to 580 as compared to 544 in 2012, this is an increase of 6.6%.

The national and Colorado economies improved steadily in 2013 and economic activity is expected to grow at a more earnest pace in 2014 and 2015. Colorado's economy has grown faster than the nation over the past several years and that trend is expected to continue. The Colorado's labor market added jobs at the fastest rate in seven years. In 2013 employment grew 3% and has been growing faster than the country as a whole since May 2011. In 2014 personal income is expected to increase 5.6%, home permits to increase 14.9% and retail trade sales to grow 5.9%.

### **Long-Term Financial Planning**

The County 2014 Budget includes a five-year capital improvement program. Projections for capital investment during the next five years include more than \$18 million projected for new facilities and capital equipment and \$37 million for road and bridge improvements, although capital spending will be somewhat determined by general revenues and capital grants. Long-term, the County has many capital improvement needs including new facilities for County staff to serve the growing population as well as numerous transportation projects to keep pace with the needs of the traveling public. The County acquired a nearby bank building in August 2012 to accommodate the relocation of several county offices in order to lease space to the federal courts. The acquisition and renovation of this property solidifies the County's commitment to keeping the downtown Durango area vital. For 2014, the County intends to complete several major road projects, including realignment of intersections at CRs 513 and 311 at State Highway 172, a very dangerous intersection, a boat access ramp on CR 210, and several road reconstruction projects.

Since La Plata County is heavily dependent upon property tax collections and coal-bed methane gas production comprises such a large percentage of the County's overall property tax collections, and because prices of natural gas can swing wildly (with corresponding significant changes in the annual amount of property tax collections), the County has structured the budget to accommodate this volatility by adopting a practice of utilizing property taxes related to gas production over a baseline fiscal year 2000 amount only for capital construction and infrastructure improvements.

To stimulate development at the local level, the County has entered into negotiations with the General Services Administration (GSA) to lease a portion of the County Courthouse for use by the United States District Court, United States Marshal Service, and United States Probation Office. By leasing space to the Courts, we believe that our local citizens will have increased access to justice, with the side benefit of additional economic activity. We have also applied to the Bureau of Land Management (BLM) under the Recreation and Public Purposes Act to acquire property for the development of a multi-event center and recreational hub. The next step is to complete an environmental assessment on the property. If the environmental assessment is favorable, the following step would be to complete a feasibility study and master plan for the multi-events center and recreational facilities. Finally, the County has agreed, in concept, to assist with nearly \$2 million toward the expansion and extension of Wilson Gulch Road, which is located within the Durango city limits in an area that is poised for commercial and retail development.

In 2013, the County implemented eight Organization Development Initiatives to create a formal fiscal sustainability plan that aligns the County's revenues and expenditures. The initiatives include Performance Measurement, Technology, Capital Improvement, Operational Efficiency Cost Reduction, Communications, Employee, Budget and Financial Projections, and Safety.

### **Financial Policies**

The County's General Reserve policy requires the General Fund to maintain an unassigned fund balance to equal 20% to 25% of the annual General Fund appropriations. At December 31, 2013 the General Fund unassigned fund balance is \$50,303,760 or 148% of the 2014 appropriations.

### **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, 2012. 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 twenty-four (24) consecutive fiscal years (1989-2013) ended December 31. We believe the 2013 report conforms to the Certificate of Achievement requirements and we are submitting it to the GFOA for review.

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

Respectfully submitted,



Diane Sorensen  
Director of Finance



Government Finance Officers Association

**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, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

## LIST OF COUNTY OFFICIALS

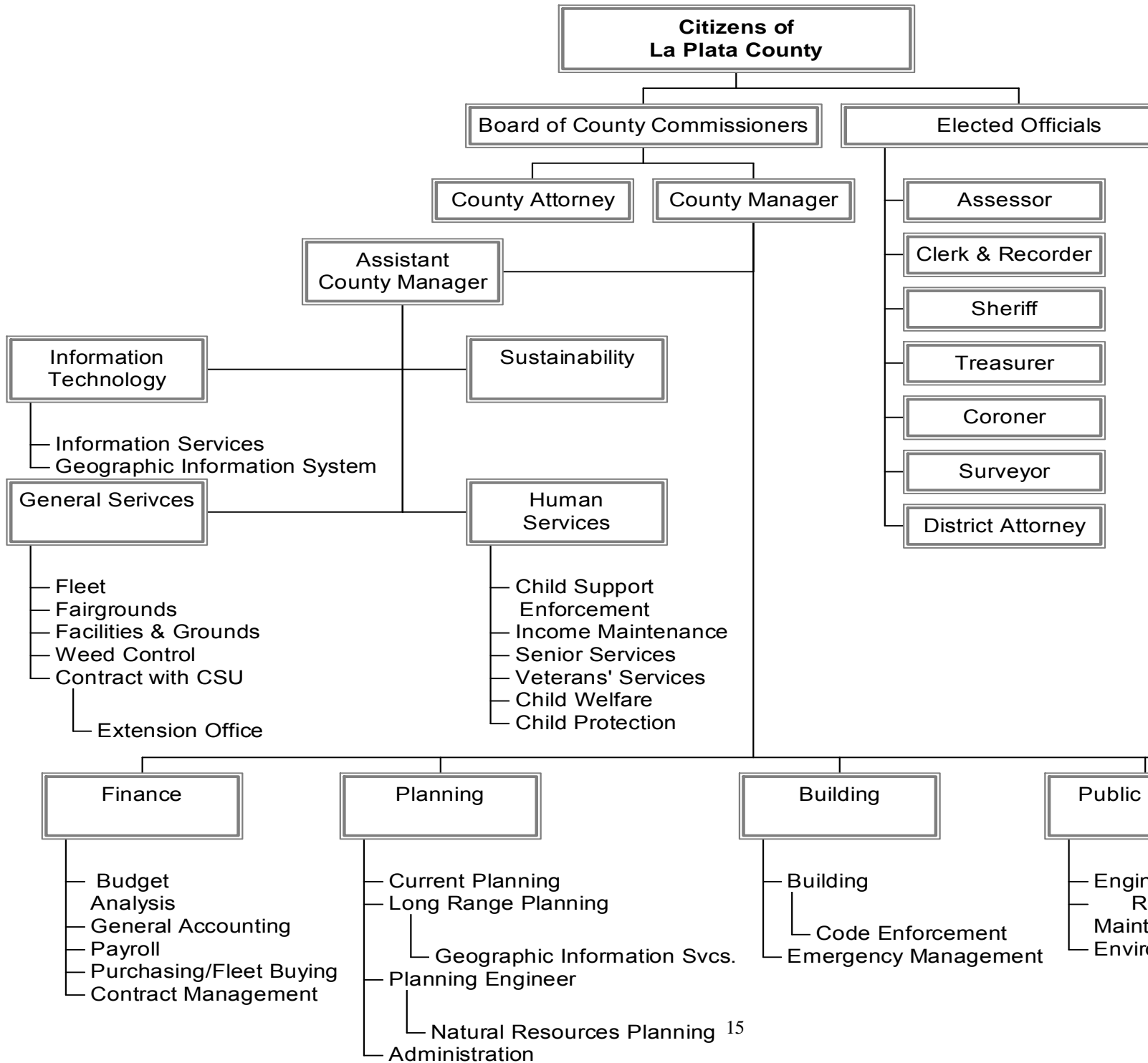
### ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Commissioner	Robert A. Lieb, Jr.
Commissioner	Julie Westendorff
Commissioner	Gwen Lachelt
Assessor	Craig Larson
Clerk & Recorder	Tiffany Lee Parker
Coroner	Jann Smith
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	Joe Kerby
Assistant County Manager	Joanne Spina
Director of Building & Emergency Services	Butch Knowlton
Director of Finance	Diane Sorensen
Director of General Services	Mark McKibben
Director of Human Resources	Kelli Ganevsky
Director of Human Services	Lezlie Mayer
Director of Information Services	Alan Andrews
Director of Planning Services	Damian Peduto
Director of Public Works	Jim Davis

# La Plata County Organizational Chart



## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

June 27, 2014

Board of County Commissioners  
La Plata County, Colorado

We have audited the accompanying 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 as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above 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 La Plata County, Colorado, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.



La Plata County, Colorado  
June 27, 2014

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise La Plata County's basic financial statements. The introductory section; combining and individual nonmajor fund financial statements; comparative individual fund financial statements and schedules; the Local Highway Finance Report; the Social Service Fund Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements; the comparative individual fund financial statements and schedules; the Local Highway Finance Report; the Social Service Fund Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014 on our consideration of La Plata 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La Plata County's internal control over financial reporting and compliance.

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Within this section of La Plata County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended December 31, 2013. 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 and deferred inflows by \$193,530,017 (net position) for the calendar year reported. The increase in total net position of .8% or \$1,591,526 includes a prior period adjustment in the General Fund of \$1,104,582 and in the Joint Sales Tax Fund of \$191,522, totaling \$1,296,104 (as reported on page 63 Note 3 – N. Prior Period Adjustments).
- Total net position is comprised of the following:
  - 1) Net investment in capital assets \$98,126,731 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - 2) Net position of \$538,341 are nonexpendable, such as inventory and \$22,772,005 are restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
  - 3) Net position of \$18,047,838 are unrestricted, but are invested in a joint venture.
  - 4) The balance of unrestricted net position of \$54,045,102 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 \$73,458,480 this year. This compares to the prior year ending fund balance of \$68,899,791 showing an increase of \$4,558,689, during the current year. The increase in fund balance includes a prior period adjustment totaling \$1,296,104 (as reported on page 63 Note 3 –N. Prior Period Adjustment).
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$50,303,760 or 148% of 2014 budgeted 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 is intended to serve as an introduction to the County's basic financial statements. The basic financial statements include:

- Government-wide financial statements
- Fund financial statements
- Notes to the 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 Position*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities plus deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position 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 position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

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

The government-wide financial statements are presented on pages 31 & 32 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 original 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 33 through 39 of this report. The County has chosen to include budgetary comparisons for the general funds and each individual major special revenue fund as part of the basic financial statements.

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 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 service funds to account for its Capital Equipment Replacement Fund and Employee Medical Self-Insurance Fund. 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 40 through 42 of this report.

*Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs or activities. The basic fiduciary fund financial statement can be found on page 30 of this report.

#### ***Notes to the Basic Financial Statements***

The accompanying notes to the financial statements provide additional information that is essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 44 of this report.

#### ***Supplemental Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental 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 68. The County has chosen to present comparative balance sheets and comparative schedules of revenues, expenditures and changes in fund balance for each of the governmental and proprietary funds.

#### **Financial Analysis of the County as a Whole**

Changes in net position 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 position at calendar year-end is \$193,530,017. The following table provides a summary of the County's net position:

	<b>Governmental Activities 2013</b>	<b>Percentage of Total 2013</b>	<b>Governmental Activities 2012</b>
<b>Assets:</b>			
Current assets	\$ 104,630,862	47.4%	\$ 100,437,078
Investment in joint venture	18,047,838	8.2%	18,408,816
Capital assets	98,126,731	44.4%	101,877,845
<b>Total assets</b>	<b>220,805,431</b>	<b>100.0%</b>	<b>220,723,739</b>
<b>Liabilities &amp; deferred inflows:</b>			
Current liabilities	7,780,560	28.5%	24,655,408
Long-term liabilities	3,760,620	13.8%	4,129,840
Deferred Inflows of Resources	15,734,234	57.7%	19,028,218
<b>Total liabilities &amp; deferred inflows</b>	<b>27,275,414</b>	<b>100.0%</b>	<b>47,813,466</b>
<b>Net position:</b>			
Net investment in capital assets	98,126,731	50.7%	101,877,845
Non-spendable	538,341	0.3%	778,884
Restricted	22,772,005	11.8%	19,302,384
Unrestricted	72,092,940	37.3%	69,979,378
<b>Total net position</b>	<b>\$ 193,530,017</b>	<b>100.0%</b>	<b>\$ 191,938,491</b>

The largest portion of the County's net position (50.7%) reflects its net investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 4.45 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 budget year 2013 with an offsetting amount reported in deferred inflows. If you remove those amounts from the current ratio calculation, the adjusted ratio is 11.43 to 1, which demonstrates the real liquid position of the County.

The County reported positive balances in net position. Net position increase of \$1,591,526 for governmental activities includes a prior period adjustment totaling \$1,296,104 (as reported on page 63 Note 3 –N. Prior Period Adjustment).

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

	Governmental Activities 2013	Percentage of Total 2013	Governmental Activities 2012	(Decrease) Increase
<b>Revenues:</b>				
<i><b>Program:</b></i>				
Charges for services	\$ 4,299,105	8.1%	\$ 4,055,706	\$ 243,399
Operating grants	11,961,803	22.5%	12,572,836	(611,033)
Capital grants	562,211	1.1%	109,228	452,983
Total Program Revenues	16,823,119	31.6%	16,737,770	85,349
<i><b>General:</b></i>				
Taxes	35,307,923	66.4%	35,310,428	(2,505)
Other	1,043,295	2.0%	1,975,131	(931,836)
Total General Revenues	36,351,218	68.4%	37,285,559	(934,341)
<b>TOTAL REVENUES</b>	<b>53,174,337</b>	<b>100%</b>	<b>54,023,329</b>	<b>(848,992)</b>
<b>Program Expenses:</b>				
General government	10,514,636	19.9%	10,374,610	140,026
Public safety	16,401,170	31.0%	16,332,272	68,898
Auxiliary services	3,085,940	5.8%	3,193,425	(107,485)
Public works	12,686,719	24.0%	10,929,759	1,756,960
Health and welfare	5,607,927	10.6%	5,615,860	(7,933)
Community programs	4,221,545	8.0%	4,527,441	(305,896)
Decrease in joint venture	360,978	0.7%	-	360,978
Interest and fiscal charges	-	0.0%	20,458	(20,458)
<b>TOTAL EXPENSES</b>	<b>52,878,915</b>	<b>100%</b>	<b>50,993,825</b>	<b>1,885,090</b>
Change in net position	295,422		3,029,504	(2,734,082)
Beginning net position	191,938,491		188,908,987	
Prior Period Adjustment - See Note 3 - N	1,296,104		-	
Net Position Beginning of Year (Restated)	193,234,595		188,908,987	
<b>Ending net position</b>	<b>\$ 193,530,017</b>		<b>\$ 191,938,491</b>	
Percentage of expenses covered by Program Revenues	31.8%		32.8%	

### Governmental Revenues

Governmental revenues for 2013 were \$53,174,337 compared to \$54,023,329 in 2012, a decrease of 1.6%. The following schedule presents a summary of the governmental funds revenues from various sources for the fiscal year ended December 31, 2013 and the changes from the prior year.

Governmental Revenues by Source				
Revenue Source	2013	2012	\$ Increase/ (Decrease)	% Increase/ (Decrease)
Property Taxes	\$ 21,022,611	\$ 21,714,072	\$ (691,461)	-3.2%
Sales Taxes	14,080,460	13,596,356	484,104	3.6%
Intergovernment	12,524,014	12,682,064	(158,050)	-1.2%
Charges for Services	4,299,105	4,055,706	243,399	6.0%
Other Taxes	204,852	226,754	(21,902)	-9.7%
Miscellaneous	1,000,088	1,400,720	(400,632)	-28.6%
Investment Earnings	43,207	347,657	(304,450)	-87.6%
<b>Total</b>	<b>\$ 53,174,337</b>	<b>\$ 54,023,329</b>	<b>(848,992)</b>	<b>-1.6%</b>

Overall revenue decreased by 1.6% or \$848,992 in 2013 from 2012.

The County is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes provided 39.5% of the County's total governmental revenues. Sales taxes are the second largest revenue source with approximately \$14 million of revenues or 26.5% of the total. Government's property and sales taxpayers fund the largest share of the governmental activities. As a result, the general economy and the local business environment have a major impact on the County's revenue streams. 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.

### Governmental Functional Expenditures

The following schedule presents a summary of the governmental funds expenditures for the fiscal year ended December 31, 2013 and the changes from the prior year.

Function	2013	2012	\$ Increase/ (Decrease)	% Increase/ (Decrease)
General Government	\$ 10,514,636	\$ 10,374,610	\$ 140,026	1.3%
Public Safety	16,401,170	16,332,272	68,898	0.4%
Public Works	12,686,719	10,929,759	1,756,960	16.1%
Health & Welfare	5,607,927	5,615,860	(7,933)	-0.1%
Auxiliary Services	3,085,940	3,193,425	(107,485)	-3.4%
Community Programs	4,221,545	4,527,441	(305,896)	-6.8%
Joint Venture	360,978	-	360,978	100.0%
Interest & Bank Chg	-	20,458	(20,458)	-100.0%
<b>Total Expenditures</b>	<b>\$ 52,878,915</b>	<b>\$ 50,993,825</b>	<b>\$ 1,885,090</b>	<b>3.7%</b>

Overall expenditures for 2013 were \$1,885,090 or 3.7% more than 2012. Public works function had the largest increase of \$1.7 million or 16% over 2012. The 2013 expenditures included full depth reclamation of CR 141, completion of the Lightner Creek Bridge, and intersection work on CR 320.

Total governmental expenses for 2013 are \$52,878,915. The public safety, public works, and general government functions make up more than three-fourths of the total governmental activities expenses. Public safety costs total over \$16.4 million dollars or 31% of the total expenses. Public works costs are \$12.6 million or 24% and General government costs at \$10.5 million makes up approximately 20% of total costs.

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

<b>Governmental Activities</b>					
<b>2013</b>					
	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>	<b>Net Cost % of Total</b>	<b>2012 Net Cost</b>	<b>Decrease (Increase)</b>
General Government	\$ 10,514,636	\$ 4,743,809	13.2%	\$ 4,392,047	\$ 351,762
Public Safety	16,401,170	14,657,520	40.7%	14,649,343	8,177
Auxiliary Services	3,085,940	2,463,441	6.8%	2,672,386	(208,945)
Public Works	12,686,719	8,970,163	24.9%	7,540,897	1,429,266
Health & Welfare	5,607,927	1,165,298	3.2%	1,547,808	(382,510)
Community Programs	4,221,545	3,694,587	10.2%	3,548,122	146,465
Joint Venture	360,978	360,978	1.0%	(115,006)	475,984
Interest & Bank Chg	-	-	0.0%	20,458	(20,458)
Total expenses	<u>\$ 52,878,915</u>	<u>\$ 36,055,796</u>	<u>100%</u>	<u>\$ 34,256,055</u>	<u>\$ 1,799,741</u>

After reducing gross expenses by program revenues, public safety totals 40.7% of the net cost of services, public works comprises about 24.9% of total net costs of services, and the general government function's net costs are 13.2% 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 \$73,458,480. Of this year-end total, \$312,238 represents inventories held for future consumption and \$70,477 are long-term receivables and deposits; neither category represents available, spendable resources. A total of \$20,022,003 is legally restricted for specific purposes, including economic stabilization, programming spending, capital improvements, joint projects, and public assistance. A total of \$2,750,002 is assigned for 2014 budget deficit expenditures in the general fund. Finally, more than \$50.3 million is unassigned, representing availability for continuing County service requirements.

The total ending fund balances of governmental funds show an increase of \$4,558,689 or 6.6% above the prior year. The increase includes a prior period adjustment in the General Fund in the amount of \$1,104,582 and one in the Joint Sales Tax Fund in the amount of \$191,522, totaling \$1,296,104. See page 63, Note 3 – N in the Notes to the Basic Financial Statements.

### ***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 \$4.8 million that includes the prior period adjustment of \$1,104,582 see Note 3 –N. This followed a \$4.5 million increase in 2012.

General Fund revenues decreased \$1.1 million from 2012. The majority of the decrease was due to the decline in property tax of approximately \$885,000 or 5%. Net sales taxes totaled about \$7.2 million, an increase of nearly 7.5% over the 2012 collections of \$6.8 million. State and federal revenues decreased in 2013 by \$513,565 or 10% from 2012. The majority of the decrease is due to a decrease in Severance tax of \$239,698 due to decreased oil and gas production, and decreases in the Energy Impact Assistances grants and Community Development Block Grant, \$223,855 and \$166,574 respectively. The grant decreases are directly related to uncompleted projects during 2013. Investment earnings decreased \$304,727 or 87% from 2012. The County's investments had an annualized return of .06%.

Expenditures in the General Fund decreased \$1,189,298 or 3.6%. The decrease is the result of the City of Durango Library 2012 expenses being paid from the General Fund with the funds transfer in from the Joint Sales Tax Fund. In 2013, these expenses were paid directly from the Joint Sales Tax Fund. When comparing the General Fund expenditures without the City of Durango Library's costs the 2013 expenditures increased \$505,908.

The General Fund's ending unassigned fund balance of more than \$50.3 million is considered more than adequate, representing nearly 169% of 2014 budgeted general fund expenditures and transfers out to other funds. The County has a policy that requires a general fund unassigned balance of 20%-25% of the annual appropriation amount, and the current unassigned fund balance more than exceeds that level.

The Road and Bridge Fund accounts for the construction, maintenance, and snow removal on roads and bridges in the County. In 2013, the Road and Bridge Fund balance decreased 29% or \$2.1 million to \$5,236,002 and is available for future spending. Revenues and other sources increased approximately 4% in 2013. Expenditures were \$10.6 million in 2013, increase of \$495,745 or 4% over 2012.

The Social Services Fund accounts for a variety of State mandated social services. In 2013, the Social Services Fund balance dropped by 6 % from \$2,881,164 to \$2,699,440. The fund spent more than \$5.6 million in providing services to clients, an increase of \$92,606, or 1.6% over 2012. Intergovernmental revenues increased \$374,577 when compared to 2012.

The Capital Improvement fund balance increased by approximately 34% from \$5.2 million in 2012 to \$7.1 million in 2013. The increase in fund balance is due to only 4.5% of the budgeted capital projects were completed in 2013. The remainders of these projects are expected to be started in 2014. The largest of the projects is the remodel/relocation of 1101 Second Avenue property. This project is expected to be completed by early 2015 with a total cost of approximately \$4 million.

### **Budgetary Highlights**

***The General Fund*** – The budget for revenues and other sources decreased approximately \$1.7 million from the original budget. The decrease is the result of funds previously being transferred from the Joint Sales Tax Fund into the General Fund to pay the costs associated with the Durango Library. In 2013 the transfers to and from were eliminated and costs associated with the Durango Library were paid directly from the Joint Sales Tax Fund.

Overall, actual revenues and other sources were \$2.7 million less than the final budget. The majority of this decrease is the result of the County receipting Sales Tax revenue into the General Fund and then transferring to the Road & Bridge and Capital Improvement Fund in prior years. During 2013, the transfers To/From were eliminated and sales tax revenue is a direct allocation to the receiving funds. When comparing actual revenues to the final budget without the effects of the change in posting sales tax revenues, total revenues and other sources increased \$1.3 over the 2013 budget. The largest increase over budget was sales tax revenue (net) being \$612,071 higher than budgeted. Other increases included the Specific ownership taxes of \$291,847, general property & delinquent taxes of \$290,070, Clerk and recorder's fees of \$260,356, and Forfeitures of \$196,732.

The expenditure side of the original budget for the General Fund was decreased by about \$1.7 million for costs associated the Durango Library that were paid directly out of the Joint Sales Tax Fund during 2013. The County spent 81.6% of the final amended general fund expenditure budget. The majority of the savings, \$4.77 million, resulted from the elimination of the Transfers To/From of the sales tax revenue discussed above. The remaining surplus related to one time expenditures such as Landfill, Jail site cleanup, contingency, and litigation cost being less than expected.

## 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, 2013, was \$98,126,731. Net capital assets have decreased by about 3.7% in 2013. 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

	12/31/2013	12/31/2012
Non-depreciable assets:		
Land	\$ 9,452,945	\$ 9,452,945
Construction in progress	390,708	204,009
Total non-depreciable	9,843,653	9,656,954
Depreciable assets:		
Buildings	50,002,579	50,002,579
Improvements	9,102,342	9,102,342
Machinery and equipment	16,470,198	16,019,135
Infrastructure	83,545,941	82,829,358
Total depreciable assets	159,121,060	157,953,414
Less accumulated depreciation	70,837,982	65,732,523
Book value - depreciable assets	88,283,078	92,220,891
Percentage depreciated	45%	42%
Book value - all assets	\$ 98,126,731	\$ 101,877,845

The County capitalized current year infrastructure costs of over \$614,000 for the Lightner Creek Bridge.

**Long-term Debt**

At the end of the current fiscal year, La Plata County had no bonded debt. During 2012, the County retired \$1,350,000 in certificates of participation issued by the La Plata County Finance Authority in 2004 for the acquisition of the Old Main Professional Building, leaving no outstanding. See Note 3-G for additional information about the County's long-term debt. We discuss the pollution remediation costs in Note 3-J and the landfill closure and post closure care liability in Note 3-K. A summary of outstanding debt at year-end is as follows:

Long Term Liabilities--Governmental Activities

	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>\$ Change</u>	<u>% Change</u>
Compensated Absences	\$ 1,629,328	\$ 1,404,325	\$ 225,003	16.0%
Pollution remediation costs	2,809,477	2,839,725	(30,248)	-1.1%
Landfill postclosure costs	582,576	754,000	(171,424)	-22.7%
Total Governmental Activities	<u>\$ 5,021,381</u>	<u>\$ 4,998,050</u>	<u>\$ 23,331</u>	<u>0%</u>

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

The County faces challenging financial times. Overall revenues have declined for four years in a row. Specifically, our property tax revenue has dropped from \$29,727,688 in 2010 to an anticipated \$15,527,895 in 2014 – a 47.82% reduction. In fact, our combined property and sales tax revenues have not been at the current level since 2005. This amount of revenue reduction is unprecedented.

For the 2014 budget year, the County estimates assessed valuation to decrease by about 19%, resulting in approximately \$3.6 million less in property tax revenue. The assessed valuation for the 2013 assessment/collection in 2014 is expected to decrease approximately \$432,880,350 due to an approximately 8% decrease in real estate valuations and 34.6% in oil and gas valuations. Real estate valuations are expected to stay nearly the same for the 2014 assessment/collection in 2015.

La Plata County is one of the top three natural gas producers in the state. Production value in Colorado has been rather volatile over the past seven years; much of the volatility is due to price swings. Oil and gas is expected to increase slightly due to price. Current natural gas prices are averaging \$4.58 for the first six months of 2014; this is an average increase of 33%. However, well activity decreased 27% in 2013 with production down 32.8% and permits down 55%.

The County's 2014 budget was prepared with consideration to these and other economic factors and, accordingly, over the last few years we have made reductions to the County's staffing and operational budgets. The County is actively developing and implementing strategies to ensure long-term financial stability.

In 2013, La Plata County experienced strong improvement, with consumer spending growing faster than the state as a whole, resulting in sales tax revenues increasing 3% over 2012. La Plata County's growth continues in several areas including increased construction activity, unemployment rate dropping to 5.6%<sup>1</sup>, job growth rate increased 4.1%, and median home prices have grown 13.3%<sup>2</sup>. Tourism index, enplanements and Fort Lewis College all saw increases in 2013, 7.5%<sup>1</sup>, 3%, and 3.5% respectively<sup>1</sup>.

Our Board of County Commissioners, Elected Officials, Department Heads and staff all remain committed to serving the citizens of La Plata County with quality and excellence.

**Contacting the County's Financial Management**

This financial report is intended 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, or via email [diane.sorensen@co.laplatea.co.us](mailto:diane.sorensen@co.laplatea.co.us).

<sup>1</sup>2014 Southwest Business Forum: The Regional Economy, Dr. Robert J. Sonora  
<sup>2</sup>NACO County Tracker 2013 ([www.naco.org/CountyTracker](http://www.naco.org/CountyTracker))

## **BASIC FINANCIAL STATEMENTS**

**La Plata County, Colorado**  
**Statement of Net Position**  
**December 31, 2013**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 326,798	\$ 97,954
Equity in treasurer's cash and investments	81,483,964	-
Restricted cash and investments	111,402	-
Receivables:		
Accounts	1,319,227	-
Taxes	15,734,234	-
Deposits	46,716	-
Intergovernmental	5,116,896	110,618
Due from primary government	-	76,724
Prepaid	23,761	-
Inventory	467,864	-
Investment in joint venture	18,047,838	-
<b>Capital Assets</b>		
Nondepreciable capital assets	9,843,653	-
Depreciable capital assets, net	88,283,078	20,906
<b>Total Assets</b>	<b>220,805,431</b>	<b>306,202</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	3,799,457	12,799
Accrued expenses	905,461	69,593
Intergovernmental payable	302,402	-
Deposits payable	575,053	-
Unearned revenue	488,389	-
Liabilities payable from restricted assets	111,402	-
Claims payable	337,635	-
Current portion-compensated absences payable	350,520	20,067
Current portion-pollution remediation obligations	715,000	-
Current portion-landfill closure and post-closure care costs payable	195,241	-
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	1,278,808	60,199
Pollution remediation obligations (net of current portion)	2,094,477	-
Landfill closure/post-closure costs (net of current portion)	387,335	-
<b>Total Liabilities</b>	<b>11,541,180</b>	<b>162,658</b>
<b>Deferred Inflows of Resources</b>		
Property Taxes	15,734,234	-
<b>Total Deferred Inflows of Resources</b>	<b>15,734,234</b>	<b>-</b>
<b>Net Position</b>		
Net investment in capital assets	98,126,731	20,906
Non-spendable	538,341	-
Restricted for:		
Capital improvements	7,057,030	-
Required legal fund segregations	14,195,240	-
Economic stabilization (TABOR)	1,519,735	63,787
Unrestricted	72,092,940	58,851
<b>Total Net Position</b>	<b>\$ 193,530,017</b>	<b>\$ 143,544</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2013**

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position - Primary Government Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
<b>Governmental Activities</b>					
General government	\$ 10,514,636	\$ 3,016,390	\$ 2,754,437	\$ -	\$ (4,743)
Public safety	16,401,170	835,799	907,851	-	(14,657)
Auxiliary services	3,085,940	205,462	417,037	-	(2,463)
Public works	12,686,719	241,454	2,912,891	562,211	(8,970)
Decrease in joint venture	360,978	-	-	-	(360)
Health and welfare	5,607,927	-	4,442,629	-	(1,165)
Community programs	4,221,545	-	526,958	-	(3,694)
<b>Total - Primary Government</b>	<b>\$ 52,878,915</b>	<b>\$ 4,299,105</b>	<b>\$ 11,961,803</b>	<b>\$ 562,211</b>	<b>(36,055)</b>
<b>Component Unit</b>					
Office of the District Attorney	\$ 2,173,606	\$ -	\$ 722,195	\$ -	
<b>General Revenues</b>					
Property taxes levied for general government purposes					21,022
Sales taxes					14,080
Lodgers taxes					204
Cable franchise fees					111
Operational funding from primary government--unrestricted					
Investment earnings					43
Miscellaneous					888
Transfers					
<b>Total General Revenues</b>					<b>36,351</b>
<b>Change in Net Position</b>					<b>295</b>
<b>Beginning Net Position</b>					<b>191,938</b>
<b>Prior Period Adjustment - See Note 3 - N</b>					<b>1,296</b>
<b>Net Position Beginning of Year (Restated)</b>					<b>193,234</b>
<b>Net Position End of Year</b>					<b>\$ 193,530</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2013**

	<b>General</b>	<b>Road and Bridge</b>	<b>Social Services</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash	\$ 325,598	\$ 800	\$ 400	\$ -	\$ -	\$ 326,798
Equity in cash and investments	56,125,125	5,430,764	2,719,090	7,249,455	459,070	71,983,504
Restricted cash and investments	19,857	-	91,545	-	-	111,402
Receivables:						
Accounts	270,300	30,891	1,016,142	-	-	1,317,333
Taxes	13,652,306	1,308,116	700,118	-	73,694	15,734,234
Deposits	2,000	-	-	44,716	-	46,716
Intergovernmental	3,825,099	587,749	346,859	-	357,189	5,116,896
Prepaid	23,761	-	-	-	-	23,761
Inventory	1,877	310,361	-	-	-	312,238
<b>Total Assets</b>	<b>74,245,923</b>	<b>7,668,681</b>	<b>4,874,154</b>	<b>7,294,171</b>	<b>889,953</b>	<b>94,972,882</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	1,274,214	1,009,973	1,319,399	42,425	114,057	3,760,068
Accrued salaries and wages	766,653	114,590	-	-	-	881,243
Intergovernmental payable	238,750	-	63,652	-	-	302,402
Deposits payable	575,053	-	-	-	-	575,053
Unearned revenues	-	-	-	150,000	-	150,000
Liabilities restricted assets	19,857	-	91,545	-	-	111,402
<b>Total Liabilities</b>	<b>2,874,527</b>	<b>1,124,563</b>	<b>1,474,596</b>	<b>192,425</b>	<b>114,057</b>	<b>5,780,168</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	13,652,306	1,308,116	700,118	-	73,694	15,734,234
<b>Total Deferred Inflows of Resources</b>	<b>13,652,306</b>	<b>1,308,116</b>	<b>700,118</b>	<b>-</b>	<b>73,694</b>	<b>15,734,234</b>
<b>Fund Balances</b>						
Nonspendable fund balances:						
Inventory	1,877	310,361	-	-	-	312,238
Long term receivables and deposits	25,761	-	-	44,716	-	70,477
Restricted for:						
Economic stabilization (TABOR)	1,519,735	-	-	-	-	1,519,735
Law enforcement	318,348	-	-	-	-	318,348
Conservation trust fund	2,354,084	-	-	-	-	2,354,084
Pollution investigation remediation	445,523	-	-	-	-	445,523
Road construction/maintenance	-	2,850,477	-	-	169,896	3,020,373
Capital improvements impact fees	-	2,075,164	-	-	-	2,075,164
Joint Projects County/City	-	-	-	-	531,507	531,507
Public assistance and welfare	-	-	1,117,263	-	-	1,117,263
Child welfare	-	-	1,582,177	-	-	1,582,177
General capital improvements	-	-	-	7,057,030	-	7,057,030
Tribal mitigation impact	-	-	-	-	799	799
Assigned to:						
Next year's budget deficit	2,750,002	-	-	-	-	2,750,002
Unassigned	50,303,760	-	-	-	-	50,303,760
<b>Total Fund Balances</b>	<b>\$ 57,719,090</b>	<b>\$ 5,236,002</b>	<b>\$ 2,699,440</b>	<b>\$ 7,101,746</b>	<b>\$ 702,202</b>	<b>\$ 73,458,480</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 Position**  
**December 31, 2013**

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<b>Total Governmental Fund Balances</b>		\$ 73,458,480
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**Amounts reported for governmental activities in the statement of net position are different because:**

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the government-wide statement of net position, the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.

Cost of capital assets	168,964,713	
Less accumulated depreciation	<u>(70,837,982)</u>	98,126,731

The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net position.	18,047,838
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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 position.

Non-capital assets	9,657,980	
Non-capital liabilities	<u>(739,631)</u>	8,918,349

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 position.

Compensated absences	(1,629,328)	
Pollution remediation obligations	(2,809,477)	
Landfill closure and post closure care costs	<u>(582,576)</u>	<u>(5,021,381)</u>

<b>Net Position Of Governmental Activities</b>		<b>\$ <u>193,530,017</u></b>
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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, 2013**

	<b>General</b>	<b>Road and Bridge</b>	<b>Social Services</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Taxes	\$ 25,786,029	\$ 4,507,568	\$ 961,526	\$ 2,000,004	\$ 2,164,241	\$ 35,419,368
Intergovernmental	4,606,283	3,475,102	4,442,629	-	-	12,524,014
Licenses and permits	524,288	241,454	-	-	-	765,742
Charges for services	3,324,857	-	-	-	-	3,324,857
Investment earnings	42,138	-	-	-	391	42,529
Miscellaneous	605,644	266,336	16,661	-	-	888,641
<b>Total Revenues</b>	<b>34,889,239</b>	<b>8,490,460</b>	<b>5,420,816</b>	<b>2,000,004</b>	<b>2,164,632</b>	<b>52,965,151</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	9,734,582	-	-	95,123	-	9,829,705
Public safety	16,230,442	-	-	-	-	16,230,442
Auxiliary services	2,759,382	-	-	-	-	2,759,382
Public works	110,386	9,811,335	-	-	95,362	10,017,083
Health and welfare	-	-	5,602,540	-	-	5,602,540
Community programs	2,461,494	-	-	-	1,760,051	4,221,545
<b>Capital Outlay</b>	<b>148,765</b>	<b>818,593</b>	<b>-</b>	<b>74,511</b>	<b>-</b>	<b>1,041,869</b>
<b>Total Expenditures</b>	<b>31,445,051</b>	<b>10,629,928</b>	<b>5,602,540</b>	<b>169,634</b>	<b>1,855,413</b>	<b>49,702,566</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,444,188</b>	<b>(2,139,468)</b>	<b>(181,724)</b>	<b>1,830,370</b>	<b>309,219</b>	<b>3,262,585</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	320,942	-	-	-	25,000	345,942
Transfers out	(25,000)	-	-	-	(320,942)	(345,942)
<b>Total Other Financing Sources (Uses)</b>	<b>295,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(295,942)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>3,740,130</b>	<b>(2,139,468)</b>	<b>(181,724)</b>	<b>1,830,370</b>	<b>13,277</b>	<b>3,262,585</b>
<b>Fund Balances Beginning of Year</b>	<b>52,874,378</b>	<b>7,375,470</b>	<b>2,881,164</b>	<b>5,271,376</b>	<b>497,403</b>	<b>68,899,791</b>
<b>Prior Period Adjustment - See Note 3 - N</b>	<b>1,104,582</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191,522</b>	<b>1,296,104</b>
<b>Fund Balance Beginning of Year (Restated)</b>	<b>53,978,960</b>	<b>7,375,470</b>	<b>2,881,164</b>	<b>5,271,376</b>	<b>688,925</b>	<b>70,195,895</b>
<b>Fund Balances End of Year</b>	<b>\$ 57,719,090</b>	<b>\$ 5,236,002</b>	<b>\$ 2,699,440</b>	<b>\$ 7,101,746</b>	<b>\$ 702,202</b>	<b>\$ 73,458,480</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, 2013**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		<b>\$ 3,262,585</b>
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
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.		
Operating revenues	6,425,930	
Operating expense (excl depr)	(4,341,493)	
Investment earnings	<u>678</u>	2,085,115
Internal service funds capital asset activity:		
Depreciation expense	(952,813)	
Cash received from sales of assets	126,002	
Assets disposed-net of accum depreciation	<u>(70,019)</u>	(896,830)
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 capital outlay exceeded depreciation expense in the current period.		
Depreciation expense (excl internal svc funds)	(4,796,131)	
Capital outlay (excl internal service funds)	<u>1,041,870</u>	(3,754,261)
Governmental funds do not report the net cost of capital assets disposed of, but the cost is reported on the statement of activities		(16,878)
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		(360,978)
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.		
Transfers in	345,942	
Transfers out	<u>(345,942)</u>	-
The (increase) decrease in pollution remediation obligations do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/13	(2,809,477)	
Liability @ 12/31/12	<u>2,839,725</u>	30,248
The (increase) decrease in landfill closure and post closure care costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/13	(582,576)	
Liability @ 12/31/12	<u>754,000</u>	171,424
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 @ 12/31/13	(1,629,328)	
Liability @ 12/31/12	<u>1,404,325</u>	<u>(225,003)</u>
<b>Change In Net Position of Governmental Activities</b>		<b><u>\$ 295,422</u></b>

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, 2013*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 29,283,575	\$ 29,283,575	\$ 25,786,029	\$ (3,497,546)
Intergovernmental	4,220,009	4,285,481	4,606,283	320,802
Licenses and permits	490,000	490,000	524,288	34,288
Charges for services	2,865,365	2,870,665	3,324,857	454,192
Investment earnings	400,000	400,000	42,138	(357,862)
Miscellaneous	293,131	293,131	605,644	312,513
<b>Total Revenues</b>	<u>37,552,080</u>	<u>37,622,852</u>	<u>34,889,239</u>	<u>(2,733,613)</u>
<b>Expenditures</b>				
General government	11,353,561	11,157,681	9,734,582	1,423,099
Public safety	16,438,845	16,644,502	16,230,442	414,060
Auxiliary services	3,106,109	3,121,709	2,759,382	362,327
Public works	489,000	489,000	110,386	378,614
Community programs	4,148,981	2,361,984	2,461,494	(99,510)
<b>Total Current</b>	<u>35,536,496</u>	<u>33,774,876</u>	<u>31,296,286</u>	<u>2,478,590</u>
<b>Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>148,765</u>	<u>(148,765)</u>
<b>Total Expenditures</b>	<u>35,536,496</u>	<u>33,774,876</u>	<u>31,445,051</u>	<u>2,329,825</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,015,584</u>	<u>3,847,976</u>	<u>3,444,188</u>	<u>(403,788)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,156,740	352,710	320,942	(31,768)
Transfers out	<u>(4,770,000)</u>	<u>(4,798,362)</u>	<u>(25,000)</u>	<u>4,773,362</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,613,260)</u>	<u>(4,445,652)</u>	<u>295,942</u>	<u>4,741,594</u>
<b>Net Change in Fund Balances</b>	<u>\$ (597,676)</u>	<u>\$ (597,676)</u>	<u>3,740,130</u>	<u>\$ 4,337,806</u>
<b>Fund Balances Beginning of Year</b>			52,874,378	
<b>Prior Period Adjustment - See Note 3 - N</b>			<u>1,104,582</u>	
<b>Fund Balances Beginning of Year (Restated)</b>			<u>53,978,960</u>	
<b>Fund Balances End of Year</b>			<u>\$ 57,719,090</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, 2013*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 1,502,358	\$ 1,502,358	\$ 4,507,568	\$ 3,005,210
Intergovernmental	6,504,400	6,354,400	3,475,102	(2,879,298)
Licenses and permits	203,000	203,000	241,454	38,454
Miscellaneous	304,000	304,000	266,336	(37,664)
<b>Total Revenues</b>	<b>8,513,758</b>	<b>8,363,758</b>	<b>8,490,460</b>	<b>126,702</b>
<b>Expenditures</b>				
Public works	14,136,844	12,886,844	9,811,335	3,075,509
Capital outlay	3,200,000	4,300,000	818,593	3,481,407
<b>Total Expenditures</b>	<b>17,336,844</b>	<b>17,186,844</b>	<b>10,629,928</b>	<b>6,556,916</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(8,823,086)</b>	<b>(8,823,086)</b>	<b>(2,139,468)</b>	<b>6,683,618</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,770,000	2,770,000	-	(2,770,000)
<b>Total Other Financing Sources (Uses)</b>	<b>2,770,000</b>	<b>2,770,000</b>	<b>-</b>	<b>(2,770,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (6,053,086)</b>	<b>\$ (6,053,086)</b>	<b>(2,139,468)</b>	<b>\$ 3,913,618</b>
<b>Fund Balances Beginning of Year</b>			<b>7,375,470</b>	
<b>Fund Balances End of Year</b>			<b>\$ 5,236,002</b>	

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, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 929,821	\$ 929,821	\$ 961,526	\$ 31,705
Intergovernmental	4,098,146	4,165,430	4,442,629	277,199
Miscellaneous	-	-	16,661	16,661
<b>Total Revenues</b>	<b>5,027,967</b>	<b>5,095,251</b>	<b>5,420,816</b>	<b>325,565</b>
<b>Expenditures</b>				
<b>Current:</b>				
Health and welfare	5,776,235	5,843,519	5,602,540	240,979
<b>Total Expenditures</b>	<b>5,776,235</b>	<b>5,843,519</b>	<b>5,602,540</b>	<b>240,979</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(748,268)</b>	<b>(748,268)</b>	<b>(181,724)</b>	<b>566,544</b>
<b>Net Change in Fund Balances</b>	<b>\$ (748,268)</b>	<b>\$ (748,268)</b>	<b>(181,724)</b>	<b>\$ 566,544</b>
<b>Fund Balances Beginning of Year</b>			<b>2,881,164</b>	
<b>Fund Balances End of Year</b>			<b>\$ 2,699,440</b>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2013**

	<b>Governmental Activities Internal Services Funds</b>
<b>Assets</b>	
<b>Current Assets:</b>	
Equity in treasurer's cash and investments	\$ 9,500,460
Accounts receivable	1,894
Inventory	155,626
<b>Total Current Assets</b>	<b>9,657,980</b>
<b>Noncurrent Assets</b>	
<b>Capital Assets:</b>	
Depreciable capital assets, net	6,536,577
<b>Total Assets</b>	<b>16,194,557</b>
<b>Liabilities</b>	
Accrued payroll	24,218
Accounts payable	39,389
Deferred revenues	338,389
Accrued claims payable	337,635
<b>Total Current Liabilities</b>	<b>739,631</b>
<b>Net Position</b>	
Net investment in capital assets	6,536,577
Unrestricted	8,918,349
<b>Total Net Position</b>	<b>\$ 15,454,926</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Revenues,**  
**Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2013**

	<b>Governmental Activities Internal Services Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 2,737,330
Insurance deposits	3,688,044
<b>Total Operating Revenues</b>	<u>6,425,930</u>
<b>Operating Expenses</b>	
Equipment maintenance	1,094,329
Depreciation	952,813
Medical claims	3,247,164
<b>Total Operating Expenses</b>	<u>5,294,306</u>
<b>Operating Income (Loss)</b>	<u>1,131,624</u>
<b>Non-Operating Revenues</b>	
Gain (loss) on sale of capital assets	55,983
Investment earnings	678
<b>Total Non-Operating Revenues (Expenses)</b>	<u>56,661</u>
<b>Change in Net Position</b>	1,188,285
<b>Net Position Beginning of Year</b>	<u>14,266,641</u>
<b>Net Position End of Year</b>	<u><u>\$ 15,454,926</u></u>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2013**

	<b>Governmental Activities Internal Services Funds</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 6,432,613
Cash payments for goods and services	(1,135,069)
Cash payments for claims	(3,222,750)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>2,074,794</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Cash sales of capital assets	126,002
Payments for capital acquisitions	(1,042,857)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(916,855)</u>
<b>Cash Flows from Investing Activities</b>	
Investment earnings	<u>678</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,158,617
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>8,341,843</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 9,500,460</u></u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>	
<b>Operating Income (Loss)</b>	\$ 1,131,624
<b>Adjustments:</b>	
Depreciation	952,813
<b>(Increase) Decrease in Assets:</b>	
Accounts receivable	6,683
Inventory	(23,412)
<b>Increase (Decrease) in Liabilities:</b>	
Accounts payable	(21,454)
Accrued incurred/unreported claims	24,414
Accrued wages	<u>4,126</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 2,074,794</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, 2013 and 2012***

	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 2,320,604	\$ 2,851,341
<b>Liabilities</b>		
Accounts payable	\$ 150,605	\$ 114,487
Due to component unit	76,723	269,735
Deposits held for others	2,093,276	2,467,119
<b>Total Liabilities</b>	<u>\$ 2,320,604</u>	<u>\$ 2,851,341</u>

See accompanying notes to the basic financial statements

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2013**

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***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

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. A summary of significant policies is as follows:

***1-A. Reporting Entity***

The reporting entity is comprised of the primary government, a component unit 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 or which are closely related to or financially integrated with the County. 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 identifies the financial data of the County's discretely presented component unit. It is reported separately to emphasize that it is 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, "Durango Hills Road 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

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

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-H). 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 Fund.

A brief description of the discretely presented component unit follows:

The ***Office of the District Attorney of the Sixth Judicial District (the DA)***, is governed by a separately elected District Attorney; with the Boards of County Commissioners of La Plata, Archuleta and San Juan Counties providing the majority of the Office's funding. The County provides over two-thirds of the operational funding for the DA's activities and provides administrative services (human resources, finance/budgeting, grant administration, cash receipting/cash management and facilities) to the DA. The employees of the DA's office are included in all of the County's benefit programs and the DA's office is covered through the County's risk management arrangements. Accordingly, the DA is considered to be closely related to or financially integrated with the County and is therefore reported as a discretely presented component unit of the County. The DA does not issue separate financial statements, so the fund level statements for the District Attorney are presented in the County's report.

***1-B. Basis of Presentation***

The County's basic financial statements consist of government-wide statements, including a statement of net position 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 position 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. Activities reported in fiduciary funds are excluded from the government-wide financial statements.

The statement of net position 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*.

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2013**

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** - 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 comprised of assets, liabilities, deferred inflows, fund balance, revenues and expenditures. 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 financial statements are provided for governmental and proprietary funds.

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. Primary sources of revenue for this fund are property taxes, sales taxes, intergovernmental assistance and charges for services. 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. Primary sources of revenue for this fund are property taxes, shared intergovernmental revenues such as highway use taxes, and capital grants. 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. Primary sources of revenue for this fund are property taxes and revenues from the state and federal government for public welfare and child care and protection programs.

**Capital Improvement Fund** – Pursuant to a 1984 ballot measure that dedicates a portion of sales tax to capital improvement projects, the County established this fund in 1985. 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:

**Non-major Governmental Funds** – In addition to the major funds listed above, the County also has three non-major special revenue funds, the **Joint Sales Tax Fund**, **Durango Hills Road Improvement District**, and **Tribal Impact Mitigation Fund**.

**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 position. 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 a general fund that accounts for all financial resources of the District Attorney's office except for those required to be accounted for in the special revenue fund for Federal Victim's compensation programs.

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

***1-C. Measurement Focus and 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, with an economic resources measurement focus concentrating on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time an obligation (liability) is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants are recognized as revenue when all of the eligibility requirements imposed by the grantor have been met.

At the fund reporting level, the governmental funds use the modified accrual basis of accounting with a current financial resources measurement focus. The measurement focus concentrates on the availability of funds for spending in the near future. Only transactions and events affecting current financial resources during the period are reported. Revenues are recognized when they become both measureable and available. The County considers revenues other than grants to be measureable and available if collected within 90 days after year-end. Grants are considered measureable and available if they are collected within six months after year-end and all eligibility requirements have been met. Expenditures are recorded when the related liability is incurred, with the exception of principal and interest on long-term debt and compensated absences, which are reported in governmental funds only when they have matured.

Revenues susceptible to accrual under the modified accrual basis include property and sales taxes, certain intergovernmental revenues and grants. All other revenues are considered measureable and available only when cash is received. For governmental funds, property tax is reported as both receivable and deferred inflow of resource in the year it is levied, since an enforceable legal lien on the property exists at this time.

The agency fund reports its assets and liabilities on the accrual basis. 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 position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures. Reconciliation between modified accrual basis and full accrual basis is provided in the fund financial statements.

***1-D. Assets, Liabilities and Fund Equity***

***1-D-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 position 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, intergovernmental agreements, official board action or management recommendation.

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

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. 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 Commission. The pools operate like a mutual fund with each share valued at \$1. The State Securities Commission administers and enforces all State statutes governing the investment pools.

***1-D-2 Receivables***

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

***1-D-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 position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

***1-D-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 expenditures in the governmental fund types when consumed.

***1-D-5 Restricted Assets***

These assets primarily consist of cash being held in trust by the Department of Social Services for individuals totaling \$91,545 and La Plata County jail inmate commissary funds of \$19,857.

***1-D-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 position 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.

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

In 2007, the County hired an independent third party 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, cattle guards, culverts, drainage and irrigation ditches, guardrails, retaining walls, roads and road signs, using County supplied inventories and by back trending 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:

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.

The County is currently undertaking a project to identify and report certain intangible assets such as water rights, mineral rights and certain easements not associated with infrastructure and roads. As these intangibles are identified, they will be reported as capital assets. Because the historical cost of these assets is generally minimal, these assets would not materially change the amount of capital assets currently reported. The County purchases most computer software from outside vendors and does not retain the rights to the software and therefore does not capitalize the costs of the purchased software. The County generally does not develop computer software internally.

***1-D-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 if they have matured.

***Proprietary Funds*** – Accumulated vested sick pay and vacation pay at December 31, 2013, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

***1-D-8 Other Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. 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-D-9 Fund Equity and Fund Balances***

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.” Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. In the fund financial statements, the following classifications describe the relative strength of the spending constraints.

- Non-spendable fund balance – the portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- Restricted fund balance – the portion of fund balance constrained to being used for a specific purpose (such as grantors or bondholders), constitutional provisions or enabling legislation.
- Committed fund balance – the portion of fund balance constrained for specific purposes determined by the Board of County Commissioners and modifications to these balances must be approved by a majority vote of the Board by passage of a resolution. Commitments are created through adoption and subsequent amendment of the budget.
- Assigned fund balance – the portion of fund balance set aside for planned or intended purposes determined by the Board of County Commissioners and modifications to these balances must be approved by a majority vote of the Board by passage of a resolution. Assigned fund balances in special revenues funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are intended to be used for the purpose of that particular fund.
- Unassigned fund balance – the residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

If only restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is County policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

***Net Positions*** - Net position represents the difference between assets, deferred outflows resources and liabilities and deferred inflows of resources. Net position net investment in capital assets, 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. Net position is 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 position is reported as unrestricted. It should be noted that while the “Investment in Joint Venture” is a component of unrestricted net position, 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 position is available.

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

***1-D-10 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. Nonoperating revenues and expenses are those items which are not related to the primary activity of each fund, such as investment income, grants and gains or losses on sales of capital assets.

***1-D-11 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-D-12 Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***1-D-13 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, 2012, 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.

***1-D-14 Accounting Change***

Previously Sales Tax revenue were shown as a "transferred" from the General Fund to the Road & Bridge Fund and to the Capital Improvement Fund, in 2013 (and the comparative data for 2012) the amounts have been shown as direct sales tax revenue in the Road & Bridge Fund and in the Capital Improvement Fund.

***Note 2 - Stewardship, Compliance and Accountability***

***2-A. Budgetary Information*** – The governmental fund budgets are adopted on a basis consistent with GAAP. All budgets are presented on a GAAP basis unless otherwise noted. 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.

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

Colorado State Statutes require the adoption of annual budgets for all funds, including proprietary funds. The annual budget adoption and appropriation resolutions provide that expenditures in excess of the amounts appropriated by fund are considered to be a violation of State law, and thus the highest 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 considered to be at the fund level. In further accordance with the annual budget adoption and appropriation resolutions, 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. Thus, there is a secondary legal level of control at the spending authority. The annual budget and appropriation resolutions also limit amounts reserved for personnel, operating and capital expenditures to those categories of expenditures unless otherwise approved by the Director of Finance and County Manager in accordance with County policy. All unexpended annual appropriations lapse at year end.

In accordance with state statute, the Board of County Commissioners may, by resolution, 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. They may also transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another. In the General, Road and Bridge and Capital Improvement funds, a budget contingency is appropriated from which funds can be transferred, with Board approval, for unanticipated expenditures. Several supplemental appropriations and budget contingency transfers were adopted during 2013.

***Note 3 - Detailed Notes on All Funds***

***3-A. Deposits and Investments***

***Deposits*** – The County’s investment policy is to purchase securities and hold them to maturity. In making investment decisions, the County Treasurer considers the legality, security and yield of the investment. Investment income includes appreciation or depreciation in the fair value of all investments. Changes in the fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the County intends to hold to maturity.

As part of the Dodd-Frank Act, Congress permanently increased FDIC insurance from \$100,000 to \$250,000 per depositor. Additionally, the Colorado Public Deposit Protection Act (CPDPA) requires that all units of local government deposit cash in eligible public depositories. Colorado statutes require that any public depository which

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2013*

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

At year-end, the carrying amount of the County's deposits was \$3,610,427 and the bank balance was \$4,525,363. Of the bank balance, \$686,220 was covered by federal depository insurance and \$3,839,143 was uninsured but collateralized with securities held by a third party in the name of the CPDPA.

The carrying amount of deposits for the Office of the District Attorney of the Sixth Judicial District, a discretely presented component unit was \$97,957 and the bank balance was \$97,957. Of the bank balance, \$97,957 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-/Aa3), Commercial Paper (rated at least A-1+/P1); 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, 2013, 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.

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2013**

As of December 31, 2013, the County's investments were as follows:

	Weighted Ave Mkt Dur (Yrs)	S&P/ Moody Rating	% of Portfolio	Fair Value/ Carrying Amount
Local government investment pool-ColoTrust Plus	-	AAA/Aaa	27.08%	\$ 21,791,540
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	15.68%	12,615,928
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	3.27%	2,633,065
Federal Home Loan Bank (FHLB)	2.56	AA+/Aaa	8.10%	6,515,891
Federal National Mortgage Association (FNMA)	2.95	AA+/Aaa	9.84%	7,914,778
Federal Home Loan Mortgage Corporation (FHLMC)	1.37	AA+/Aaa	11.79%	9,489,025
United States Treasury notes	2.74	AA+/Aaa	6.19%	4,982,931
Federal Farm Credit Bank (FFCB)	2.57	AA+/Aaa	7.41%	5,963,363
Commercial Paper - ING Funding	-	A-1/P-1	1.24%	999,607
Corporate - Toyota Motor Credit	1.53	AA-/Aa3	1.25%	1,006,144
Corporate - IBM Corp	1.96	AA-/Aa3	2.55%	2,052,612
Commercial Paper - Societe Generale NA	-	A-1/P-1	2.48%	1,997,594
Corporate - General Electric	1.75	AA+/Aa3	1.87%	1,507,005
Commercial Paper - Barclays US Funding	-	A-1/P-1	1.24%	998,570
		<b>Total</b>	<b>100.00%</b>	<b>\$ 80,468,053</b>

**Cash & Investment Reconciliation:**

Description	Carrying Amounts		Cash and Cash Equivalents
Cash on hand	\$ 164,288	From Statement of Net Position:	
Deposits	3,610,427	Cash & Cash Deposits	\$ 326,798
Investments	80,468,053	Equity in treasurer's cash and investments	81,483,964
		Restricted cash and investments	111,402
		Statement of Fiduciary Assets and Liabilities	2,320,604
Total	<u>\$ 84,242,768</u>	Total	<u>\$ 84,242,768</u>

**3-B. Receivables**

Receivables at December 31, 2013 include earned revenue that are not considered to be available to liquidate liabilities for the current period.

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, collectability.

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**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.

**3-D. Capital Assets**

Capital asset activity for governmental activities (including internal service funds) for the year ended December 31, 2013, was as follows:

	Balance 1/1/2013	Reclass	Additions	Deletions	Balance 12/31/2013
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,452,945	\$ -	\$ -	\$ -	\$ 9,452,945
Construction in progress	204,009	(115,496)	302,195	-	390,708
Total capital assets not being depreciated	9,656,954	(115,496)	302,195	-	9,843,653
Depreciable capital assets:					
Buildings	50,002,579	-	-	-	50,002,579
Improvements	9,102,342	-	-	-	9,102,342
Machinery and equipment	16,019,135	-	1,168,306	717,243	16,470,198
Infrastructure	82,829,358	115,496	614,226	13,139	83,545,941
Total depreciable capital assets	157,953,414	115,496	1,782,532	730,382	159,121,060
Total capital assets	167,610,368	-	2,084,727	730,382	168,964,713
Accumulated depreciation:					
Buildings	10,281,388	-	1,040,605	-	11,321,993
Improvements	2,452,594	-	319,768	-	2,772,362
Machinery and equipment	8,651,731	-	1,215,366	636,887	9,230,210
Infrastructure	44,346,810	-	3,173,205	6,598	47,513,417
Total accumulated depreciation	65,732,523	-	5,748,944	643,485	70,837,982
Governmental activities capital assets	<u>\$ 101,877,845</u>	<u>\$ -</u>	<u>\$ (3,664,217)</u>	<u>\$ 86,897</u>	<u>\$ 98,126,731</u>

Governmental activities depreciation expense:	Total
General government	\$ 642,810
Public safety	776,249
Auxiliary services	373,051
Public works	3,916,789
Health and welfare	40,045
Total governmental activities depreciation expense	<u>\$ 5,748,944</u>

**LaPlata County, Colorado**  
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The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2013:

	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
Depreciable capital assets:				
Improvements	\$ 23,334	\$ -	\$ -	\$ 23,334
Machinery and equipment	175,236	-	(33,098)	142,138
Less accumulated depreciation	(155,187)	(7,467)	18,088	(144,566)
Component unit capital assets, net	<u>\$ 43,383</u>	<u>\$ (7,467)</u>	<u>\$ (15,010)</u>	<u>\$ 20,906</u>

**3-E. Interfund Transfers**

Interfund 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.

Interfund transfers for the year ended December 31, 2013, consisted of the following:

	Transfers from:		
	General fund	Non-major governmental fund	Total
Transfers to:			
General fund	\$ -	\$ 320,942	\$ 320,942
Non-major governmental funds	25,000	-	25,000
Total	<u>\$ 25,000</u>	<u>\$ 320,942</u>	<u>\$ 345,942</u>

**3-F. Current Liabilities**

**DIA Defaults.** As part of the County's land use development regulations, developers are required to provide financial security for the cost of installing necessary infrastructure and improvements for their development projects. Once the improvements have been completed and inspected, the financial security is released. In 2009, several large private development projects did not complete the required infrastructure and improvements and the County declared the developer in default and collected \$114,598 in performance guarantee funds plus interest. In September 2013 the Board of County Commissioners entered into an agreement to facilitate the completion and repair the DIA Improvements within the Planned Development. The County agreed to release the \$114,598 within 30 days after the County is provided certification that at least 50% of the DIA Improvements are completed. The improvements were started in 2013 and are expected to be completed in 2014.

**LaPlata County, Colorado**  
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**3-G. 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, 2013:

Governmental Activities:	Outstanding 1/1/2013	Additions	Reductions	Outstanding 12/31/2013	Amounts Due In One Year
Compensated absences	\$ 1,404,325	\$ 2,229,875	\$ 2,004,872	\$ 1,629,328	\$ 350,520
Pollution remediation obligation	2,839,725		30,248	2,809,477	715,000
Landfill closure and postclosure care costs	754,000	-	171,424	582,576	195,241
Total Governmental Activities	<u>\$ 4,998,050</u>	<u>\$ 2,229,875</u>	<u>\$ 2,206,544</u>	<u>\$ 5,021,381</u>	<u>\$ 1,260,761</u>
Component Unit:					
Compensated absences	<u>\$ 80,696</u>	<u>\$ 91,368</u>	<u>\$ 91,798</u>	<u>\$ 80,266</u>	<u>\$ 20,067</u>

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, typically the General Fund, Road & Bridge Fund and the Department of Human Services Fund. The County has received a federal court order which will assist in recovering some of the costs associated with the pollution remediation from a third party (see Note 3-J below); any costs not paid for by a third party will be paid for by general revenues. The landfill closure and postclosure care liability will be paid for by general revenues.

**3-H. 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 and District Attorney staff. All outstanding COPs were early redeemed on June 1, 2012 and the OMPO ownership transferred from the La Plata County Finance Authority to the Board of County Commissioners on June 1, 2012. Interest rates on the Certificates of Participation (COPs) range from 2.00% to 3.750%. Funding was provided for by base rentals paid by the County to the Authority.

**3-I. Compensated Absences**

County employees accumulate four hours of sick leave per pay period and eight to eleven hours of annual leave (which includes holiday pay) per pay period, depending on length of service. In the event of retirement or termination, an employee is paid 100% of accumulated annual leave. Upon retirement only, an employee is paid 25% of accumulated sick leave. Annual leave may be carried over from one year to the next, although it may not exceed the annual leave cap amount, which varies from 200 hours to 320 hours, depending upon the number of years of service. County policy allows individuals to receive cash compensation in lieu of leave in some cases. For purposes of reporting compensated absences payable, only accrued annual leave and associated payroll costs have been accrued.

For the governmental activities, compensated absences are general liquidated by the General, Road and Bridge, Human Services fund.

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***3-J. Pollution Investigation and Remediation***

The County owns property (the County jail site) that has been environmentally contaminated with chlorinated solvents by prior owners who are responsible, pursuant to a federal court order, for 75% of the costs for remediating any environmental issues in accordance with State and Federal laws. A consultant hired by the County has conducted a remedial investigation/feasibility study (RI/FS) at the site and has identified several alternate remedial/corrective action plans to address environmental contamination of the jail site, ranging from in-situ chemical oxidation of soils exceeding acceptable levels to complete removal of all contaminated soils. The consultant estimates that the cost for implementation of remedial/corrective actions is likely to have a present value of \$3,240,000, but could be as low as \$2,014,000 or as high as \$6,180,000, depending upon the option selected and the long-term monitoring costs associated with the selected option. In August 2013, the County announced the availability of the final Record of Decision (ROD), which describes the remedy selected for site. It is estimated that the County will incur approximately \$15,000 in legal services in 2014 associated with the remediation effort, and approximately \$700,000 in cleanup activities in 2014, 75% of which should be reimbursed to the County at some point in the future pursuant to the federal court order.

In 2008, the County filed a lawsuit (US District Court, District of Colorado, civil action #08-cv-00855-LTB-KMT) against Brown Retail Group, Inc. et al., the former owner of the property, seeking reimbursement of the cost of pre-cleanup investigation, cleanup at the jail site, long-term environmental monitoring and associated legal fees. The County's lawsuit was tried in October of 2010 and the court issued a decision in March of 2011. The court ordered that Brown Retail Group, Inc. is responsible for 75% of certain investigative and clean-up/remediation costs incurred to date and expected to be incurred by the County in the future. The County will be responsible for the remaining costs. The judge's ruling requires Brown Retail Group to reimburse La Plata County for past recoverable response costs in the amount of \$521,090, plus interest in the amount of \$32,746.95 and \$75,805 in trial costs, for a recovery of prior costs of \$629,642.

The Court's March 2011 order established a "starting point" for remediation, which is estimated by the County's consultant to have a net present value of \$830,000. A plan for remediation that meets the Court's starting point has been developed and approved by the Colorado Department of Public Health and Environment (CDPHE). Because the County, the County's consultant and the CDPHE do not believe the Court's ordered initial plan will successfully remediate the contamination to meet applicable environmental standards, the County has recorded a liability for pollution remediation obligation in the government wide statements for legal services in the amount of \$15,000, and remedial/corrective actions in the amount of \$3,240,000, for a total of \$3,255,000. By Court order, Brown Group advanced La Plata County \$445,523 in future cleanup costs in April 2012 and this portion of the liability is being held in deposits to cover future recovery costs.

The estimated total current cost of cleanup/remediation activities of \$3,255,000 includes \$2,809,477 reported as pollution remediation obligation liability and \$445,523 report as deposits held for pollution remediation obligation, is based on the amount that would be paid if all of the equipment, facilities, and services required to complete the known pollution investigation and remedial/corrective actions were acquired as of December 31, 2013. However, the actual cost may be higher or lower due to inflation, changes in technology, or changes in laws and regulations, and if further studies establish that the scope of the required 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 Court's order provides that the County may return to the Court for additional recovery of future costs from Brown Group if the initial "starting point" plan does not bring the site into compliance with environmental standards.

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

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***Note 3-K. 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 after the date the landfills no longer accept waste. The estimated liability for landfill closure and postclosure care costs has a balance of \$582,576 as of December 31, 2013, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 4,722	100%	\$ 4,722
Marvel	21,444	100%	21,444
Durango	146,000	100%	146,000
Bayfield	410,410	100%	410,410
Totals	\$ 582,576		\$ 582,576

The estimated total current cost of the landfill closure and post closure care of \$582,576 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, 2013. 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, and Durango landfills were all closed prior to January 11, 1992, and the Bayfield landfill was closed in April 1994. The County is not currently operating, nor does it intend to operate in the future, landfills.

***3-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.

***Lease with Related Party*** - On February 20, 2009, the County entered into an operating lease with Broken Bands, LLC for rental of 1,395 square feet of office space for the County Attorney's office. Broken Bands, LLC is a privately held limited liability corporation, for which the La Plata County Attorney, an executive-level County

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employee, is a principal. In September 2010 the lease terms were renegotiated and extended through December 31, 2012. The lease ended December 31, 2012 and has operated as a month to month tenancy through December 31, 2013. The annual rent was reduced to \$33,480 during 2013. The County is responsible for taxes, maintenance, utilities, and common area maintenance charges. The amount paid for the lease during 2013 totaled \$41,574.

On February 1, 2008, the County entered into an operating lease with Durango Threadworks, Inc. for rental of 3,192 square feet for the County Clerk's office space. Durango Threadworks, Inc. is a Colorado Corporation, for which a La Plata Commissioner's father is the President. The initial lease extended through January 31, 2014 and provided for optional renewals after the initial term. In December 2009 the lease terms were renegotiated to include additional lease space and extended through December 31, 2016. The amount paid for the lease during 2013 totaled \$104,126.

***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. The Retirement Plan was adopted according to section 401(a) of the Internal Revenue Code, and is also referred to as a Defined Contribution Money Purchase Pension Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. La Plata County's contributions to the plan are defined by an agreement between CCOERA and La Plata County. Pursuant to the terms of the agreement, employees are required to participate from date of hire 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 five 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 available through CCOERA at [www.ccoera.org](http://www.ccoera.org).

Employees of the District Attorney's office are also enrolled in CCOERA, with the exception of the District Attorney himself, who is a participant in the State's Public Employee's Retirement Association (PERA). The amount of the District Attorney's office contribution to PERA for covered salary was \$21,470 and \$10,400 was contributed by the District Attorney via payroll deduction.

The total payroll for the County and the District Attorney in calendar year 2013 was \$21,912,909. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$20,522,236. Both the employer and the covered employees made the required contributions, amounting to \$1,298,980 from the employer and \$1,298,980 from employees, or \$2,597,960 total.

***3- N. Fund Balances***

The specific purposes for each fund balance classification on the governmental funds balance sheet are:

**Nonspendable fund balance:**

Inventory – represents the amount of supplies and materials inventories held for future use.

Long term receivables and deposits – represents the amount of receivables and deposits not likely to be converted to a spendable form in the subsequent accounting period.

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**Restricted fund balance:**

Economic stabilization – as noted in Note 7, below, the County is required by State law to maintain a reserve level equal to approximately 3% of non-federal revenues. The reserves are available only for named emergency situations and per the requirement of the constitutional provision, must be immediately replenished.

Law enforcement – the La Plata County Sheriff's Office and the Office of the District Attorney receive funds pursuant to criminal forfeiture laws. These funds may only be used for specific law enforcement purposes.

Conservation trust fund program expenditures – the County receives funding from the Colorado lottery programs which is restricted to use for outdoor recreation construction and expenditures.

Pollution investigation and remediation – as noted in Note 3-J, above, by Court order, Brown Group advanced La Plata county \$445,523 in April 2012. These funds may only be used in future cleanup costs.

Road construction/maintenance – Colorado counties are required by State law, C.R.S. 43-2-202(1) to maintain a Road and Bridge Fund. All funds held in the Road and Bridge Fund, not otherwise restricted, and are restricted only for construction and maintenance of roads and streets within the County boundaries. Funds received for the Durango Hills local improvement district are also restricted for the maintenance of public streets.

Capital improvements impact fees – Developer contributions received for improvements to county roads are restricted to uses outlined in Colorado statutes and the specific language of the agreements.

Joint La Plata County/City of Durango – Pursuant to the terms of the voter approval for the County's sales tax, 11% of gross sales tax collections must be accounted for separately and used exclusively for projects of mutual benefit and agreement of the County and the City of Durango.

Public assistance and welfare – Colorado counties are required by State law, C.R.S. 26-1-123, to maintain a Social Services fund. All funds held in the Social Services Fund, not otherwise restricted, are determined to be restricted for only public assistance and welfare and related programs.

Child Welfare – Certain revenues received by the Department of Human Services are restricted to expenditures related to child welfare programs and activities.

General capital improvements – Pursuant to the terms of the voter approval for the County's sales tax and Resolution 1984-142, the first \$1.5 million of sales taxes are transferred annually to the capital improvement fund and are limited to capital improvements.

Tribal mitigation impact – Pursuant to C.R.S. §24-61-202 La Plata county shall establish a fund to be known as the tribal property impact mitigation fund to which all moneys contributed, transferred, appropriated, or otherwise made available for mitigating the impacts of acquisitions of property by the Southern Ute Indian tribe on local governments shall be deposited. Moneys will be distributed to taxing authorities within La Plata County upon affirmative vote of a majority of the members of the three-member board

**Assigned fund balance:**

Next year's budget deficit – as part of the 2014 budget adoption process, the 2014 general fund revenues and transfers in were estimated at \$31,308,834 and expenditures and transfers out were estimated at \$34,058,836, demonstrating a projected deficit of \$2,750,002. Therefore, it is necessary to set aside this amount to cover the subsequent year budget deficit.

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**Prior Period Adjustments:** the government-wide and fund financial

Governmental Funds Fund Balance increased by \$4,558,689 in 2013. This increase includes two prior period adjustments totaling \$1,296,104 to report full accrual for sales tax revenue. The General Fund and the Joint Sales Tax Fund previously reported sales tax revenue in the month collected instead of the month earned, this resulted in accruing back one month of revenue instead of the two months on a full accrual basis. The General Fund prior period increases Fund Balance \$1,104,582 and the Joint Sales Tax Fund increased \$191,522. The Government-Wide statements' change in net position increased \$1,591,526. The increase includes the two prior period adjustments totaling \$1,296,104 as reported above.

	<b>General Fund</b>	<b>Joint Sales Tax Fund</b>	<b>Government Wide</b>
Fund Balances Beginning of Year	\$52,874,378	\$ 340,200	\$ 191,938,491
Prior Period Adjustment	1,104,582	191,522	1,296,104
Fund Balance Beginning of Year (Restated)	<u>\$53,978,960</u>	<u>\$ 531,722</u>	<u>\$ 193,234,595</u>

**Minimum Fund Balance Requirements:**

The County has a policy which establishes a minimum level of fund balance reserves to provide for emergency situations, maintain the ability to withstand negative changes in local and regional economic conditions, and maintain the highest possible credit rating. Because the policy provides for a range of levels based upon factors such as budgeted expenditures, it does not meet the threshold of a restriction, commitment or assignment.

The amounts defined for the Road and Bridge fund and Social Services fund are established as 25% of annual payroll. The amount in the General Fund is established as 10% of the "annual general fund appropriation as a cash-flow reserve to ensure that obligations can be met as they become due" and a "second 10% to 15% is defined as a county cyclical reserve, available to either maintain current service levels or to provide a temporary cushion when expenditure adjustments are necessary due to shortages in projected revenue." The policy requires that the County Road and Bridge fund and the Human Services fund maintain a reserve equivalent to 25% of the annual fund payroll. The policy provides that significant declines in assessed valuation and significant decreases in projected sales tax revenues may necessitate the utilization of the general fund reserve.

The calculated amount of the minimum fund reserves at 12/31/2013 are:

	<b>Base</b>	<b>Reserve Amount</b>
General fund - cash flow reserve at 10% of annual appropriation	\$ 34,058,837	\$ 3,405,884
General fund - cyclical reserve at 10% of annual appropriation	34,058,837	3,405,884
General fund - minimum reserve		<b>6,811,768</b>
General fund - cyclical reserve at 15% of annual appropriation	34,058,837	5,108,826
General fund - maximum reserve		<b>8,514,709</b>
 Road and Bridge fund - at 25% of annual payroll	 3,342,552	 <b>835,638</b>
 Human Services - at 25% of annual payroll	 4,290,975	 <b>1,072,744</b>

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**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. The claims are funded through payroll withholdings from employees and County matching funds. The County contracts with Anthem/Blue Cross and Delta Dental for third-party administration services for medical and dental plans, respectively. Medical claims exceeding \$65,000 per covered individual or 120% of the annual contributions for the group are covered by stop loss coverage provided through Anthem. 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. 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 \$337,635, reported in the employee medical self insurance fund represents the amount due to the County's third party administrators at December 31, 2013 for the 2013 claims year and an estimate for incurred but not reported claims.

Changes in the funds claims liability amount in calendar 2013 and 2012 were:

	<u>2013</u>	<u>2012</u>
Liability at January 1	\$ 651,610	\$ 365,785
Add: Current year claims & changes in estimates	3,071,605	3,723,367
Less: Claim Payments	<u>(3,385,580)</u>	<u>(3,437,542)</u>
Balance at December 31	<u>\$ 337,635</u>	<u>\$ 651,610</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. In 1986 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. Any refunds of excess contributions are used to reduce the current year contribution. 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 or at [www.ctsi.org](http://www.ctsi.org). The County's discretely presented and blended component units are included within the County's coverage through CWCP and CAPP.

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

There were no material reductions in insurance coverages provided to La Plata County, nor were there any settlements on behalf of La Plata County in excess of insurance coverage for the last three fiscal years.

***Note 5 - Contingent Liabilities***

***Grant Programs*** - The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. The primary programs include Community Development Block Grants, Colorado Department of Human Services programs, 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 1996 was conducted for the calendar year 2013, 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.

***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 #5967	12/27/2007--12/31/2013	\$500,000	\$650,000	CR 141 Bridge/Intersection Improvements
EIAF #6629	08/05/2009--03/31/14	195,000	65,000	Planning--Courthouse Facilities
EIAF #6819	12/27/2007--12/31/2014	600,000	1,200,000	Oxford Intersection Improvements
EIAF #7122	7/23/13--11/30/14	350,000	1,100,000	CR 141 Full Depth Reclamation
LGGF #12-761	1/1/2013--12/31/2013	68,436	1,832,564	6th Judicial District Attorney
LGGF #12-760	1/1/2013--12/31/2013	320,000	420,072	Sheriff Safety
Totals		<u>\$2,033,436</u>	<u>\$5,267,636</u>	

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

***Humane Society Operations*** – In 1993 the County and the La Plata County Humane Society entered into an agreement in which the Humane Society provides animal control in the County and the County contributes toward the costs of services provided. The agreement provides for ongoing renewals and requires a year advance notice to cancel. For 2013, the amount of funding provided pursuant to the agreement was \$170,156.

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

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2013***

***Commitment to Lease Space*** – The County is currently in negotiations with the federal General Services Administration (GSA) for the remodel and lease of a portion of the Courthouse to the GSA for use of the United States District Court, US Marshal's Office, US Probation Office and the US Attorney's Office. The County believes that locating the federal court offices in the County Courthouse will increase access to the federal courts for local citizens. Under the original concept, it had been estimated that the remodel of the Courthouse would cost about \$2 million, with approximately \$1.17 to be directly reimbursed by the GSA over a 10-year period. The remaining costs would be considered landlord costs and would be paid for by the County out of general revenues.

Since the original cost estimates were established, there has been a change in concept that would potentially eliminate the US Attorney's Office from the lease arrangement in order for the County to accommodate needs of the Sixth Judicial District of the State of Colorado. (Under Colorado law, counties are required to provide space for state court offices.) Consequently, the County will be preparing new architectural designs in 2014, and new cost estimates will be obtained. Subsequently, a new proposal will be provided to the GSA for their consideration. It is anticipated that the revised cost estimates will be determined and the revised proposal to the GSA will be made before December 31, 2014. However, given that the County will be remodeling the entire first floor of the Courthouse to meet both federal court lease requirements and State court needs, it is anticipated that the total project cost would still be at least \$2 million. The cost to be reimbursed by the GSA and the remaining landlord costs remain to be determined once the new plans are designed and cost estimates obtained.

The offices of the County Commissioners, County Assessor, Administration and Finance Departments will be moved into alternate space. The proposed timeline for the project is as follows: relocation of County offices in early 2015, remodel of the Courthouse in 2015 and occupancy by the GSA tenants by the latter part of 2015 or early 2016, all depending on construction schedules.

***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 \$18,047,838 at December 31, 2013. 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, 2013, 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 increases, 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.

## **SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

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

**La Plata County, Colorado**  
**General Fund**  
**Comparative Balance Sheet**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash and cash deposits	\$ 325,598	\$ 233,572
Equity in treasurer's cash and investments	56,125,125	52,874,222
Restricted cash and investments	19,857	77,881
Receivables:		
Accounts	270,300	205,691
Property taxes	13,652,306	16,522,750
Deposits	2,000	2,000
Intergovernmental	3,825,099	1,280,029
Component unit	-	300,000
Interfund	-	80,402
Prepaid expenditures	23,761	-
Inventory	1,877	1,429
<b>Total Assets</b>	<b>74,245,923</b>	<b>71,577,976</b>
<b>Liabilities</b>		
Accounts payable	1,274,214	741,877
Accrued salaries and benefits	766,653	644,328
Intergovernmental payable	238,750	146,219
Deposits payable	575,053	570,543
Liabilities payable from restricted assets	19,857	77,881
<b>Total Liabilities</b>	<b>2,874,527</b>	<b>2,180,848</b>
<b>Deferred Inflows of Resources</b>		
Property taxes	13,652,306	16,522,750
<b>Total Deferred Inflows of Resources</b>	<b>13,652,306</b>	<b>16,522,750</b>
<b>Fund Balances</b>		
Nonspendable:		
Inventory	1,877	1,429
Deposits and prepaid	25,761	302,000
Restricted for:		
Economic stabilization (TABOR)	1,519,735	1,504,732
Law enforcement	318,348	226,272
Conservation trust fund program expenditures	2,354,084	2,021,422
Pollution investigation and remediation	445,523	-
Next year's budget deficit	2,750,002	597,676
Unassigned	50,303,760	48,220,847
<b>Total Fund Balances</b>	<b>\$ 57,719,090</b>	<b>\$ 52,874,378</b>

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2013**  
*(With Comparative Actual Amounts for Year Ended December 31, 2012)*

	2013			Variance with Final Budget	2012 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
<b>Taxes:</b>					
General property & delinquent taxes	\$ 16,557,750	\$16,557,750	\$ 16,847,820	\$ 290,070	\$ 17,733,514
Specific ownership	1,100,000	1,100,000	1,391,847	291,847	1,294,971
Sales tax (net)	11,325,825	11,325,825	7,230,069	(4,095,756)	6,817,490
Cable franchise fees	100,000	100,000	111,441	11,441	109,943
Lodger's tax	200,000	200,000	204,852	4,852	226,754
<b>Total Taxes</b>	<b>29,283,575</b>	<b>29,283,575</b>	<b>25,786,029</b>	<b>(3,497,546)</b>	<b>26,182,672</b>
<b>Intergovernmental Revenue:</b>					
Federal Revenue:					
Senior Services-Older American Act	148,113	157,713	166,375	8,662	133,802
Senior Services-NSIP	28,069	28,769	40,327	11,558	25,474
CSB Grant-for Sr. Svcs	5,000	5,000	-	(5,000)	5,000
Payment In Lieu of Taxes	550,000	550,000	607,959	57,959	550,567
HIDTA grant	379,610	379,610	351,398	(28,212)	310,074
Bulletproof vest grant	6,000	6,000	6,586	586	-
State Criminal Alien Assistance	15,000	15,000	11,120	(3,880)	14,949
Forest Service joint project	76,050	76,050	64,433	(11,617)	51,652
EPA Climate Showcase Grant	180,000	180,000	147,553	(32,447)	209,485
Other Miscellaneous Federal Grants	2,500	2,500	-	(2,500)	4,688
Office of Emergency Management	60,000	60,000	88,137	28,137	63,300
Community Development Block Grant	200,000	200,000	312,359	112,359	478,933
Southern Ute Payment in Lieu of Taxes	500,000	500,000	615,494	115,494	661,580
State Revenues:					
Lottery Funds	300,000	300,000	327,842	27,842	301,481
Senior Services-State Funding	97,967	97,967	144,102	46,135	108,950
Cigarette taxes	30,000	30,000	26,863	(3,137)	30,597
Search and rescue monies	7,500	7,500	-	(7,500)	7,447
Mineral severance tax	750,000	750,000	830,665	80,665	1,070,363
Mineral leasing	400,000	400,000	342,872	(57,128)	453,803
DOW Impact assistance (net)	-	-	1,008	1,008	942
Limited Gaming grants	320,000	320,000	320,000	-	251,000
Energy Impact Assistance grants	60,000	60,000	67,046	7,046	290,901
Jail Behavior Health Contract	96,000	126,172	102,437	(23,735)	82,778
Veteran's Services	1,200	1,200	1,800	600	3,200
CDPHE Air Quality Monitoring	5,000	5,000	3,173	(1,827)	6,590
Predator Control Reimbursement	2,000	2,000	1,734	(266)	2,292
Local Government Revenue:					
Other local government revenue	-	25,000	25,000	-	-
<b>Total Intergovernmental Revenue</b>	<b>4,220,009</b>	<b>4,285,481</b>	<b>4,606,283</b>	<b>320,802</b>	<b>5,119,848</b>
<b>Licenses and Permits:</b>					
Liquor licenses	6,000	6,000	6,443	443	7,468
Medical Marijuana licenses	24,000	24,000	12,000	(12,000)	3,000
Building permits	460,000	460,000	505,845	45,845	427,303
<b>Total Licenses and Permits</b>	<b>490,000</b>	<b>490,000</b>	<b>524,288</b>	<b>34,288</b>	<b>437,771</b>
<b>Charges for Services:</b>					
Treasurer's fees	702,500	702,500	749,286	46,786	781,562
Clerk and recorder's fees	915,000	915,000	1,175,356	260,356	1,171,594
Public trustee's fees	100,000	100,000	79,712	(20,288)	89,456
Planning fees	35,000	70 35,000	30,058	(4,942)	31,756

Oil and gas fees	50,000	50,000	31,800	(18,200)	61,450
Assessor's fees	10,300	10,300	28,351	18,051	36,183
Sheriff's fees	98,200	98,200	99,395	1,195	110,783
Law enforcement assistance fund	-	-	5,884	5,884	5,977
Other security services	35,000	35,000	33,378	(1,622)	44,882
Jail room & board	250,000	250,000	368,142	118,142	297,481
Jail bond fees	10,000	10,000	9,054	(946)	10,570
Drug Offender's Fees	7,000	7,000	12,779	5,779	7,464
Booking fees	36,000	36,000	41,554	5,554	38,914
Prisoner transportation	12,000	12,000	27,090	15,090	30,170
Hazardous waste fees and cost share	37,500	37,500	-	(37,500)	26,237
Vehicle inspection fees	35,000	35,000	42,190	7,190	39,830
Useful public service program	-	-	17,418	17,418	46,398
Alternatives to incarceration	177,000	177,000	139,457	(37,543)	196,859
Senior meal donations-Durango	80,000	82,500	79,254	(3,246)	81,436
Senior meal donations-Bayfield	15,375	15,875	12,792	(3,083)	14,866
Senior home chore	8,000	8,300	10,478	2,178	9,018
Senior transportation income	14,790	14,790	16,902	2,112	19,692
Senior center activities	11,000	11,000	8,738	(2,262)	11,050
Senior center rentals	4,000	4,000	4,060	60	3,207
Senior services-other	22,200	24,200	1,800	(22,400)	2,000
Surveyor's fees	10,000	10,000	9,580	(420)	10,135
Indirect cost allocation reimbursement	80,000	80,000	128,445	48,445	115,507
GIS Services reimbursements	3,500	3,500	2,171	(1,329)	2,908
Election Reimbursements	25,000	25,000	78,085	53,085	51,977
Inmate medical/phone reimbursements	78,000	78,000	79,709	1,709	100,903
Animal control fines	1,000	1,000	1,883	883	966
Maps/code book sales & sign fees	2,000	2,000	56	(1,944)	50
<b>Total Charges for Services</b>	<b>2,865,365</b>	<b>2,870,665</b>	<b>3,324,857</b>	<b>454,192</b>	<b>3,451,281</b>
<b>Investment earnings</b>	<b>400,000</b>	<b>400,000</b>	<b>42,138</b>	<b>(357,862)</b>	<b>346,865</b>
<b>Miscellaneous Revenue:</b>					
Building rentals	148,131	148,131	156,298	8,167	125,025
Fairgrounds rentals	62,500	62,500	69,028	6,528	71,833
Forfeitures	5,000	5,000	201,732	196,732	4,400
Senior services-United Way	8,000	8,000	14,918	6,918	16,673
Prisoner commissary collections	50,000	50,000	31,025	(18,975)	50,997
Photocopies	1,000	1,000	997	(3)	525
Parking/Traffic fines	-	-	12,686	12,686	11,136
Insurance refunds	1,000	1,000	48,259	47,259	51,872
Vending machine commissions	1,000	1,000	846	(154)	940
Other miscellaneous revenues	16,500	16,500	69,855	53,355	143,778
<b>Total Miscellaneous Revenue</b>	<b>293,131</b>	<b>293,131</b>	<b>605,644</b>	<b>312,513</b>	<b>477,179</b>
<b>Total Revenue</b>	<b>37,552,080</b>	<b>37,622,852</b>	<b>34,889,239</b>	<b>(2,733,613)</b>	<b>36,015,616</b>
<b>Expenditures:</b>					
General Government					
Board of County Commissioners					
Personnel Expenditures	397,679	397,679	380,704	16,975	385,349
Operating Expenditures	80,043	80,043	72,699	7,344	58,595
	<b>477,722</b>	<b>477,722</b>	<b>453,403</b>	<b>24,319</b>	<b>443,944</b>
County Clerk and Recorder-Operations					
Personnel Expenditures	826,286	826,286	821,411	4,875	805,999
Operating Expenditures	278,075	278,075	246,876	31,199	359,889
	<b>1,104,361</b>	<b>1,104,361</b>	<b>1,068,287</b>	<b>36,074</b>	<b>1,165,888</b>
County Clerk and Recorder-Elections					
Personnel Expenditures	128,757	128,757	118,034	10,723	204,404
Operating Expenditures	114,500	114,500	112,132	2,368	161,511
	<b>243,257</b>	<b>243,257</b>	<b>230,166</b>	<b>13,091</b>	<b>365,915</b>

County Treasurer					
Personnel Expenditures	335,680	335,680	338,043	(2,363)	320,576
Operating Expenditures	139,278	139,278	127,825	11,453	124,056
	<u>474,958</u>	<u>474,958</u>	<u>465,868</u>	<u>9,090</u>	<u>444,632</u>
Public Trustee's Office					
Personnel Expenditures	15,613	15,613	16,276	(663)	15,499
Operating Expenditures	7,850	7,850	3,260	4,590	3,684
	<u>23,463</u>	<u>23,463</u>	<u>19,536</u>	<u>3,927</u>	<u>19,183</u>
County Assessor					
Personnel Expenditures	1,095,458	1,095,458	1,076,818	18,640	1,047,529
Operating Expenditures	147,211	147,211	130,152	17,059	113,235
	<u>1,242,669</u>	<u>1,242,669</u>	<u>1,206,970</u>	<u>35,699</u>	<u>1,160,764</u>
County Surveyor					
Personnel Expenditures	16,721	16,721	16,494	227	15,269
Operating Expenditures	590	590	1,040	(450)	640
	<u>17,311</u>	<u>17,311</u>	<u>17,534</u>	<u>(223)</u>	<u>15,909</u>
Administrative Offices					
Personnel Expenditures	527,958	527,958	520,069	7,889	427,157
Operating Expenditures	339,616	339,616	85,237	254,379	105,357
	<u>867,574</u>	<u>867,574</u>	<u>605,306</u>	<u>262,268</u>	<u>532,514</u>
County Attorney's Office					
Personnel Expenditures	685,213	685,213	655,904	29,309	636,057
Operating Expenditures	323,800	323,800	205,844	117,956	163,227
	<u>1,009,013</u>	<u>1,009,013</u>	<u>861,748</u>	<u>147,265</u>	<u>799,284</u>
Geographic Information Services					
Personnel Expenditures	438,328	438,328	372,893	65,435	420,517
Operating Expenditures	76,100	76,100	28,217	47,883	33,833
	<u>514,428</u>	<u>514,428</u>	<u>401,110</u>	<u>113,318</u>	<u>454,350</u>
Finance					
Personnel Expenditures	387,010	387,010	349,610	37,400	319,795
Operating Expenditures	186,800	186,800	103,361	83,439	123,361
	<u>573,810</u>	<u>573,810</u>	<u>452,971</u>	<u>120,839</u>	<u>443,156</u>
Information Services					
Personnel Expenditures	816,024	816,024	761,328	54,696	645,080
Operating Expenditures	572,758	572,758	518,374	54,384	526,304
	<u>1,388,782</u>	<u>1,388,782</u>	<u>1,279,702</u>	<u>109,080</u>	<u>1,171,384</u>
Procurement/Warehouse					
Personnel Expenditures	169,735	169,735	157,694	12,041	221,126
Operating Expenditures	23,932	23,932	18,220	5,712	27,869
	<u>193,667</u>	<u>193,667</u>	<u>175,914</u>	<u>17,753</u>	<u>248,995</u>
Building Maintenance					
Personnel Expenditures	598,506	598,506	590,166	8,340	585,652
Operating Expenditures	620,456	620,456	344,401	276,055	283,468
	<u>1,218,962</u>	<u>1,218,962</u>	<u>934,567</u>	<u>284,395</u>	<u>869,120</u>
Building Maintenance-OMPO					
Operating Expenditures	53,510	53,510	54,210	(700)	51,183
	<u>53,510</u>	<u>53,510</u>	<u>54,210</u>	<u>(700)</u>	<u>51,183</u>
Human Resources					
Personnel Expenditures	431,988	431,988	393,215	38,773	266,389
Operating Expenditures	166,355	166,355	143,865	22,490	228,708
	<u>598,343</u>	<u>598,343</u>	<u>537,080</u>	<u>61,263</u>	<u>495,097</u>
Risk Management					
Personnel Expenditures	453,247	453,247	450,610	2,637	435,111
Operating Expenditures	507,649	507,649	519,600	(11,951)	435,466
	<u>960,896</u>	<u>960,896</u>	<u>970,210</u>	<u>(9,314)</u>	<u>870,577</u>
Budget Contingency/Reserves	390,835	194,955	-	194,955	-
<b>Total General Government</b>	<b><u>11,353,561</u></b>	<b><u>11,157,681</u></b>	<b><u>9,734,582</u></b>	<b><u>1,423,099</u></b>	<b><u>9,551,895</u></b>

**Public Safety**

Sheriff-Patrol					
Personnel Expenditures	2,730,195	2,730,195	2,656,105	74,090	2,592,973
Operating Expenditures	1,343,508	1,293,508	1,219,318	74,190	1,232,161
	<u>4,073,703</u>	<u>4,023,703</u>	<u>3,875,423</u>	<u>148,280</u>	<u>3,825,134</u>
Sheriff-Detentions					
Personnel Expenditures	4,095,207	4,095,207	4,143,098	(47,891)	4,058,818
Operating Expenditures	1,302,093	1,332,265	1,220,157	112,108	1,219,645
	<u>5,397,300</u>	<u>5,427,472</u>	<u>5,363,255</u>	<u>64,217</u>	<u>5,278,463</u>
Sheriff-Special Services					
Personnel Expenditures	1,679,292	1,734,027	1,667,412	66,615	1,501,592
Operating Expenditures	278,057	278,057	231,357	46,700	259,950
	<u>1,957,349</u>	<u>2,012,084</u>	<u>1,898,769</u>	<u>113,315</u>	<u>1,761,542</u>
Sheriff-Special Investigations					
Personnel Expenditures	503,201	503,201	439,032	64,169	423,081
Operating Expenditures	388,454	388,454	376,547	11,907	272,452
	<u>891,655</u>	<u>891,655</u>	<u>815,579</u>	<u>76,076</u>	<u>695,533</u>
Sheriff-Criminal Investigations					
Personnel Expenditures	889,930	889,930	930,284	(40,354)	876,050
Operating Expenditures	146,084	146,084	148,802	(2,718)	137,271
	<u>1,036,014</u>	<u>1,036,014</u>	<u>1,079,086</u>	<u>(43,072)</u>	<u>1,013,321</u>
Alternatives to Incarceration					
Personnel Expenditures	441,760	441,760	424,739	17,021	417,631
Operating Expenditures	258,603	258,603	206,454	52,149	240,161
	<u>700,363</u>	<u>700,363</u>	<u>631,193</u>	<u>69,170</u>	<u>657,792</u>
County Coroner					
Personnel Expenditures	83,533	83,533	82,754	779	94,665
Operating Expenditures	108,048	108,048	92,526	15,522	78,126
	<u>191,581</u>	<u>191,581</u>	<u>175,280</u>	<u>16,301</u>	<u>172,791</u>
Building Inspection Department					
Personnel Expenditures	498,116	498,116	497,539	577	471,018
Operating Expenditures	93,583	93,583	69,319	24,264	62,610
	<u>591,699</u>	<u>591,699</u>	<u>566,858</u>	<u>24,841</u>	<u>533,628</u>
Emergency Management Office					
Personnel Expenditures	126,317	126,317	125,971	346	120,751
Operating Expenditures	39,700	210,450	265,864	(55,414)	31,660
	<u>166,017</u>	<u>336,767</u>	<u>391,835</u>	<u>(55,068)</u>	<u>152,411</u>
Pmt to Component Unit - District Attorney	1,433,164	1,433,164	1,433,164	-	1,424,489
<b>Total Public Safety</b>	<b>16,438,845</b>	<b>16,644,502</b>	<b>16,230,442</b>	<b>414,060</b>	<b>15,515,104</b>
<b>Auxiliary Services</b>					
Fairgrounds					
Personnel Expenditures	457,458	457,458	444,869	12,589	432,459
Operating Expenditures	268,701	268,701	214,419	54,282	242,258
	<u>726,159</u>	<u>726,159</u>	<u>659,288</u>	<u>66,871</u>	<u>674,717</u>
Extension Office					
Personnel Expenditures	-	-	-	-	51,474
Operating Expenditures	84,755	84,755	85,387	(632)	33,037
	<u>84,755</u>	<u>84,755</u>	<u>85,387</u>	<u>(632)</u>	<u>84,511</u>
Weed Control					
Personnel Expenditures	120,785	120,785	116,732	4,053	110,176
Operating Expenditures	101,990	101,990	70,726	31,264	73,008
	<u>222,775</u>	<u>222,775</u>	<u>187,458</u>	<u>35,317</u>	<u>183,184</u>
Planning Department					
Personnel Expenditures	993,083	993,083	835,775	157,308	778,107
Operating Expenditures	175,000	175,000	85,679	89,321	254,305
	<u>1,168,083</u>	<u>1,168,083</u>	<u>921,454</u>	<u>246,629</u>	<u>1,032,412</u>
Senior Services					
Personnel Expenditures	505,210	515,834	506,300	9,534	484,320
Operating Expenditures	185,567	187,067	196,542	(9,475)	188,567
Capital Expenditures	8,375	8,375	-	-	10,744

	699,152	711,276	702,842	8,434	683,631
Senior Services - non Joint Sales Tax					
Personnel Expenditures	45,963	48,939	38,455	10,484	40,397
Operating Expenditures	76,751	77,251	89,643	(12,392)	66,573
	122,714	126,190	128,098	(1,908)	106,970
Veterans Services					
Personnel Expenditures	70,121	70,121	68,444	1,677	65,651
Operating Expenditures	12,350	12,350	6,411	5,939	6,206
	82,471	82,471	74,855	7,616	71,857
<b>Total Auxiliary Services</b>	<b>3,106,109</b>	<b>3,121,709</b>	<b>2,759,382</b>	<b>362,327</b>	<b>2,837,282</b>
<b>Public Works</b>					
Landfill Closure and Waste Management					
Personnel Expenditures	-	-	-	-	40,223
Operating Expenditures	489,000	489,000	110,386	378,614	162,404
	489,000	489,000	110,386	378,614	202,627
<b>Total Public Works</b>	<b>489,000</b>	<b>489,000</b>	<b>110,386</b>	<b>378,614</b>	<b>202,627</b>
<b>Community Programs</b>					
Public Service Agencies	1,224,703	1,241,736	1,234,727	7,009	1,270,515
Durango Public Library	902,015	-	-	-	847,603
Lodger's tax to DATO	200,000	200,000	226,607	(26,607)	180,000
San Juan Basin Health	540,248	540,248	540,248	-	444,272
Total Public Service Agencies	2,866,966	1,981,984	2,001,582	(19,598)	2,742,390
Payments to Other Governments					
City of Durango-joint sales tax	902,015	-	-	-	847,603
Total payments to other governments	902,015	-	-	-	847,603
Pass through of grants received					
of CDBG funds	200,000	200,000	312,359	(112,359)	478,933
of Climate Showcase grant funds	180,000	180,000	147,553	32,447	209,485
of New Energy Community	-	-	-	-	249,030
Total pass through	380,000	380,000	459,912	(79,912)	937,448
<b>Total Community Programs</b>	<b>4,148,981</b>	<b>2,361,984</b>	<b>2,461,494</b>	<b>(99,510)</b>	<b>4,527,441</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>148,765</b>	<b>(148,765)</b>	<b>-</b>
<b>Total Expenditures</b>	<b>35,536,496</b>	<b>33,774,876</b>	<b>31,445,051</b>	<b>2,329,825</b>	<b>32,634,349</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,015,584</b>	<b>3,847,976</b>	<b>3,444,188</b>	<b>(403,788)</b>	<b>3,381,267</b>
Other Financing Sources (Uses)					
Transfers in-joint sales tax fund	2,156,740	342,710	310,942	(31,768)	2,052,192
Transfers out-Road and Bridge fund	(2,770,000)	(2,770,000)	-	2,770,000	-
Transfers out-finance authority fund	-	-	-	-	(923,565)
Transfers out-capital improvement	(2,000,000)	(2,000,000)	-	2,000,000	-
Transfers out-Durango Hills Road Fund	-	(28,362)	(25,000)	3,362	-
Transfer in - landfill closure	-	10,000	10,000	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,613,260)</b>	<b>(4,445,652)</b>	<b>295,942</b>	<b>4,741,594</b>	<b>1,128,627</b>
<b>Net Change in Fund Balances</b>	<b>\$ (597,676)</b>	<b>\$ (597,676)</b>	<b>3,740,130</b>	<b>\$ 4,337,806</b>	<b>4,509,894</b>
<b>Fund Balance Beginning of Year</b>			<b>52,874,378</b>		<b>48,364,484</b>
<b>Prior Period Adjustment - See Note 3 - N</b>			<b>1,104,582</b>		<b>-</b>
<b>Fund Balances Beginning of Year (Restated)</b>			<b>53,978,960</b>		<b>48,364,484</b>
<b>Fund Balances End of Year</b>			<b>\$ 57,719,090</b>		<b>\$ 52,874,378</b>

## 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 the many federal and state public welfare programs administered by the County.

### Non-Major Special Revenue Funds:

*Joint Sales Tax Fund:* Per the terms of an intergovernmental agreement between the City of Durango and the County, the Joint Sales Tax Fund receives eleven percent of the total taxes collected pursuant to the County's 2% Sales Tax. Resources of this fund are used to provide funding for projects considered to be of mutual benefit to both entities.

*Local Improvement Districts Fund:* Taxpayers living in certain subdivisions within the County have elected to assess themselves an 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.

**La Plata County, Colorado**  
**Road and Bridge Fund**  
**Comparative Balance Sheet**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash	\$ 800	\$ 800
Equity in treasurer's cash and investments	5,430,764	6,791,523
Receivables:		
Accounts	30,891	39,908
Property taxes	1,308,116	1,583,152
Intergovernmental	587,749	442,929
Inventory	310,361	422,527
<b>Total Assets</b>	<b>7,668,681</b>	<b>9,280,839</b>
<b>Liabilities</b>		
Accounts payable	1,009,973	190,755
Accrued salaries and wages	114,590	131,462
<b>Total Liabilities</b>	<b>1,124,563</b>	<b>322,217</b>
<b>Deferred Inflows of Resources</b>		
Property taxes	1,308,116	1,583,152
<b>Total Deferred Inflows of Resources</b>	<b>1,308,116</b>	<b>1,583,152</b>
<b>Fund Balances</b>		
Nonspendable:		
Inventory	310,361	422,527
Restricted for:		
Capital improvements supported by impact fees	2,075,164	2,017,860
Forest Reserves Title III Expenditures	-	10,649
Assigned:		
Construction and maintenance of public streets	2,850,477	4,924,434
<b>Total Fund Balances</b>	<b>\$ 5,236,002</b>	<b>\$ 7,375,470</b>

**La Plata County, Colorado**  
**Road and Bridge Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2013*  
*(With Comparative Actual Amounts for Year Ended December 31, 2012)*

	<b>2013</b>				<b>2012</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Taxes	\$ 1,502,358	\$ 1,502,358	\$ 4,507,568	\$ 3,005,210	\$ 4,410,374
Intergovernmental	6,504,400	6,354,400	3,475,102	(2,879,298)	3,166,261
Licenses and permits	203,000	203,000	241,454	38,454	222,601
Miscellaneous	304,000	304,000	266,336	(37,664)	355,262
<b>Total Revenues</b>	<b>8,513,758</b>	<b>8,363,758</b>	<b>8,490,460</b>	<b>126,702</b>	<b>8,154,498</b>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Public Works</b>					
Maintenance	12,760,682	11,510,682	8,843,920	2,666,762	7,097,626
Engineering	1,113,202	1,113,202	967,415	145,787	988,832
Budget contingency	262,960	262,960	-	262,960	-
Capital Outlay	3,200,000	4,300,000	818,593	3,481,407	2,047,725
<b>Total Expenditures</b>	<b>17,336,844</b>	<b>17,186,844</b>	<b>10,629,928</b>	<b>6,556,916</b>	<b>10,134,183</b>
<b>Deficiency of Revenues (Under)</b>					
<b>Expenditures</b>	<b>(8,823,086)</b>	<b>(8,823,086)</b>	<b>(2,139,468)</b>	<b>6,683,618</b>	<b>(1,979,685)</b>
<b>Other Financing Sources</b>					
Transfers in--General Fund	2,770,000	2,770,000	-	(2,770,000)	-
<b>Total Other Financing Sources</b>	<b>2,770,000</b>	<b>2,770,000</b>	<b>-</b>	<b>(2,770,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (6,053,086)</b>	<b>\$ (6,053,086)</b>	<b>(2,139,468)</b>	<b>\$ 3,913,618</b>	<b>(1,979,685)</b>
<b>Fund Balances Beginning of Year</b>			<b>7,375,470</b>		<b>9,355,155</b>
<b>Fund Balances End of Year</b>			<b>\$ 5,236,002</b>		<b>\$ 7,375,470</b>

**La Plata County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	2,719,090	2,434,339
Restricted cash	91,545	84,413
Receivables:		
Accounts	1,016,142	998,377
Property taxes	700,118	847,321
Intergovernmental	346,859	793,858
<b>Total Assets</b>	<b>4,874,154</b>	<b>5,158,708</b>
<b>Liabilities</b>		
Accounts payable	1,319,399	192,460
Liabilities payable from restricted assets	91,545	84,413
Interfund payable	-	80,402
Intergovernmental payable	63,652	1,072,948
<b>Total Liabilities</b>	<b>1,474,596</b>	<b>1,430,223</b>
<b>Deferred Inflows of Resources</b>		
Property taxes	700,118	847,321
<b>Total Deferred Inflows of Resources</b>	<b>700,118</b>	<b>847,321</b>
<b>Fund Balances</b>		
Restricted for:		
Human Services - child welfare	1,582,177	1,611,154
Public assistance and welfare	1,117,263	1,270,010
<b>Total Fund Balances</b>	<b>\$ 2,699,440</b>	<b>\$ 2,881,164</b>

**La Plata County, Colorado**  
**Social Service Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended December 31, 2013*  
*(With Comparative Actual Amounts for Year Ended December 31, 2012)*

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 929,821	\$ 929,821	\$ 961,526	\$ 31,705	\$ 964,900
Intergovernmental	4,098,146	4,165,430	4,442,629	277,199	4,068,052
Miscellaneous	-	-	16,661	16,661	391,977
<b>Total Revenues</b>	<u>5,027,967</u>	<u>5,095,251</u>	<u>5,420,816</u>	<u>325,565</u>	<u>5,424,929</u>
<b>Expenditures</b>					
<b>Current:</b>					
Health and welfare	<u>5,776,235</u>	<u>5,843,519</u>	<u>5,602,540</u>	<u>240,979</u>	<u>5,509,934</u>
<b>Total Expenditures</b>	<u>5,776,235</u>	<u>5,843,519</u>	<u>5,602,540</u>	<u>240,979</u>	<u>5,509,934</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(748,268)</u>	<u>(748,268)</u>	<u>(181,724)</u>	<u>566,544</u>	<u>(85,005)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (748,268)</u>	<u>\$ (748,268)</u>	<u>(181,724)</u>	<u>\$ 566,544</u>	<u>(85,005)</u>
<b>Fund Balances Beginning of Year</b>			<u>2,881,164</u>		<u>2,966,169</u>
<b>Fund Balances End of Year</b>			<u>\$ 2,699,440</u>		<u>\$ 2,881,164</u>

**La Plata County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2013**

	<b>Joint Sales Tax</b>	<b>Durango Hills Road Improvement District</b>	<b>Tribal Impact Mitigation</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 280,675	\$ 177,596	\$ 799	\$ 459,070
Receivables:				
Property taxes receivable	-	73,694	-	73,694
Intergovernmental receivable	357,189	-	-	357,189
<b>Total Assets</b>	637,864	251,290	799	889,953
<b>Liabilities</b>				
Accounts payable	106,357	7,700	-	114,057
<b>Total Liabilities</b>	106,357	7,700	-	114,057
<b>Deferred Inflows of Resources</b>				
Property Taxes	-	73,694	-	73,694
<b>Total Deferred Inflows of Resources</b>	-	73,694	-	73,694
<b>Fund Balances</b>				
Assigned for:				
Joint La Plata County/City of Durango projects	531,507	-	-	531,507
Construction and maintenance of public streets	-	169,896	-	169,896
Tribal impact mitigation	-	-	799	799
<b>Total Fund Balances</b>	\$ 531,507	\$ 169,896	\$ 799	\$ 702,202

**La Plata County, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2013**

	<b>Joint Sales Tax</b>	<b>Durango Hills Road Improvement District</b>	<b>Tribal Impact Mitigation</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ 83,055	\$ 799	\$ 83,854
Sales taxes	2,080,387	-	-	2,080,387
Investment earnings	391	-	-	391
<b>Total Revenues</b>	<b>2,080,778</b>	<b>83,055</b>	<b>799</b>	<b>2,164,632</b>
<b>Expenditures</b>				
Community programs	1,760,051	-	-	1,760,051
Public works	-	95,362	-	95,362
<b>Total Expenditures</b>	<b>1,760,051</b>	<b>95,362</b>	<b>-</b>	<b>1,855,413</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>320,727</b>	<b>(12,307)</b>	<b>799</b>	<b>309,219</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	25,000	-	25,000
Transfers out	(320,942)	-	-	(320,942)
<b>Total Other Financing Sources (Uses)</b>	<b>(320,942)</b>	<b>25,000</b>	<b>-</b>	<b>(295,942)</b>
<b>Net Change in Fund Balances</b>	<b>(215)</b>	<b>12,693</b>	<b>799</b>	<b>13,277</b>
<b>Fund Balances Beginning of Year</b>	<b>340,200</b>	<b>157,203</b>	<b>-</b>	<b>497,403</b>
<b>Prior Period Adjustment - See Note 3 - N</b>	<b>191,522</b>	<b>-</b>	<b>-</b>	<b>191,522</b>
<b>Fund Balances Beginning of Year (Restated)</b>	<b>531,722</b>	<b>157,203</b>	<b>-</b>	<b>688,925</b>
<b>Fund Balances End of Year</b>	<b>\$ 531,507</b>	<b>\$ 169,896</b>	<b>\$ 799</b>	<b>\$ 702,202</b>

**La Plata County, Colorado**  
**Joint Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2013 and 2012**

	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 280,675	\$ 208,635
Intergovernmental receivable	<u>357,189</u>	<u>131,565</u>
<b>Total Assets</b>	<u>637,864</u>	<u>340,200</u>
<b>Liabilities</b>		
Accounts payable	<u>106,357</u>	<u>-</u>
<b>Total Liabilities</b>	<u>106,357</u>	<u>-</u>
<b>Fund Balances</b>		
Assigned:		
Joint La Plata County/City of Durango projects	<u>531,507</u>	<u>340,200</u>
<b>Total Fund Balances</b>	<u><u>\$ 531,507</u></u>	<u><u>\$ 340,200</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, 2013**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2012)**

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Sales taxes	\$ 1,963,500	\$ 1,963,500	\$ 2,080,387	\$ 116,887	\$ 2,008,862
Investment income	1,000	1,000	391	(609)	-
<b>Total Revenues</b>	<u>1,964,500</u>	<u>1,964,500</u>	<u>2,080,778</u>	<u>116,278</u>	<u>2,008,862</u>
<b>Expenditures</b>					
Durango Public Library	-	1,804,030	1,760,051	43,979	-
<b>Total Expenditures</b>	<u>-</u>	<u>1,804,030</u>	<u>1,760,051</u>	<u>43,979</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,964,500</u>	<u>160,470</u>	<u>320,727</u>	<u>160,257</u>	<u>2,008,862</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	(2,156,740)	(352,710)	(320,942)	31,768	(2,052,192)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,156,740)</u>	<u>(352,710)</u>	<u>(320,942)</u>	<u>31,768</u>	<u>(2,052,192)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (192,240)</u>	<u>\$ (192,240)</u>	(215)	<u>\$ 192,025</u>	(43,330)
<b>Fund Balances Beginning of Year</b>			340,200		383,530
<b>Prior Period Adjustment - See Note 3 - N</b>			<u>191,522</u>		<u>-</u>
<b>Fund Balances Beginning of Year (Restated)</b>			<u>531,722</u>		<u>383,530</u>
<b>Fund Balances End of Year</b>			<u>\$ 531,507</u>		<u>\$ 340,200</u>

**La Plata County, Colorado**  
***Durango Hills Road Improvement District***  
***Comparative Balance Sheet***  
***December 31, 2013 and 2012***

	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 177,596	\$ 157,203
Property taxes receivable	<u>73,694</u>	<u>74,995</u>
<b>Total Assets</b>	<u>251,290</u>	<u>232,198</u>
<b>Liabilities</b>		
Accounts payable	<u>7,700</u>	<u>-</u>
<b>Total Liabilities</b>	<u>7,700</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>		
Property taxes	<u>73,694</u>	<u>74,995</u>
<b>Total Deferred Inflows of Resources</b>	<u>73,694</u>	<u>74,995</u>
<b>Fund Balances</b>		
Assigned:		
Construction and maintenance of public streets	<u>169,896</u>	<u>157,203</u>
<b>Total Fund Balances</b>	<u><u>\$ 169,896</u></u>	<u><u>\$ 157,203</u></u>

**La Plata County, Colorado**  
**Durango Hills Road Improvement District**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2013**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2012)*

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 80,726	\$ 80,726	\$ 83,055	\$ 2,329	\$ 80,314
Miscellaneous	2,500	2,500	-	(2,500)	275
<b>Total Revenues</b>	<u>83,226</u>	<u>83,226</u>	<u>83,055</u>	<u>(171)</u>	<u>80,589</u>
<b>Expenditures</b>					
Public works	<u>67,000</u>	<u>95,362</u>	<u>95,362</u>	<u>-</u>	<u>50,071</u>
<b>Total Expenditures</b>	<u>67,000</u>	<u>95,362</u>	<u>95,362</u>	<u>-</u>	<u>50,071</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>16,226</u>	<u>(12,136)</u>	<u>(12,307)</u>	<u>(171)</u>	<u>30,518</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	<u>-</u>	<u>28,362</u>	<u>25,000</u>	<u>(3,362)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>28,362</u>	<u>25,000</u>	<u>(3,362)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 16,226</u>	<u>\$ 16,226</u>	<u>12,693</u>	<u>\$ (3,533)</u>	<u>30,518</u>
<b>Fund Balances Beginning of Year</b>			<u>157,203</u>		<u>126,685</u>
<b>Fund Balances End of Year</b>			<u>\$ 169,896</u>		<u>\$ 157,203</u>

**La Plata County, Colorado**  
***Tribal Impact Mitigation Fund***  
***Comparative Balance Sheet***  
***December 31, 2013 and 2012***

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 799</u>	<u>\$ -</u>
 <b>Fund Balances</b>		
Assigned	<u>\$ 799</u>	<u>\$ -</u>

**La Plata County, Colorado**  
**Tribal Impact Mitigation Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2013**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2012)*

	2013				2012 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Intergovernmental:					
Southern Ute Indian tribe payment	\$ -	\$ -	\$ 799	\$ 799	\$ -
<b>Total Revenues</b>	-	-	799	799	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	799	799	-
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	799	<u>\$ 799</u>	-
<b>Fund Balances Beginning of Year</b>			-		-
<b>Fund Balances End of Year</b>			<u>\$ 799</u>		<u>\$ -</u>

## **CAPITAL PROJECTS**

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 improvements as determined by the Board of County Commissioners.

**La Plata County, Colorado**  
**Capital Improvement Fund**  
**Comparative Balance Sheet**  
**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 7,249,455	\$ 5,391,997
Deposits receivable	<u>44,716</u>	<u>52,928</u>
<b>Total Assets</b>	<u>7,294,171</u>	<u>5,444,925</u>
<b>Liabilities</b>		
Accounts payable	42,425	23,549
Unearned revenue	<u>150,000</u>	<u>150,000</u>
<b>Total Liabilities</b>	<u>192,425</u>	<u>173,549</u>
<b>Fund Balances</b>		
Nonspendable	44,716	52,928
Assigned for capital improvements	<u>7,057,030</u>	<u>5,218,448</u>
<b>Total Fund Balance</b>	<u><u>\$ 7,101,746</u></u>	<u><u>\$ 5,271,376</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, 2013**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2012)*

	2013				2012 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Sales Tax	\$ -	\$ -	\$ 2,000,004	\$ 2,000,004	\$ 2,000,004
Intergovernmental	907,000	907,000	-	(907,000)	43,300
<b>Total Revenues</b>	<u>907,000</u>	<u>907,000</u>	<u>2,000,004</u>	<u>1,093,004</u>	<u>2,043,304</u>
<b>Expenditures</b>					
Capital improvements	-	-	95,123	(95,123)	-
Capital Outlay	3,723,000	3,723,000	74,511	3,648,489	3,191,802
<b>Total Expenditures</b>	<u>3,723,000</u>	<u>3,723,000</u>	<u>169,634</u>	<u>3,553,366</u>	<u>3,191,802</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(2,816,000)</u>	<u>(2,816,000)</u>	<u>1,830,370</u>	<u>4,646,370</u>	<u>(1,148,498)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in from General Fund	2,000,000	2,000,000	-	(2,000,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (816,000)</u>	<u>\$ (816,000)</u>	<u>1,830,370</u>	<u>\$ 2,646,370</u>	<u>(1,148,498)</u>
<b>Fund Balances Beginning of Year</b>			<u>5,271,376</u>		<u>6,419,874</u>
<b>Fund Balances End of Year</b>			<u>\$ 7,101,746</u>		<u>\$ 5,271,376</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*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balances - Budget and Actual*  
*For the Year Ended December 31, 2013*  
*(With Comparative Actual Amounts for the Year Ended December 31, 2012)*

	2013				2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Expenditures</b>					
<b>Debt Service:</b>					
Principal retirement	\$ -	\$ -	\$ -	\$ -	\$ 1,350,000
Interest and fiscal charges	-	-	-	-	24,550
<b>Total Expenditures</b>	-	-	-	-	1,374,550
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-	-	(1,374,550)
<b>Other Financing Sources</b>					
Transfers in-County General	-	-	-	-	923,565
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	(450,985)
<b>Fund Balances Beginning of Year</b>			-		450,985
<b>Fund Balances End of Year</b>			<u>\$ -</u>		<u>\$ -</u>

## **PROPRIETY 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 Position**  
**December 31, 2013**

	<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	\$ 6,877,108	\$ 2,623,352	\$ 9,500,460
Accounts receivable	1,894	-	1,894
Inventory	155,626	-	155,626
<b>Total Current Assets</b>	<b>7,034,628</b>	<b>2,623,352</b>	<b>9,657,980</b>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Depreciable capital assets, net	6,536,577	-	6,536,577
<b>Total Assets</b>	<b>13,571,205</b>	<b>2,623,352</b>	<b>16,194,557</b>
<b>Liabilities</b>			
Accrued payroll	24,218	-	24,218
Accounts payable	39,389	-	39,389
Deferred Revenues	-	338,389	338,389
Accrued claims payable	-	337,635	337,635
<b>Total Current Liabilities</b>	<b>63,607</b>	<b>676,024</b>	<b>739,631</b>
<b>Net Position</b>			
Net investment in capital assets	6,536,577	-	6,536,577
Unrestricted	6,971,021	1,947,328	8,918,349
<b>Total Net Position</b>	<b>\$ 13,507,598</b>	<b>\$ 1,947,328</b>	<b>\$ 15,454,926</b>

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Net Position**  
**For the Year Ended December 31, 2013**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 2,737,330	\$ -	\$ 2,737,330
Insurance deposits	-	3,688,044	3,688,044
Miscellaneous revenue	556	-	556
<b>Total Operating Revenues</b>	<b>2,737,886</b>	<b>3,688,044</b>	<b>6,425,930</b>
<b>Operating Expenses</b>			
Equipment maintenance	1,094,329	-	1,094,329
Depreciation	952,813	-	952,813
Medical claims	-	3,247,164	3,247,164
<b>Total Operating Expenses</b>	<b>2,047,142</b>	<b>3,247,164</b>	<b>5,294,306</b>
<b>Operating Income (Loss)</b>	<b>690,744</b>	<b>440,880</b>	<b>1,131,624</b>
<b>Non-Operating Revenues</b>			
Gain (loss) on sale of capital assets	55,983	-	55,983
Investment earnings	-	678	678
<b>Total Non-Operating Revenues (Expenses)</b>	<b>55,983</b>	<b>678</b>	<b>56,661</b>
<b>Change in Net Position</b>	<b>746,727</b>	<b>441,558</b>	<b>1,188,285</b>
<b>Net Position Beginning of Year</b>	<b>12,760,871</b>	<b>1,505,770</b>	<b>14,266,641</b>
<b>Net Position End of Year</b>	<b>\$ 13,507,598</b>	<b>\$ 1,947,328</b>	<b>\$ 15,454,926</b>

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2013**

	<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	\$ 2,744,569	\$ 3,688,044	\$ 6,432,613
Cash payments for goods and services	(1,135,069)	-	(1,135,069)
Cash payments for claims	-	(3,222,750)	(3,222,750)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>1,609,500</u>	<u>465,294</u>	<u>2,074,794</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Cash sales of capital assets	126,002	-	126,002
Payments for capital acquisitions	(1,042,857)	-	(1,042,857)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(916,855)</u>	<u>-</u>	<u>(916,855)</u>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	-	678	678
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	692,645	465,972	1,158,617
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>6,184,463</u>	<u>2,157,380</u>	<u>8,341,843</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 6,877,108</u></u>	<u><u>\$ 2,623,352</u></u>	<u><u>\$ 9,500,460</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
<b>Operating Income (Loss)</b>	\$ 690,744	\$ 440,880	\$ 1,131,624
<b>Adjustments:</b>			
Depreciation	952,813	-	952,813
<b>(Increase) Decrease in Assets:</b>			
Accounts receivable	6,683	-	6,683
Inventory	(23,412)	-	(23,412)
<b>Increase (Decrease) in Liabilities:</b>			
Accounts payable	(21,454)	-	(21,454)
Accrued incurred/unreported claims/deferred revenues	-	24,414	24,414
Accrued wages	4,126	-	4,126
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 1,609,500</u></u>	<u><u>\$ 465,294</u></u>	<u><u>\$ 2,074,794</u></u>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Net Position**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 6,877,108	\$ 6,184,463
Accounts receivable	1,894	8,577
Inventory	155,626	132,214
<b>Total Current Assets</b>	<b>7,034,628</b>	<b>6,325,254</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
Depreciable capital assets, net	6,536,577	6,516,552
<b>Total Assets</b>	<b>13,571,205</b>	<b>12,841,806</b>
<b>Liabilities</b>		
Accrued payroll	24,218	20,092
Accounts payable	39,389	60,843
<b>Total Current Liabilities</b>	<b>63,607</b>	<b>80,935</b>
<b>Net Position</b>		
Net investment in capital assets	6,536,577	6,516,552
Unrestricted	6,971,021	6,244,319
<b>Total Net Position</b>	<b>\$ 13,507,598</b>	<b>\$ 12,760,871</b>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Position**  
**For the Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Operating Revenues</b>		
Charges for services	\$ 2,737,330	\$ 2,769,157
Miscellaneous revenue	556	-
<b>Total Operating Revenues</b>	<u>2,737,886</u>	<u>\$ 2,769,157</u>
<b>Operating Expenses</b>		
Equipment maintenance	1,094,329	1,181,650
Depreciation	952,813	893,460
<b>Total Operating Expenses</b>	<u>2,047,142</u>	<u>2,075,110</u>
<b>Operating Income (Loss)</b>	<u>690,744</u>	<u>694,047</u>
<b>Non-Operating Revenues</b>		
Gain (loss) on sale of capital assets	55,983	79,020
<b>Total Non-Operating Revenues (Expenses)</b>	<u>55,983</u>	<u>79,020</u>
<b>Change in Net Position</b>	746,727	773,067
<b>Net Position Beginning of Year</b>	<u>12,760,871</u>	<u>11,987,804</u>
<b>Net Position End of Year</b>	<u><u>\$ 13,507,598</u></u>	<u><u>\$ 12,760,871</u></u>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 2,744,402	\$ 2,744,402	\$ 2,737,330	\$ (7,072)
Sales of capital assets	244,000	244,000	126,002	(117,998)
Miscellaneous	-	-	556	556
<b>Total Revenues</b>	<b>2,988,402</b>	<b>2,988,402</b>	<b>2,863,888</b>	<b>(124,514)</b>
<b>Expenditures</b>				
Equipment maintenance	1,153,468	1,153,468	1,094,329	59,139
Capital Outlay	1,323,135	1,323,135	1,042,857	280,278
<b>Total Expenditures</b>	<b>2,476,603</b>	<b>2,476,603</b>	<b>2,137,186</b>	<b>339,417</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>511,799</b>	<b>511,799</b>	<b>726,702</b>	<b>214,903</b>
<b>Net change in Fund Balances</b>	<b>\$ 511,799</b>	<b>\$ 511,799</b>	<b>726,702</b>	<b>\$ 214,903</b>
<b>Reconciliation to GAAP Net Income:</b>				
Less: Capital assets, disposed net of accumulated depreciation			(70,019)	
Add: capital contributions			-	
Add capital expenditures capitalized			1,042,857	
Less depreciation expense			(952,813)	
<b>Change in Net Position</b>			<b>\$ 746,727</b>	

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Position**  
**December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 2,623,352	\$ 2,157,380
<b>Total Current Assets</b>	<b>2,623,352</b>	<b>2,157,380</b>
 <b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued claims payable	337,635	651,610
Deferred Revenue	338,389	-
<b>Total Current Liabilities</b>	<b>676,024</b>	<b>651,610</b>
 <b>Net Position</b>		
Unrestricted	\$ 1,947,328	\$ 1,505,770

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2013 and 2012**

	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Operating Revenues</b>		
Insurance deposits	\$ 3,688,044	\$ 2,967,917
<b>Operating Expenses</b>		
Medical claims	<u>3,247,164</u>	<u>3,482,546</u>
<b>Operating Income (Loss)</b>	<u>440,880</u>	<u>(514,629)</u>
<b>Non-Operating Revenues</b>		
Investment earnings	<u>678</u>	<u>792</u>
<b>Change in Net Position</b>	441,558	(513,837)
<b>Net Position Beginning of Year</b>	<u>1,505,770</u>	<u>2,019,607</u>
<b>Net Position End of Year</b>	<u><u>\$ 1,947,328</u></u>	<u><u>\$ 1,505,770</u></u>

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Position - Budget and Actual**  
**For the Year Ended December 31, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Operating Revenues</b>				
Insurance deposits	\$ 3,741,700	\$ 3,741,700	\$ 3,688,044	\$ (53,656)
<b>Operating Expenses</b>				
Medical claims	3,647,000	3,647,000	3,247,164	399,836
<b>Operating Income (Loss)</b>	94,700	94,700	440,880	346,180
<b>Non-Operating Revenues</b>				
Investment earnings	1,500	1,500	678	(822)
<b>Change in Net Position</b>	<u>\$ 96,200</u>	<u>\$ 96,200</u>	441,558	<u>\$ 345,358</u>
<b>Net Position Beginning of Year</b>			<u>1,505,770</u>	
<b>Net Position End of Year</b>			<u>\$ 1,947,328</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, 2013*

	<b>Balance</b> <b>January 1, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b> <b>December 31, 2013</b>
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 2,851,341	\$ 43,800,710	\$ 44,331,447	\$ 2,320,604
<b>Liabilities</b>				
Accounts payable	114,487	15,157,656	15,121,538	150,605
Due to component unit	269,735	2,287,248	2,480,260	76,723
Deposits held for others	2,467,119	26,355,806	26,729,649	2,093,276
<b>Total Liabilities</b>	<u>\$ 2,851,341</u>	<u>\$ 43,800,710</u>	<u>\$ 44,331,447</u>	<u>\$ 2,320,604</u>

## **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 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, 2013**

	<b>General Fund</b>	<b>Federal Victims Compensation</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash Deposits	\$ 97,954	\$ -	\$ 97,954
Due from primary government	76,724		76,724
Intergovernmental Receivable	110,618		110,618
<b>Total Assets</b>	<b>285,296</b>	<b>-</b>	<b>285,296</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	12,799		12,799
Accrued salaries and benefits	69,593		69,593
Due to primary government	-		-
<b>Total Liabilities</b>	<b>82,392</b>	<b>-</b>	<b>82,392</b>
<b>Fund Balances</b>			
<b>Restricted for:</b>			
Law Enforcement	139,117		139,117
Economic stabilization (TABOR)	63,787	-	63,787
<b>Total Fund Balances</b>	<b>\$ 202,904</b>	<b>\$ -</b>	<b>\$ 202,904</b>
 Governmental Fund Balance			 \$ 202,904
 Amounts reported for governmental activities in the statement of net position are different because:			
 Capital assets used in governmental activities are not financial resources and therefore not reported in the funds			 20,906
 Compensated absences are not due and payable in the current period and therefore not reported in the governmental funds			 (80,266)
 Net position of governmental activities			 \$ 143,544

**Sixth Judicial District Attorney**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2013**

	<b>General Fund</b>	<b>Federal Victim Compensation</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 674,198	\$ 47,997	\$ 722,195
Intergovernmental - County	1,433,164	-	1,433,164
Miscellaneous	9,541	-	9,541
<b>Total Revenues</b>	<b>2,116,903</b>	<b>47,997</b>	<b>2,164,900</b>
<b>Expenditures</b>			
Public safety	2,103,559	48,000	2,151,559
<b>Total Expenditures</b>	<b>2,103,559</b>	<b>48,000</b>	<b>2,151,559</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>13,344</b>	<b>(3)</b>	<b>13,341</b>
<b>Net Change in Fund Balances</b>	<b>13,344</b>	<b>(3)</b>	<b>13,341</b>
<b>Fund Balances Beginning of Year</b>	<b>189,560</b>	<b>3</b>	<b>189,563</b>
<b>Fund Balances End of Year</b>	<b>\$ 202,904</b>	<b>\$ -</b>	<b>\$ 202,904</b>
Net change in fund balances			\$ 13,341
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		(7,467)	
Capital outlay		-	(7,467)
Capital assets disposed, net of accumulated depreciation			(15,010)
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 @ 12/31/13		(80,266)	
Liability @ 12/31/12		80,696	430
Change in net position at the government-wide financial reporting level			<b>\$ (8,706)</b>

**Sixth Judicial District Attorney**  
**Governmental Funds (General) with Adopted Budget**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 660,841	\$ 686,841	\$ 674,198	\$ (12,643)
Intergovernmental - County	1,433,164	1,433,164	1,433,164	-
Miscellaneous	3,750	3,750	9,541	5,791
<b>Total Revenues</b>	<b>2,097,755</b>	<b>2,123,755</b>	<b>2,116,903</b>	<b>(6,852)</b>
<b>Expenditures</b>				
Public safety	2,097,755	2,123,755	2,103,559	20,196
<b>Total Expenditures</b>	<b>2,097,755</b>	<b>2,123,755</b>	<b>2,103,559</b>	<b>20,196</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>13,344</b>	<b>13,344</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>13,344</b>	<b>\$ 13,344</b>
<b>Fund Balances Beginning of Year</b>			<b>189,560</b>	
<b>Fund Balances End of Year</b>			<b>\$ 202,904</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, 2013**

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	Total Authorizations & Expenditures By County Warrant	Total Expenditures
Colorado Works	\$ 453,933	\$ 74,794	\$ 566,787	\$ 1,020,720	\$ 641,581
Child Care	473,173	50,268	138,000	611,173	188,268
Child Welfare	694,079	139,365	1,453,899	2,147,978	1,593,265
County Administrative	-	-	854,325	854,325	854,325
Core Services	468,229	54,084	558,157	1,026,386	612,241
Child Support Administrative	-	-	567,694	567,694	567,694
LEAP	257,781	-	23,282	281,063	23,282
AND	167,263	33,453	-	167,263	33,453
Old Age Pension	381,849	210	14,346	396,195	14,556
Food Assistance Fraud	-	-	43,661	43,661	43,661
Food Assistance	6,127,575	-	-	6,127,575	-
Food Assistance Job Search	-	-	65,271	65,271	65,271
Title XX	-	-	10,531	10,531	10,531
CHAFFEE	-	-	42,445	42,445	42,445
General Assistance	-	-	16,038	16,038	16,038
Adult Protective Services	-	-	124,554	124,554	124,554
Child Welfare IV-Ewaiver	-	-	53,715	53,715	53,715
PSSF Caseworker Visitation	-	-	6,361	6,361	6,361
Title IV-B Sup Part 2 (PSSF)	40,000	-	359,248	399,248	359,248
Totals	\$ 9,063,883	\$ 352,175	\$ 4,898,312	\$ 13,962,196	\$ 5,250,488

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 2013
This Information From The Records Of: County of La Plata, Colorado	
Prepared By: Diane K. Sorensen 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**

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,684,630
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,556,238
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	0	b. Snow and ice removal	1,389,060
3. Other local imposts (from page 2)	4,672,767	c. Other	0
4. Miscellaneous local receipts (from page 2)	166,961	d. Total (a. through c.)	1,389,060
5. Transfers from toll facilities	0	4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	10,629,928
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	4,839,728	b. Redemption	0
<b>B. Private Contributions (So Ute Indian Trib)</b>	58,974	c. Total (a. + b.)	0
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	3,591,758	a. Interest	0
<b>D. Receipts from Federal Government</b>		b. Redemption	0
(from page 2)	0	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	8,490,460	3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	0
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	10,629,928

**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**

	. Beginning Balan	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	7,375,470	8,490,460	10,629,928	5,236,002	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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2013	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1,614,309	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	2,770,000	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	99,376	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	65,823	f. Charges for Services	0
5. Specific Ownership &/or Other	123,259	g. Other Misc. Receipts	166,961
6. Total (1. through 5.)	3,058,458	h. Other	0
c. Total (a. + b.)	4,672,767		

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,853,916	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service (dist to schools)	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	175,631	d. Federal Transit Admin	
d. Other EIAF/LGGF	68,955	e. U.S. Corps of Engineers	
e. Other Bridge Funds/Enhancement	493,256	f. Other Federal	0
f. Total (a. through e.)	737,842	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	3,591,758	3. Total (1. + 2.g)	0
			(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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		879,454	879,454
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		614,226	614,226
(3). System Preservation		2,190,950	2,190,950
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,805,176	2,805,176
+ 1.c.5)	0	3,684,630	3,684,630
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

## **STATISTICAL SECTION**

# STATISTICAL SECTION

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

<b>Contents</b>	<b>Tables</b>
<b>Financial Trends</b>	
These Schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time	1-5
<b>Revenue Capacity</b>	
These Schedules contain trend information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes	6-12
<b>Debt Capacity</b>	
These Schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	13-15
<b>Demographic and Economic Information</b>	
These Schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place to help make comparisons over time and with other governments	13-15
<b>Operating Information</b>	
These Schedules contain information about the County's operations and resources to help the reader understand how the County's financial performance relates to the services the County provides and the activities it performs	18-20
<b>Sources:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB 34 in 2003; schedules presenting government-wide information included information beginning in that year	

**La Plata County, Colorado**  
**Government-wide Net Position by Component**  
**December 31, 2004-2013**  
**(accrual basis of accounting)**

	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 104,785,611
Restricted for:					
Capital projects	7,891,609	7,900,944	11,759,657	15,086,883	18,482,270
Emergencies	1,120,000	1,185,000	1,185,000	1,285,000	1,541,536
Debt Service	433,756	534,060	425,143	448,522	-
Specific projects and programs	9,036,905	9,410,170	10,192,051	9,674,145	12,579,204
Unrestricted	17,006,881	21,485,803	25,924,833	33,051,259	33,051,259
<b>Subtotal Governmental Activities Net Position</b>	<b>\$ 72,305,126</b>	<b>\$ 85,588,270</b>	<b>\$ 125,900,019</b>	<b>\$ 145,417,993</b>	<b>\$ 188,908,987</b>
<b>Primary Government</b>					
Net investment in capital assets	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 104,785,611
Restricted	18,482,270	19,030,174	23,561,851	26,494,550	26,494,550
Unrestricted	17,006,881	21,485,803	25,924,833	33,051,259	33,051,259
<b>Total Primary Government Net Position</b>	<b>\$ 72,305,126</b>	<b>\$ 85,588,270</b>	<b>\$ 125,900,019</b>	<b>\$ 145,417,993</b>	<b>\$ 188,908,987</b>

	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282	\$ 101,877,845	\$ 101,877,845
Restricted for:					
Capital projects	4,652,468	5,434,327	6,283,012	5,218,448	5,218,448
Emergencies	2,000,000	2,000,000	1,541,536	1,504,732	1,504,732
Debt Service	452,735	452,735	450,985	-	-
Specific projects and programs	3,667,978	3,801,100	14,349,826	12,579,204	12,579,204
Unrestricted	57,321,536	70,682,038	66,206,346	70,758,262	70,758,262
<b>Subtotal Governmental Activities Net Position</b>	<b>\$ 172,880,328</b>	<b>\$ 185,427,549</b>	<b>\$ 188,908,987</b>	<b>\$ 191,938,491</b>	<b>\$ 191,938,491</b>
<b>Primary Government</b>					
Net investment in capital assets	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282	\$ 101,877,845	\$ 101,877,845
Restricted	10,773,181	11,688,162	22,625,359	19,302,384	19,302,384
Unrestricted	57,321,536	70,682,038	66,206,346	70,758,262	70,758,262
<b>Total Primary Government Net Position</b>	<b>\$ 172,880,328</b>	<b>\$ 185,427,549</b>	<b>\$ 188,908,987</b>	<b>\$ 191,938,491</b>	<b>\$ 191,938,491</b>

**La Plata County, Colorado**  
**Government-wide Changes in Net Position**  
**Fiscal Years 2004-2013**  
**(accrual basis of accounting)**

	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
<b>Expenses</b>								
<b>Governmental Activities</b>								
General government	\$ 6,973,916	\$ 7,985,491	\$ 8,776,033	\$ 9,310,267	\$ 10,081,860	\$ 11,324,542	\$ 12,590,925	\$ 10,570,426
Public safety	10,363,443	11,205,953	12,529,335	13,408,383	13,909,083	14,921,662	15,228,090	15,426,382
Auxiliary services	4,295,664	4,570,764	4,703,319	4,796,460	3,693,219	3,925,467	3,609,635	3,382,220
Public works	2,301,220	2,740,837	3,055,270	3,290,009	12,532,719	13,329,071	9,946,369	10,572,460
Decrease in joint venture								
Health and welfare	7,692,460	8,407,331	11,240,436	11,690,024	4,896,385	5,551,746	5,653,873	5,581,824
Community programs	2,680,824	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,722	4,296,120
Interest on long-term debt	120,222	180,491	136,007	104,989	91,633	81,935	70,139	57,120
<b>Total Primary Government Expenses</b>	<b>34,427,749</b>	<b>38,413,663</b>	<b>46,547,305</b>	<b>46,644,503</b>	<b>49,546,662</b>	<b>54,325,945</b>	<b>51,792,753</b>	<b>49,886,382</b>
<b>Program Revenues</b>								
<b>Governmental Activities</b>								
Charges for Services								
General government	1,926,114	2,025,210	2,895,256	3,122,679	2,742,547	2,820,023	2,753,843	2,689,382
Public safety	567,003	612,358	688,195	709,336	845,054	813,731	860,444	930,426
Auxiliary services	266,798	204,018	487,274	477,721	620,385	264,190	239,027	243,382
Public works	125,387	47,106	81,678	270,851	267,910	86,341	60,110	52,460
Total Charges for Services	2,885,302	2,888,692	4,152,403	4,580,587	4,475,896	3,984,285	3,913,424	3,916,650
Operating Grants and Contributions	8,558,442	12,056,298	12,390,828	11,291,178	10,280,747	18,162,203	12,765,925	12,753,426
Capital Grants and Contributions	3,533,185	1,773,879	4,392,191	3,905,903	4,026,680	2,828,191	662,256	308,120
<b>Total Primary Government Program Revenues</b>	<b>14,976,929</b>	<b>16,718,869</b>	<b>20,935,422</b>	<b>19,777,668</b>	<b>18,783,323</b>	<b>24,974,679</b>	<b>17,341,605</b>	<b>16,979,198</b>
<b>Net (Expense) Revenue</b>								
<b>Total Primary Government</b>	<b>(19,450,820)</b>	<b>(21,694,794)</b>	<b>(25,611,883)</b>	<b>(26,866,835)</b>	<b>(30,763,339)</b>	<b>(29,351,266)</b>	<b>(34,451,148)</b>	<b>(32,907,184)</b>
<b>General revenues and other changes in net position</b>								
<b>Governmental Activities:</b>								
Taxes								
Property taxes levied for general purposes	14,421,821	19,938,128	23,038,002	27,340,954	27,363,462	27,822,967	31,654,239	21,357,426
Sales taxes	11,099,303	11,558,412	12,874,145	13,536,799	13,639,998	12,264,867	13,528,774	12,363,426
Other taxes	150,766	166,360	176,662	178,160	189,262	168,180	283,895	299,426
Investment earnings	495,828	1,045,081	2,106,064	3,175,953	1,927,368	514,724	435,688	420,120
Gain (loss) on disposition of capital assets	(152,835)	-	17,057	6,592	(261,944)	-	-	-
Miscellaneous	2,135,485	2,269,958	3,390,749	2,146,353	2,137,836	1,810,220	1,095,772	1,947,120
<b>Total Primary Government</b>	<b>28,150,368</b>	<b>34,977,939</b>	<b>41,602,679</b>	<b>46,384,811</b>	<b>44,995,982</b>	<b>42,580,958</b>	<b>46,998,368</b>	<b>36,388,120</b>
<b>Changes in Net Position</b>	<b>\$ 8,699,548</b>	<b>\$ 13,283,145</b>	<b>\$ 15,990,796</b>	<b>\$ 19,517,976</b>	<b>\$ 14,232,643</b>	<b>\$ 13,229,692</b>	<b>\$ 12,547,220</b>	<b>\$ 3,481,004</b>

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

<b>Source</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Taxes	\$ 25,671,890	\$ 31,662,899	\$ 36,088,807	\$ 41,055,912	\$ 41,192,722	\$ 40,256,015	\$ 45,466,908	\$ 34,020,684
Intergovernmental	12,091,627	12,627,050	15,979,354	12,735,290	13,997,368	16,538,111	12,935,455	12,255,999
Licenses and permits	995,007	1,023,634	817,770	1,142,078	931,951	520,400	449,677	388,800
Charges for services	2,824,970	2,854,458	3,290,254	3,393,629	3,530,762	3,302,681	3,313,725	3,350,380
Fines and forfeitures	4,919	6,888	2,518	-	-	-	-	-
Miscellaneous	1,615,915	2,175,017	5,337,037	5,126,793	3,946,848	2,317,105	1,529,148	2,399,722
Total revenues	<u>\$ 43,204,328</u>	<u>\$ 50,349,946</u>	<u>\$ 61,515,740</u>	<u>\$ 63,453,702</u>	<u>\$ 63,599,650</u>	<u>\$ 62,934,312</u>	<u>\$ 63,694,913</u>	<u>\$ 52,415,599</u>
% change from prior year	<u>-3.4%</u>	<u>16.5%</u>	<u>22.2%</u>	<u>3.2%</u>	<u>0.2%</u>	<u>-1.0%</u>	<u>1.2%</u>	<u>-17.7%</u>

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

	Fiscal Year							
Function	2004	2005	2006	2007	2008	2009	2010	2011
Current:								
General government	\$ 6,879,830	\$ 7,569,024	\$ 8,494,853	\$ 8,918,391	\$ 9,574,832	\$ 10,629,669	\$ 11,636,438	\$ 9,766,041
Public safety	10,491,246	11,146,554	12,247,107	13,308,782	13,933,609	14,623,385	14,844,053	14,901,411
Public works	6,300,583	6,982,368	7,861,675	8,981,938	8,974,502	8,005,211	7,942,046	7,831,781
Health and welfare	4,436,225	4,652,902	4,731,187	4,759,169	4,829,459	5,532,693	5,558,455	5,508,421
Auxiliary services	2,165,385	2,445,015	2,739,962	3,025,521	3,306,975	3,593,406	3,246,466	3,068,201
Community Programs	2,680,824	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,722	4,296,651
Total Current	32,954,093	36,118,659	42,181,689	43,038,172	44,961,140	47,575,886	47,921,180	45,372,521
% Change From Prior Year	2.6%	9.6%	16.8%	2.0%	4.5%	5.8%	0.7%	-5.3%
Capital Outlay	15,993,081	9,030,115	9,755,183	12,798,486	19,557,767	7,615,183	3,162,105	2,198,721
% Change From Prior Year	47.1%	-43.5%	8.0%	31.2%	52.8%	-61.1%	-58.5%	-30.5%
Debt Service								
Principal	560,000	930,000 <sup>1</sup>	970,000 <sup>2</sup>	360,000	375,000	385,000	400,000	415,000
Interest	124,405	175,959	141,172	103,839	94,362	83,431	71,256	57,851
Total Debt Service	684,405	1,105,959	1,111,172	463,839	469,362	468,431	471,256	472,851
% Change From Prior Year	6.5%	61.6%	0.5%	-58.3%	1.2%	-0.2%	0.6%	0.3%
Total Expenditures	\$ 49,631,579	\$ 46,254,733	\$ 53,048,044	\$ 56,300,497	\$ 64,988,269	\$ 55,659,500	\$ 51,554,541	\$ 48,044,101
% Change From Prior Year	13.8%	-6.8%	14.7%	6.1%	15.4%	-14.4%	-7.4%	-6.8%
Debt Service as a Percentage of Total Non-capital Expenditures	2.0%	3.0%	2.6%	1.1%	1.0%	1.0%	1.0%	1.0%

**Notes:**

<sup>1)</sup> First year of debt service on 2004 Certificates of Purchase, Old Main Professional Building

<sup>2)</sup> 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)*

	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>								
Reserved	\$ 1,439,011	\$ 1,479,821	\$ 1,503,670	\$ 1,355,569	\$ 1,386,509	\$ 1,536,887	\$ 1,747,996	
Unreserved	5,990,174	8,699,792	12,778,086	16,842,929	23,951,512	28,285,373	40,111,898	
Nonspendable								360,411
Restricted								3,483,597
Assigned								1,331,567
Unassigned								43,188,909
<b>Subtotal General Fund</b>	<u>7,429,185</u>	<u>10,179,613</u>	<u>14,281,756</u>	<u>18,198,498</u>	<u>25,338,021</u>	<u>29,822,260</u>	<u>41,859,894</u>	<u>48,364,484</u>
<b>General Fund Percentage Change</b>	<u>-23.1%</u>	<u>37.0%</u>	<u>40.3%</u>	<u>27.4%</u>	<u>39.2%</u>	<u>17.7%</u>	<u>40.4%</u>	<u>15.5%</u>
<b>All Other Governmental Funds Combined</b>								
Reserved	10,299,261	11,237,184	16,906,983	20,987,489	12,920,525	9,623,971	10,371,282	
Unreserved	8,974,152	8,547,189	7,263,442	6,482,847	6,021,669	12,108,796	11,464,223	
Nonspendable								560,636
Restricted								19,141,762
<b>Subtotal All Other Governmental Funds Combined</b>	<u>19,273,413</u>	<u>19,784,373</u>	<u>24,170,425</u>	<u>27,470,336</u>	<u>18,942,194</u>	<u>21,732,767</u>	<u>21,835,505</u>	<u>19,702,398</u>
<b>Total Governmental Funds</b>								
Reserved	11,738,272	12,717,005	17,985,510	22,343,058	13,852,151	11,160,858	12,119,278	
Unreserved	14,964,326	17,246,981	20,466,671	23,325,776	30,428,064	40,394,169	51,576,121	
Nonspendable								921,047
Restricted								22,625,359
Assigned								1,331,567
Unassigned								43,188,909
<b>Total Governmental Funds</b>	<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>	<u>\$ 51,555,027</u>	<u>\$ 63,695,399</u>	<u>\$ 68,066,882</u>
<b>All Governmental Funds Percentage Change</b>	<u>-6.3%</u>	<u>12.2%</u>	<u>28.3%</u>	<u>18.8%</u>	<u>-3.0%</u>	<u>16.4%</u>	<u>23.5%</u>	<u>6.9%</u>

**Notes:** The County changed fund balance classifications when it implemented GASB Statement No. 54 in fiscal year 2011.

**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>Specific Ownership</b>	<b>Sales</b>	<b>Cable Franchise</b>	<b>Lodging</b>	<b>Total</b>
2004	13,045,165	1,363,951	11,099,303	-	163,471	25,671,890
2005	18,178,374	1,771,618	11,558,412	-	154,495	31,662,899
2006	21,093,729	1,948,479	12,874,145	-	172,454	36,088,807
2007	25,008,568	2,248,409	13,536,799	59,011	203,125	41,055,912
2008	25,022,449	2,246,097	13,639,998	94,916	189,262	41,192,722
2009	25,928,320	1,799,726	12,264,867	95,015	168,087	40,256,015
2010	29,902,937	1,751,302	13,528,774	103,442	180,453	45,466,908
2011	19,872,965	1,484,323	12,363,979	101,201	198,218	34,020,686
2012	20,229,749	1,484,323	13,596,356	109,943	226,754	35,647,125
2013	19,630,764	1,391,847	14,080,460	111,441	204,852	35,419,364

Percentage  
Change in  
Dollars Over  
10 Years

50.5%

2.0%

26.9%

25.3%

38.0%

<sup>1</sup> Newly enacted.

<sup>2</sup> One-time audit adjustment of \$1.7 million

**La Plata County, Colorado**  
**Property Tax Levies and Collections**  
**Tax years 2003-2012**  
**Fiscal years 2004-2013**

<b>Tax Year</b>	<b>Fiscal Year Collected</b>	<b>Total Tax Levy</b> <sup>1</sup>	<b>Current Tax Collection</b>	<b>% of Levy Collected</b>	<b>Delinquent Tax Collections</b> <sup>2</sup>	<b>Total Tax Collections</b>	<b>% of Total Tax Collection To Levy</b>
2003	2004	13,002,400	12,959,129	99.67%	48,043	13,045,165	100.33%
2004	2005	18,193,503	18,178,915	99.92%	(541)	18,178,374	99.92%
2005	2006	21,157,511	21,097,564	99.72%	(3,835)	21,093,729	99.70%
2006	2007	25,633,946	25,612,223	99.92%	(603,655)	25,008,568	97.56%
2007	2008	25,153,611	25,093,768	99.76%	(71,319)	25,022,449	99.48%
2008	2009	25,846,078	25,601,281	99.05%	327,039	25,928,320	100.32%
2009	2010	30,099,220	29,924,217	99.42%	(21,280)	29,902,937	99.35%
2010	2011	20,087,943	20,021,809	99.67%	(9,795)	20,012,014	99.62%
2011	2012	20,425,023	20,388,334	99.82%	(7,309)	20,381,025	99.78%
2012	2013	19,416,548	19,412,362	99.98%	(12,309)	19,400,053	99.92%

(1) As certified by the Board of County Commissioners, 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 Auditor is unable to provide this information. The County needs more time to appropriately report the tracking delinquent taxes by levy year.

**La Plata County, Colorado**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Tax Years 2003-2012**  
**Fiscal Years 2004-2013**

<b>Assessment/ Fiscal Year</b>	<b>Vacant Property</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Agricultural Property</b>	<b>Natural Resources</b>	<b>Oil &amp; Gas</b>
2002/2003	98,945	296,609	218,164	41,603	12,199	2,917	1,146,16
2003/2004	121,616	316,552	236,548	43,050	12,267	2,649	728,49
2004/2005	121,040	333,398	240,521	42,219	12,473	2,614	1,321,39
2005/2006	164,537	408,600	280,577	46,065	12,750	2,783	1,510,43
2006/2007	165,544	436,296	289,643	50,881	13,002	3,765	1,982,31
2007/2008	230,111	546,744	369,900	46,304	12,666	4,909	1,597,38
2008/2009	217,035	588,523	386,761	50,875	12,767	4,440	1,637,18
2009/2010	218,947	627,914	403,858	52,575	12,633	5,028	1,941,63
2010/2011	219,829	635,055	400,987	45,774	12,643	11,528	956,18
2011/2012	169,770	577,163	375,127	15,006	13,138	10,937	1,163,22
2012/2013	165,008	582,114	370,910	16,026	13,064	10,450	1,045,11

<b>Assessment/ Fiscal Year</b>	<b>Total Assessed</b>	<b>Estimated Actual Value</b>	<b>Ratio of Assessed Value to Total Est. Actual Value</b>	<b>Oil and Gas As % of Total</b>	<b>La Plata County only Mill Levy</b>
2002/2003	1,874,127	6,038,955	31.0%	61.2%	8.500
2003/2004	1,523,959	6,460,780	23.6%	47.8%	8.500
2004/2005	2,134,235	7,351,843	29.0%	61.9%	8.500
2005/2006	2,483,085	8,804,386	28.2%	60.8%	8.500
2006/2007	3,008,045	9,779,128	30.8%	65.9%	8.500
2007/2008	2,885,995	11,252,387	25.6%	55.3%	8.693 <sup>1</sup>
2008/2009	3,017,991	11,996,568	25.2%	54.2%	8.564 <sup>1</sup>
2009/2010	3,461,699	13,183,765	26.3%	56.1%	8.674 <sup>1</sup>
2010/2011	2,354,797	11,703,823	20.1%	40.6%	8.500
2011/2012	2,394,149	10,306,419	23.2%	48.6%	8.500
2012/2013	2,275,297	10,742,115	21.2%	45.9%	8.500

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**  
**Tax Years 2003-2012**  
**Fiscal Years 2004-2013**

<b>Collection Year:</b>		<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
La Plata County	mill	8.500	8.500	8.500	8.500	8.693	8.564	8.674	8.500
	tax \$	12,953,647	18,140,996	21,106,223	25,568,291	25,087,956	25,846,078	30,026,777	20,015,775
<b><u>Municipalities:</u></b>									
City of Durango	mill	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507
	tax \$	746,788	774,172	949,080	972,396	1,248,819	1,279,024	1,347,238	1,344,677
Town of Bayfield	mill	5.950	5.950	5.950	5.950	5.950	5.950	5.950	5.950
	tax \$	108,161	131,330	157,513	212,115	245,627	240,482	249,010	229,066
Town of Ignacio	mill	3.370	3.337	3.192	3.084	2.978	2.918	2.747	2.780
	tax \$	15,900	16,342	16,906	16,404	19,335	20,460	21,153	22,184
<b><u>School Districts:</u></b>									
Durango 9R	mill	21.553	16.617	16.347	14.556	15.189	14.765	14.484	16.368
	tax \$	25,722,113	26,337,033	29,954,630	30,424,187	30,269,840	29,957,375	31,850,209	26,847,994
Bayfield 10R	mill	28.100	22.764	19.429	16.450	16.450	16.364	15.814	17.045
	tax \$	4,343,404	5,541,416	5,456,837	6,168,019	6,142,706	6,249,134	7,074,726	4,979,766
Ignacio 11JT	mill	7.598	4.183	6.217	4.246	4.463	4.032	3.574	7.761
	tax \$	1,336,895	1,279,416	2,299,053	2,305,286	2,319,418	2,448,082	2,914,008	2,010,902
<b><u>Special Districts:</u></b>									
Animas Fire Protection- Bonded Indebtedness	mill	1.160	0.692	0.631	0.526	0.486	0.480	0.454	0.373
	tax \$	537,020	439,630	506,154	491,804	451,821	452,671	482,698	300,908
Animas Fire Protection	mill	5.069	5.069	5.069	5.207	5.232	5.119	5.069	5.069
	tax \$	2,072,739	2,941,314	3,449,902	4,196,518	3,978,531	3,913,896	4,471,782	3,128,438
Animas La Plata Water Conservancy	mill	0.281	0.286	0.249	0.254	0.219	0.226	0.229	0.243
	tax \$	141,825	152,234	160,308	170,545	180,518	191,763	204,647	215,908
Animas Mosquito Control	mill	0.990	0.990	0.990	0.990	0.990	0.990	0.990	0.990
	tax \$	403,036	419,328	508,366	521,894	646,004	655,768	686,670	678,815
Aspen Trails Metro	mill	0.000	18.650	14.224	13.989	11.777	10.659	10.391	5.000
	tax \$	-	21,623	24,835	25,083	28,178	31,144	31,065	14,909
Aspen Trails Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.405
	tax \$	-	-	-	-	-	-	-	16,117
Durango Conference Center Business Improvement Center	mill	1.500	1.500	1.500	1.500	1.500	1.500	1.500	2.000
	tax \$	143,457	141,636	150,619	150,021	199,861	203,037	203,037	277,177
Durango Fire Protection	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-
Durango Hills Local Improvement	mill	18.404	18.573	15.731	16.538	16.369	17.241	16.515	15.951
	tax \$	48,753	50,405	51,288	54,304	65,655	68,991	72,443	72,168
Durango West Metropolitan I	mill	48.100	47.200	38.800	22.400	17.960	17.960	17.540	17.430
	tax \$	137,935	140,033	136,218	79,322	79,703	79,921	79,319	79,628
Durango West Metropolitan II	mill	25.120	25.410	21.822	20.977	17.403	17.469	16.726	17.361
	tax \$	203,450	208,378	210,544	200,708	205,902	207,581	207,126	214,760

**La Plata County, Colorado**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Tax Years 2003-2012**  
**Fiscal Years 2004-2013**

<b>Collection Year:</b>		<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Durango West Metropolitan II Bonds	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000
Edgemont Ranch Metropolitan	mill tax \$	5,874 29,934	5,874 33,666	14,402 128,260	12,963 148,516	10,892 210,138	10,469 234,836	10,605 226,086	7,874 170,386
Edgemont Ranch Bonds	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	2,691 58,231
El Rancho Florida Metropolitan Bonds	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -
Florida Mosquito Control	mill tax \$	0.700 174,119	0.700 282,197	0.700 360,275	0.700 447,073	0.700 391,103	0.700 389,324	0.700 470,256	0.700 281,547
Florida Water Conservancy	mill tax \$	0.185 38,829	0.119 40,609	0.099 43,691	0.086 47,064	0.086 42,772	0.086 43,231	0.074 44,834	0.074 27,948
Forest Lakes Metropolitan	mill tax \$	35,524 354,184	35,524 378,762	35,524 583,157	35,524 606,152	35,524 827,775	35,524 835,635	35,524 842,619	35,524 845,208
Fort Lewis Fire Protection	mill tax \$	5,900 163,299	5,900 165,150	5,900 191,814	5,900 204,462	5,900 253,809	5,900 269,048	5,900 290,386	7,400 407,806
Hermosa Cliffs Fire Protection	mill tax \$	9,979 412,564	9,524 449,080	8,961 544,099	8,643 602,874	8,243 743,893	8,075 796,464	8,021 877,210	6,890 758,217
Hermosa Cliffs Fire Bonds	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	1,029 113,237
Ignacio-Allison-Oxford Cemetery	mill tax \$	0.244 26,852	0.244 50,474	0.244 60,738	0.244 91,782	0.244 88,517	0.244 104,681	0.244 143,426	0.244 72,928
Ignacio Community Library	mill tax \$	1,000 175,954	1,000 305,861	1,500 554,702	1,500 814,397	1,500 779,549	1,500 910,745	1,500 1,223,003	1,500 633,554
La Plata County Palo Verde Public Improvement District #3	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -
La Plata County Palo Verde Public Imp District #3 Bond	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -
La Plata Archuleta Water	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	5,000 2,589,468
La Plata Water Conservancy	mill tax \$	0.295 6,856	0.295 7,148	0.295 8,245	0.295 8,817	0.295 10,848	0.295 11,477	0.295 12,008	0.295 13,802
Los Pinos Fire Protection	mill tax \$	3,520 1,028,022	3,520 1,693,744	3,520 1,962,154	3,520 2,738,232	3,520 2,493,126	3,520 2,732,576	3,520 3,560,534	3,520 1,800,840
Los Pinos Fire/Mt. Allison	mill	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500

**La Plata County, Colorado**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Tax Years 2003-2012**  
**Fiscal Years 2004-2013**

<b>Collection Year:</b>		<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
	tax\$	19,214	31,512	35,061	56,885	65,239	68,657	107,897	71,325
Pine River Cemetery	mill	0.186	0.123	0.112	0.091	0.091	0.091	0.079	0.079
	tax \$	28,750	29,942	31,456	34,121	33,981	34,751	35,342	23,080
Pine River Library	mill	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
	tax \$	386,424	608,572	702,151	937,389	933,542	954,708	1,118,428	730,385
Purgatory Metropolitan	mill	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313
	tax \$	271,678	330,853	399,506	403,027	625,166	688,863	879,343	888,728
Purgatory Metropolitan Subdistrict	mill	0.000	0.000	0.000	0.000	0.000	15.000	15.000	15.000
	tax \$	-	-	-	-	-	184,944	253,484	255,821
SW Colorado TV Translator	mill	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777
	tax \$	18,738	19,483	22,445	23,944	29,427	31,079	32,865	37,682
SW Water Conservancy	mill	0.305	0.254	0.225	0.205	0.207	0.216	0.200	0.272
	tax \$	464,807	542,096	558,694	616,647	597,401	651,886	692,339	640,505
Tamarron Metro	mill	0.000	40.000	40.000	50.000	50.000	50.000	50.079	37.000
	tax \$	-	205,006	339,136	694,766	717,886	892,058	960,989	710,535
Tamarron Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.006
	tax \$	-	-	-	-	-	-	-	249,763
Three Springs Metro #1	mill	0.000	0.000	0.000	35.000	35.000	35.000	35.000	44.000
	tax \$	-	-	-	136,969	358,953	499,689	576,021	684,619
Three Springs Metro #1 Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-
Three Springs Metro #2	mill	0.000	0.000	0.000	0.000	35.000	35.000	35.000	44.000
	tax \$	-	-	-	-	409	436	10,398	35,070
Upper Pine River Fire Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.182
	tax \$	-	-	-	-	-	-	-	374,399
Upper Pine River Fire Protection	mill	4.950	6.739	6.507	6.132	6.132	6.132	6.132	4.950
	tax \$	858,753	1,835,561	2,035,186	2,524,470	2,511,689	2,543,406	2,958,796	1,567,915
<b>Total tax to be collected</b>		<b>\$ 53,374,100</b>	<b>\$ 63,745,002</b>	<b>\$ 73,699,246</b>	<b>\$ 82,694,484</b>	<b>\$ 82,885,097</b>	<b>\$ 84,723,901</b>	<b>\$ 95,238,172</b>	<b>\$ 74,492,191</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	2013			2003
		2012 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2003 Assessed Valuation
BP America (formerly Amoco)	Energy	\$ 530,214,220	1	22.15%	\$ 358,735,380
Samson Resources	Energy	148,789,420	2	6.21%	
XTO Energy Company	Energy	57,472,860	3	2.40%	25,283,820
Conoco Phillips Company	Energy	49,112,520	4	2.05%	54,808,460
Burlington Resources Oil & Gas	Energy	41,004,570	5	1.71%	24,528,260
Red Cedar	Energy	32,877,890	6	1.37%	
Williams Gas Processing	Energy	32,813,830	7	1.37%	19,535,650
Four Star Oil & Gas Co	Energy	21,943,800	8	0.92%	
La Plata Electric Association	Utility	18,092,500	9	0.76%	
Red Willow Production Company	Energy	16,354,860	10	0.68%	62,656,420
Chevron Texaco	Energy	-			58,702,280
Hart Canyon LTD	Energy	-			22,603,410
44 Canyon, LLC	Energy	-			21,736,120
S G Interest I LTD	Energy	-			15,685,620
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 948,676,470</u>		<u>39.62%</u>	<u>\$ 664,275,420</u>
Total Assessed Valuation for all taxpayers		<u>\$ 2,394,149,370</u>		<u>100.00%</u>	<u>\$ 1,523,958,500</u>

Source: La Plata County Assessor's Office

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

<b>Fiscal Year</b>	<b>County Direct Rate</b>	<b>State of Colorado</b>
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%
2009	2.0%	2.9%
2010	2.0%	2.9%
2011	2.0%	2.9%
2012	2.0%	2.9%
2013	2.0%	2.9%

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

<b>Taxpayer - Type of Business</b>	<b>2013</b>			<b>2004</b>		
	<b>2013 Sales Tax Collected</b>	<b>Rank</b>	<b>Percentage of Total Taxes Collected</b>	<b>2004 Sales Tax Collected</b>	<b>Rank</b>	<b>Percentage of Total Taxes Collected</b>
Retail-General Merchandise	\$ 1,744,600	1	12.39%	\$ 1,700,015	1	16.92%
Retail-Food Store	1,166,237	2	8.28%	276,075	6	2.75%
Public Utility	880,517	3	6.25%	519,495	2	5.17%
Retail-Building Supplies	603,686	4	4.29%	516,999	3	5.15%
Retail-Auto Dealer	415,865	5	2.95%	414,771	4	4.13%
Retail-Auto Dealer	337,516	6	2.40%	209,221	8	2.08%
Retail-Food Store	323,890	7	2.30%	223,500	7	2.23%
Information Technology Retailer	232,609	8	1.65%			
Retail-General Merchandise	189,158	9	1.34%			
Manufacturing Company	179,124	10	1.27%			
Retail-Food Store				187,927	10	1.87%
Retail-Building Supplies				282,247	5	2.81%
Retail-Building Supplies				188,502	9	1.88%
Total Sales Taxes Collected by 10 Largest Businesses	<u>\$ 6,073,202</u>		<u>43.13%</u>	<u>\$ 4,518,752</u>		<u>44.99%</u>
Total Sales Taxes Collected by All Businesses	<u>\$ 14,080,460</u>		<u>100.00%</u>	<u>\$ 10,044,453</u>		<u>100.00%</u>

Source: Colorado State Department of Revenue

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

**La Plata County, Colorado**  
**Ratios of Outstanding Debt by Type**  
**Fiscal Years 2004-2013**

<b>Fiscal Year</b>	<b>General Obligation</b>	<b>Sales Tax Revenue</b>	<b>Certificates of Participation</b>	<b>Total</b>	<b>Per Capita Personal Income</b>	<b>Population</b>	<b>Debt Per Capita</b>	<b>Percentage of Personal Income</b>
2003	-	1,760,000	-	1,760,000	29,807	46,790	37.61	0.00
2004	-	1,200,000	3,985,000	5,185,000	31,860	47,173	109.91	0.00
2005	-	615,000	3,640,000	4,255,000	33,207	48,019	88.61	0.00
2006	-	-	3,285,000	3,285,000	36,493	48,752	67.38	0.00
2007	-	-	2,925,000	2,925,000	38,263	49,758	58.78	0.00
2008	-	-	2,550,000	2,550,000	44,176	50,291	52.31	0.00
2009	-	-	2,165,000	2,165,000	40,971	51,105	42.36	0.00
2010	-	-	1,765,000	1,765,000	42,032	51,495	34.28	0.00
2011	-	-	1,350,000	1,350,000	43,834	51,924	26.00	0.00
2012	-	-	-	-	43,834 <sup>1</sup>	52,401	-	0.00
2013	-	-	-	-	-	-	-	0.00

**Notes:**

(1) 2012 percentage calculated using 2011 personal income data, which is the most recent available.

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

<b>Assessment Year Fiscal/Budget Year</b>	<b>2003 2004</b>	<b>2004 2005</b>	<b>2005 2006</b>	<b>2006 2007</b>	<b>2007 2008</b>
Assessed Value	\$ 1,523,959,000	\$ 2,134,235,000	\$ 2,483,085,000	\$ 3,008,045,050	\$ 2,885,995,180
Actual Value	\$ 6,460,779,545	\$ 7,351,842,603	\$ 8,804,386,479	\$ 9,779,128,089	\$ 11,252,386,999
Legal Debt Margin:					
Debt limitation - 1.5% of total assessed value					
Debt limitation - 3% of total actual value	193,823,386	220,555,278	264,131,594	293,373,843	337,571,610
Debt applicable to limitation:					
Total debt	\$ 5,185,000	\$ 4,255,000	\$ 3,285,000	\$ 2,925,000	\$ 2,550,000
Less: Certificates of participation	3,985,000	3,640,000	3,285,000	2,925,000	2,550,000
Total debt applicable to debt limitation	1,200,000	615,000	-	-	-
Legal debt margin	\$ 192,623,386	\$ 219,940,278	\$ 264,131,594	\$ 293,373,843	\$ 337,571,610

<b>Assessment Year Fiscal/Budget Year</b>	<b>2008 2009</b>	<b>2009 2010</b>	<b>2010 2011</b>	<b>2011 2012</b>	<b>2012 2013</b>
Assessed Value	\$ 3,017,991,395	\$ 3,461,698,940	\$ 2,354,797,050	\$ 2,394,149,370	\$ 2,275,296,810
Actual Value	\$ 11,996,568,139	\$ 13,183,765,037	\$ 11,703,822,835	\$ 10,306,419,000	\$ 10,742,115,112
Legal Debt Margin:					
Debt limitation - 1.5% of total assessed value					
Debt limitation - 3% of total actual value	359,897,284	395,512,951	351,114,685	309,192,570	322,263,453
Debt applicable to limitation:					
Total debt	\$ 2,165,000	\$ 1,765,000	\$ 1,350,000	\$ -	\$ -
Less: Certificates of participation	2,165,000	1,765,000	1,350,000	-	-
Total debt applicable to debt limitation	-	-	-	-	-
Legal debt margin	\$ 359,897,284	\$ 395,512,951	\$ 351,114,685	\$ 309,192,570	\$ 322,263,453

**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**  
**Fiscal Years 2004-2013**

<b>Fiscal Year</b>	<b>Gross Sales Tax Revenue</b>	<b>Revenue Available for Debt Service</b> <sup>1</sup>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2003	10,044,453	7,060,385	535,000	107,675	642,675
2004	11,099,304	7,959,382	560,000	83,600	643,600
2005	11,558,412	8,350,657	585,000	57,000	642,000
2006	12,874,145	9,471,990	615,000	29,213	644,213
2007 <sup>2</sup>	13,536,798	N/A	N/A	N/A	N/A
2008	13,639,998	N/A	N/A	N/A	N/A
2009	12,264,867	N/A	N/A	N/A	N/A
2010	13,528,774	N/A	N/A	N/A	N/A
2011	12,363,979	N/A	N/A	N/A	N/A
2012	13,596,356	N/A	N/A	N/A	N/A
2013	14,080,460	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 fully paid off in 2006

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income<sup>1</sup></b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>	<b>Median Age</b>	<b>K-12 School Enrollment</b>
2004	46,728	1,538,580	32926	4.2	37.2	6636
2005	47,575	1,668,277	35066	3.9	37.4	6628
2006	48,574	1,831,720	37710	3.4	37.7	6704
2007	49,343	1,993,825	40407	2.8	38	6602
2008	50,291	2,221,658	44176	3.6	38.2	6900
2009	51,105	2,093,812	40971	6.0	38.8	7031
2010	51,495	2,164,463	42032	7.1	39.1	6831
2011	51,924	2,276,033	43834	7.0	38.5	6658
2012	52,401	2,382,999	45476	6.5	38.7	6658
2013	54,219	2,465,663	45476	5.5	38.7	6383

**Notes:**

(1) in thousands of dollars

(2) K-12 School enrollment includes Bayfield 10JTR, Durango 9R, and the Ignacio 11JT school districts.

(3) Higher Education Enrollment is for Fort Lewis College

**Sources:**

Population/personal income 2003-2012 <http://colorado.reaproject.org/data-tables/selected-indicators/>

Population 2013 is an estimate from: <http://www.colorado.gov/cs/Satellite?c=Page&childpagename=DOLA-Main%2FCBONLayout&cid=125159334686>

Bureau of Economic Analysis

Unemployment Rate CO Dept of Labor & Employment <https://www.colmigateway.com/vosnet/analyzer/results.aspx?session=labforce&geo=>

CDE Enrollment

Fort Lewis College

**La Plata County, Colorado  
Principal Employers  
Current and Nine Years Ago**

<u><b>Employer</b></u>	<u><b>Type of Business</b></u>	<u><b>Estimate 2013</b></u>		<u><b>Employees Nine Years Ago</b></u>
		<u><b>Employees FT &amp; PT</b></u>	<u><b>Percentage of total County Employment</b></u>	
Mercy Medical Center	Health	797	2.49%	728
Southern Ute Indian Tribe	Government	755	2.36%	365
Fort Lewis College	Education	636	1.99%	629
Durango School District 9-R	Education	601	1.88%	563
Mercury Payment Systems	Finance	409	1.28%	N/A
La Plata County	Government	408	1.28%	380
Durango Mountain Resort	Recreation	400	1.25%	376
Wal-Mart	Retail	400	1.25%	449
Sky Ute Lodge and Casino, Museum	Recreation	395	1.23%	145
City of Durango	Government	314	0.98%	427
<b>Total Principal Employers</b>		<b>5,115</b>	<b>11.28%</b>	<b>2,762</b>
<b>Total County Employment</b>		<b>32,000</b>	<b>100.00%</b>	<b>25,280</b>

Sources:

Region 9 Economic Development District of SW Colorado

\* 2003 & 2004 Estimate not available

**La Plata County, Colorado**  
**Full-time Equivalent County Employees by Function/Program**  
**Fiscal Years 2004 - 2013**

Department	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	% Change 2013 over 2012
Commissioners	4.10	4.10	3.85	4.10	4.10	5.10	5.12	5.13	5.00	5.10	5.00	-2.0%
Clerk/Elections	16.74	18.36	16.66	19.35	16.63	18.80	16.88	14.10	16.16	18.50	16.00	-13.5%
Treasurer/Trustee	5.50	5.40	5.40	5.40	5.12	5.00	5.00	5.29	5.00	5.10	5.00	-2.0%
Assessor	18.80	19.20	19.20	20.59	20.45	20.45	20.20	18.94	18.80	19.00	19.00	0.0%
Administration	3.30	4.50	4.30	5.30	4.19	5.18	5.16	5.01	5.03	6.20	5.00	-19.4%
Attorney	0.00	0.00	0.00	0.00	0.00	0.00	6.00	6.00	5.75	5.10	6.00	17.6%
Facilities & Grounds	7.00	8.00	9.00	10.00	10.01	10.01	10.01	10.00	10.00	10.00	11.00	10.0%
Finance	5.30	5.00	5.03	5.03	4.02	4.00	5.00	5.00	3.75	3.80	4.50	18.4%
Information Services	8.50	8.50	8.50	8.50	10.00	10.00	10.00	10.00	9.02	9.00	9.00	0.0%
Procurement	4.20	4.00	4.10	4.10	3.79	3.79	4.02	4.02	4.00	4.00	2.75	-31.3%
GIS	7.00	7.00	8.00	8.00	8.00	8.00	7.00	7.00	5.00	5.00	5.00	0.0%
Human Resources/Risk Mgt	4.08	4.33	4.08	4.08	4.11	4.08	4.11	4.11	4.11	4.10	4.00	-2.4%
County Surveyor	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.0%
Construction Management	0.00	0.00	0.00	0.00	1.17	1.27	0.00	0.00	0.00	0.00	0.00	0.0%
Sustainability Office	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	0.00	0.00	0.00	0.0%
<b>General Government Total</b>	<b>84.52</b>	<b>88.39</b>	<b>88.12</b>	<b>94.45</b>	<b>92.59</b>	<b>97.68</b>	<b>100.50</b>	<b>96.60</b>	<b>92.62</b>	<b>95.90</b>	<b>93.25</b>	<b>-2.8%</b>
Building Inspection / OEM	12.00	12.00	12.52	11.75	11.75	14.00	14.00	11.00	8.00	7.75	8.00	3.2%
Criminal Investigations	7.40	7.60	8.60	8.60	9.90	10.90	10.68	10.79	10.40	11.00	10.00	-9.1%
Special Investigations	6.00	6.41	6.67	6.64	5.80	5.76	5.57	5.53	5.50	5.50	6.00	9.1%
Special Services	21.77	21.53	23.53	22.53	24.10	23.20	22.44	22.29	21.50	21.70	21.25	-2.1%
Public Safety	29.70	30.40	31.11	34.92	34.90	34.92	34.13	34.15	33.25	33.50	32.00	-4.5%
Alternative to Incarceration	4.20	4.20	3.61	4.85	5.30	5.48	5.34	5.34	5.30	5.40	5.00	-7.4%
Detentions	43.50	41.90	45.62	46.61	49.60	60.60	62.16	62.14	62.50	62.60	59.00	-5.8%
Coroner	1.30	1.30	1.30	1.30	2.10	1.55	1.50	1.50	1.50	1.50	1.50	0.0%
District Attorney	22.05	21.80	23.80	24.30	25.10	25.10	25.10	25.50	25.50	25.00	25.00	0.0%
<b>Public Safety Total</b>	<b>147.92</b>	<b>147.14</b>	<b>156.76</b>	<b>161.50</b>	<b>168.55</b>	<b>181.51</b>	<b>180.92</b>	<b>178.24</b>	<b>173.45</b>	<b>173.95</b>	<b>167.75</b>	<b>-3.6%</b>
Road & Bridge, Eng.	67.50	67.01	52.40	53.37	51.89	52.64	53.70	49.89	46.33	48.40	41.00	-15.3%
<b>Public Works Total</b>	<b>67.50</b>	<b>67.01</b>	<b>52.40</b>	<b>53.37</b>	<b>51.89</b>	<b>52.64</b>	<b>53.70</b>	<b>49.89</b>	<b>46.33</b>	<b>46.33</b>	<b>46.33</b>	<b>0.0%</b>
CERF	0.00	0.00	8.50	9.50	10.07	9.10	9.10	9.10	9.04	9.10	9.00	-1.1%
<b>Internal Service Funds</b>	<b>0.00</b>	<b>0.00</b>	<b>8.50</b>	<b>9.50</b>	<b>10.07</b>	<b>9.10</b>	<b>9.10</b>	<b>9.10</b>	<b>9.04</b>	<b>9.10</b>	<b>9.00</b>	<b>-1.1%</b>
Human Services	54.00	53.55	56.95	58.45	58.41	59.40	58.75	58.75	60.00	63.93	61.75	-3.4%
<b>Health &amp; Welfare Total</b>	<b>54.00</b>	<b>53.55</b>	<b>56.95</b>	<b>58.45</b>	<b>58.41</b>	<b>59.40</b>	<b>58.75</b>	<b>58.75</b>	<b>60.00</b>	<b>63.93</b>	<b>61.75</b>	<b>-3.4%</b>
Extension Office	4.00	3.00	3.00	3.65	1.80	2.42	2.42	0.77	0.00	0.80	0.00	-100.0%
Weed	2.00	1.40	1.80	1.81	1.50	1.70	1.67	1.49	1.30	1.50	1.00	-33.3%
Fairgrounds	9.64	10.10	10.44	10.34	10.80	10.61	10.60	10.34	10.00	10.00	9.00	-10.0%
Senior Center Ops & Act	2.50	2.50	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Planning	10.60	10.70	14.11	15.33	17.21	18.30	18.30	18.28	11.99	11.70	11.75	0.4%
Senior Services	5.30	5.53	5.50	9.17	7.70	8.41	8.72	8.52	8.59	9.50	8.00	-15.8%
Veterans' Services Office	0.60	0.80	1.00	1.00	1.00	1.00	1.09	1.08	1.00	1.10	1.00	-9.1%
<b>Auxiliary Services</b>	<b>34.64</b>	<b>34.03</b>	<b>38.85</b>	<b>41.30</b>	<b>40.01</b>	<b>42.44</b>	<b>42.80</b>	<b>40.48</b>	<b>32.88</b>	<b>34.60</b>	<b>30.75</b>	<b>-11.1%</b>
<b>Grand Total</b>	<b>388.58</b>	<b>390.12</b>	<b>401.58</b>	<b>418.57</b>	<b>421.52</b>	<b>442.77</b>	<b>445.77</b>	<b>433.06</b>	<b>414.32</b>	<b>423.81</b>	<b>408.83</b>	<b>-3.5%</b>

Source: La Plata County Annual Budget

Notes: Numbers include regular and temporary employees

**La Plata County, Colorado**  
**Operating Indicators by Function/Program**  
**Fiscal Years 2004 - 2013**

<b><u>Function/Program</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	
<b>General Government</b>									
<u>Clerk &amp; Recorder</u>									
# Vehicle Transactions Processed	93,216	95,336	121,218	96,000	98,829	98,951	89,672	91,592	1
# Titles Issued (69% printed by staff)	19,117	19,631	20,146	20,600	23,230	19,083	14,472	13,624	
# documents recorded	27,434	24,406	24,904	25,000	20,874	18,969	19,550	16,500	
# of registered voters	32,600	36,160	36,160	36,000	33,658	37,615	37,185	37,243	
# of votes cast	10,287	31,718	13,265	24,000	1,485	28,117	4,644	20,892	
# of marriage licenses issued	540	512	550	550	526	528	515	506	
<u>Treasurer</u>									
Receipts processed	56,699	56,500	57,000	58,000	36,913	37,980	37,740	37,954	Un
<u>Assessor</u>									
# of property accounts maintained/assessed	59,128	58,949	60,100	61,000	Unavailable	46,293	Unavailable	46,589	4
Assessed value (in thousands)	1,523,858	2,134,234	2,487,511	3,008,034	2,885,995	3,017,991	3,461,699	2,354,797	2,
<u>Geographic Information Services</u>									
# of recorded documents processed	8,500	5,881	5,790	6,000	5,429	4,024	1,196	325	
# of rural addresses assigned	400	800	800	850	481	314	191	182	
<b>Public Safety</b>									
<u>Building Inspection</u>									
# of permits issued	1,122	1,064	1,001	1,050	951	781	601	577	
# of inspections completed	5,724	5,620	4,974	5,000	4,662	4,651	3,553	2,632	
<u>Emergency Management</u>									
Search & Rescue Missions	32	33	36	38	71	37	14	23	
<u>Sheriff - Public Safety</u>									
# of incidents investigated	18,662	20,522	20,000	21,000	Unavailable	25,530	3,552	23,652	3
# of arrests	672	679	900	950	Unavailable	946	Unavailable	594	
# of citations	123	27	150	200	Unavailable	223	Unavailable	134	
<u>Alternative to Incarceration</u>									
# of inmates under Day Reporting Supervision	99	88	140	125	88	93	89	102	
# of inmates in Community Custody program	25	93	125	140	178	185	145	298	
Pretrial management					245	255	222	270	
<u>Detentions</u>									
Total # of inmates booked into facility	2,734	2,769	2,995	3,200	3,087	2,900	Unavailable	3,020	
average daily inmate population	166	144	175	180	186	181	140	149	
<b>Public Works</b>									
<u>Maintenance Support</u>									
gallons of dust palliative applied	875,000	1,103,545	975,605	1,100,000	1,000,000	1,200,000	1,098,307	920,642	1,
tons of road base hauled and placed	125,000	124,585	132,080	125,000	120,000	120,000	101,608	105,297	1
# of gallons of highway paint used	12,690	12,600	12,500	12,500	12,500	12,750	12,500	12,000	
<u>Convenience Center</u>									
Customers served - Bayfield	2,954	2,599	2,800	2,800	2,841	2,506	2,116	2,159	
Customers served - Marvel	799	716	750	750	713	699	550	421	

**La Plata County, Colorado**  
**Operating Indicators by Function/Program**  
**Fiscal Years 2004 - 2013**

<b><u>Function/Program</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	
<b>Health &amp; Welfare</b>									
<u>Human Services</u>									
Child Welfare - # of assessments opened	274	261	260	270	303	283	172	315	
Adult Protective Services - # of investigations	128	135	100	100	90	89	101	88	
Child Support - \$ of payments collected	\$3,004,853	\$3,079,623	\$3,150,737	\$3,160,000	\$3,044,044	\$3,570,909	\$3,147,432	\$3,248,125	\$3
<b>Community Programs</b>									
Conservation Trust Funds	\$170,100	\$150,447	\$178,250	\$238,000	\$204,000	\$234,250	\$150,000	\$0	
Public Service Agency Funds	\$1,662,944	\$1,657,274	\$2,490,696	\$4,650,264	\$2,379,166	\$3,113,539	\$3,155,684	\$2,894,774	\$2
<b>Auxiliary Services</b>									
<u>Senior Services</u>									
# of meals provided	36,394	37,204	37,750	38,800	39,899	41,549	43,010	41,247	1
# of transportation rides provided	4,237	4,612	4,646	5,000	6,474	5,571	6,114	6,226	
<u>Veterans Services</u>									
Compensation Claims	50	n/a	n/a	n/a	168	57	144	Unavailable	
<u>Weed Management</u>									
# of miles treated for noxious weeds	1,206	1,206	1,206	1,206	1,309	680	675	**	Un
# of acres treated for noxious weeds								505	
small group bookings (less than 500 participants)	1,500	1,970	1,728	1,800	Unavailable	2,548	3,347	2,562	
large bookings (more than 500 participants)	90	57	64	65	Unavailable	74	31	12	
<u>Planning</u>									
Major projects reviewed	79	101	85	95	119	91	55	28	
Oil & Gas (Major & Minor)	100	83	85	90	232	230	82	31	
Minor/Administrative Projects reviewed	69	52	90	90	106	134	80	92	
<b>Internal Service Funds</b>									
<u>Capital Equipment Replacement Fund</u>									
<i>(prior to 2005, vehicles were in R &amp; B Fleet division)</i>									
Vehicles maintained (self propelled mobile units)	194	201	220	230	233	237	243	246	

**La Plata County, Colorado**  
**Capital Asset Statistics by Function/Program**  
**Fiscal Years 2004 - 2013**

		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General Government</b>									
Clerk	Number of business locations	3	3	3	3	3	3	3	2
Facilities & Grounds	Facilities maintained	4	4	5	7	17	17	17	17
Procurement	Warehouses operated	1	1	1	1	1	1	1	1
<b>Public Safety</b>									
Detentions	Jail bed capacity	140	194	194	197	197	197	293	293
<b>Public Works</b>									
	Miles of Roadways maintained	659.69	658.44	659.15	654.68	654.68	658	658	658
	Bridges	52	53	53	53	53	53	53	53
<b>Internal Service Funds</b>									
CERF	Number of fleet vehicles maintained	194	201	220	230	233	237	243	246

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

## **SINGLE AUDIT SECTION**



INDEPENDENT AUDITOR'S 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

June 27, 2014

To the Board of County Commissioners  
La Plata County, Colorado

We have audited, in accordance with the 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, 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, as of and for the year ended December 31 2013, and the related notes to the financial statements, which collectively comprise La Plata County, Colorado's basic financial statements, and have issued our report thereon dated June 27, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered La Plata County, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of La Plata County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of La Plata County, Colorado's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether La Plata County, Colorado's financial statements are free from 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*.



La Plata County, Colorado  
June 27, 2014

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 27, 2014

Board of County Commissioners  
La Plata County, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited La Plata County, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of La Plata County's major federal programs for the year ended December 31, 2013. La Plata County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of La Plata County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 La Plata County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of La Plata County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, La Plata County, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

**Report on Internal Control Over Compliance**

Management of La Plata County, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered La Plata County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 La Plata County's internal control over compliance.



La Plata County, Colorado  
June 27, 2014

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB A-133. Accordingly, this report is not suitable for any other purpose.

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

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2013 Expenditures</u>
Department of Agriculture			
Passed through the Colorado Department of Human Services			
State Administrative Matching Grants for the Supplemental			
Nutrition Assistance Program	10.561		386,786
Food Stamps SNAP Workfare	10.551		41,508
Emergency Food Assistance Program (Administrative Costs)	10.568		-
Emergency Food Assistance Program (Food Commodities)	10.569		-
Direct			
Schools and Roads - Grants to States	10.665		205,633
Cooperative Forest Road Agreement, USFS Road 724	10.665	08-RO-11021300-052	
U.S. Forest Service - San Juan National Forest			
Recovery Act of 2009: Wildland Fire Management	10.688	10-PA-110282B1-088	64,433
Total Department of Agriculture			<u>698,361</u>
Department of Health and Human Services			
Passed through the Area Agency on Aging			
Special Programs for Aging-Title III, Part B - Grants for			
Supportive Services and Senior Centers	93.044		32,752
Special Programs for Aging-Title III, Part C - Nutrition			
Services	93.045		116,191
Special Programs for Aging - Title III, Part E -			
National Family Caregiver Support	93.052		17,433
Nutrition Service Incentive Program	93.053		25,034
Passed through the Colorado Department of Human Services			
Promoting Safe and Stable Families	93.556		177,604
Temporary Assistance for Needy Families	93.558		927,923
Child Support Enforcement	93.563		368,978
Low-Income Home Energy Assistance	93.568		262,679
Child Care and Development Block Grant	93.575		17,571
Child Care Mandatory and Matching Funds of the Child			
Care and Development Fund	93.596		413,917
Child Welfare Services - State Grants	93.645		13,285
Foster Care Title IV-E	93.658		484,782
Adoption Assistance	93.659		116,442
Social Services Block Grant	93.667		272,273
Chafee Foster Care Independence Program	93.674		42,445
Medical Assistance Program	93.778		151,305
Passed through the Colorado Department of Regulatory Agencies			
Passed through Division of Insurance			
Special Programs for Aging-Title IV and Title II -			
Discretionary Projects	93.048		4,000
Centers for Medicare and Medicaid Services (CMS) Research,			
Demonstrations, and Evaluations	93.779		11,200
Total Department of Health and Human Services			<u>3,455,813</u>

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2013 Expenditures</u>
Department of Interior			
Direct			
Payments in Lieu of Taxes	15.226		607,926
Bureau of Reclamation			
National Fire Plan-Rural Fire Assistance	15.242	L10AC20477	-
Total Department of Interior			<u>607,926</u>
Department of Transportation			
Passed through the Colorado Department of Transportation			
Highway Planning and Construction	20.205		493,256
Total Department of Transportation			<u>493,256</u>
Department of Homeland Security			
Direct			
Passed through the Colorado Department of Local Affairs			
Emergency Management Performance Grants	97.042	12EM-13-34	88,137
Total Department of Homeland Security			<u>88,137</u>
Department of Housing and Urban Development			
Passed through the Colorado Department of Local Affairs			
Community Development Block Grants/State's program	14.228	F11CDB11-581	312,359
Total Department of Housing and Urban Development			<u>312,359</u>
Department of Justice			
Direct			
Office of Justice Programs			
Bulletproof Vest Partnership Program	16.607		6,586
State Criminal Alien Assistance Program	16.606		11,120
Department of Justice / Criminal Division			
Equitable Sharing Program	16.922		109,147
Passed through the Colorado Department of Public Safety			
Crime Victim Compensation (Sixth Judicial District)	16.576	11-VC-6	48,000
Total Department of Justice			<u>174,853</u>
Environmental Protection Agency			
Direct			
Colorado - Climate-Wise Community Program	66.041	AF-83494101-0	147,553
Total Environmental Protection Agency			<u>147,553</u>
Other Federal Assistance			
Direct			
Office of National Drug Control Policy, Dept of Treasury, Dept of			
Justice High Intensity Drug Trafficking Areas Program	95.001	G12RM0023A	351,398
Total Office of National Drug Control Policy			<u>351,398</u>
Total Federal Assistance			<u>\$ 6,329,657</u>

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2013**

Notes to Schedule:

Basis of Presentation

The Schedule of Expenditures of Federal Awards (the SEFA) 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. Specifically, the SEFA 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 component units (the reporting entity), while the SEFA 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.

Clusters of Programs

The following programs are reported as clusters:

	<u>CFDA #</u>	<u>Expenditures</u>
Department of Agriculture (USDA)		
Supplemental Nutrition Assistance Program	10.551	41,508
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	386,786
Total		<u>\$ 428,294</u>
Aging Cluster		
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 32,752
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045	116,191
Special Programs for Aging-Title III, Part E - National Nutrition Service Incentive Program	93.053	25,034
Total		<u>\$ 173,976</u>
CCDF Cluster		
Child Care and Development Block Grant	93.575	\$ 17,571
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	413,917
Total		<u>\$ 431,488</u>

Awards to subgrantees

La Plata County awards some federal funds to a subgrantee, as shown below:

	<u>CFDA #</u>	<u>Amount Awarded</u>
Community Development Block Grants/State's program		
Subgrantee--Region 9 Economic Development District	14.228	\$ 312,359
Colorado - Climate-Wise Community Program		
Subgrantee--Four Corners Office for Resource Efficiency	66.041	147,553
		<u>\$ 459,912</u>

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_

yes ☐ no

Significant deficiency(ies) identified

not considered to be material weaknesses? \_\_\_\_\_

yes ☐ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_

yes ☐ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_

yes ☐ no

Significant deficiency(ies) identified

not considered to be material weaknesses? \_\_\_\_\_

yes ☐ none reported

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

Unqualified Opinion

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

yes ☐ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
93.563	Child Support Enforcement
93.658	Foster Care Title IV-E
93.568	Low-Income Home Energy Assistance Program

Dollar threshold used to distinguish between

Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_

☐ yes \_\_\_\_\_ no

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2013

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SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING  
STANDARDS

No findings under Generally Accepted Government Auditing Standards in 2013.

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

No findings under OMB Circular A-133 in 2013.

La Plata County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2013

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No prior year audit findings.