

# Comprehensive Annual Financial Report



**for the Year Ending December 31, 2014**

**Prepared by the La Plata County Finance Department**



## **INTRODUCTORY SECTION**

## TABLE OF CONTENTS

### Introductory Section (Unaudited)

Table of Contents .....	3-7
Letter of Transmittal .....	8-15
GFOA Certificate of Achievement .....	16
List of County Officials.....	17
Organizational Chart .....	18

### Financial Section

<b>Report of Independent Certified Public Accountants .....</b>	<b>20-21</b>
---	--------------

<b>Management's Discussion and Analysis (Unaudited).....</b>	<b>22-33</b>
--	--------------

#### Basic Financial Statements

##### Government-wide Financial Statements:

Statement of Net Position .....	35
Statement of Activities .....	36

##### Fund Financial Statements:

###### Governmental Funds:

Balance Sheet.....	37
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	38
Statement of Revenues, Expenditures and Changes in Fund Balances .....	39
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	40
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>General Fund</i> .....	41
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>Road and Bridge Fund</i> .....	42
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>Social Services Fund</i> .....	43

###### Proprietary Funds:

Statement of Net Position – Internal Service Funds .....	44
Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	45
Statement of Cash Flows – Internal Service Funds .....	46

<b>Fiduciary Funds:</b>	
Comparative Statement of Fiduciary Assets and Liabilities – Fiduciary Funds .....	47
<b>Notes to the Basic Financial Statements .....</b>	<b>48-75</b>
 <b>Supplementary Information</b>	
 <b>General Fund:</b>	
Comparative Balance Sheet .....	78
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	79-84
 <b>Major Special Revenue Funds:</b>	
<i>Road and Bridge Fund</i>	
Comparative Balance Sheet .....	86
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	87
<i>Social Services Fund</i>	
Comparative Balance Sheet .....	88
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	89
 <b>Nonmajor Special Revenue Funds:</b>	
Combining Balance Sheet .....	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	91
 <i>Joint Sales Tax Fund</i>	
Comparative Balance Sheet.....	92
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	93
 <i>Durango Hills Road Improvement District Fund</i>	
Comparative Balance Sheet.....	94
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	95
 <i>Palo Verde Public Improvement District #3 Fund</i>	
Comparative Balance Sheet.....	96
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	97
 <i>Tribal Impact Mitigation</i>	
Comparative Balance Sheet.....	98
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	99

**Major Capital Project Fund:***Capital Improvement Fund*

Comparative Balance Sheet.....	101
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	102

**Proprietary Funds****Internal Service Funds**

Combining Statement of Net Position .....	104
Combining Statement of Revenues, Expenses and Changes in Fund Net Position ....	105
Combining Statement of Cash Flows.....	106

*Capital Equipment Replacement Fund*

Comparative Statement of Net Position .....	107
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position.....	108
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Non-GAAP Budgetary Basis) .....	109

*Employee Medical Self-insurance Fund*

Comparative Statement of Net Position .....	110
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position.....	111
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual .....	112

**Fiduciary Funds***General Agency Fund*

Statement of Changes in Fiduciary Assets and Liabilities .....	114
--	-----

**Discretely Presented Component Unit**

Balance Sheet.....	116
Statement of Revenues, Expenditures and Changes in Fund Balances.....	117
Schedule of Revenues, Expenditures, and Changes in Fund Balances for funds with adopted budgets – Budget and Actual (General Fund only) .....	118

**Special Reports Section**

Social Services Fund – Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures .....	120
Local Highway Finance Report.....	121-122

**Statistical Section  
(Unaudited)**

**Statistical Section Narrative**

**Financial Trends**

Government-wide Net Position by Component.....	125
Government-wide Changes in Net Position .....	126
General Governmental Revenues by Source.....	127
General Governmental Expenditures by Function .....	128
Governmental Fund Balances.....	129
General Governmental Tax Revenues by Source.....	130

**Revenue Capacity**

Property Tax Levies and Collections .....	131
Assessed Value and Estimated Actual Value of Taxable Property .....	132
Direct and Overlapping Property Tax Revenue and Rates.....	133-135
Principal Property Taxpayers.....	136
Direct and Overlapping Sales Tax Rates.....	137
Principal Sales Tax Remitters .....	138

**Debt Capacity**

Ratios of Outstanding Debt by Type .....	139
Computation of Legal Debt Margin.....	140
Revenue Bond Coverage.....	141

**Economic & Demographic Information**

Demographic and Economic Statistics.....	142
Principal Employers .....	143

**Operating Information**

Full-time Equivalent Employees by Function/Program.....	144
Operating Indicators by Function/Program.....	145-146
Capital Asset Statistics by Function/Program.....	147

## Single Audit Section

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	149-150
Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program, and on Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i> .....	151-152
Schedule of Expenditures of Federal Awards.....	153-155
Schedule of Findings and Questioned Costs.....	156-158



June 25, 2015

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, 2014 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, 2014 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, 2014 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 53,284. La Plata County has seen a 1.4% annualized population growth rate from 2000-2013 (Colorado State Demographer, US Census). 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 3,789 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 35,000 motorcyclists participate in events at multiple locations in Southwest Colorado.

The top 10 employers in La Plata County are in the governmental, education, health, recreation, finance, and oil & gas service sectors.

		<b>Estimate 2014</b>	
		<b>Employees</b>	<b>Percentage</b>
<b><u>Employer</u></b>	<b><u>Type of Business</u></b>	<b><u>FT &amp; PT</u></b>	<b><u>of total County</u></b>
			<b><u>Employment</u></b>
Mercy Regional Medical Center	Health	1,200	3.66%
Southern Ute Indian Tribe - Administration	Government	845	2.58%
Durango School District 9-R	Education	632	1.93%
Mercury Payment Systems	Finance	630	1.92%
Fort Lewis College	Education	570	1.74%
Durango Mountain Resort	Recreation	479	1.46%
La Plata County	Government	401	1.22%
Sky Ute Lodge and Casino, Museum	Recreation	400	1.22%
Crossfire	Oil & Gas	322	0.98%
BP America	Oil & Gas	221	0.67%
<b>Total Principal Employers</b>		<b>5,700</b>	<b>17.38%</b>
<b>Total County Employment</b>		<b>32,793</b>	<b>100.00%</b>

La Plata County is the fifteenth most populous of the 64 counties of the State of Colorado. The preliminary average weekly wage for La Plata County in 3<sup>rd</sup> quarter, 2014 was \$829 or \$43,108 per year. The total labor force for La Plata County, in February 2015 was 29,856, of which 28,534 were employed and 1,322 were unemployed. The unemployment rate was 4.4% percent. <sup>2</sup>

The construction industry has been showing signs of recovery in 2014. Previously this industry had been the hardest hit sector since 2006 with county building permits declining over 45% from 2006 to 2013. However, permits issued in 2014 increased to 655 as compared to 580 in 2013, an increase of 13%.

The County operates as a statutory County, with a three-member Board of County Commissioners (BOCC). 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:

- General government function
- Public safety function - consisting of the sheriff, jail, coroner, building inspection, and district attorney;
- Road and bridge operations
- Public health and welfare- including human services
- Culture and recreation

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.

In defining La Plata County for financial reporting purposes, management has considered all aspects of where financial responsibility rests. The financial reporting entity consists of La Plata County, as the primary government, Durango Hills Local Improvement District and the Palo Verde Public Improvement District #3 as blended component units and the District Attorney of the Sixth Judicial District is included in the County's financial statements as a discretely presented component unit. The decision to include these component units was made by applying the criteria set forth by GASB in its Statement 61, *"The Financial Reporting Entity: Omnibus and amendment of GASB Statements 14 and 34"*. The component units discussed are included in the County's reporting entity because of significant operational or financial relationships.

The National and Colorado economies have seen slow economic growth as the norm for the last four years with 2015 expecting an improving economy with growth exceeding 3%.<sup>1</sup>

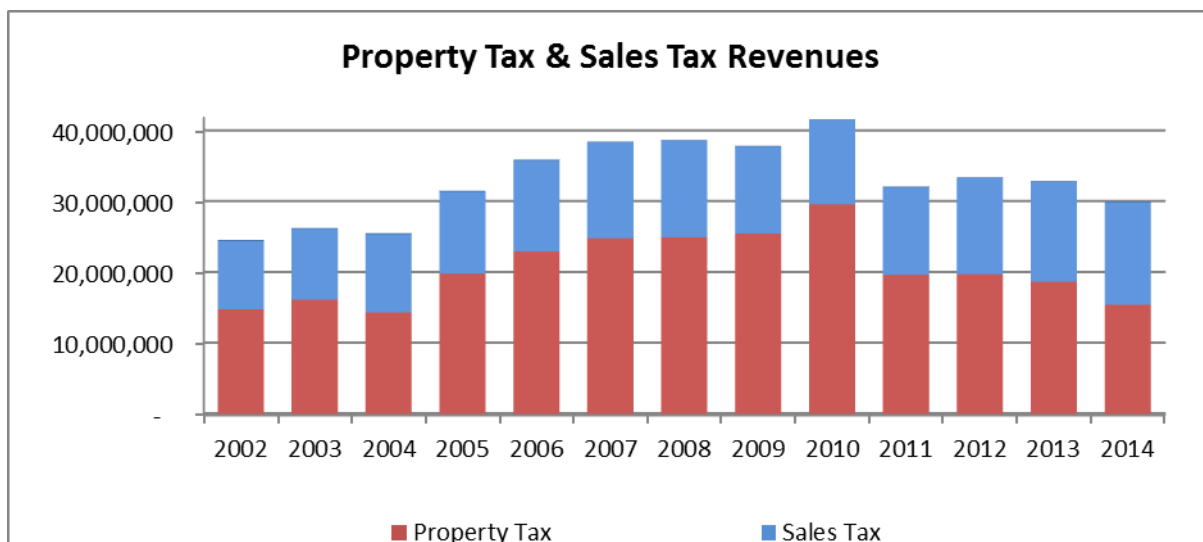
Colorado's economy has grown faster than the nation over the past several years and that trend is expected to continue. According to economist Richard Wobbekind of the University of Colorado Boulder's Leeds School of Business, 2014 marked Colorado's highest employment growth since the start of the 21<sup>st</sup> century. "Not only is the state's economy solidly in positive territory, but it is ranking in the top five nationally for population growth, employment growth, wage and salary growth and personal income growth."<sup>1</sup>

## Budgetary Controls

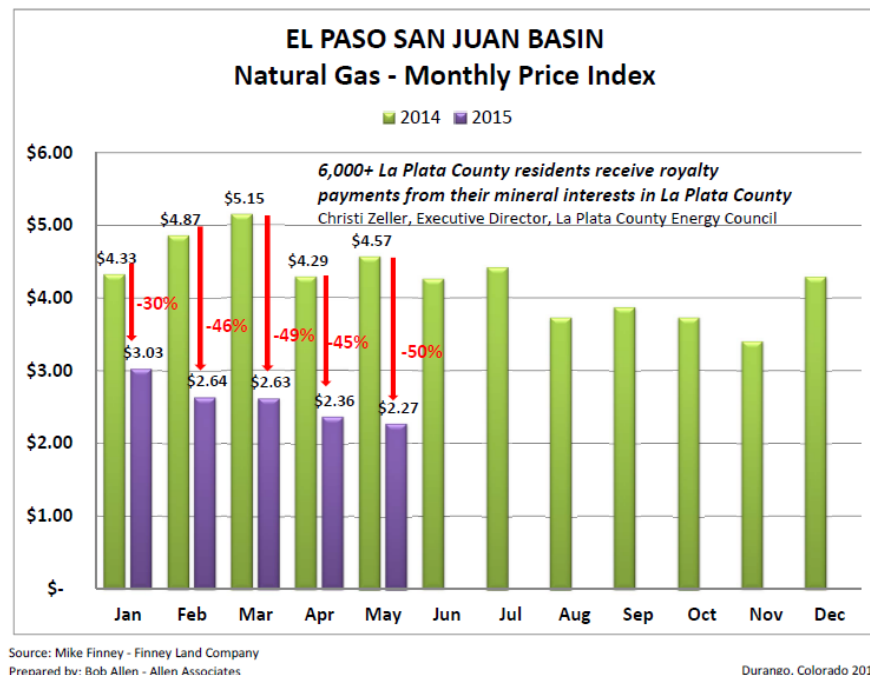
Colorado state law requires the adoption of budgets for all local governments, adopted by fund, so each summer La Plata County begins the annual budget preparation process. Every elected official and department head submits a requested budget to the County Manager who serves as the County's Budget Officer. 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 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 was \$15.6 million as compared to \$29.7 million in 2010, a decline of 47.8%. Revenue from natural gas has been steadily dropping from \$17.6 million in 2010 to \$5.06 million in 2014 a decline of 71%.



Gas and oil tax revenue is expected to decrease significantly again in 2017 as a result of current declining production and low prices per County Assessor, Craig Larson. He estimated tax revenues from natural gas could drop from 41% of the County's property tax revenue in 2015 to 30% of the revenue in 2017.



La Plata County has the fourth lowest property tax rate in the state at 8.5 mill levy. The Department of Local Affairs' 2014 County Comparison Report of Colorado's 52 small and medium sized Counties reports the median mill levy was 20.021 mills. La Plata County is below the median by 11.5 mills or 42.5% of the median levy. This results in the per capita revenue in La Plata County of \$293.61, ranking 41<sup>st</sup> out of the 52 Counties.

La Plata 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 has previously completed a number of capital improvement plans that identified projects, the associated costs, and proposed implementation schedules. Unfortunately, the volatility of oil and gas property tax revenues and the low mill levy have prevented the implementation of these plans.

It is important for us to highlight the underfunding of our Road and Bridge Fund. The County continues to experience the rising costs of transportation projects, increasing traffic volumes and limitations on our ability to generate revenues, causing a structural imbalance in the Road & Bridge Fund. Sources of revenues must be addressed in order to ensure funding is sufficient to meet the growing demands placed on our local transportation system.

## **Budget**

Looking forward to the 2015 budget year we projected an increase in property tax revenue and a modest increase in sales tax collection. It is anticipated that property tax revenues will increase slightly more in 2016 since 2015 is a property tax reassessment year, before falling again in 2017. As stated previously, gas and oil tax revenue is expected to decrease significantly in 2017 as a result of current declining production and low prices.

The 2015 budget attempts to balance many competing needs and requests as we begin to see slight and fragile improvements in our revenues. Due to prudent financial management in the past, the County has successfully weathered the recent financial challenges. Over the last several years we have instituted a number of measures to keep our budget sustainable, including operating budget reductions and staffing adjustments. Despite the fact that we have managed a “soft landing” from the great recession, it has become very apparent that part of our revenue challenges are both structural and in some cases systemic. The work of our Long Term Finance Committee is more important than ever in identifying solutions to our revenue challenges.

The 2015 budget includes a number of significant projects. Most notably, the County will provide \$1,304,000 to the City of Durango to assist with the construction of Wilson Gulch Road. This project is critical in providing additional commercial and retail opportunities within the City of Durango. In addition, we will provide \$180,000 to assist with funding improvements to the intersection of Highway 172 and 151 which is the main intersection within the Town of Ignacio. The County is also proposing to complete construction of a Park and Ride facility at the intersection of Highway 550 and County Road 302. The County will contribute approximately \$120,000 toward this project with the remaining funding provided through a CDOT Grant. Equipment Storage Buildings will also be constructed at both our Marvel and Ignacio Shops requiring a total investment of \$1,345,000. We have also received a grant in the amount of \$807,000 for this project, thus, reducing our total contribution to \$538,000. We also have money budgeted to complete several road maintenance and drainage improvement projects. A road safety project resulting in the realignment of County Roads 223 & 225 will also be completed at a cost of \$315,000. The County has also committed \$350,000 to construct a turn lane on County Road 210 into the Boat Ramp Area of Lake Nighthorse. This project was originally expected to occur in 2013; however, due to delays in opening Lake Nighthorse for recreation, we have postponed construction of the turn lane. It is in the County’s best interest to wait until an agreement is in place allowing recreation to occur before the turn lane is constructed

## **Long-Term Financial Planning**

The Board of County Commissioners (BOCC) created a Long Term Finance Committee (LTFC) in 2009. The purpose of the committee was to act solely in an advisory capacity to the BOCC with respect to the long term financial planning. During 2014 the LTFC along with staff prepared a forecasting model with a forward look on operations and County fiscal sustainability. Based on the downturns in the oil and gas property tax revenues and the County’s Operational and Capital Improvements Plan, the LTFC identified a financial imbalance that does not allow for the long term fiscal sustainability without exploring alternatives. Those alternatives include new revenue sources or a reduction in operating expenses including cuts in services. The committee members recommended the BOCC prioritize County needs and the time line for completing them to reduce the level of revenue sources and/or reduction in operating expenses or cuts in services.

The County has been working for more than two years to develop both short-term and long-term strategies to meet the County’s facility needs. In 2014 the County began its remodel of the County

Administration Building at 1101 E 2<sup>nd</sup> Ave (CAB), which provides for a new, more accommodating Board public meeting room, offices for the Commissioners and Administration, a consolidation of the Finance Department in one location, space for the Assessor's office, and a much needed training room and continuity of operations location for essential County functions during an emergency.

The Courthouse remodel consists of the renovation of the first floor (approximately 16,705 sq. ft.) and the addition of 879 sq. ft. to expand the secure entrance of the Courthouse to accommodate the needs of the Sixth Judicial District, for which the County must provide space, and to co-locate and expand the offices of the U.S. District Court within our Community. This project will assist La Plata County in addressing its mandated responsibilities to the Sixth Judicial District while also promoting economic vitality and increasing access for victims, witnesses, litigants and all those involved in federal proceedings that will be accommodated at this new location for the U.S. District Court in the County Courthouse. 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.

## **Financial Policies**

The County's Fund Balance Reserve policy requires the General Fund to maintain the following:

- Committed fund balance for emergencies and disasters at 75 days of operating expenditures to ensure the maintenance of services to the public during non-routine and unforeseen disasters.
- Assigned fund balance for capital to reserve for future financial resource use of the tentative plans for capital outlay.
- Unassigned fund balance are funds not otherwise non-spendable, restricted, committed, or assigned as required by GASB Statement #54 and represent balances available for appropriation at the discretion of the Board. The Fund Balance Reserve policy requires the General Fund to maintain a minimum reserved fund balance equal to two months with a target of three months of operations to provide fiscal cash liquidity.

At December 31, 2014 the General Fund unassigned fund balance is \$13,640,141.

## **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, 2013. 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 2014 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 are greatly appreciated.

Respectfully submitted,



Diane Sorensen  
Director of Finance

<sup>1</sup>The 50<sup>TH</sup> Annual Colorado Business Economic Outlook Forum presented Dec. 8, 2014 by the Leeds school's business research division.

<sup>2</sup>Colorado Department of Labor and Employment, Colorado LMI Gateway website.





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, 2013**

Executive Director/CEO



## LIST OF COUNTY OFFICIALS

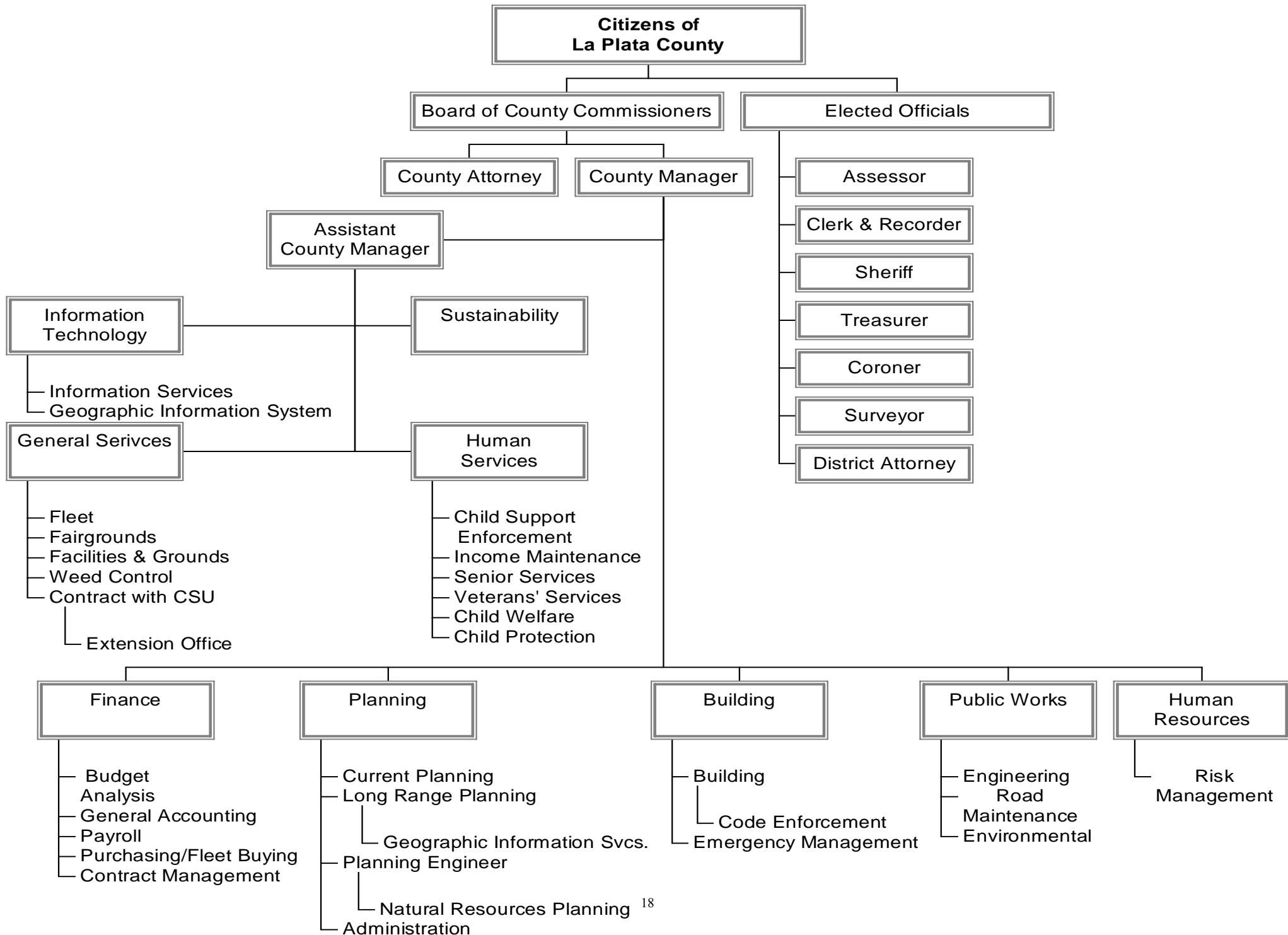
### ELECTED OFFICIALS

<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 24, 2015

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, 2014, 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, 2014, 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 24, 2015

**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 24, 2015 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, 2014. 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 government-wide revenue is \$56,058,540 compared to \$53,174,337 in 2013, an increase of 5%. The County's assets exceeded its liabilities and deferred inflows by \$197,250,162 (net position) for the calendar year reported. The increase in total net position over 2013 is \$3,720,145 or 2%.
- Total net position is comprised of the following:
  - 1) Investment in capital assets of \$96,745,229 includes property and equipment, net of accumulated depreciation.
  - 2) Net position of \$8,115,469 are restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
  - 3) Net position of \$18,075,415 are unrestricted, but are invested in a joint venture.
  - 4) The balance of unrestricted net position of \$74,314,049 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 \$78,018,332 this year. This compares to the prior year ending fund balance of \$73,458,480, showing an increase of \$4,559,852 or 6.2% during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$13,640,141 or 40% of 2015 budgeted General Fund operating expenditures. The decrease in the General Fund unassigned fund balance is the result of the Board of County Commissioners adopting the new Fund Balance Reserve Policy in 2014. The policy establishes adequate fund balance levels as an essential component of the County's overall financial management strategy, a crucial consideration to long-term financial planning, and a key factor in external agencies' measurement of the County's financial strength. The policy requires the General Fund to commit 75 days of operating expenditures for emergencies. The General Fund will assign fund balance for tentative plans of capital outlays including the acquisition or construction of capital facilities and other capital assets.

These components of fund balance will provide the taxpayer an explanation of why financial resources have been set aside and the conditions under which such resources will be expended.

- 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 35 & 36 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 37 through 43 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 44 through 46 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 47 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 48 of this report.

### **Supplemental Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information. Combined and individual statements and budgetary comparison schedules for non-major funds are presented in the supplementary section of this report beginning on page 76. 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.

### Government-Wide Financial Analysis

The County's net position at calendar year-end is \$197,250,162. The following table provides a summary of the County's net position:

	<b>Governmental Activities 2014</b>	<b>Percentage of Total 2014</b>	<b>Governmental Activities 2013</b>	<b>Percentage Inc/(Dec) over 2013</b>
Assets:				
Current assets	\$ 114,460,809	49.9%	\$ 104,630,862	9.4%
Investment in joint venture	18,075,415	7.9%	18,047,838	0.2%
Capital assets,	96,745,229	42.2%	98,126,731	-1.4%
<b>Total assets</b>	<b>229,281,453</b>	<b>100.0%</b>	<b>220,805,431</b>	<b>3.8%</b>
Liabilities & deferred inflows:				
Current liabilities	10,850,944	34.2%	7,780,560	39.5%
Long-term liabilities	3,778,624	11.9%	3,760,620	0.5%
Deferred Inflows of Resources	17,135,880	53.9%	15,734,234	8.9%
<b>Total liabilities &amp; deferred inflows</b>	<b>31,765,448</b>	<b>100.0%</b>	<b>27,275,414</b>	<b>16.5%</b>
Net position:				
Net investment in capital assets	96,745,229	49.0%	98,126,731	-1.4%
Restricted	8,115,469	4.1%	22,772,005	-64.4%
Unrestricted	92,389,464	46.8%	72,631,281	27.2%
<b>Total net position</b>	<b>\$ 197,250,162</b>	<b>99.9%</b>	<b>\$ 193,530,017</b>	<b>1.9%</b>

The largest portion of the County's net position (49%) 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 4.09 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 2015 with an offsetting amount reported in deferred inflows. If you remove those amounts from the current ratio calculation, the adjusted ratio is 8.97 to 1, which demonstrates the real liquid position of the County.

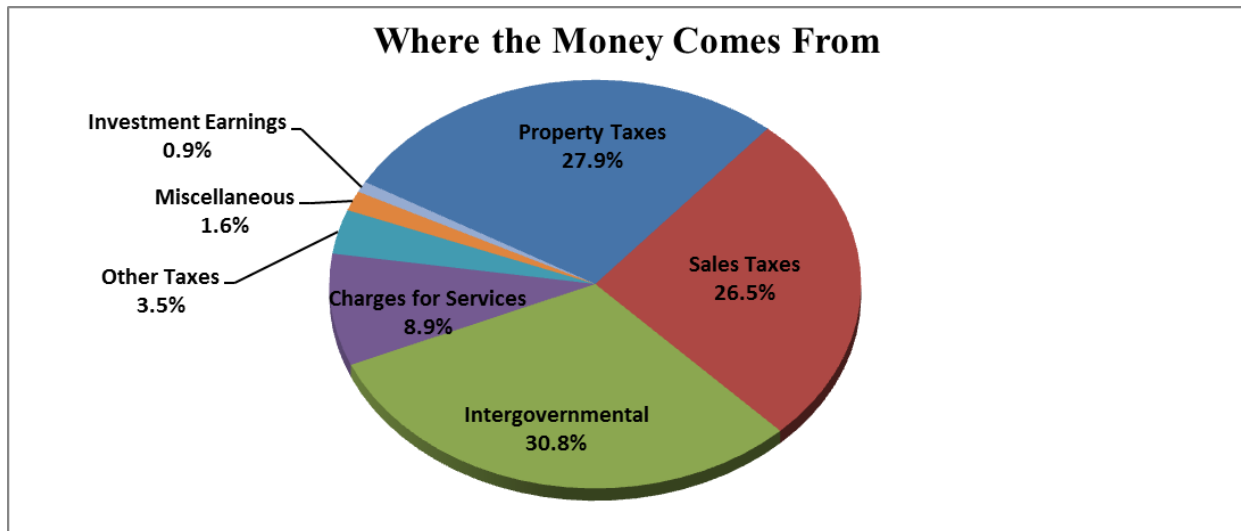
The County reported positive balances in net position. Net position increased by \$4 million for governmental activities.

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

	Governmental Activities 2014	Percentage of Total 2014	Governmental Activities 2013	(Decrease) Increase
<b>Revenues:</b>				
<i>Program:</i>				
Charges for services	\$ 4,961,215	8.9%	\$ 4,299,105	\$ 662,110
Operating grants	13,230,028	23.6%	11,961,803	1,268,225
Capital grants	4,019,552	7.2%	562,211	3,457,341
Total Program Revenues	22,210,795	39.6%	16,823,119	5,387,676
<i>General:</i>				
Taxes	32,478,709	57.9%	35,307,923	(2,829,214)
Other	1,369,037	2.4%	1,043,295	325,742
Total General Revenues	33,847,746	60.4%	36,351,218	(2,503,472)
<b>TOTAL REVENUES</b>	<b>56,058,541</b>	<b>100%</b>	<b>53,174,337</b>	<b>2,884,204</b>
<b>Program Expenses:</b>				
General government	10,328,052	19.7%	10,514,636	(186,584)
Public safety	15,939,033	30.5%	16,401,170	(462,137)
Auxiliary services	3,097,514	5.9%	3,085,940	11,574
Public works	12,936,627	24.7%	12,686,719	249,908
Health and welfare	5,757,071	11.0%	5,607,927	149,144
Community programs	4,276,928	8.2%	4,221,545	55,383
Decrease in joint venture	-	0.0%	360,978	(360,978)
<b>TOTAL EXPENSES</b>	<b>52,335,225</b>	<b>100%</b>	<b>52,878,915</b>	<b>(543,690)</b>
Change in net position	3,723,316		295,422	3,427,894
Beginning net position	193,530,017		191,938,491	
Prior Period Adjustment - See Note 3 - N	-		1,296,104	
Net Position Beginning of Year (Restated)	193,530,017		193,234,595	
<b>Ending net position</b>	<b>\$ 197,253,333</b>		<b>\$ 193,530,017</b>	

## Governmental Revenues

Governmental revenues for 2014 were \$56,058,541 compared to \$53,174,337 in 2013, an increase of 5.4%. The following chart presents the various sources of general revenues for the fiscal year ended December 31, 2014.



### Governmental Functional Expenses

The following schedule presents a summary of the governmental expenses for the fiscal year ended December 31, 2014 and the changes from the prior year.

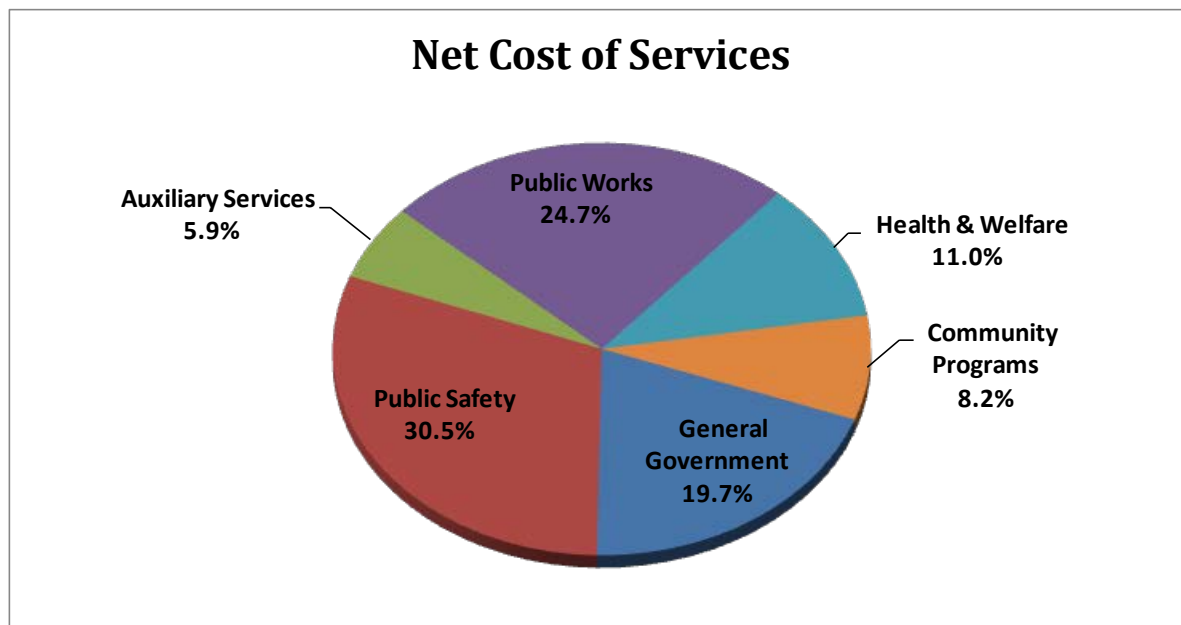
Function	Governmental Activities 2014	% of Total 2014	Governmental Activities 2013	(Decrease) Increase
General government	10,328,052	19.7%	10,514,636	(186,584)
Public safety	15,939,033	30.5%	16,401,170	(462,137)
Auxiliary services	3,097,514	5.9%	3,085,940	11,574
Public works	12,936,627	24.7%	12,686,719	249,908
Health and welfare	5,757,071	11.0%	5,607,927	149,144
Community programs	4,276,928	8.2%	4,221,545	55,383
Decrease in joint venture	-	0.0%	360,978	(360,978)
<b>Total Expenses</b>	<b>52,335,225</b>	<b>100.0%</b>	<b>52,878,915</b>	<b>(543,690)</b>

Overall expenditures for 2014 decreased \$543,690 or 1% from 2013. Public safety function is the County's largest cost at \$15.9 million or 30.5% of the total expenses. Public works function cost was \$12.9 or 24.7% of total expenses, and the general government cost totaled \$10.3 million or 19.7% of total expenses.

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.

	Governmental Activities 2014			2013 Net Cost	Decrease (Increase)
	Total Cost of Services	Net Cost of Services	Net Cost % of Total		
General Government	\$ 10,328,052	\$ 2,377,076	7.9%	\$ 4,743,809	\$ (2,366,733)
Public Safety	15,939,033	14,177,122	47.1%	14,657,520	(480,398)
Auxiliary Services	3,097,514	2,505,093	8.3%	2,463,441	41,652
Public Works	12,936,627	5,863,494	19.5%	8,970,163	(3,106,669)
Health & Welfare	5,757,071	952,293	3.2%	1,165,298	(213,005)
Community Programs	4,276,928	4,276,928	14.2%	3,694,587	582,341
Joint Venture	-	(27,577)	-0.1%	360,978	(388,555)
<b>Total expenses</b>	<b>\$ 52,335,225</b>	<b>\$ 30,124,429</b>	<b>100%</b>	<b>\$ 36,055,796</b>	<b>\$ (5,931,367)</b>

After reducing gross expenses by program revenues, public safety totals 43.3% of the net cost of services, public works comprises about 26% of total net costs of services, and the community programs function's net costs are 13.1% 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 \$78,018,332. Of this year-end total, \$311,645 represents inventories held for future consumption and \$134,030 are prepaid expenditures; neither category represents available, spendable resources. A total of \$21,971,986 is legally restricted for specific purposes, including economic stabilization, programming spending, capital improvements, joint projects, and public assistance. Committed fund balance totals \$7,064,450 and is reserved by the Board of County Commissioners to use in case of an emergency or a disaster. A total of \$34,896,080 is assigned and includes \$7,769,448 for 2015 budget deficit expenditures in the general fund, \$10,202 in debt service for the Palo Verde Public Improvement District #3, and \$27,116,430 is reserved for capital projects. Finally, more than \$13.6 million is unassigned, representing availability for continuing County service requirements.

The total ending fund balances of governmental funds show an increase of \$4,559,852 or 6.2% above the prior year.

### ***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 \$1.9 million. General Fund revenues decreased \$2.27 million from 2013. The majority of the decrease is due to the decline in property tax of approximately \$3.2 million or 19%. Net sales taxes totaled about \$7.1 million, a decrease of 1.8% from the 2013 collections of \$7.2 million. The decrease is the result of the Board of County Commissioners allocating an additional \$800,000 of Sales Tax revenue to the Road & Bridge Fund to help keep operations at current service levels. State and federal revenues increased in 2014 by \$669,950 or 14.5% from 2013. The majority of the increase is due to an increase in Severance tax of \$418,142, and an increase of \$152,496 in Payment In Lieu of Taxes, and \$178,713 in Mineral Leasing. Investment earnings increased \$445,636 over 2013. The County's investments had an annualized return of .76%.

Expenditures in the General Fund decreased \$397,210 or 1.3%. The decrease is mostly due to the decrease of \$462,803 in the public safety function operating expenditures. The \$5.1 million in the General Fund's ending unassigned fund balance is available for future use. The significant decrease is the result of reclassifying reserves into Committed and Assigned components of fund balance to disclose why financial resources have been set aside and the conditions under which such resources will be spent.

The Road and Bridge Fund accounts for the construction, maintenance, and snow removal on roads and bridges in the County. In 2014, the Road and Bridge Fund Balance increased 48% or \$2.5 million to \$7,780,699 and is available for future road and bridge spending. The majority of the increase in fund balance is due to an increase in revenues of \$3.7 million or 43% in 2014. Most of the increase is the result of grants received in 2014 on the Oxford intersection road project. Expenditures were \$9.6 million in 2014, a decrease of \$962,929 from 2013.

The Social Services Fund accounts for a variety of State mandated social services. In 2014, the Social Services Fund balance dropped by 6 % from \$2,699,440 to \$2,526,130. The fund spent more than \$5.7 million in providing services to clients, an increase of \$171,536, or 3% over 2013. Intergovernmental revenues increased \$359,264 when compared to 2013.

The Capital Improvement fund balance increased by approximately 4% from \$7.1 million in 2013 to \$7.38 million in 2014. The increase in fund balance is due to only 30% of the budgeted capital projects being completed in 2014. The remainder of these projects is expected to be started in 2015. The largest of the projects is the remodel/relocation of 1101 Second Avenue property. This project is expected to be completed by the middle of 2015 with a total cost of approximately \$4 million.

### General Fund Budgetary Highlights

The budget for the General Fund is prepared in compliance with all applicable Colorado State Statutes. On December 10, 2013, the Board of County Commissioners adopted and appropriated \$34,058,836 for the General Fund expenditures for the 2014 year.

	<u>Adopted Budget</u>	<u>Amendments</u>	<u>Final Budget</u>
Sources	\$ 30,848,274	\$ 205,336	\$ 31,053,610
Uses	34,058,836	201,836	34,260,672
Change in Fund Balance	<u>\$ (3,210,562)</u>	<u>\$ 3,500</u>	<u>\$ (3,207,062)</u>

Actual revenues collected exceeded budgetary estimates by \$1.56 million or 5.% and expenditures were \$3.2 million or 9.4% less than budgetary estimates.

### 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, 2014, was \$96,745,229. Net capital assets have decreased by about 3.7% in 2014. See Note 3-D for additional information about changes in capital assets during the year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

<b>Governmental Activities</b>		
	<u>12/31/2014</u>	<u>12/31/2013</u>
Non-depreciable assets:		
Land	\$ 9,452,945	\$ 9,452,945
Construction in progress	2,677,314	390,708
Total non-depreciable	<u>12,130,259</u>	<u>9,843,653</u>
Depreciable assets:		
Buildings	50,002,579	50,002,579
Improvements	9,102,342	9,102,342
Machinery and equipment	16,913,699	16,470,198
Infrastructure	84,356,865	83,545,941
Total depreciable assets	<u>160,375,485</u>	<u>159,121,060</u>
Less accumulated depreciation	<u>75,760,515</u>	<u>70,837,982</u>
Book value - depreciable assets	<u>84,614,970</u>	<u>88,283,078</u>
Percentage depreciated	<u>47.2%</u>	<u>44.5%</u>
Book value - all assets	<u>\$ 96,745,229</u>	<u>\$ 98,126,731</u>

### Long-term obligations

The County has long-term obligations including compensated absences, pollution remediation costs, and landfill postclosure costs. 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:

	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>\$ Change</u>	<u>% Change</u>
Colorado Water debt	\$ 272,500	\$ -	\$ 272,500	100.0%
Compensated Absences	1,636,875	1,629,328	7,547	0.5%
Pollution remediation costs	2,713,694	2,809,477	(95,783)	-3.4%
Landfill postclosure costs	<u>484,948</u>	<u>582,576</u>	<u>(97,628)</u>	<u>-16.8%</u>
Total Governmental Activities	<u>\$5,108,017</u>	<u>\$5,021,381</u>	<u>\$ 86,636</u>	<u>1.7%</u>

### Economic Factors and Next Year's Budget

La Plata County has effectively and responsibly maneuvered through some of the most challenging financial times in its history. Over the last four years, we have seen the County's property tax revenues decrease by \$15,000,000, which equates to nearly a 48% reduction. In 2015, property tax collections, a major source of the County's revenue, are projected to increase by \$1.35 million (an 8.5% increase over 2014).



Another large source of revenue is the County's 2% sales tax. The revenue produced from this source is shared with other governmental entities within La Plata County as follows:

- City of Durango, 18%
- Joint Sales Tax Fund, 11%
- Town of Bayfield, 4%
- Town of Ignacio, 3.5%, and
- La Plata County, 63.5%.

Sales Tax revenue retained by the County was \$14.8 million in 2014, an increase of 5.6% over 2013. Based on strong sales tax returns in 2014, sales tax revenue for 2015 has been projected to increase by 6%.

Grants and intergovernmental revenues are another cornerstone of the County's revenue base. In 2014, we received \$2.3 million in energy impact grants to assist with the remodel of the County Administration Building located at 1101 E. Second Avenue as well as the construction of two equipment buildings for our Marvel and Ignacio Road and Bridge facilities. In addition, we secured gaming grants in the amounts of \$415,281 for the District Attorney and Sheriff's Office jail and patrol operations.

The 2015 County budget is \$78.8 million, consisting of \$58 million in proposed operating expenses and \$20.8 million in proposed one-time expenditures, which includes capital and contingencies. Total revenues are anticipated to be \$68,695,709. Most notably, the County's operational revenues exceed operational expenditures, meaning that the County is living within its means, while at the same time appropriately using its fund balance for one-time expenditures and contingencies, the purpose for which such reserves are intended.

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 price has seen a dramatic decrease the first half of 2015. Current natural gas prices are averaging \$2.58 for the first five months of 2015 as compared to the average of \$4.58 for the first six months of 2014. The decrease of almost 45% in price is coupled with an average decrease in production by 7% a year.

The County's 2015 budget was prepared with consideration to these and other economic factors. The County is actively developing and implementing strategies to ensure long-term financial stability.

### **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.laplata.co.us](mailto:diane.sorensen@co.laplata.co.us).

<sup>1</sup>2014 Southwest Business Forum: The Regional Economy, Dr. Robert J. Sonora

<sup>2</sup>NACO County Tracker 2014 ([www.naco.org/CountyTracker](http://www.naco.org/CountyTracker))

## **BASIC FINANCIAL STATEMENTS**

**La Plata County, Colorado**  
**Statement of Net Position**  
**December 31, 2014**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 320,085	\$ 106,220
Equity in treasurer's cash and investments	85,097,592	-
Restricted cash and investments	126,232	-
Receivables:		
Accounts	4,134,704	-
Taxes	17,135,880	-
Deposits	7,447	-
Intergovernmental	7,029,014	166,752
Due from component unit	1,832	-
Due from primary government	-	41,903
Prepaid	128,583	-
Inventory	479,440	-
Investment in joint venture	18,075,415	-
<b>Capital Assets</b>		
Nondepreciable capital assets	12,130,259	-
Depreciable capital assets, net	84,614,970	20,525
<b>Total Assets</b>	<b>229,281,453</b>	<b>335,400</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	3,753,815	11,086
Accrued expenses	983,489	79,968
Intergovernmental payable	4,152,785	-
Accrued interest payable	3,170	-
Due to primary government	-	1,832
Deposits payable	458,783	-
Unearned revenue	150,000	-
Liabilities payable from restricted assets	126,232	-
Claims payable	159,120	-
Current portion-debt service	6,657	-
Current portion-compensated absences payable	393,385	20,067
Current portion-pollution remediation obligations	604,432	-
Current portion-landfill closure and post-closure care costs payable	59,076	-
<b>Long-Term Liabilities:</b>		
Debt service (net of current portion)	265,843	-
Compensated absences payable (net of current portion)	1,243,490	73,483
Pollution remediation obligations (net of current portion)	2,109,262	-
Landfill closure/post-closure costs (net of current portion)	425,872	-
<b>Total Liabilities</b>	<b>14,895,411</b>	<b>186,436</b>
<b>Deferred Inflows of Resources</b>		
Property Taxes	17,135,880	-
<b>Total Deferred Inflows of Resources</b>	<b>17,135,880</b>	<b>-</b>
<b>Net Position</b>		
Investment in capital assets	96,745,229	20,525
Restricted for:		
Required legal fund segregations	6,552,331	56,850
Economic stabilization (TABOR)	1,563,138	71,589
Unrestricted	92,389,464	-
<b>Total Net Position</b>	<b>\$ 197,250,162</b>	<b>\$ 148,964</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

Function/Program	Expenses	Program Revenues			Net (Expense)	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	
					Primary Government	
					Governmental Activities	
General government	\$ 10,328,052	\$ 3,287,481	\$ 3,891,022	\$ 772,473	\$ (2,377,076)	\$ -
Public safety	15,939,033	660,284	1,101,627	-	(14,177,122)	-
Auxiliary services	3,097,514	168,745	423,675	-	(2,505,093)	-
Public works	12,936,627	844,705	2,981,349	3,247,079	(5,863,494)	-
Increase in joint venture	-	-	27,577	-	27,577	-
Health and welfare	5,757,071	-	4,804,778	-	(952,293)	-
Community programs	4,276,928	-	-	-	(4,276,928)	-
Interest and fiscal charges	3,170	-	-	-	(3,170)	-
Total - Primary Government	\$ 52,338,395	\$ 4,961,215	\$ 13,230,028	\$ 4,019,552	(30,127,600)	-
Component Unit						
Office of the District Attorney	\$ 2,166,298	\$ -	\$ 734,544	\$ -		(1,431,754)
General Revenues						
Property taxes levied for general government purposes					15,639,563	-
Sales taxes					14,870,392	-
Other taxes					1,968,753	-
Cable franchise fees					108,759	-
Operational funding from primary government--unrestricted					-	1,431,002
Investment earnings					489,296	-
Miscellaneous					770,982	6,172
Transfers					-	-
Total General Revenues					33,847,745	1,437,174
Change in Net Position					3,720,145	5,420
Beginning Net Position					193,530,017	143,544
Net Position End of Year					\$ 197,250,162	\$ 148,964

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2014**

	<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	\$ 319,235	\$ 450	\$ 400	\$ -	\$ -	\$ 320,085
Equity in cash and investments	58,326,695	6,398,817	2,692,200	7,577,298	521,014	75,516,024
Restricted cash and investments	19,154	-	107,078	-	-	126,232
Cash held by Trustee	-	-	-	-	-	-
Receivables:						
Accounts	303,877	43,443	3,784,383	-	1,650	4,133,353
Taxes	14,853,981	1,423,256	761,743	-	96,900	17,135,880
Interfund	25,246	-	716	-	49,852	75,814
Deposits	2,000	-	-	5,447	-	7,447
Intergovernmental	3,758,468	1,981,542	360,958	545,579	382,467	7,029,014
Component unit	1,832	-	-	-	-	1,832
Prepaid	128,583	-	-	-	-	128,583
Inventory	445	311,200	-	-	-	311,645
<b>Total Assets</b>	<b>77,739,516</b>	<b>10,158,708</b>	<b>7,707,478</b>	<b>8,128,324</b>	<b>1,051,883</b>	<b>104,785,909</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	1,472,136	828,075	545,983	591,497	270,607	3,708,298
Accrued salaries and wages	833,353	126,432	-	-	-	959,785
Interfund payable	50,568	246	-	-	25,000	75,814
Intergovernmental payable	386,241	-	3,766,544	-	-	4,152,785
Deposits payable	458,783	-	-	-	-	458,783
Unearned revenues	-	-	-	150,000	-	150,000
Liabilities restricted assets	19,154	-	107,078	-	-	126,232
<b>Total Liabilities</b>	<b>3,220,235</b>	<b>954,753</b>	<b>4,419,605</b>	<b>741,497</b>	<b>295,607</b>	<b>9,631,697</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	14,853,981	1,423,256	761,743	-	96,900	17,135,880
<b>Total Deferred Inflows of Resources</b>	<b>14,853,981</b>	<b>1,423,256</b>	<b>761,743</b>	<b>-</b>	<b>96,900</b>	<b>17,135,880</b>
<b>Fund Balances</b>						
Nonspendable:						
Inventory and prepaid	129,028	311,200	-	-	-	440,228
Long term receivables	-	-	-	5,447	-	5,447
Restricted:						
Economic stabilization (TABOR)	1,563,138	-	-	-	-	1,563,138
Law enforcement	311,585	-	-	-	-	311,585
Conservation trust fund	2,652,677	-	-	-	-	2,652,677
Pollution investigation remediation	445,523	-	-	-	-	445,523
Capital improvements impact fees	-	1,650,305	-	-	-	1,650,305
Child welfare	-	-	1,492,241	-	-	1,492,241
Committed:						
Emergency and disasters	7,064,450	-	-	-	-	7,064,450
Assigned:						
Debt service	-	-	-	-	10,202	10,202
Next year's budget deficit	7,769,448	-	-	-	-	7,769,448
Capital projects	26,089,310	1,027,120	-	-	-	27,116,430
Road construction/maintenance	-	4,792,074	-	-	172,036	4,964,110
Joint Projects County/City	-	-	-	-	476,207	476,207
Public assistance and welfare	-	-	1,033,889	-	-	1,033,889
General capital improvements	-	-	-	7,381,380	-	7,381,380
Tribal mitigation impact	-	-	-	-	931	931
Unassigned	13,640,141	-	-	-	-	13,640,141
<b>Total Fund Balances</b>	<b>\$ 59,665,300</b>	<b>\$ 7,780,699</b>	<b>\$ 2,526,130</b>	<b>\$ 7,386,827</b>	<b>\$ 659,376</b>	<b>\$ 78,018,332</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, 2014**

---

<b>Total Governmental Fund Balances</b>	<b>\$ 78,018,332</b>
---	----------------------

**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	172,505,744	
Less accumulated depreciation	<u>(75,760,515)</u>	96,745,229

The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net position.	18,075,415
--	------------

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	9,750,714	
Non-capital liabilities	<u>(228,341)</u>	9,522,373

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.

Debt service	(275,670)	
Compensated absences	(1,636,875)	
Pollution remediation obligations	(2,713,694)	
Landfill closure and post closure care costs	<u>(484,948)</u>	<u>(5,111,187)</u>

<b>Net Position Of Governmental Activities</b>	<b><u>\$ 197,250,162</u></b>
--	------------------------------

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, 2014**

	<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	\$ 22,454,740	\$ 5,013,593	\$ 795,988	\$ 2,000,000	\$ 2,324,801	\$ 32,589,122
Intergovernmental	5,276,232	6,153,427	4,801,893	772,473	126,131	17,130,156
Licenses and permits	769,271	244,332	-	-	-	1,013,603
Charges for services	3,107,431	-	-	-	-	3,107,431
Investment earnings	487,774	-	-	-	8,923	496,697
Miscellaneous	521,432	800,344	2,885	-	-	1,324,661
<b>Total Revenues</b>	<b>32,616,880</b>	<b>12,211,696</b>	<b>5,600,766</b>	<b>2,772,473</b>	<b>2,459,855</b>	<b>55,661,670</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	9,760,910	-	-	15,719	-	9,776,629
Public safety	15,767,639	-	-	-	-	15,767,639
Auxiliary services	2,757,677	-	-	27,106	-	2,784,783
Public works	174,633	9,049,461	-	-	496,388	9,720,482
Health and welfare	-	-	5,774,076	-	-	5,774,076
Community programs	2,375,306	-	-	-	1,901,622	4,276,928
<b>Capital Outlay</b>	<b>211,676</b>	<b>617,538</b>	<b>-</b>	<b>2,444,567</b>	<b>-</b>	<b>3,273,781</b>
<b>Total Expenditures</b>	<b>31,047,841</b>	<b>9,666,999</b>	<b>5,774,076</b>	<b>2,487,392</b>	<b>2,398,010</b>	<b>51,374,318</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,569,039</b>	<b>2,544,697</b>	<b>(173,310)</b>	<b>285,081</b>	<b>61,845</b>	<b>4,287,352</b>
<b>Other Financing Sources (Uses)</b>						
Debt issuance	-	-	-	-	272,500	272,500
Transfers in	377,171	-	-	-	-	377,171
Transfers out	-	-	-	-	(377,171)	(377,171)
<b>Total Other Financing Sources (Uses)</b>	<b>377,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(104,671)</b>	<b>272,500</b>
<b>Net Change in Fund Balances</b>	<b>1,946,210</b>	<b>2,544,697</b>	<b>(173,310)</b>	<b>285,081</b>	<b>(42,826)</b>	<b>4,559,852</b>
<b>Fund Balances Beginning 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>
<b>Fund Balances End of Year</b>	<b>\$ 59,665,300</b>	<b>\$ 7,780,699</b>	<b>\$ 2,526,130</b>	<b>\$ 7,386,827</b>	<b>\$ 659,376</b>	<b>\$ 78,018,332</b>

**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, 2014**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		<b>\$ 4,559,852</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.		
Net program revenues (expenses) internal service funds	1,427,973	
Investment earnings	<u>132</u>	1,428,105
Internal service funds capital asset activity:		
Depreciation expense	(957,432)	
Cash received from sales of assets	277,064	
Assets disposed-net of accum depreciation	<u>(122,372)</u>	(802,740)
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)	(4,696,690)	
Capital outlay (excl internal service funds)	<u>3,293,847</u>	(1,402,843)
Governmental funds do not report the net cost of capital assets disposed of, but the cost is reported on the statement of activities		
		-
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		
		27,577
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.		
Transfers in	377,171	
Transfers out	<u>(377,171)</u>	-
Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/14	(3,170)	
Liability @ 12/31/13	<u>-</u>	(3,170)
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 @ 12/31/14	(2,713,694)	
Liability @ 12/31/13	<u>2,809,477</u>	95,783
The (increase) decrease in landfill closure and post closure care costs do not require require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/14	(484,948)	
Liability @ 12/31/13	<u>582,576</u>	97,628
Recording of long term debt relating to governmental activities		
Liability @ 12/31/14	<u>(272,500)</u>	(272,500)
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 @ 12/31/14	(1,636,875)	
Liability @ 12/31/13	<u>1,629,328</u>	(7,547)
<b>Change In Net Position of Governmental Activities</b>		<b><u>\$ 3,720,145</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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 22,157,357	\$ 22,157,357	\$ 22,454,740	\$ 297,383
Intergovernmental	4,593,464	4,779,489	5,276,232	496,743
Licenses and permits	505,000	505,000	769,271	264,271
Charges for services	2,933,822	2,938,133	3,107,431	169,298
Investment earnings	350,000	350,000	487,774	137,774
Miscellaneous	308,631	323,631	521,432	197,801
<b>Total Revenues</b>	<u>30,848,274</u>	<u>31,053,610</u>	<u>32,616,880</u>	<u>1,563,270</u>
<b>Expenditures</b>				
General government	11,559,129	11,528,129	9,760,910	1,767,219
Public safety	16,407,309	16,566,834	15,767,639	799,195
Auxiliary services	2,921,569	2,971,880	2,757,677	214,203
Public works	298,000	298,000	174,633	123,367
Community programs	2,404,014	2,427,014	2,375,306	51,708
<b>Total Current</b>	<u>33,590,021</u>	<u>33,791,857</u>	<u>30,836,165</u>	<u>2,955,692</u>
<b>Capital Outlay</b>	<u>468,815</u>	<u>468,815</u>	<u>211,676</u>	<u>257,139</u>
<b>Total Expenditures</b>	<u>34,058,836</u>	<u>34,260,672</u>	<u>31,047,841</u>	<u>3,212,831</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,210,562)</u>	<u>(3,207,062)</u>	<u>1,569,039</u>	<u>4,776,101</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>460,561</u>	<u>460,561</u>	<u>377,171</u>	<u>(83,390)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>460,561</u>	<u>460,561</u>	<u>377,171</u>	<u>(83,390)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,750,001)</u>	<u>\$ (2,746,501)</u>	<u>1,946,210</u>	<u>\$ 4,692,711</u>
<b>Fund Balances Beginning of Year</b>			<u>57,719,090</u>	
<b>Fund Balances End of Year</b>			<u>\$ 59,665,300</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, 2014*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 4,839,128	\$ 5,014,916	\$ 5,013,593	\$ (1,323)
Intergovernmental	5,816,047	5,816,047	6,153,427	337,380
Licenses and permits	214,000	214,000	244,332	30,332
Miscellaneous	262,000	262,000	800,344	538,344
<b>Total Revenues</b>	<b>11,131,175</b>	<b>11,306,963</b>	<b>12,211,696</b>	<b>904,733</b>
<b>Expenditures</b>				
Public works	8,784,785	8,960,573	9,049,461	(88,888)
Capital outlay	3,500,000	3,500,000	617,538	2,882,462
<b>Total Expenditures</b>	<b>12,284,785</b>	<b>12,460,573</b>	<b>9,666,999</b>	<b>2,793,574</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,153,610)</b>	<b>(1,153,610)</b>	<b>2,544,697</b>	<b>3,698,307</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,153,610)</b>	<b>\$ (1,153,610)</b>	<b>2,544,697</b>	<b>\$ 3,698,307</b>
<b>Fund Balances Beginning of Year</b>			<b>5,236,002</b>	
<b>Fund Balances End of Year</b>			<b>\$ 7,780,699</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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 799,118	\$ 799,118	\$ 795,988	\$ (3,130)
Intergovernmental	4,355,897	4,355,897	4,801,893	445,996
Miscellaneous	-	-	2,885	2,885
<b>Total Revenues</b>	<b>5,155,015</b>	<b>5,155,015</b>	<b>5,600,766</b>	<b>445,751</b>
<b>Expenditures</b>				
<b>Current:</b>				
Health and welfare	5,615,686	5,615,686	5,774,076	(158,390)
<b>Total Expenditures</b>	<b>5,615,686</b>	<b>5,615,686</b>	<b>5,774,076</b>	<b>(158,390)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(460,671)</b>	<b>(460,671)</b>	<b>(173,310)</b>	<b>287,361</b>
<b>Net Change in Fund Balances</b>	<b>\$ (460,671)</b>	<b>\$ (460,671)</b>	<b>(173,310)</b>	<b>\$ 287,361</b>
<b>Fund Balances Beginning of Year</b>			<b>2,699,440</b>	
<b>Fund Balances End of Year</b>			<b>\$ 2,526,130</b>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2014**

	<b>Governmental Activities Internal Services Funds</b>
<b>Assets</b>	
<b>Current Assets:</b>	
Equity in treasurer's cash and investments	\$ 9,581,568
Accounts receivable	1,351
Inventory	167,795
<b>Total Current Assets</b>	<u>9,750,714</u>
<b>Noncurrent Assets</b>	
<b>Capital Assets:</b>	
Depreciable capital assets, net	<u>6,569,918</u>
<b>Total Assets</b>	<u>16,320,632</u>
<b>Liabilities</b>	
Accrued payroll	23,704
Accounts payable	45,517
Interfund payable	-
Accrued claims payable	<u>159,120</u>
<b>Total Current Liabilities</b>	<u>228,341</u>
<b>Net Position</b>	
Investment in capital assets	6,569,918
Unrestricted	9,522,373
<b>Total Net Position</b>	<u><u>\$ 16,092,291</u></u>

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, 2014**

	<b>Governmental Activities Internal Services Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 1,897,391
Insurance deposits	3,834,456
Miscellaneous revenue	365
<b>Total Operating Revenues</b>	<u>5,732,212</u>
<b>Operating Expenses</b>	
Equipment maintenance	1,011,787
Depreciation	957,432
Medical claims	3,292,452
<b>Total Operating Expenses</b>	<u>5,261,671</u>
<b>Operating Income (Loss)</b>	<u>470,541</u>
<b>Non-Operating Revenues</b>	
Gain (loss) on sale of capital assets	154,692
Capital grants	12,000
Investment earnings	132
<b>Total Non-Operating Revenues (Expenses)</b>	<u>166,824</u>
<b>Change in Net Position</b>	637,365
<b>Net Position Beginning of Year</b>	<u>15,454,926</u>
<b>Net Position End of Year</b>	<u><u>\$ 16,092,291</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, 2014**

	<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	\$ 5,732,755
Cash payments for goods and services	(1,018,342)
Cash payments for claims	(3,809,356)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>905,057</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Cash sales of capital assets	277,064
Payments for capital acquisitions	(1,101,145)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(824,081)</u>
<b>Cash Flows from Investing Activities</b>	
Investment earnings	<u>132</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	81,108
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>9,500,460</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 9,581,568</u></u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>	
<b>Operating Income (Loss)</b>	\$ 470,541
<b>Adjustments:</b>	
Depreciation	957,432
<b>(Increase) Decrease in Assets:</b>	
Accounts receivable	543
Inventory	(12,169)
<b>Increase (Decrease) in Liabilities:</b>	
Accounts payable	6,128
Accrued incurred/unreported claims	(516,904)
Accrued wages	(514)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 905,057</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, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 2,772,976	\$ 2,320,604
<b>Liabilities</b>		
Accounts payable	\$ 219,283	\$ 150,605
Due to component unit	41,903	76,723
Deposits held for others	2,511,790	2,093,276
<b>Total Liabilities</b>	\$ 2,772,976	\$ 2,320,604

See accompanying notes to the basic financial statements

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

**Index**

<b>Summary of Significant Accounting Policies.....</b>	<b>1</b>
Reporting Entity .....	1-A
Basis of Presentation .....	1-B
Measurement Focus and Basis of Accounting .....	1-C
Assets, Liabilities and Fund Equity .....	1-D
Cash, Cash Equivalents and Investments .....	1-D-1
Receivables.....	1-D-2
Interfund Balances.....	1-D-3
Consumable Inventories .....	1-D-4
Restricted Assets .....	1-D-5
Capital Assets .....	1-D-6
Compensated Absences .....	1-D-7
Other Accrued Liabilities and Long-term Obligations.....	1-D-8
Fund Equity and Fund Balances .....	1-D-9
Operating Revenues and Expenses.....	1-D-10
Interfund Activity .....	1-D-11
Estimates.....	1-D-12
Comparative Data.....	1-D-13
 <b>Stewardship, Compliance and Accountability .....</b>	 <b>2</b>
Budgetary Information .....	2-A
Stewardship .....	2-B
 <b>Detailed Notes on All Funds .....</b>	 <b>3</b>
Deposits and Investments .....	3-A
Receivables.....	3-B
Property Taxes.....	3-C
Capital Assets .....	3-D
Interfund Balances and Transfers .....	3-E
Current Liabilities – DIA Defaults .....	3-F
Long-Term Debt.....	3-G
Colorado Water Resource Loan .....	3-H
Compensated Absences .....	3-I
Pollution Remediation .....	3-J
Landfill Closure and Postclosure Care Costs .....	3-K
Lease Obligations .....	3-L
Pensions.....	3-M
Fund Balance .....	3-N
 <b>Other Notes</b>	
Risk Management.....	4
Contingent Liabilities .....	5
Joint Venture .....	6
Tax, Spending and Debt Limitations.....	7



***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

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.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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 ***Palo Verde Public Improvement District #3***, 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 Palo Verde Public Improvement District #3 is blended because the District's governing body consists of the County Commissioners. The activities of the Palo Verde Public Improvement District #3 are reported in the County's financial report as the special revenue fund, "Palo Verde Public Improvement District #3".

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.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

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*.

Other revenue sources not 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.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

***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 four non-major special revenue funds, the *Joint Sales Tax Fund*, *Durango Hills Road Improvement District*, *Palo Verde Public Improvement District #3* 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.

***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-

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

term debt and compensated absences, which are recognized when 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.

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.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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

All trade and property tax receivables are reported net of an allowance for uncollectible, 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 \$107,078 and La Plata County jail inmate commissary funds of \$19,154.

***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.

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

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

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, 2014, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

***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 by limitations the government imposes upon itself by the Board of County Commissioners. Commitments are created through adoption and subsequent amendment of the annual budget.
- Assigned fund balance – the portion of fund balance that reflects a government’s intended use of resources. Assignments are set aside by the Board of County Commissioners through the adoption and subsequent amendment of the annual budget. 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 portion of fund balance that is not classified as non-spendable, restricted, committed or assigned. 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



***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

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.

***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. Non-operating 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, 2013, 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.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

***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.

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 2014.

***2- B. Stewardship***

Expenditures in the Social Services Fund, a special revenue fund of the County, exceeded appropriations during 2014. This may be a violation of Colorado State Statutes.

***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

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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 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 \$4,040,039 and the bank balance was \$4,690,050. Of the bank balance, \$627,477 was covered by federal depository insurance and \$4,062,573 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 \$106,220 and the bank balance was \$106,404. Of the bank balance, \$106,404 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, 2014, 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.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

**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.

As of December 31, 2014, 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	41.91%	\$ 35,223,175
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	3.16%	2,657,879
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	3.14%	2,634,970
Federal Home Loan Bank (FHLB)	1.66	AA+/Aaa	11.33%	9,522,091
Federal National Mortgage Association (FNMA)	2.43	AA+/Aaa	5.32%	4,472,747
Federal Home Loan Mortgage Corporation (FHLMC)	1.85	AA+/Aaa	3.57%	3,001,969
United States Treasury notes	2.05	AA+/Aaa	8.33%	7,003,478
Federal Farm Credit Bank (FFCB)	2.09	AA+/Aaa	9.48%	7,968,723
Corporate - Wal-Mart	1.27	AA/Aa2	1.19%	999,730
Corporate - Toyota Motor Credit	0.54	AA-/Aa3	1.19%	1,002,777
Corporate - IBM Corp	0.99	AA-/Aa3	2.42%	2,029,666
Commercial Paper - Societe Generale NA	-	A-1/P-1	1.19%	999,982
Corporate - General Electric	0.77	AA+/Aa3	1.79%	1,504,019
Corporate - US Bank NA	2.04	AA-/Aa3	1.19%	999,221
Corporate - Berkshire Hathaway	2.03	AA/Aa2	1.21%	1,014,486
Corporate - Apple Inc	2.31	AA+/Aa1	1.19%	1,002,590
Corporate - UBS Finance	-	A-1/P-1	1.19%	998,708
Corporate - Chevron	2.80	AA/Aa1	1.19%	1,000,886
		<b>Total</b>	<b>100%</b>	<b>\$ 84,037,097</b>

***Cash & Investment Reconciliation:***

Description	Carrying Amounts		Cash and Cash Equivalents
Cash on hand	\$ 239,749	From Statement of Net Position:	
Deposits	4,040,039	Cash & Cash Deposits	\$ 320,085
Investments	84,037,097	Equity in treasurer's cash and investments	85,097,592
		Restricted cash and investments	126,232
		Statement of Fiduciary Assets and Liabilities	2,772,976
Total	<u>\$ 88,316,885</u>	Total	<u>\$ 88,316,885</u>

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

***3-B. Receivables***

Receivables at December 31, 2014 include earned revenues 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, collectibility.

***3-C. Property Taxes***

Property taxes attach as an enforceable lien on property as of December 31 and are levied on January 1 of the following year. Taxes are payable either in two installments due on the last day of February 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, 2014, was as follows:

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**

	Balance 1/1/2014	Reclass	Additions	Deletions	Balance 12/31/2014
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,452,945	\$ -	\$ -	\$ -	\$ 9,452,945
Construction in progress	390,708	(193,386)	2,479,992	-	2,677,314
Total capital assets not being depreciated	9,843,653	(193,386)	2,479,992	-	12,130,259
Depreciable capital assets:					
Buildings	50,002,579				50,002,579
Improvements	9,102,342				9,102,342
Machinery and equipment	16,470,198		1,297,462	853,961	16,913,699
Infrastructure	83,545,941	193,386	617,538	-	84,356,865
Total depreciable capital assets	159,121,060	193,386	1,915,000	853,961	160,375,485
Total capital assets	168,964,713	-	4,394,992	853,961	172,505,744
Accumulated depreciation:					
Buildings	11,321,993		1,057,961		12,379,954
Improvements	2,772,362	-	319,768		3,092,130
Machinery and equipment	9,230,210	-	1,131,861	731,589	9,630,482
Infrastructure	47,513,417	-	3,144,532	-	50,657,949
Total accumulated depreciation	70,837,982	-	5,654,122	731,589	75,760,515
Governmental activities capital assets, net	\$98,126,731	\$ -	\$ (1,259,131)	\$ 122,372	\$ 96,745,229
Governmental activities depreciation expense:		Total			
General government		\$ 560,473			
Public safety		698,192			
Auxiliary services		370,801			
Public works		3,953,407			
Health and welfare		71,249			
Total governmental activities depreciation expense		\$ 5,654,122			

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2014:

	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
Depreciable capital assets:				
Improvements	\$ 23,334	\$ -	\$ -	\$ 23,334
Machinery and equipment	142,138	6,995	(20,093)	169,226
Less accumulated depreciation	(144,566)	(7,376)	20,093	(131,849)
Component unit capital assets, net	\$ 20,906	\$ (381)	\$ -	\$ 20,525

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

***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, 2014, consisted of the following:

	<b>Transfers from:</b>		
	General fund	Non-major govt'l fund	Total
<b>Transfers to:</b>			
General fund	\$ -	\$ 352,171	\$ 352,171
Non-major governmental funds	25,000	-	25,000
Total	<u>\$ 25,000</u>	<u>\$ 352,171</u>	<u>\$ 377,171</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. As of December 31, 2014 the County had not received certification of at least 50% completion of the DIA Improvements.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

**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, 2014:

	<b>Outstanding</b>			<b>Outstanding</b>	<b>Amounts Due</b>
Governmental Activities:	<b>1/1/2014</b>	<b>Additions</b>	<b>Reductions</b>	<b>12/31/2014</b>	<b>In One Year</b>
Colorado Water debt	\$ -	\$ 272,500	\$ -	\$ 272,500	\$ 6,657
Compensated absences	1,629,328	2,169,101	2,161,554	1,636,875	393,385
Pollution remediation obligation	2,809,477		95,783	2,713,694	604,432
Landfill closure and postclosure care costs	582,576		97,628	484,948	59,076
Total Governmental Activities	<u>\$ 5,021,381</u>	<u>\$ 2,441,601</u>	<u>\$ 2,354,965</u>	<u>\$ 5,108,017</u>	<u>\$ 1,063,550</u>
Component Unit:					
Compensated absences	<u>\$ 80,266</u>	<u>\$ 91,356</u>	<u>\$ 78,072</u>	<u>\$ 93,550</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. Colorado Water Resources and Power Development Authority** - The La Plata County Palo Verde Public Improvement District #3 entered into a loan agreement with the Colorado Water Resources and Power Development Authority to finance the water line extension project and service connections to the City of Durango's water. The loan was in the amount of \$272,500 with a 2% interest and a term of 20 years. The principal and interest shall be payable out direct annual taxes on all taxable property in the District. A schedule of future debt services requirements is as follows:



***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2015	6,657	3,170	9,827
2016	11,628	5,259	16,887
2017	11,862	5,025	16,887
2018	12,100	4,787	16,887
2019	12,343	4,544	16,887
2020-2024	65,540	18,898	84,438
2025-2029	72,397	12,038	84,435
2030-2034	79,972	4,464	84,436
Total	<u>\$ 272,500</u>	<u>\$ 58,185</u>	<u>\$ 330,685</u>

***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. For purposes of reporting compensated absences payable, only accrued annual leave and accrued comp time and associated payroll costs have been accrued.

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

***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 2014, the County's consultant completed an in-situ chemical oxidation pilot study (Study) at the site in support of the remedy selected in the final Record of Decision (ROD). The objectives of the Study were to estimate the expected radius of influence of oxidant injection and to conduct an initial assessment of the effectiveness of the selected remedy. Based on the results, of the Study, the County and Brown Group have agreed upon a phased-approach to the selected remedy that could potentially result in cost savings. It is estimated that the County will incur approximately \$15,000 in legal services in 2015 associated with the remediation effort, and approximately \$300,000 in cleanup

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

activities in 2015, 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 \$32,747 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 \$3,144,217, for a total of \$3,159,217. Based upon the judge's determination that Brown Retail Group is required to reimburse a minimum of \$445,523 in future response costs, the County has recorded a corresponding reduction of \$445,523 in the total liability, reducing the net future liability for pollution cleanup to \$2,713,694. By Court order, Brown Group advanced La Plata County \$445,523 in future cleanup costs in April 2012, and this deposit is being held to cover future recovery costs.

The estimated total current cost of cleanup/remediation activities of \$3,159,217 includes \$2,713,694 reported as pollution remediation obligation liability and the \$445,523 reported as reserved held for pollution remediation obligation and 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, 2014. 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 postclosure care costs.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

***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 \$484,948 as of December 31, 2014, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 3,722	100%	\$ 3,722
Marvel	5,722	100%	5,722
Durango	86,400	100%	86,400
Bayfield	389,104	100%	389,104
Totals	\$ 484,948		\$ 484,948

The estimated total current cost of the landfill closure and post closure care of \$484,948 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, 2014. However, the actual cost of closure and post closure 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 post closure 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,

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

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 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. In September 2014, the original lease agreement was amended to extend the lease term through July 31, 2016. The County is responsible for taxes, maintenance, utilities, and common area maintenance charges. The amount paid for the lease during 2014 totaled \$48,440.

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 \$121,783.

### ***3-M. Pensions***

The County provides pension benefits for its regular full-time, three-quarter-time and part-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 \$22,640 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 2014 was \$21,708,874. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$20,826,645.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

Both the employer and the covered employees made the required contributions, amounting to \$1,317,692 from the employer and \$1,317,692 from employees, or \$2,635,384 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 – represents the amount of receivables not likely to be converted to a spendable form in the subsequent accounting period.

***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 remediation – as noted in Note 3-J the County received \$445,523 in April 2012 as ordered by the Court to be used for 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.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

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 2015 budget adoption process, the 2015 general fund revenues and transfers in were estimated at \$33,644,480 and expenditures and transfers out were estimated at \$41,413,928, demonstrating a projected deficit of \$7,769,448. Therefore, it is necessary to set aside this amount to cover the subsequent year budget deficit.

***Fund Balance Reserve Policy:***

The Board of County Commissioners adopted the Fund Balance Reserve Policy in May 2014 which replaced the 2004 General Reserve Policy. The new policy requires reserves at a minimum a level of two months and with the target level of three months, of operating expenditures to provide for fiscal cash liquidity purposes (i.e. fiscal reserve) to be used for short-term cash flow purposes due to the timing of revenues becoming available and expenditures being paid. This reserve is required in both the General Fund and the Road & Bridge Fund.

The Assigned and Committed components of fund balance will provide the taxpayer with an explanation of why financial resources have been set aside and the conditions under which such resources will be expended. The General Fund shall maintain the following fund balance components:

*Committed Fund Balance for Emergencies and Disasters* – Differing from disaster response or relief (i.e. paying for resources to combat a fire), the County shall maintain 75 days of operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situation such as fires and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services as declared appropriate by the Board.

*Assigned Fund Balance for Capital* -The County shall maintain an amount to be reserved for future financial resource use of the tentative plans for capital outlays including the acquisition or construction of capital facilities and other capital assets. These reserves may also be used for financing, debt issuance costs, grant matching for capital outlays, or transfer to the Capital Improvement Plan Fund (CIP) for

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

capital purposes.

The Road & Bridge Fund shall maintain the following fund balance components:

*Assigned Fund Balance for Capital* -The County shall maintain an amount to be reserved for future financial resource use of the tentative plans for capital outlays including the acquisition or construction of capital assets and road projects. The target level should equal the expected net cost for the road plan.

The calculated amount of the General Fund fund balance components at 12/31/2014 are:

<b>Fund Balance</b>	
Nonspendable:	
Inventory	\$ 445
Long term receivables	128,583
Restricted:	
Economic stabilization (TABOR)	1,563,138
Law enforcement	311,585
Conservation trust fund	2,652,677
Pollution investigation remediation	445,523
Committed:	
Emergency and disasters	7,064,450
Assigned:	
Next year's budget deficit	7,769,448
Capital projects	26,089,310
Unassigned	<u>13,640,141</u>
Total General Fund Balance	<u>\$ 59,665,300</u>

***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 four fiscal years.

The claims liability of \$159,120 reported in the employee medical self insurance fund represents the amount due to the County's third party administrators at December 31, 2014 for the 2014 claims year and

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

an estimate for incurred but not reported claims.

Changes in the funds claims liability amount in calendar 2014 and 2013 were:

	<u>2014</u>	<u>2013</u>
Liability at January 1	\$ 337,635	\$ 651,610
Add: Current year claims & changes in estimates	3,065,112	3,071,605
Less: Claim Payments	<u>(3,243,627)</u>	<u>(3,385,580)</u>
Balance at December 31	<u>\$ 159,120</u>	<u>\$ 337,635</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. 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 four fiscal years.



*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2014*

**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 2014, 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 Limited Gaming Impact Fund (GAME). A summary of these commitments is presented below:

Grant	Period	Grant Funds	County Funds	Description
GAME #13-836	01/01/14-12/31/14	\$ 150,000	\$ 220,036	Sheriff Public Safety Services
GAME #13-837	01/01/14-12/31/14	185,018	185,018	Jail Personnel Expenses
GAME #13-838	01/01/14-12/31/14	80,281	1,786,719	6th Judicial DA Impacts
EIAF #7506	10/22/14-11/30/15	807,170	538,120	Ignacio & Marvel Equipment Storage Imp.
EIAF #7406	06/04/14-07/31/15	1,500,000	2,452,637	Office Space Remodel/Relocation
<b>Totals</b>		<b>\$ 2,722,469</b>	<b>\$ 5,182,530</b>	

**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 2014, 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.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

Ultimate liability to the County resulting from claims not covered by these insurance pools is not presently determinable.

***Commitment to Lease Space*** – As of March 2015, La Plata County completed its negotiations with the U.S. General Services Administration (GSA) for the remodel and lease of a portion of the County Courthouse to the GSA for use by the U.S. District Court, U.S. Marshal's Office and the U.S. Probation Dept. The County believes that locating the U.S. District Court offices in the County Courthouse will increase access for local citizens, help to address social justice concerns, and contribute to the economic vitality of the community. La Plata County and the GSA have entered into the lease agreement, which was signed by the County on March 10, 2015 and by the GSA on April 3, 2015. Based on the current design, the total project cost is estimated to be between \$4.5 million and \$5 million, which cost will span two County budget cycles (2015 and 2016). Under the terms of the lease agreement, the GSA will pay total annual rent of \$236,699.59 (which includes costs associated with tenant improvements) for a term of ten years.

In June, 2015, the offices of the County Commissioners, County Assessor, Administration and Finance Departments will be relocated from the County Courthouse into the newly remodeled County Administration Building located at 1101 E. Second Ave., Durango, which will allow the Courthouse remodel to proceed. The remaining Courthouse remodel design work will be completed in 2015 and construction is anticipated to begin in February 2016. The Courthouse remodel project is expected to be completed by late 2016.

***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 \$18,075,415 at December 31, 2014. 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, 2014, 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

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2014***

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, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Cash and cash deposits	\$ 319,235	\$ 325,598
Equity in treasurer's cash and investments	58,326,695	56,125,125
Restricted cash and investments	19,154	19,857
Receivables:		
Accounts	303,877	270,300
Property taxes	14,853,981	13,652,306
Deposits	2,000	2,000
Intergovernmental	3,758,468	3,825,099
Component unit	1,832	-
Interfund	25,246	-
Prepaid expenditures	128,583	23,761
Inventory	445	1,877
<b>Total Assets</b>	<b>77,739,516</b>	<b>74,245,923</b>
<b>Liabilities</b>		
Accounts payable	1,472,136	1,274,214
Accrued salaries and benefits	833,353	766,653
Interfund payable	50,568	-
Intergovernmental payable	386,241	238,750
Deposits payable	458,783	575,053
Liabilities payable from restricted assets	19,154	19,857
<b>Total Liabilities</b>	<b>3,220,235</b>	<b>2,874,527</b>
<b>Deferred Inflows of Resources</b>		
Property taxes	14,853,981	13,652,306
<b>Total Deferred Inflows of Resources</b>	<b>14,853,981</b>	<b>13,652,306</b>
<b>Fund Balances</b>		
Nonspendable:		
Inventory	445	1,877
Prepays	128,583	25,761
Restricted:		
Economic stabilization (TABOR)	1,563,138	1,523,898
Law enforcement	311,585	318,348
Conservation trust fund program expenditures	2,652,677	2,354,084
Pollution investigation and remediation	445,523	445,523
Committed:		
Emergencies and disasters	7,064,450	-
Assigned:		
Next year's budget deficit	7,769,448	2,750,002
Capital projects	26,089,310	-
Unassigned	13,640,141	50,299,597
<b>Total Fund Balances</b>	<b>\$ 59,665,300</b>	<b>\$ 57,719,090</b>

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2014*  
*(With Comparative Actual Amounts for Year Ended December 31, 2013)*

	2014				2013 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
<b>Taxes:</b>					
General property & delinquent taxes	\$ 13,692,306	\$13,692,306	\$ 13,650,152	\$ (42,154)	\$ 16,847,820
Specific ownership	1,300,000	1,300,000	1,311,225	11,225	1,391,847
Sales tax (net)	6,795,536	6,795,536	7,103,289	307,753	7,230,069
Cable franchise fees	133,600	133,600	108,759	(24,841)	111,441
Lodger's tax	235,915	235,915	281,315	45,400	204,852
<b>Total Taxes</b>	<b>22,157,357</b>	<b>22,157,357</b>	<b>22,454,740</b>	<b>297,383</b>	<b>25,786,029</b>
<b>Intergovernmental Revenue:</b>					
Federal Revenue:					
Senior Services-Older American Act	137,070	137,070	164,373	27,303	166,375
Senior Services-NSIP	33,500	33,500	42,869	9,369	40,327
CSB Grant-for Sr. Svcs	4,000	4,000	4,297	297	-
Payment In Lieu of Taxes	575,000	575,000	760,455	185,455	607,959
HIDTA grant	377,308	377,308	366,849	(10,459)	351,398
Bulletproof vest grant	6,898	6,898	4,544	(2,354)	6,586
State Criminal Alien Assistance	17,000	17,000	10,191	(6,809)	11,120
Forest Service joint project	-	-	-	-	64,433
EPA Climate Showcase Grant	-	23,000	26,461	3,461	147,553
Other Miscellaneous Federal Grants	-	15,025	13,830	(1,195)	-
Office of Emergency Management	87,229	87,229	60,863	(26,366)	88,137
Community Development Block Grant	500,000	500,000	403,493	(96,507)	312,359
Southern Ute Payment in Lieu of Taxes	600,000	600,000	455,634	(144,366)	615,494
State Revenues:					
Lottery Funds	300,000	300,000	295,702	(4,298)	327,842
Senior Services-State Funding	155,641	201,641	210,935	9,294	144,102
Cigarette taxes	30,000	30,000	23,350	(6,650)	26,863
Search and rescue monies	22,500	22,500	5,075	(17,425)	-
Mineral severance tax	830,000	830,000	1,248,807	418,807	830,665
Mineral leasing	340,000	340,000	521,585	181,585	342,872
DOW Impact assistance (net)	900	900	941	41	1,008
Limited Gaming grants	335,018	335,018	330,528	(4,490)	320,000
Energy Impact Assistance grants	37,500	37,500	42,077	4,577	67,046
Jail Behavior Health Contract	150,000	200,000	172,671	(27,329)	102,437
Veteran's Services	2,400	2,400	1,200	(1,200)	1,800
CDPHE Air Quality Monitoring	-	-	-	-	3,173
Predator Control Reimbursement	1,500	1,500	1,720	220	1,734
DNR Wildfire Risk Reduction	-	45,000	45,000	-	-
Local Government Revenue	-	7,000	12,782	5,782	-
Other local government revenue	50,000	50,000	50,000	-	25,000
<b>Total Intergovernmental Revenue</b>	<b>4,593,464</b>	<b>4,779,489</b>	<b>5,276,232</b>	<b>496,743</b>	<b>4,606,283</b>
<b>Licenses and Permits:</b>					
Liquor licenses	6,000	6,000	8,793	2,793	6,443
Medical Marijuana licenses	24,000	24,000	13,300	(10,700)	12,000
Recreational Marijuana licenses	-	-	12,753	12,753	-
Building permits	475,000	475,000	734,425	259,425	505,845
<b>Total Licenses and Permits</b>	<b>505,000</b>	<b>505,000</b>	<b>769,271</b>	<b>264,271</b>	<b>524,288</b>

**Charges for Services:**

Treasurer's fees	572,500	572,500	666,834	94,334	749,286
Clerk and recorder's fees	1,016,000	1,016,000	1,129,359	113,359	1,175,356
Public trustee's fees	76,000	76,000	50,677	(25,323)	79,712
Planning fees	35,000	35,000	35,068	68	30,058
Oil and gas fees	50,000	50,000	73,150	23,150	31,800
Assessor's fees	20,800	20,800	97,123	76,323	28,351
Sheriff's fees	111,325	111,325	83,508	(27,817)	99,395
Law enforcement assistance fund	5,800	5,800	4,511	(1,289)	5,884
Other security services	32,500	32,500	8,232	(24,268)	33,378
Jail room & board	300,000	300,000	329,092	29,092	368,142
Jail bond fees	7,000	7,000	7,229	229	9,054
Drug Offender's Fees	-	-	17,510	17,510	12,779
Booking fees	38,000	38,000	41,204	3,204	41,554
Prisoner transportation	20,000	20,000	34,135	14,135	27,090
Hazardous waste fees and cost share	28,447	28,447	14,151	(14,296)	-
Vehicle inspection fees	39,000	39,000	43,806	4,806	42,190
Useful public service program	-	-	(14,376)	(14,376)	17,418
Alternatives to incarceration	146,000	146,000	70,675	(75,325)	139,457
Senior meal donations-Durango	80,000	84,311	84,621	310	79,254
Senior meal donations-Bayfield	13,500	13,500	13,642	142	12,792
Senior home chore	8,000	8,000	10,443	2,443	10,478
Senior transportation income	16,000	16,000	12,707	(3,293)	16,902
Senior center activities	8,500	8,500	15,388	6,888	8,738
Senior center rentals	5,500	5,500	3,753	(1,747)	4,060
Senior services-other	24,000	24,000	-	(24,000)	1,800
Surveyor's fees	6,000	6,000	11,000	5,000	9,580
Indirect cost allocation reimbursement	136,200	136,200	163,309	27,109	128,445
GIS Services reimbursements	3,000	3,000	2,218	(782)	2,171
Election Reimbursements	50,000	50,000	29,319	(20,681)	78,085
Inmate medical/phone reimbursements	83,000	83,000	66,037	(16,963)	79,709
Animal control fines	1,500	1,500	1,781	281	1,883
Maps/code book sales & sign fees	250	250	1,325	1,075	56
<b>Total Charges for Services</b>	<b>2,933,822</b>	<b>2,938,133</b>	<b>3,107,431</b>	<b>169,298</b>	<b>3,324,857</b>

**Investment earnings**

<b>350,000</b>	<b>350,000</b>	<b>487,774</b>	<b>137,774</b>	<b>42,138</b>
----------------	----------------	----------------	----------------	---------------

**Miscellaneous Revenue:**

Building rentals	148,131	148,131	156,999	8,868	156,298
Fairgrounds rentals	33,100	33,100	74,578	41,478	69,028
Forfeitures	5,000	5,000	105,725	100,725	201,732
Senior services-United Way	14,900	14,900	14,039	(861)	14,918
Prisoner commissary collections	52,000	52,000	33,371	(18,629)	31,025
Photocopies	1,000	1,000	718	(282)	997
Parking/Traffic fines	12,000	12,000	9,423	(2,577)	12,686
Insurance refunds	10,000	25,000	62,059	37,059	48,259
Vending machine commissions	1,000	1,000	710	(290)	846
Other miscellaneous revenues	31,500	31,500	63,810	32,310	69,855
<b>Total Miscellaneous Revenue</b>	<b>308,631</b>	<b>323,631</b>	<b>521,432</b>	<b>197,801</b>	<b>605,644</b>

**Total Revenue**

<b>30,848,274</b>	<b>31,053,610</b>	<b>32,616,880</b>	<b>1,563,270</b>	<b>34,889,239</b>
-------------------	-------------------	-------------------	------------------	-------------------



**Expenditures:**

General Government					
Board of County Commissioners					
Personnel Expenditures	385,041	385,041	379,570	5,471	380,704
Operating Expenditures	110,700	110,700	97,687	13,013	72,699
	<u>495,741</u>	<u>495,741</u>	<u>477,257</u>	<u>18,484</u>	<u>453,403</u>
County Clerk and Recorder-Operations					
Personnel Expenditures	873,762	873,762	823,933	49,829	821,411
Operating Expenditures	250,095	250,095	231,807	18,288	246,876
	<u>1,123,857</u>	<u>1,123,857</u>	<u>1,055,740</u>	<u>68,117</u>	<u>1,068,287</u>
County Clerk and Recorder-Elections					
Personnel Expenditures	118,380	118,380	106,598	11,782	118,034
Operating Expenditures	159,200	159,200	133,356	25,844	112,132
	<u>277,580</u>	<u>277,580</u>	<u>239,954</u>	<u>37,626</u>	<u>230,166</u>
County Treasurer					
Personnel Expenditures	336,431	336,431	334,629	1,802	338,043
Operating Expenditures	137,325	137,325	115,164	22,161	127,825
	<u>473,756</u>	<u>473,756</u>	<u>449,793</u>	<u>23,963</u>	<u>465,868</u>
Public Trustee's Office					
Personnel Expenditures	16,332	16,332	16,301	31	16,276
Operating Expenditures	7,000	7,000	3,372	3,628	3,260
	<u>23,332</u>	<u>23,332</u>	<u>19,673</u>	<u>3,659</u>	<u>19,536</u>
County Assessor					
Personnel Expenditures	1,111,965	1,111,965	1,079,755	32,210	1,076,818
Operating Expenditures	147,089	147,089	122,810	24,279	130,152
	<u>1,259,054</u>	<u>1,259,054</u>	<u>1,202,565</u>	<u>56,489</u>	<u>1,206,970</u>
County Surveyor					
Personnel Expenditures	17,597	17,597	17,445	152	16,494
Operating Expenditures	1,500	1,500	1,050	450	1,040
	<u>19,097</u>	<u>19,097</u>	<u>18,495</u>	<u>602</u>	<u>17,534</u>
Administrative Offices					
Personnel Expenditures	520,987	520,987	520,507	480	520,069
Operating Expenditures	168,857	168,857	125,883	42,974	85,237
	<u>689,844</u>	<u>689,844</u>	<u>646,390</u>	<u>43,454</u>	<u>605,306</u>
County Attorney's Office					
Personnel Expenditures	679,050	679,050	668,547	10,503	655,904
Operating Expenditures	406,750	406,750	268,593	138,157	205,844
	<u>1,085,800</u>	<u>1,085,800</u>	<u>937,140</u>	<u>148,660</u>	<u>861,748</u>
Geographic Information Services					
Personnel Expenditures	434,495	434,495	324,929	109,566	372,893
Operating Expenditures	52,400	52,400	36,506	15,894	28,217
	<u>486,895</u>	<u>486,895</u>	<u>361,435</u>	<u>125,460</u>	<u>401,110</u>
Finance					
Personnel Expenditures	334,084	395,797	378,623	17,174	349,610
Operating Expenditures	148,169	148,169	96,083	52,086	103,361
	<u>482,253</u>	<u>543,966</u>	<u>474,706</u>	<u>69,260</u>	<u>452,971</u>
Information Services					
Personnel Expenditures	814,790	814,790	814,004	786	761,328
Operating Expenditures	418,749	425,749	371,180	54,569	518,374
	<u>1,233,539</u>	<u>1,240,539</u>	<u>1,185,184</u>	<u>55,355</u>	<u>1,279,702</u>
Procurement/Warehouse					
Personnel Expenditures	152,868	152,868	146,172	6,696	157,694
Operating Expenditures	20,243	20,243	10,464	9,779	18,220
	<u>173,111</u>	<u>173,111</u>	<u>156,636</u>	<u>16,475</u>	<u>175,914</u>

Building Maintenance					
Personnel Expenditures	603,760	603,760	594,573	9,187	590,166
Operating Expenditures	822,877	794,877	470,987	323,890	344,401
	<u>1,426,637</u>	<u>1,398,637</u>	<u>1,065,560</u>	<u>333,077</u>	<u>934,567</u>
Building Maintenance-OMPO					
Operating Expenditures	62,974	62,974	51,992	10,982	54,210
	<u>62,974</u>	<u>62,974</u>	<u>51,992</u>	<u>10,982</u>	<u>54,210</u>
Human Resources					
Personnel Expenditures	456,021	451,021	402,571	48,450	393,215
Operating Expenditures	145,725	156,725	148,974	7,751	143,865
	<u>601,746</u>	<u>607,746</u>	<u>551,545</u>	<u>56,201</u>	<u>537,080</u>
Risk Management					
Personnel Expenditures	445,703	445,703	417,414	28,289	450,610
Operating Expenditures	448,210	457,210	449,432	7,778	519,600
	<u>893,913</u>	<u>902,913</u>	<u>866,846</u>	<u>36,067</u>	<u>970,210</u>
Budget Contingency/Reserves	750,000	663,287	-	663,287	-
<b>Total General Government</b>	<b><u>11,559,129</u></b>	<b><u>11,528,129</u></b>	<b><u>9,760,910</u></b>	<b><u>1,767,219</u></b>	<b><u>9,734,582</u></b>
<b>Public Safety</b>					
Sheriff-Patrol					
Personnel Expenditures	2,706,513	2,706,513	2,671,218	35,295	2,656,105
Operating Expenditures	1,115,618	1,115,618	1,020,604	95,014	1,219,318
	<u>3,822,131</u>	<u>3,822,131</u>	<u>3,691,822</u>	<u>130,309</u>	<u>3,875,423</u>
Sheriff-Detentions					
Personnel Expenditures	4,146,386	4,146,386	4,058,094	88,292	4,143,098
Operating Expenditures	1,329,982	1,404,482	1,388,282	16,200	1,220,157
	<u>5,476,368</u>	<u>5,550,868</u>	<u>5,446,376</u>	<u>104,492</u>	<u>5,363,255</u>
Sheriff-Special Services					
Personnel Expenditures	1,712,413	1,712,413	1,704,127	8,286	1,667,412
Operating Expenditures	258,958	258,958	194,619	64,339	231,357
	<u>1,971,371</u>	<u>1,971,371</u>	<u>1,898,746</u>	<u>72,625</u>	<u>1,898,769</u>
Sheriff-Special Investigations					
Personnel Expenditures	453,689	453,689	448,558	5,131	439,032
Operating Expenditures	473,644	471,744	379,679	92,065	376,547
	<u>927,333</u>	<u>925,433</u>	<u>828,237</u>	<u>97,196</u>	<u>815,579</u>
Sheriff-Criminal Investigations					
Personnel Expenditures	931,668	931,668	912,374	19,294	930,284
Operating Expenditures	139,264	141,164	133,387	7,777	148,802
	<u>1,070,932</u>	<u>1,072,832</u>	<u>1,045,761</u>	<u>27,071</u>	<u>1,079,086</u>
Alternatives to Incarceration					
Personnel Expenditures	444,399	457,322	446,474	10,848	424,739
Operating Expenditures	173,606	175,708	83,853	91,855	206,454
	<u>618,005</u>	<u>633,030</u>	<u>530,327</u>	<u>102,703</u>	<u>631,193</u>
County Coroner					
Personnel Expenditures	84,921	89,921	86,638	3,283	82,754
Operating Expenditures	112,381	107,381	70,602	36,779	92,526
	<u>197,302</u>	<u>197,302</u>	<u>157,240</u>	<u>40,062</u>	<u>175,280</u>

Building Inspection Department					
Personnel Expenditures	497,054	497,054	498,509	(1,455)	497,539
Operating Expenditures	73,899	73,899	56,149	17,750	69,319
	<u>570,953</u>	<u>570,953</u>	<u>554,658</u>	<u>16,295</u>	<u>566,858</u>
Emergency Management Office					
Personnel Expenditures	126,877	126,877	125,628	1,249	125,971
Operating Expenditures	130,608	175,608	57,843	117,765	265,864
	<u>257,485</u>	<u>302,485</u>	<u>183,471</u>	<u>119,014</u>	<u>391,835</u>
Pmt to Component Unit - District Attorney	1,495,429	1,520,429	1,431,002	89,427	1,433,164
<b>Total Public Safety</b>	<b><u>16,407,309</u></b>	<b><u>16,566,834</u></b>	<b><u>15,767,639</u></b>	<b><u>799,195</u></b>	<b><u>16,230,442</u></b>
<b>Auxiliary Services</b>					
Fairgrounds					
Personnel Expenditures	469,924	469,924	459,819	10,105	444,869
Operating Expenditures	271,467	271,467	212,066	59,401	214,419
	<u>741,391</u>	<u>741,391</u>	<u>671,885</u>	<u>69,506</u>	<u>659,288</u>
Extension Office					
Operating Expenditures	81,161	81,161	81,624	(463)	85,387
	<u>81,161</u>	<u>81,161</u>	<u>81,624</u>	<u>(463)</u>	<u>85,387</u>
Weed Control					
Personnel Expenditures	98,366	98,366	92,318	6,048	116,732
Operating Expenditures	42,722	42,722	37,749	4,973	70,726
	<u>141,088</u>	<u>141,088</u>	<u>130,067</u>	<u>11,021</u>	<u>187,458</u>
Planning Department					
Personnel Expenditures	910,975	920,975	869,422	51,553	835,775
Operating Expenditures	114,544	104,544	45,996	58,548	85,679
	<u>1,025,519</u>	<u>1,025,519</u>	<u>915,418</u>	<u>110,101</u>	<u>921,454</u>
Senior Services					
Personnel Expenditures	529,400	545,700	549,021	(3,321)	506,300
Operating Expenditures	189,729	223,740	198,690	25,050	196,542
	<u>719,129</u>	<u>769,440</u>	<u>747,711</u>	<u>21,729</u>	<u>702,842</u>
Senior Services - non Joint Sales Tax					
Personnel Expenditures	42,757	42,757	40,080	2,677	38,455
Operating Expenditures	88,750	88,750	92,834	(4,084)	89,643
	<u>131,507</u>	<u>131,507</u>	<u>132,914</u>	<u>(1,407)</u>	<u>128,098</u>
Veterans Services					
Personnel Expenditures	67,134	67,134	67,358	(224)	68,444
Operating Expenditures	14,640	14,640	10,700	3,940	6,411
	<u>81,774</u>	<u>81,774</u>	<u>78,058</u>	<u>3,716</u>	<u>74,855</u>
<b>Total Auxiliary Services</b>	<b><u>2,921,569</u></b>	<b><u>2,971,880</u></b>	<b><u>2,757,677</u></b>	<b><u>214,203</u></b>	<b><u>2,759,382</u></b>
<b>Public Works</b>					
Landfill Closure and Waste Management					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	298,000	298,000	174,633	123,367	110,386
	<u>298,000</u>	<u>298,000</u>	<u>174,633</u>	<u>123,367</u>	<u>110,386</u>
<b>Total Public Works</b>	<b><u>298,000</u></b>	<b><u>298,000</u></b>	<b><u>174,633</u></b>	<b><u>123,367</u></b>	<b><u>110,386</u></b>

<b>Community Programs</b>					
Public Service Agencies	1,223,827	1,223,827	1,219,765	4,062	1,234,727
Lodger's tax to DATO	235,915	235,915	281,315	(45,400)	226,607
San Juan Basin Health	444,272	444,272	444,272	-	540,248
Total Public Service Agencies	<u>1,904,014</u>	<u>1,904,014</u>	<u>1,945,352</u>	<u>(41,338)</u>	<u>2,001,582</u>
Pass through of grants received of CDBG funds	500,000	500,000	403,493	96,507	312,359
of Climate Showcase grant funds	-	23,000	26,461	(3,461)	147,553
of New Energy Community	-	-	-	-	-
Total pass through	<u>500,000</u>	<u>523,000</u>	<u>429,954</u>	<u>93,046</u>	<u>459,912</u>
<b>Total Community Programs</b>	<b><u>2,404,014</u></b>	<b><u>2,427,014</u></b>	<b><u>2,375,306</u></b>	<b><u>51,708</u></b>	<b><u>2,461,494</u></b>
<b>Capital Outlay</b>	<b><u>468,815</u></b>	<b><u>468,815</u></b>	<b><u>211,676</u></b>	<b><u>257,139</u></b>	<b><u>148,765</u></b>
<b>Total Expenditures</b>	<b><u>34,058,836</u></b>	<b><u>34,260,672</u></b>	<b><u>31,047,841</u></b>	<b><u>3,212,831</u></b>	<b><u>31,445,051</u></b>
<b>Excess of Revenues Over Expenditures</b>	<b><u>(3,210,562)</u></b>	<b><u>(3,207,062)</u></b>	<b><u>1,569,039</u></b>	<b><u>4,776,101</u></b>	<b><u>3,444,188</u></b>
Other Financing Sources (Uses)					
Transfers in-joint sales tax fund	435,561	435,561	342,171	(93,390)	310,942
Transfers in-Durango Hills Road Fund	25,000	25,000	25,000	-	(25,000)
Transfer in - landfill closure	-	-	10,000	10,000	10,000
Total Other Financing Sources (Uses)	<u>460,561</u>	<u>460,561</u>	<u>377,171</u>	<u>(83,390)</u>	<u>295,942</u>
<b>Net Change in Fund Balances</b>	<b><u>\$ (2,750,001)</u></b>	<b><u>\$ (2,746,501)</u></b>	1,946,210	<b><u>\$ 4,692,711</u></b>	3,740,130
<b>Fund Balance Beginning of Year</b>			57,719,090		52,874,378
<b>Prior Period Adjustment</b>			-		1,104,582
<b>Fund Balances Beginning of Year (Restated)</b>			57,719,090		53,978,960
<b>Fund Balances End of Year</b>			<b><u>\$ 59,665,300</u></b>		<b><u>\$ 57,719,090</u></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, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Cash	\$ 450	\$ 800
Equity in treasurer's cash and investments	6,398,817	5,430,764
Receivables:		
Accounts	43,443	30,891
Property taxes	1,423,256	1,308,116
Intergovernmental	1,981,542	587,749
Inventory & Prepaids	311,200	310,361
<b>Total Assets</b>	<b>10,158,708</b>	<b>7,668,681</b>
<b>Liabilities</b>		
Accounts payable	828,075	1,009,973
Interfund payable	246	-
Accrued salaries and wages	126,432	114,590
<b>Total Liabilities</b>	<b>954,753</b>	<b>1,124,563</b>
<b>Deferred Inflows of Resources</b>		
Property taxes	1,423,256	1,308,116
<b>Total Deferred Inflows of Resources</b>	<b>1,423,256</b>	<b>1,308,116</b>
<b>Fund Balances</b>		
Nonspendable:		
Inventory & Prepaids	311,200	310,361
Restricted:		
Capital improvements supported by impact fees	1,650,305	2,075,164
Assigned:		
Capital projects	1,027,120	-
Construction and maintenance of public streets	4,792,074	2,850,477
<b>Total Fund Balances</b>	<b>\$ 7,780,699</b>	<b>\$ 5,236,002</b>

**La Plata County, Colorado**  
**Road and Bridge Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2014*  
*(With Comparative Actual Amounts for Year Ended December 31, 2013)*

	<b>2014</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2013 Actual</b>
<b>Revenues</b>					
Taxes	\$ 4,839,128	\$ 5,014,916	\$ 5,013,593	\$ (1,323)	\$ 4,507,568
Intergovernmental	5,816,047	5,816,047	6,153,427	337,380	3,475,102
Licenses and permits	214,000	214,000	244,332	30,332	241,454
Miscellaneous	262,000	262,000	800,344	538,344	266,336
<b>Total Revenues</b>	<u>11,131,175</u>	<u>11,306,963</u>	<u>12,211,696</u>	<u>904,733</u>	<u>8,490,460</u>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Public Works</b>					
Maintenance	6,736,768	6,912,556	5,704,023	1,208,533	8,843,920
Engineering	1,548,017	1,548,017	901,051	646,966	967,415
Road Projects	-	-	2,444,387	(2,444,387)	-
Contingency	500,000	500,000	-	500,000	-
Capital Outlay	3,500,000	3,500,000	617,538	2,882,462	818,593
<b>Total Expenditures</b>	<u>12,284,785</u>	<u>12,460,573</u>	<u>9,666,999</u>	<u>2,793,574</u>	<u>10,629,928</u>
<b>Deficiency of Revenues (Under)</b>					
<b>Expenditures</b>	<u>(1,153,610)</u>	<u>(1,153,610)</u>	<u>2,544,697</u>	<u>3,698,307</u>	<u>(2,139,468)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,153,610)</u>	<u>\$ (1,153,610)</u>	<u>2,544,697</u>	<u>\$ 3,698,307</u>	<u>(2,139,468)</u>
<b>Fund Balances Beginning of Year</b>			<u>5,236,002</u>		<u>7,375,470</u>
<b>Fund Balances End of Year</b>			<u>\$ 7,780,699</u>		<u>\$ 5,236,002</u>

**La Plata County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	2,692,200	2,719,090
Restricted cash	107,078	91,545
Receivables:		
Accounts	3,784,383	1,016,142
Property taxes	761,743	700,118
Interfund	716	-
Intergovernmental	360,958	346,859
<b>Total Assets</b>	<b>7,707,478</b>	<b>4,874,154</b>
<b>Liabilities</b>		
Accounts payable	545,983	1,319,399
Liabilities payable from restricted assets	107,078	91,545
Intergovernmental payable	3,766,544	63,652
<b>Total Liabilities</b>	<b>4,419,605</b>	<b>1,474,596</b>
<b>Deferred Inflows of Resources</b>		
Property taxes	761,743	700,118
<b>Total Deferred Inflows of Resources</b>	<b>761,743</b>	<b>700,118</b>
<b>Fund Balances</b>		
Restricted for:		
Human Services - child welfare	1,492,241	1,582,177
Public assistance and welfare	1,033,889	1,117,263
<b>Total Fund Balances</b>	<b>\$ 2,526,130</b>	<b>\$ 2,699,440</b>



**La Plata County, Colorado**  
**Social Services Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended December 31, 2014*  
*(With Comparative Actual Amounts for Year Ended December 31, 2013)*

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 799,118	\$ 799,118	\$ 795,988	\$ (3,130)	\$ 961,526
Intergovernmental	4,355,897	4,355,897	4,801,893	445,996	4,442,629
Miscellaneous	-	-	2,885	2,885	16,661
<b>Total Revenues</b>	<u>5,155,015</u>	<u>5,155,015</u>	<u>5,600,766</u>	<u>445,751</u>	<u>5,420,816</u>
<b>Expenditures</b>					
<b>Current:</b>					
Health and welfare	<u>5,615,686</u>	<u>5,615,686</u>	<u>5,774,076</u>	<u>(158,390)</u>	<u>5,602,540</u>
<b>Total Expenditures</b>	<u>5,615,686</u>	<u>5,615,686</u>	<u>5,774,076</u>	<u>(158,390)</u>	<u>5,602,540</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(460,671)</u>	<u>(460,671)</u>	<u>(173,310)</u>	<u>287,361</u>	<u>(181,724)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (460,671)</u>	<u>\$ (460,671)</u>	<u>(173,310)</u>	<u>\$ 287,361</u>	<u>(181,724)</u>
<b>Fund Balances Beginning of Year</b>			<u>2,699,440</u>		<u>2,881,164</u>
<b>Fund Balances End of Year</b>			<u>\$ 2,526,130</u>		<u>\$ 2,699,440</u>

**La Plata County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2014**

	<b>Joint Sales Tax</b>	<b>Durango Hills Road Improvement District</b>	<b>Palo Verde Public 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	\$ 250,283	\$ 194,748	\$ 75,052	\$ 931	\$ 521,014
Receivables:					
Property taxes receivable	-	74,481	22,419	-	96,900
Accounts	-	1,650	-	-	1,650
Interfund receivable	49,852	-	-	-	49,852
Intergovernmental receivable	378,964	638	2,865	-	382,467
<b>Total Assets</b>	<b>679,099</b>	<b>271,517</b>	<b>100,336</b>	<b>931</b>	<b>1,051,883</b>
<b>Liabilities</b>					
Accounts payable	202,892	-	67,715	-	270,607
Interfund payable	-	25,000	-	-	25,000
<b>Total Liabilities</b>	<b>202,892</b>	<b>25,000</b>	<b>67,715</b>	<b>-</b>	<b>295,607</b>
<b>Deferred Inflows of Resources</b>					
Property Taxes	-	74,481	22,419	-	96,900
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>74,481</b>	<b>22,419</b>	<b>-</b>	<b>96,900</b>
<b>Fund Balances</b>					
Assigned for:					
Joint County/City projects	476,207	-	-	-	476,207
Public streets	-	172,036	-	-	172,036
Debt service	-	-	10,202	-	10,202
Tribal impact mitigation	-	-	-	931	931
<b>Total Fund Balances</b>	<b>\$ 476,207</b>	<b>\$ 172,036</b>	<b>\$ 10,202</b>	<b>\$ 931</b>	<b>\$ 659,376</b>

**La Plata County, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2014**

	<b>Joint Sales Tax</b>	<b>Durango Hills Road Improvement District</b>	<b>Palo Verde Public Improvement District</b>	<b>Tribal Impact Mitigation</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ 73,694	\$ 41,110	\$ 132	\$ 114,936
Sales taxes	2,197,103	-	-	-	2,197,103
Other taxes	-	7,430	5,332	-	12,762
Intergovernmental	-	-	126,131	-	126,131
Miscellaneous	1,390	7,533	-	-	8,923
<b>Total Revenues</b>	<b>2,198,493</b>	<b>88,657</b>	<b>172,573</b>	<b>132</b>	<b>2,459,855</b>
<b>Expenditures</b>					
Community programs	1,901,622	-	-	-	1,901,622
Public works	-	61,517	434,871	-	496,388
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,901,622</b>	<b>61,517</b>	<b>434,871</b>	<b>-</b>	<b>2,398,010</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>296,871</b>	<b>27,140</b>	<b>(262,298)</b>	<b>132</b>	<b>61,845</b>
<b>Other Financing Sources (Uses)</b>					
Debt Issuance	-	-	272,500	-	272,500
Transfers out	(352,171)	(25,000)	-	-	(377,171)
<b>Total Other Financing Sources (Uses)</b>	<b>(352,171)</b>	<b>(25,000)</b>	<b>272,500</b>	<b>-</b>	<b>(104,671)</b>
<b>Net Change in Fund Balances</b>	<b>(55,300)</b>	<b>2,140</b>	<b>10,202</b>	<b>132</b>	<b>(42,826)</b>
<b>Fund Balances Beginning of Year</b>	<b>531,507</b>	<b>169,896</b>	<b>-</b>	<b>799</b>	<b>702,202</b>
<b>Fund Balances End of Year</b>	<b>\$ 476,207</b>	<b>\$ 172,036</b>	<b>\$ 10,202</b>	<b>\$ 931</b>	<b>\$ 659,376</b>

**La Plata County, Colorado**  
**Joint Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2014 and 2013**

	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 250,283	\$ 280,675
Interfund receivable	49,852	
Intergovernmental receivable	<u>378,964</u>	<u>357,189</u>
<b>Total Assets</b>	<u>679,099</u>	<u>637,864</u>
<b>Liabilities</b>		
Accounts payable	<u>202,892</u>	<u>106,357</u>
<b>Total Liabilities</b>	<u>202,892</u>	<u>106,357</u>
<b>Fund Balances</b>		
Assigned:		
Joint La Plata County/City of Durango projects	<u>476,207</u>	<u>531,507</u>
<b>Total Fund Balances</b>	<u><u>\$ 476,207</u></u>	<u><u>\$ 531,507</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, 2014*  
*(With Comparative Actual Amounts for the Year Ended December 31, 2013)*

	<b>2014</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2013 Actual</b>
<b>Revenues</b>					
Sales taxes	\$ 2,143,749	\$ 2,143,749	\$ 2,197,103	\$ 53,354	\$ 2,080,387
Investment income	400	400	1,390	990	391
<b>Total Revenues</b>	<u>2,144,149</u>	<u>2,144,149</u>	<u>2,198,493</u>	<u>54,344</u>	<u>2,080,778</u>
<b>Expenditures</b>					
Durango Public Library	<u>1,853,160</u>	<u>1,853,160</u>	<u>1,901,622</u>	<u>(48,462)</u>	<u>1,760,051</u>
<b>Total Expenditures</b>	<u>1,853,160</u>	<u>1,853,160</u>	<u>1,901,622</u>	<u>(48,462)</u>	<u>1,760,051</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>290,989</u>	<u>290,989</u>	<u>296,871</u>	<u>5,882</u>	<u>320,727</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	<u>(400,633)</u>	<u>(400,633)</u>	<u>(352,171)</u>	<u>48,462</u>	<u>(320,942)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(400,633)</u>	<u>(400,633)</u>	<u>(352,171)</u>	<u>48,462</u>	<u>(320,942)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (109,644)</u>	<u>\$ (109,644)</u>	<u>(55,300)</u>	<u>\$ 54,344</u>	<u>(215)</u>
<b>Fund Balances Beginning of Year</b>			531,507		340,200
<b>Prior Period Adjustment - See Note 3 - N</b>			-		191,522
<b>Fund Balances Beginning of Year (Restated)</b>			<u>531,507</u>		<u>531,722</u>
<b>Fund Balances End of Year</b>			<u>\$ 476,207</u>		<u>\$ 531,507</u>

**La Plata County, Colorado**  
***Durango Hills Road Improvement District***  
***Comparative Balance Sheet***  
***December 31, 2014 and 2013***

	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 194,748	\$ 177,596
Receivable:		
Accounts receivable	1,650	-
Property taxes receivable	74,481	73,694
Intergovernment receivable	<u>638</u>	<u>-</u>
<b>Total Assets</b>	<u>271,517</u>	<u>251,290</u>
<b>Liabilities</b>		
Accounts payable	-	7,700
Interfund payable	<u>25,000</u>	<u>-</u>
<b>Total Liabilities</b>	<u>25,000</u>	<u>7,700</u>
<b>Deferred Inflows of Resources</b>		
Property taxes	<u>74,481</u>	<u>73,694</u>
<b>Total Deferred Inflows of Resources</b>	<u>74,481</u>	<u>73,694</u>
<b>Fund Balances</b>		
Assigned:		
Construction and maintenance of public streets	<u>172,036</u>	<u>169,896</u>
<b>Total Fund Balances</b>	<u><u>\$ 172,036</u></u>	<u><u>\$ 169,896</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, 2014**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2013)*

	2014				2013 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Property Taxes	\$ 78,294	\$ 78,294	\$ 73,694	\$ (4,600)	\$ 83,055
Other Taxes	-	-	7,430	7,430	-
Miscellaneous	2,475	2,475	7,533	5,058	-
<b>Total Revenues</b>	<u>80,769</u>	<u>80,769</u>	<u>88,657</u>	<u>7,888</u>	<u>83,055</u>
<b>Expenditures</b>					
Public works	<u>107,350</u>	<u>107,350</u>	<u>61,517</u>	<u>45,833</u>	<u>95,362</u>
<b>Total Expenditures</b>	<u>107,350</u>	<u>107,350</u>	<u>61,517</u>	<u>45,833</u>	<u>95,362</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(26,581)</u>	<u>(26,581)</u>	<u>27,140</u>	<u>53,721</u>	<u>(12,307)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (51,581)</u>	<u>\$ (51,581)</u>	<u>2,140</u>	<u>\$ 53,721</u>	<u>12,693</u>
<b>Fund Balances Beginning of Year</b>			<u>169,896</u>		<u>157,203</u>
<b>Fund Balances End of Year</b>			<u>\$ 172,036</u>		<u>\$ 169,896</u>

**La Plata County, Colorado**  
**Palo Verde Public Improvement District #3**  
**Comparative Balance Sheet**  
**December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 75,052	\$ -
Receivable:		
Property taxes receivable	22,419	-
Intergovernmental receivable	<u>2,865</u>	<u>-</u>
<b>Total Assets</b>	<u>100,336</u>	<u>-</u>
<b>Liabilities</b>		
Accounts payable	<u>67,715</u>	<u>-</u>
<b>Total Liabilities</b>	<u>67,715</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>		
Property taxes	<u>22,419</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>22,419</u>	<u>-</u>
<b>Fund Balances</b>		
Assigned:		
Debt service	<u>10,202</u>	<u>-</u>
<b>Total Fund Balances</b>	<u><u>\$ 10,202</u></u>	<u><u>\$ -</u></u>



**La Plata County, Colorado**  
**Palo Verde Improvement District**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2014**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2013)*

	2014				2013 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Property Taxes	\$ 42,246	\$ 42,246	\$ 41,110	\$ (1,136)	\$ -
Other Taxes	-	-	5,332	5,332	-
Intergovernmental	50,000	50,000	126,131	76,131	-
<b>Total Revenues</b>	<u>92,246</u>	<u>92,246</u>	<u>172,573</u>	<u>80,327</u>	<u>-</u>
<b>Expenditures</b>					
Public works	<u>573,713</u>	<u>573,713</u>	<u>434,871</u>	<u>138,842</u>	<u>-</u>
<b>Total Expenditures</b>	<u>573,713</u>	<u>573,713</u>	<u>434,871</u>	<u>138,842</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(481,467)</u>	<u>(481,467)</u>	<u>(262,298)</u>	<u>219,169</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Debt issuance	<u>481,467</u>	<u>481,467</u>	<u>272,500</u>	<u>(208,967)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>481,467</u>	<u>481,467</u>	<u>272,500</u>	<u>(208,967)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>10,202</u>	<u>\$ 10,202</u>	<u>-</u>
<b>Fund Balances Beginning of Year</b>			<u>-</u>		<u>-</u>
<b>Fund Balances End of Year</b>			<u>\$ 10,202</u>		<u>\$ -</u>

**La Plata County, Colorado**  
***Tribal Impact Mitigation Fund***  
***Comparative Balance Sheet***  
***December 31, 2014 and 2013***

	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 931</u>	<u>\$ 799</u>
 <b>Fund Balances</b>		
Assigned	<u>\$ 931</u>	<u>\$ 799</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, 2014*

	2014				2013 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Intergovernmental:					
Southern Ute Indian tribe payment	\$ -	\$ -	\$ 132	\$ 132	\$ 799
Investment earnings	-	-	-	-	-
<b>Total Revenues</b>	-	-	132	132	799
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	132	132	799
<b>Other Financing (Uses)</b>					
<b>Fund Balances Beginning of Year</b>			799		-
<b>Fund Balances End of Year</b>			\$ 931		\$ 799

## **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, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 7,577,298	\$ 7,249,455
Intergovernmental	545,579	-
Deposits receivable	<u>5,447</u>	<u>44,716</u>
<b>Total Assets</b>	<u>8,128,324</u>	<u>7,294,171</u>
<b>Liabilities</b>		
Accounts payable	591,497	42,425
Unearned revenue	<u>150,000</u>	<u>150,000</u>
<b>Total Liabilities</b>	<u>741,497</u>	<u>192,425</u>
<b>Fund Balances</b>		
Nonspendable	5,447	44,716
Assigned for capital improvements	<u>7,381,380</u>	<u>7,057,030</u>
<b>Total Fund Balance</b>	<u><u>\$ 7,386,827</u></u>	<u><u>\$ 7,101,746</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, 2014**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2013)*

	<b>2014</b>				<b>2013</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Sales Tax	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,004
Intergovernmental	680,000	680,000	772,473	92,473	-
<b>Total Revenues</b>	<b>2,680,000</b>	<b>2,680,000</b>	<b>2,772,473</b>	<b>92,473</b>	<b>2,000,004</b>
<b>Expenditures</b>					
General government	1,016,960	1,016,960	15,719	1,001,241	95,123
Auxiliary services	-	-	27,106	(27,106)	-
Capital Outlay	7,111,471	7,111,471	2,444,567	4,666,904	74,511
<b>Total Expenditures</b>	<b>8,128,431</b>	<b>8,128,431</b>	<b>2,487,392</b>	<b>5,641,039</b>	<b>169,634</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(5,448,431)</b>	<b>(5,448,431)</b>	<b>285,081</b>	<b>5,733,512</b>	<b>1,830,370</b>
<b>Net Change in Fund Balances</b>	<b>\$ (5,448,431)</b>	<b>\$ (5,448,431)</b>	<b>\$ 285,081</b>	<b>\$ 5,733,512</b>	<b>1,830,370</b>
<b>Fund Balances Beginning of Year</b>			<b>7,101,746</b>		<b>5,271,376</b>
<b>Fund Balances End of Year</b>			<b>\$ 7,386,827</b>		<b>\$ 7,101,746</b>

## **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, 2014**

	<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	\$ 6,933,414	\$ 2,648,154	\$ 9,581,568
Accounts receivable	921	430	1,351
Inventory	167,795	-	167,795
<b>Total Current Assets</b>	<b>7,102,130</b>	<b>2,648,584</b>	<b>9,750,714</b>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Depreciable capital assets, net	6,569,918	-	6,569,918
<b>Total Assets</b>	<b>13,672,048</b>	<b>2,648,584</b>	<b>16,320,632</b>
<b>Liabilities</b>			
Accrued payroll	23,704	-	23,704
Accounts payable	45,517	-	45,517
Accrued claims payable	-	159,120	159,120
<b>Total Current Liabilities</b>	<b>69,221</b>	<b>159,120</b>	<b>228,341</b>
<b>Net Position</b>			
Net investment in capital assets	6,569,918	-	6,569,918
Unrestricted	7,032,909	2,489,464	9,522,373
<b>Total Net Position</b>	<b>\$ 13,602,827</b>	<b>\$ 2,489,464</b>	<b>\$ 16,092,291</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, 2014**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 1,897,391	\$ -	\$ 1,897,391
Insurance deposits	-	3,834,456	3,834,456
Miscellaneous revenue	365	-	365
<b>Total Operating Revenues</b>	<b>1,897,756</b>	<b>3,834,456</b>	<b>5,732,212</b>
<b>Operating Expenses</b>			
Equipment maintenance	1,011,787	-	1,011,787
Depreciation	957,432	-	957,432
Medical claims	-	3,292,452	3,292,452
<b>Total Operating Expenses</b>	<b>1,969,219</b>	<b>3,292,452</b>	<b>5,261,671</b>
<b>Operating Income (Loss)</b>	<b>(71,463)</b>	<b>542,004</b>	<b>470,541</b>
<b>Non-Operating Revenues</b>			
Gain (loss) on sale of capital assets	154,692	-	154,692
Capital contribution	12,000	-	12,000
Investment earnings	-	132	132
<b>Total Non-Operating Revenues (Expenses)</b>	<b>166,692</b>	<b>132</b>	<b>166,824</b>
<b>Change in Net Position</b>	<b>95,229</b>	<b>542,136</b>	<b>637,365</b>
<b>Net Position Beginning of Year</b>	<b>13,507,598</b>	<b>1,947,328</b>	<b>15,454,926</b>
<b>Net Position End of Year</b>	<b>\$ 13,602,827</b>	<b>\$ 2,489,464</b>	<b>\$ 16,092,291</b>

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2014**

	<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	\$ 1,898,729	\$ 3,834,026	\$ 5,732,755
Cash payments for goods and services	(1,018,342)	-	(1,018,342)
Cash payments for claims	-	(3,809,356)	(3,809,356)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>880,387</u>	<u>24,670</u>	<u>905,057</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Cash sales of capital assets	277,064	-	277,064
Payments for capital acquisitions	(1,101,145)	-	(1,101,145)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(824,081)</u>	<u>-</u>	<u>(824,081)</u>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	-	132	132
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	56,306	24,802	81,108
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>6,877,108</u>	<u>2,623,352</u>	<u>9,500,460</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 6,933,414</u></u>	<u><u>\$ 2,648,154</u></u>	<u><u>\$ 9,581,568</u></u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
<b>Operating Income (Loss)</b>	\$ (71,463)	\$ 542,004	\$ 470,541
<b>Adjustments:</b>			
Depreciation	957,432	-	957,432
<b>(Increase) Decrease in Assets:</b>			
Accounts receivable	973	(430)	543
Inventory	(12,169)	-	(12,169)
<b>Increase (Decrease) in Liabilities:</b>			
Accounts payable	6,128	-	6,128
Accrued incurred/unreported claims/deferred revenues	-	(516,904)	(516,904)
Accrued wages	(514)	-	(514)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 880,387</u></u>	<u><u>\$ 24,670</u></u>	<u><u>\$ 905,057</u></u>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Net Position**  
**December 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 6,933,414	\$ 6,877,108
Accounts receivable	921	1,894
Inventory	167,795	155,626
<b>Total Current Assets</b>	<b>7,102,130</b>	<b>7,034,628</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
Depreciable capital assets, net	6,569,918	6,536,577
<b>Total Assets</b>	<b>13,672,048</b>	<b>13,571,205</b>
<b>Liabilities</b>		
Accrued payroll	23,704	24,218
Accounts payable	45,517	39,389
<b>Total Current Liabilities</b>	<b>69,221</b>	<b>63,607</b>
<b>Net Position</b>		
Investment in capital assets	6,569,918	6,536,577
Unrestricted	7,032,909	6,971,021
<b>Total Net Position</b>	<b>\$ 13,602,827</b>	<b>\$ 13,507,598</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, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Operating Revenues</b>		
Charges for services	\$ 1,897,391	\$ 2,737,330
Miscellaneous revenue	365	556
<b>Total Operating Revenues</b>	<u>1,897,756</u>	<u>\$ 2,737,886</u>
<b>Operating Expenses</b>		
Equipment maintenance	1,011,787	1,094,329
Depreciation	957,432	952,813
<b>Total Operating Expenses</b>	<u>1,969,219</u>	<u>2,047,142</u>
<b>Operating Income (Loss)</b>	<u>(71,463)</u>	<u>690,744</u>
<b>Non-Operating Revenues</b>		
Gain (loss) on sale of capital assets	154,692	55,983
Capital Contributions	12,000	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>166,692</u>	<u>55,983</u>
<b>Change in Net Position</b>	95,229	746,727
<b>Net Position Beginning of Year</b>	<u>13,507,598</u>	<u>12,760,871</u>
<b>Net Position End of Year</b>	<u><u>\$ 13,602,827</u></u>	<u><u>\$ 13,507,598</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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 1,892,911	\$ 1,892,911	\$ 1,897,391	\$ 4,480
Sales of capital assets	200,000	200,000	277,064	77,064
Miscellaneous	-	-	365	365
<b>Total Revenues</b>	<b>2,092,911</b>	<b>2,092,911</b>	<b>2,174,820</b>	<b>81,909</b>
<b>Expenditures</b>				
Equipment maintenance	1,098,022	1,410,382	1,011,787	398,595
Capital Outlay	1,410,382	1,098,022	1,101,145	(3,123)
<b>Total Expenditures</b>	<b>2,508,404</b>	<b>2,508,404</b>	<b>2,112,932</b>	<b>395,472</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(415,493)</b>	<b>(415,493)</b>	<b>61,888</b>	<b>477,381</b>
<b>Net change in Fund Balances</b>	<b>\$ (415,493)</b>	<b>\$ (415,493)</b>	<b>61,888</b>	<b>\$ 477,381</b>
<b>Reconciliation to GAAP Net Income:</b>				
Less: Capital assets, disposed net of accumulated depreciation			(122,372)	
Add: capital contributions			12,000	
Add capital expenditures capitalized			1,101,145	
Less depreciation expense			(957,432)	
<b>Change in Net Position</b>			<b>\$ 95,229</b>	

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Position**  
**December 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 2,648,154	\$ 2,623,352
Accounts receivable	430	-
<b>Total Current Assets</b>	<b>2,648,584</b>	<b>2,623,352</b>
 <b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued claims payable	159,120	337,635
Deferred Revenue	-	338,389
<b>Total Current Liabilities</b>	<b>159,120</b>	<b>676,024</b>
 <b>Net Position</b>		
Unrestricted	<b>\$ 2,489,464</b>	<b>\$ 1,947,328</b>

**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, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Operating Revenues</b>		
Insurance deposits	\$ 3,834,456	\$ 3,688,044
<b>Operating Expenses</b>		
Medical claims	<u>3,292,452</u>	<u>3,247,164</u>
<b>Operating Income (Loss)</b>	<u>542,004</u>	<u>440,880</u>
<b>Non-Operating Revenues</b>		
Investment earnings	<u>132</u>	<u>678</u>
<b>Change in Net Position</b>	542,136	441,558
<b>Net Position Beginning of Year</b>	<u>1,947,328</u>	<u>1,505,770</u>
<b>Net Position End of Year</b>	<u><u>\$ 2,489,464</u></u>	<u><u>\$ 1,947,328</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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Operating Revenues</b>				
Insurance deposits	\$ 4,040,025	\$ 4,040,025	\$ 3,834,456	\$ (205,569)
<b>Operating Expenses</b>				
Medical claims	3,843,480	3,843,480	3,292,452	551,028
<b>Operating Income (Loss)</b>	196,545	196,545	542,004	345,459
<b>Non-Operating Revenues</b>				
Investment earnings	1,500	1,500	132	(1,368)
<b>Change in Net Position</b>	<u>\$ 198,045</u>	<u>\$ 198,045</u>	542,136	<u>\$ 344,091</u>
<b>Net Position Beginning of Year</b>			<u>1,947,328</u>	
<b>Net Position End of Year</b>			<u>\$ 2,489,464</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, 2014*

	<u>Balance</u> <u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2014</u>
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 2,320,604	\$ 54,778,865	\$ 54,326,493	\$ 2,772,976
<b>Liabilities</b>				
Accounts payable	150,605	15,079,301	15,010,623	219,283
Due to component unit	76,723	2,194,525	2,229,345	41,903
Deposits held for others	2,093,276	37,505,039	37,086,525	2,511,790
<b>Total Liabilities</b>	<u>\$ 2,320,604</u>	<u>\$ 54,778,865</u>	<u>\$ 54,326,493</u>	<u>\$ 2,772,976</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**  
**For the Year Ended December 31, 2014**

	<b>General Fund</b>	<b>Federal Victims Compensation</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash Deposits	\$ 106,220	\$ -	\$ 106,220
Due from primary government	41,903	-	41,903
Intergovernmental Receivable	166,752	-	166,752
<b>Total Assets</b>	<b>314,875</b>	<b>-</b>	<b>314,875</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	11,086	-	11,086
Accrued salaries and benefits	79,968	-	79,968
Due to primary government	1,832	-	1,832
<b>Total Liabilities</b>	<b>92,886</b>	<b>-</b>	<b>92,886</b>
<b>Fund Balances</b>			
<b>Restricted for:</b>			
Law Enforcement	150,400	-	150,400
Economic stabilization (TABOR)	71,589	-	71,589
<b>Total Fund Balances</b>	<b>\$ 221,989</b>	<b>\$ -</b>	<b>\$ 221,989</b>
 Governmental Fund Balance			 \$ 221,989
 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			 20,525
 Compensated absences are not due and payable in the current period and therefore not reported in the governmental funds			 (93,550)
 Net position of governmental activities			 \$ 148,964

**Sixth Judicial District Attorney**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2014**

	<b>General Fund</b>	<b>Federal Victim Compensation</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 734,544	\$ -	\$ 734,544
Intergovernmental - County	1,431,002	-	1,431,002
Miscellaneous	6,172	-	6,172
<b>Total Revenues</b>	<b>2,171,718</b>	<b>-</b>	<b>2,171,718</b>
<b>Expenditures</b>			
Public safety	2,152,633	-	2,152,633
<b>Total Expenditures</b>	<b>2,152,633</b>	<b>-</b>	<b>2,152,633</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>19,085</b>	<b>-</b>	<b>19,085</b>
<b>Net Change in Fund Balances</b>	<b>19,085</b>	<b>-</b>	<b>19,085</b>
<b>Fund Balances Beginning of Year</b>	<b>202,904</b>	<b>-</b>	<b>202,904</b>
<b>Fund Balances End of Year</b>	<b>\$ 221,989</b>	<b>\$ -</b>	<b>\$ 221,989</b>
Net change in fund balances			\$ 19,085
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		(7,376)	
Capital outlay		6,995	(381)
Capital assets disposed, net of accumulated depreciation			-
Governmental fund do not report compensated absences at the fund financial reporting level but they are reported at the government-wide financial reporting level:			
Liability @ 12/31/14		(93,550)	
Liability @ 12/31/13		80,266	(13,284)
Change in net position at the government-wide financial reporting level			<b>\$ 5,420</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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 734,958	\$ 734,958	\$ 734,544	\$ (414)
Intergovernmental - County	1,495,429	1,520,429	1,431,002	(89,427)
Miscellaneous	3,750	3,750	6,172	2,422
<b>Total Revenues</b>	<b>2,234,137</b>	<b>2,259,137</b>	<b>2,171,718</b>	<b>(87,419)</b>
<b>Expenditures</b>				
Public safety	2,227,142	2,252,142	2,145,638	106,504
<b>Total Current</b>	<b>2,227,142</b>	<b>2,252,142</b>	<b>2,145,638</b>	<b>106,504</b>
<b>Capital Outlay</b>	<b>6,995</b>	<b>6,995</b>	<b>6,995</b>	<b>-</b>
<b>Total Expenditures</b>	<b>2,234,137</b>	<b>2,259,137</b>	<b>2,152,633</b>	<b>(106,504)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>19,085</b>	<b>19,085</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>19,085</b>	<b>\$ 19,085</b>
<b>Fund Balances Beginning of Year</b>			<b>202,904</b>	
<b>Fund Balances End of Year</b>			<b>\$ 221,989</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, 2014**

Program	County	County	Expenditures	Total	
	EBT	Share of	By County	Authorizations	Total
	Authorizations	Authorizations	Warrant	& Expenditures By	Expenditures
				County Warrant	
Colorado Works	\$ 600,439	\$ 82,312	\$ 491,433	\$ 1,091,872	\$ 573,745
Child Care	411,280	49,574	121,817	533,097	171,391
Child Welfare	598,368	120,137	1,492,005	2,090,372	1,612,142
County Administrative	-	-	854,802	854,802	854,802
Core Services	554,980	57,315	561,614	1,116,594	618,929
Child Support Administrative	-	-	541,337	541,337	541,337
LEAP	351,528	-	29,898	381,427	29,898
AND	151,432	30,286	-	151,432	30,286
Old Age Pension	403,295	258	11,183	414,479	11,442
Food Assistance Fraud	-	-	45,552	45,552	45,552
Food Assistance	5,474,126	-	-	5,474,126	-
Food Assistance Job Search	-	-	67,648	67,648	67,648
Title XX	-	-	10,043	10,043	10,043
CHAFFEE	-	-	42,256	42,256	42,256
General Assistance	-	-	5,729	5,729	5,729
Adult Protective Services	-	-	261,081	261,081	261,081
Child Welfare IV-E waiver	-	-	198,540	198,540	198,540
PSSF Caseworker Visitation	-	-	6,361	6,361	6,361
Title IV-B Sup Part 2 (PSSF)	-	-	255,432	255,432	255,432
Child Welfare Discretionary Grant	-	-	2,218	2,218	2,218
Foster Care/Adoption Recruitment	-	-	1,625	1,625	1,625
<b>Totals</b>	<b>\$ 8,545,448</b>	<b>\$ 339,883</b>	<b>\$ 5,000,575</b>	<b>\$ 13,546,023</b>	<b>\$ 5,340,458</b>



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 2014
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)	3,061,925
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,697,350
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	264,279
2. General fund appropriations	0	b. Snow and ice removal	1,228,343
3. Other local imposts (from page 2)	5,340,472	c. Other	0
4. Miscellaneous local receipts (from page 2)	536,060	d. Total (a. through c.)	1,492,622
5. Transfers from toll facilities	0	4. General administration & miscellaneous	415,102
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)	9,666,999
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)	5,876,532	b. Redemption	0
<b>B. Private Contributions (So Ute Indian Trib)</b>	43,657	c. Total (a. + b.)	0
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	6,267,067	a. Interest	0
<b>D. Receipts from Federal Government</b>		b. Redemption	0
(from page 2)	24,440	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	12,211,696	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>	9,666,999

**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 Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	5,236,002	12,211,696	9,666,999	7,780,699	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 2014	

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	1,307,854	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	3,570,000	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	264,284	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	62,595	f. Charges for Services	0
5. Specific Ownership &/or Other	135,739	g. Other Misc. Receipts	536,060
6. Total (1. through 5.)	4,032,618	h. Other	0
c. Total (a. + b.)	5,340,472		
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,937,692	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	181,737	d. Federal Transit Admin	
d. Other EIAF/LGGF	896,639	e. U.S. Corps of Engineers	
e. Other Bridge Funds/Enhancement	2,250,999	f. Other Federal	24,440
f. Total (a. through e.)	3,329,375	g. Total (a. through f.)	24,440
4. Total (1. + 2. + 3.f)	6,267,067	3. Total (1. + 2.g)	24,440
			(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			7,605
b. Engineering Costs			58,560
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			2,995,760
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	2,995,760
+ 1.c.5)		0	3,061,925
			(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, 2004-2014**  
**(accrual basis of accounting)**

	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 101,427,081	\$ 104,785,611
Restricted for:					
Capital projects	7,900,944	11,759,657	15,086,883	5,440,161	4,652,468
Emergencies	1,185,000	1,185,000	1,285,000	2,000,000	2,000,000
Debt Service	534,060	425,143	448,522	454,883	452,735
Specific projects and programs	9,410,170	10,192,051	9,674,145	5,573,959	3,667,978
Unrestricted	21,485,803	25,924,833	33,051,259	44,754,552	57,321,536
<b>Subtotal Governmental Activities Net Position</b>	<b>85,588,270</b>	<b>\$ 125,900,019</b>	<b>\$ 145,417,993</b>	<b>\$ 159,650,636</b>	<b>\$ 172,880,328</b>
<b>Primary Government</b>					
Net investment in capital assets	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 101,427,081	\$ 104,785,611
Restricted	19,030,174	23,561,851	26,494,550	13,469,003	10,773,181
Unrestricted	21,485,803	25,924,833	33,051,259	44,754,552	57,321,536
<b>Total Primary Government Net Position</b>	<b>85,588,270</b>	<b>\$ 125,900,019</b>	<b>\$ 145,417,993</b>	<b>\$ 159,650,636</b>	<b>\$ 172,880,328</b>

	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 103,057,349	\$ 100,077,282	\$ 101,877,845	\$ 98,126,731	\$ 96,745,229
Restricted for:					
Capital projects	5,434,327	6,283,012	5,218,448	7,057,030	7,381,380
Emergencies	2,000,000	1,541,536	1,504,732	1,519,735	1,563,138
Debt Service	452,735	450,985	-	-	10,202
Specific projects and programs	3,801,100	14,349,826	12,579,204	14,195,240	37,365,826
Unrestricted	70,682,038	66,206,346	70,758,262	72,631,281	54,487,634
<b>Subtotal Governmental Activities Net Position</b>	<b>\$ 185,427,549</b>	<b>\$ 188,908,987</b>	<b>\$ 191,938,491</b>	<b>\$ 193,530,017</b>	<b>\$ 197,553,409</b>
<b>Primary Government</b>					
Net investment in capital assets	\$ 103,057,349	\$ 100,077,282	\$ 101,877,845	\$ 98,126,731	\$ 96,745,229
Restricted	11,688,162	22,625,359	19,302,384	22,772,005	46,320,546
Unrestricted	70,682,038	66,206,346	70,758,262	72,631,281	54,487,634
<b>Total Primary Government Net Position</b>	<b>\$ 185,427,549</b>	<b>\$ 188,908,987</b>	<b>\$ 191,938,491</b>	<b>\$ 193,530,017</b>	<b>\$ 197,553,409</b>

**La Plata County, Colorado**  
**Government-wide Changes in Net Position**  
**Fiscal Years 2004-2014**  
**(accrual basis of accounting)**

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 7,985,491	\$ 8,776,033	\$ 9,310,267	\$ 10,081,860	\$ 11,324,542	\$ 12,590,925	\$ 10,570,951	\$ 10,374,610	\$ 10,514,636	\$ 10,328,052
Public safety	11,205,953	12,529,335	13,408,383	13,909,083	14,921,662	15,228,090	15,426,187	16,332,272	16,401,170	15,939,033
Auxiliary services	4,570,764	4,703,319	4,796,460	3,693,219	3,925,467	3,609,635	3,382,410	3,193,425	3,085,940	3,097,514
Public works	2,740,837	3,055,270	3,290,009	12,532,719	13,329,071	9,946,369	10,572,032	10,929,759	12,686,719	12,936,627
Decrease in joint venture									360,978	-
Health and welfare	8,407,331	11,240,436	11,690,024	4,896,385	5,551,746	5,653,873	5,581,089	5,615,860	5,607,927	5,757,071
Community programs	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,722	4,296,657	4,527,441	4,221,545	4,276,928
Interest on long-term debt	180,491	136,007	104,989	91,633	81,935	70,139	57,270	20,458	-	-
<b>Total Primary Government Expenses</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>49,886,596</b>	<b>50,993,825</b>	<b>52,878,915</b>	<b>52,335,225</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
General government	2,025,210	2,895,256	3,122,679	2,742,547	2,820,023	2,753,843	2,689,737	2,867,637	3,016,390	3,287,481
Public safety	612,358	688,195	709,336	845,054	813,731	860,444	930,281	897,042	835,799	660,284
Auxiliary services	204,018	487,274	477,721	620,385	264,190	239,027	243,891	244,614	205,462	168,745
Public works	47,106	81,678	270,851	267,910	86,341	60,110	52,926	46,413	241,454	844,705
Total Charges for Services	2,888,692	4,152,403	4,580,587	4,475,896	3,984,285	3,913,424	3,916,835	4,055,706	4,299,105	4,961,215
Operating Grants and Contributions	12,056,298	12,390,828	11,291,178	10,280,747	18,162,203	12,765,925	12,753,984	12,572,836	11,961,803	10,319,913
Capital Grants and Contributions	1,773,879	4,392,191	3,905,903	4,026,680	2,828,191	662,256	308,532	109,228	562,211	4,292,052
<b>Total Primary Government Program Revenues</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>16,979,351</b>	<b>16,737,770</b>	<b>16,823,119</b>	<b>19,573,180</b>
<b>Net (Expense) Revenue</b>										
<b>Total Primary Government</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>(32,907,245)</b>	<b>(34,256,055)</b>	<b>(36,055,796)</b>	<b>(32,762,045)</b>
<b>General revenues and other changes in net position</b>										
<b>Governmental Activities:</b>										
Taxes										
Property taxes levied for general purposes	19,938,128	23,038,002	27,340,954	27,363,462	27,822,967	31,654,239	21,357,288	21,714,072	21,022,611	15,639,563
Sales taxes	11,558,412	12,874,145	13,536,799	13,639,998	12,264,867	13,528,774	12,363,979	13,596,356	14,080,460	14,870,392
Other taxes	166,360	176,662	178,160	189,262	168,180	283,895	299,419	336,697	316,293	5,015,204
Investment earnings	1,045,081	2,106,064	3,175,953	1,927,368	514,724	435,688	420,128	347,657	43,207	489,296
Gain (loss) on disposition of capital assets	-	17,057	6,592	(261,944)	-	-	-	-	-	-
Miscellaneous	2,269,958	3,390,749	2,146,353	2,137,836	1,810,220	1,095,772	1,947,870	1,290,777	888,647	770,982
<b>Total Primary Government</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>36,388,684</b>	<b>37,285,559</b>	<b>36,351,219</b>	<b>36,785,437</b>
<b>Changes in Net Position</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>\$ 3,481,439</b>	<b>\$ 3,029,504</b>	<b>\$ 295,422</b>	<b>\$ 4,023,392</b>

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

<b>Source</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Taxes	\$ 31,662,899	\$ 36,088,807	\$ 41,055,912	\$ 41,192,722	\$ 40,256,015	\$ 45,466,908	\$ 34,020,684	\$ 35,647,126	\$ 35,419,368	\$ 32,589,122
Intergovernmental	12,627,050	15,979,354	12,735,290	13,997,368	16,538,111	12,935,455	12,255,999	12,280,676	12,524,014	17,130,157
Licenses and permits	1,023,634	817,770	1,142,078	931,951	520,400	449,677	388,800	660,372	765,742	1,013,603
Charges for services	2,854,458	3,290,254	3,393,629	3,530,762	3,302,681	3,313,725	3,350,386	3,473,616	3,324,857	3,107,431
Fines and forfeitures	6,888	2,518	-	-	-	-	-	-	-	-
Miscellaneous	2,175,017	5,337,037	5,126,793	3,946,848	2,317,105	1,529,148	2,399,722	1,666,008	931,170	1,821,358
Total revenues	<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>\$ 52,415,591</u>	<u>\$ 53,727,798</u>	<u>\$ 52,965,151</u>	<u>\$ 55,661,671</u>
% change from prior year	<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>	<u>2.5%</u>	<u>-1.4%</u>	<u>5.1%</u>

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

Function	Fiscal Year								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Current:</b>									
General government	\$ 7,569,024	\$ 8,494,853	\$ 8,918,391	\$ 9,574,832	\$ 10,629,669	\$ 11,636,438	\$ 9,766,049	\$ 9,551,895	\$ 9,829,705
Public safety	11,146,554	12,247,107	13,308,782	13,933,609	14,623,385	14,844,053	14,901,413	15,515,104	16,230,442
Public works	6,982,368	7,861,675	8,981,938	8,974,502	8,005,211	7,942,046	7,831,786	8,339,156	10,017,083
Health and welfare	4,652,902	4,731,187	4,759,169	4,829,459	5,532,693	5,558,455	5,508,421	5,509,934	5,602,540
Auxiliary services	2,445,015	2,739,962	3,025,521	3,306,975	3,593,406	3,246,466	3,068,201	2,837,282	2,759,382
Community Programs	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,722	4,296,657	4,527,441	4,221,545
<b>Total Current</b>	<b>36,118,659</b>	<b>42,181,689</b>	<b>43,038,172</b>	<b>44,961,140</b>	<b>47,575,886</b>	<b>47,921,180</b>	<b>45,372,527</b>	<b>46,280,812</b>	<b>48,660,697</b>
<b>% Change From Prior Year</b>	<b>9.6%</b>	<b>16.8%</b>	<b>2.0%</b>	<b>4.5%</b>	<b>5.8%</b>	<b>0.7%</b>	<b>-5.3%</b>	<b>2.0%</b>	<b>5.1%</b>
<b>Capital Outlay</b>	<b>9,030,115</b>	<b>9,755,183</b>	<b>12,798,486</b>	<b>19,557,767</b>	<b>7,615,183</b>	<b>3,162,105</b>	<b>2,198,728</b>	<b>5,239,527</b>	<b>1,041,869</b>
<b>% Change From Prior Year</b>	<b>-43.5%</b>	<b>8.0%</b>	<b>31.2%</b>	<b>52.8%</b>	<b>-61.1%</b>	<b>-58.5%</b>	<b>-30.5%</b>	<b>138.3%</b>	<b>-80.1%</b>
<b>Debt Service</b>									
Principal	930,000 <sup>1</sup>	970,000 <sup>2</sup>	360,000	375,000	385,000	400,000	415,000	1,350,000	-
Interest	175,959	141,172	103,839	94,362	83,431	71,256	57,853	24,550	-
<b>Total Debt Service</b>	<b>1,105,959</b>	<b>1,111,172</b>	<b>463,839</b>	<b>469,362</b>	<b>468,431</b>	<b>471,256</b>	<b>472,853</b>	<b>1,374,550</b>	<b>-</b>
<b>% Change From Prior Year</b>	<b>61.6%</b>	<b>0.5%</b>	<b>-58.3%</b>	<b>1.2%</b>	<b>-0.2%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>190.7%</b>	<b>-100.0%</b>
<b>Total Expenditures</b>	<b>\$ 46,254,733</b>	<b>\$ 53,048,044</b>	<b>\$ 56,300,497</b>	<b>\$ 64,988,269</b>	<b>\$ 55,659,500</b>	<b>\$ 51,554,541</b>	<b>\$ 48,044,108</b>	<b>\$ 52,894,889</b>	<b>\$ 49,702,566</b>
<b>% Change From Prior Year</b>	<b>-6.8%</b>	<b>14.7%</b>	<b>6.1%</b>	<b>15.4%</b>	<b>-14.4%</b>	<b>-7.4%</b>	<b>-6.8%</b>	<b>10.1%</b>	<b>-6.0%</b>
<b>Debt Service as a Percentage of Total Non-capital Expenditures</b>	<b>3.0%</b>	<b>2.6%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>2.9%</b>	<b>0.0%</b>

**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)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 1,479,821	\$ 1,503,670	\$ 1,355,569	\$ 1,386,509	\$ 1,536,887	\$ 1,747,996				
Unreserved	8,699,792	12,778,086	16,842,929	23,951,512	28,285,373	40,111,898				
Nonspendable							360,411	303,429	27,638	129,028
Restricted							3,483,597	3,752,426	4,637,690	4,972,923
Committed							-	-	-	15,541,790
Assigned							1,331,567	597,676	2,750,002	33,858,758
Unassigned							43,188,909	48,220,847	50,303,760	5,162,801
<b>Subtotal General Fund</b>	<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>	<u>52,874,378</u>	<u>57,719,090</u>	<u>59,665,300</u>
<b>General Fund Percentage Change</b>	<u>#DIV/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>	<u>9.3%</u>	<u>9.2%</u>	<u>3.4%</u>
<b>All Other Governmental Funds Combined</b>										
Reserved	11,237,184	16,906,983	20,987,489	12,920,525	9,623,971	10,371,282				
Unreserved	8,547,189	7,263,442	6,482,847	6,021,669	12,108,796	11,464,223				
Nonspendable							560,636	475,455	355,077	316,647
Restricted							19,141,762	15,549,958	15,384,313	15,041,735
Committed							-	-	-	1,957,328
Assigned							-	-	-	1,037,322
Unassigned							-	-	-	-
<b>Subtotal All Other Governmental Funds Combined</b>	<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>	<u>16,025,413</u>	<u>15,739,390</u>	<u>18,353,032</u>
<b>Total Governmental Funds</b>										
Reserved	12,717,005	17,985,510	22,343,058	13,852,151	11,160,858	12,119,278				
Unreserved	17,246,981	20,466,671	23,325,776	30,428,064	40,394,169	51,576,121				
Nonspendable							921,047	778,884	382,715	445,675
Restricted							22,625,359	19,302,384	20,022,003	20,014,658
Assigned							1,331,567	597,676	2,750,002	34,896,080
Unassigned							43,188,909	48,220,847	50,303,760	5,162,801
<b>Total Governmental Funds</b>	<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>	<u>\$ 68,899,791</u>	<u>\$ 73,458,480</u>	<u>\$ 78,018,332</u>
<b>All Governmental Funds Percentage Change</b>	<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>	<u>1.2%</u>	<u>6.6%</u>	<u>6.2%</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>
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
2014	14,328,338	1,311,225	14,870,392	108,759	281,315	30,900,030

**La Plata County, Colorado**  
**Property Tax Levies and Collections**  
**Tax years 2004-2013**  
**Fiscal years 2005-2014**

<b>Tax Year</b>	<b>Fiscal Year Collected</b>	<b>Total Tax Levy <sup>1</sup></b>	<b>Current Tax Collection</b>	<b>% of Levy Collected</b>	<b>Delinquent Tax Collections <sup>2</sup></b>	<b>Total Tax Collections</b>	<b>% of Total Tax Collection To Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>% of Delinquent Taxes to Tax Levy</b>
2004	2005	18,193,503	18,178,915	99.92%	(541)	18,178,374	99.92%	6,240	0.03%
2005	2006	21,157,511	21,097,564	99.72%	(3,835)	21,093,729	99.70%	5,860	0.03%
2006	2007	25,633,946	25,612,223	99.92%	(603,655)	25,008,568	97.56%	4,791	0.02%
2007	2008	25,153,611	25,093,768	99.76%	(71,319)	25,022,449	99.48%	3,381	0.01%
2008	2009	25,846,078	25,601,281	99.05%	327,039	25,928,320	100.32%	3,531	0.01%
2009	2010	30,099,220	29,924,217	99.42%	(21,280)	29,902,937	99.35%	5,735	0.02%
2010	2011	20,087,943	20,021,809	99.67%	(9,795)	20,012,014	99.62%	15,672	0.08%
2011	2012	20,425,023	20,014,982	97.99%	(7,309)	20,007,672	97.96%	19,184	0.09%
2012	2013	19,416,548	20,388,334	105.00%	(12,309)	20,376,025	104.94%	20,447	0.11%
2013	2014	15,734,234	19,412,362	123.38%	(10,782)	19,401,580	123.31%	13,123	0.08%

(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 Treasurer is currently 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 2004-2013**  
**Fiscal Years 2005-2014**

<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>	<b>Other</b>
2004/2005	121,040	333,398	240,521	42,219	12,473	2,614	1,321,390	60,580
2005/2006	164,537	408,600	280,577	46,065	12,750	2,783	1,510,431	57,342
2006/2007	165,544	436,296	289,643	50,881	13,002	3,765	1,982,319	66,595
2007/2008	230,111	546,744	369,900	46,304	12,666	4,909	1,597,384	77,977
2008/2009	217,035	588,523	386,761	50,875	12,767	4,440	1,637,188	120,402
2009/2010	218,947	627,914	403,858	52,575	12,633	5,028	1,941,632	199,112
2010/2011	219,829	635,055	400,987	45,774	12,643	11,528	956,182	72,799
2011/2012	169,770	577,163	375,127	15,006	13,138	10,937	1,163,229	69,779
2012/2013	165,008	582,114	370,910	16,026	13,064	10,450	1,045,119	72,606
2013/2014	139,718	547,468	355,529	15,442	13,778	12,129	686,641	71,711

<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>
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
2013/2014	1,842,416	9,760,082	18.9%	37.3%	8.500

Sources: La Plata County Assessor's Abstract & La Plata County Certification of Levies and Revenue

<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 2004-2013**  
**Fiscal Years 2005-2014**

<b>Collection Year:</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><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
La Plata County	mill	8.500	8.500	8.500	8.500	8.693	8.564	8.674	8.500	8.500	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	19,340,023	15,660,540
<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	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	1,219,564	1,178,797
Town of Bayfield	mill	5.950	5.950	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	210,669	196,965
Town of Ignacio	mill	3.370	3.337	3.192	3.084	2.978	2.918	2.747	2.780	3.559	3.813
	tax \$	15,900	16,342	16,906	16,404	19,335	20,460	21,153	22,184	26,751	27,400
<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	17.017	19.090
	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	25,417,181	24,508,106
Bayfield 10R	mill	28.100	22.764	19.429	16.450	16.450	16.364	15.814	17.045	21.219	23.222
	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	6,134,289	5,340,928
Ignacio 11JT	mill	7.598	4.183	6.217	4.246	4.463	4.032	3.574	7.761	10.671	13.173
	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	5,256,193	4,328,688
<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	0.524	0.000
	tax \$	537,020	439,630	506,154	491,804	451,821	452,671	482,698	300,908	387,106	-
Animas Fire Protection	mill	5.069	5.069	5.069	5.207	5.232	5.119	5.069	5.069	5.069	0.000
	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	2,872,952	-
Animas La Plata Water Conservancy	mill	0.281	0.286	0.249	0.254	0.219	0.226	0.229	0.243	0.295	0.325
	tax \$	141,825	152,234	160,308	170,545	180,518	191,763	204,647	215,908	232,434	240,866
Animas Mosquito Control	mill	0.990	0.990	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	611,458	582,696
Aspen Trails Metro	mill	0.000	18.650	14.224	13.989	11.777	10.659	10.391	5.000	5.000	5.000
	tax \$	-	21,623	24,835	25,083	28,178	31,144	31,065	14,909	13,570	12,915
Aspen Trails Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.405	5.842	6.240
	tax \$	-	-	-	-	-	-	-	16,117	15,855	16,118
Durango Conference Center Business Improvement Center	mill	1.500	1.500	1.500	1.500	1.500	1.500	1.500	2.000	2.000	2.000
	tax \$	143,457	141,636	150,619	150,021	199,861	203,037	203,037	277,177	249,498	240,353
Durango Fire Protection	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.700
	tax \$	-	-	-	-	-	-	-	-	-	3,034,251
Durango Hills Local Improvement	mill	18.404	18.573	15.731	16.538	16.369	17.241	16.515	15.951	20.204	20.379
	tax \$	48,753	50,405	51,288	54,304	65,655	68,991	72,443	72,168	76,525	73,694
Durango West Metropolitan I	mill	48.100	47.200	38.800	22.400	17.960	17.960	17.540	17.430	18.450	20.200
	tax \$	137,935	140,033	136,218	79,322	79,703	79,921	79,319	79,628	79,700	79,716
Durango West Metropolitan II	mill	25.120	25.410	21.822	20.977	17.403	17.469	16.726	17.361	0.000	0.000
	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 2004-2013**  
**Fiscal Years 2005-2014**

<b>Collection Year:</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><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Durango West Metropolitan II Bonds	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	18,254 202,454	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	7.874 135,211	7.874 133,819
Edgemont Ranch Bonds	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	2.691 58,231	3.391 58,230	3.426 58,225
El Rancho Florida Metropolitan Bonds	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	29.035 93,701	25.333 97,038
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	0.700 273,289	0.700 212,380
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	0.073 27,076	0.073 21,155
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	35.524 668,649	35.524 549,179
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	7.400 408,939	7.400 413,150
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	6.907 583,689	0.000 -
Hermosa Cliffs Fire Bonds	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	1.029 113,237	1.312 110,873	0.000 -
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	0.244 89,647	0.244 58,435
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	1.500 738,852	1.500 492,905
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 -	0.000 -	8.448 5,000
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 -	0.000 -	62.934 37,246
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	5.000 2,748,969	5.000 1,964,008
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	0.295 13,327	0.295 13,549
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	3.520 2,068,496	3.520 1,369,200
Los Pinos Fire/Mt. Allison	mill tax\$	1.500 19,214	1.500 31,512	1.500 35,061	1.500 56,885	1.500 65,239	1.500 68,657	1.500 107,897	1.500 71,325	0.000 -	0.000 -

**La Plata County, Colorado**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Tax Years 2004-2013**  
**Fiscal Years 2005-2014**

<b>Collection Year:</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><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Montezuma Dolores County	mill		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Metropolitan Rec Dist.	tax \$		-	-	-	-	-	-	-	-	-
Pine River Cemetery	mill	0.186	0.123	0.112	0.091	0.091	0.091	0.079	0.079	0.075	0.150
	tax \$	28,750	29,942	31,456	34,121	33,981	34,751	35,342	23,080	21,682	34,499
Pine River Library	mill	2.500	2.500	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	722,735	574,986
Purgatory Metropolitan	mill	27.313	27.313	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	661,908	510,574
Purgatory Metropolitan Subdistrict	mill	0.000	0.000	0.000	0.000	0.000	15.000	15.000	15.000	15.000	15.000
	tax \$	-	-	-	-	-	184,944	253,484	255,821	160,804	123,884
SW Colorado TV Translator	mill	0.777	0.777	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	36,102	36,680
SW Water Conservancy	mill	0.305	0.254	0.225	0.205	0.207	0.216	0.200	0.272	0.309	0.368
	tax \$	464,807	542,096	558,694	616,647	597,401	651,886	692,339	640,505	698,516	678,009
Tamarron Metro	mill	0.000	40.000	40.000	50.000	50.000	50.000	50.079	37.000	13.239	13.239
	tax \$	-	205,006	339,136	694,766	717,886	892,058	960,989	710,535	166,878	140,748
Tamarron Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.006	37.000	37.000
	tax \$	-	-	-	-	-	-	-	249,763	466,384	393,359
Three Springs Metro #1	mill	0.000	0.000	0.000	35.000	35.000	35.000	35.000	44.000	10.000	4.275
	tax \$	-	-	-	136,969	358,953	499,689	576,021	684,619	131,152	51,544
Three Springs Metro #1 Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	34.000	45.725
	tax \$	-	-	-	-	-	-	-	-	445,917	551,312
Three Springs Metro #2	mill	0.000	0.000	0.000	0.000	35.000	35.000	35.000	44.000	44.000	50.000
	tax \$	-	-	-	-	409	436	10,398	35,070	29,000	12,145
Upper Pine River Fire Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.182	1.182	1.182
	tax \$	-	-	-	-	-	-	-	374,399	365,453	293,740
Upper Pine River Fire Protection	mill	4.950	6.739	6.507	6.132	6.132	6.132	6.132	4.950	4.950	10.900
	tax \$	858,753	1,835,561	2,035,186	2,524,470	2,511,689	2,543,406	2,958,796	1,567,915	1,530,452	2,708,767
<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>	<b>\$ 75,802,153</b>	<b>\$ 67,057,569</b>

Source: La Plata County Certification of Levies and Revenue

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

Taxpayer	Type of Business	2014			2005		
		2013 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2004 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BP America Production Co	Energy	\$ 414,849,980	1	16.87%	\$ 825,895,380	1	33.26%
Samson Resources Company	Energy	107,165,240	2	4.36%	74,356,330	6	
Williams Four Corners LLC	Energy	49,724,490	3	2.02%	85,592,010	5	3.45%
XTO Energy Inc.	Energy	43,932,550	4	1.79%	123,112,280	2	4.96%
Burlington Resources Oil & Gas	Energy	33,029,770	5	1.34%	45,090,260	8	1.82%
Conoco Phillips Company	Energy	32,282,500	6	1.31%			
Red Cedar	Energy	28,879,250	7	1.17%	23,293,700	9	0.94%
Red Willow Production Company	Energy	16,697,090	8	0.68%			
La Plata Electric Association	Utility	16,201,400	9	0.66%	18,525,500	10	
WPX Energy San Juan, LLC	Energy	12,927,330	10	0.53%	90,696,430	3	3.65%
Chevron Texaco	Energy	-			89,660,080	4	3.61%
Hart Canyon LTD	Energy	-					0.00%
44 Canyon, LLC	Energy	-			46,778,510	7	1.88%
S G Interest I LTD	Energy	-					0.00%
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 755,689,600</u>		<u>30.73%</u>	<u>\$ 1,423,000,480</u>		<u>53.57%</u>
Total Assessed Valuation for all taxpayers		<u>\$ 2,458,873,570</u>		<u>100.00%</u>	<u>\$ 2,483,085,200</u>		<u>100.00%</u>

Source: La Plata County Assessor's Office



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

<b>Fiscal Year</b>	<b>County Direct Rate</b>	<b>State of Colorado</b>
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%
2014	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>2014</b>			<b>2005</b>		
	<b>2014 Sales Tax Collected</b>	<b>Rank</b>	<b>Percentage of Total Taxes Collected</b>	<b>2005 Sales Tax Collected</b>	<b>Rank</b>	<b>Percentage of Total Taxes Collected</b>
Food & Beverage	\$ 1,959,800	1	13.18%	\$ 967,384	4	8.37%
General Merchandise	1,685,115	2	11.33%	1,702,490	1	14.73%
Food Services & Drinking Places	1,371,508	3	9.22%	1,094,963	3	9.47%
Bldg. Material & Garden Supplies/Equ	1,124,367	4	7.56%	1,115,395	2	9.65%
Accommodation	814,883	5	5.48%	559,010	6	4.84%
Utilities	697,270	6	4.69%	418,720	9	3.62%
Auto Dealers	692,825	7	4.66%	577,905	7	5.00%
Manufacturing	673,944	8	4.53%	340,573	10	2.95%
Wholesale Trade	639,066	9	4.30%	669,145	5	5.79%
Information Technology Retailer	547,752	10	3.68%	537,583	8	4.65%
<hr/>						
Total Sales Taxes Collected by 10 Largest Businesses	\$ 10,206,530		68.64%	\$ 7,983,168		69.07%
Total Sales Taxes Collected by All Businesses	\$ 14,870,392		100.00%	\$ 11,558,403		100.00%

Source: Colorado State Department of Revenue

**La Plata County, Colorado**  
**Ratios of Outstanding Debt by Type**  
**Fiscal Years 2005-2014**

<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>	<b>Percentage of Actual Taxable Value of Property</b>
2005	-	615,000	3,640,000	4,255,000	33,207	48,019	88.61	0.27%	0.06%
2006	-	-	3,285,000	3,285,000	36,493	48,752	67.38	0.18%	0.04%
2007	-	-	2,925,000	2,925,000	38,263	49,758	58.78	0.15%	0.03%
2008	-	-	2,550,000	2,550,000	44,176	50,291	52.31	0.12%	0.02%
2009	-	-	2,165,000	2,165,000	40,971	51,105	42.36	0.10%	0.02%
2010	-	-	1,765,000	1,765,000	42,032	51,495	34.28	0.08%	0.01%
2011	-	-	1,350,000	1,350,000	43,834	51,924	26.00	0.06%	0.01%
2012	-	-	-	-	43,834 <sup>1</sup>	52,401	-	0.00%	0.00%
2013	-	-	-	-	45,476	-	-	0.00%	0.00%
2014	-	-	-	-	46,633	-	-	0.00%	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><u>2004 2005</u></b>	<b><u>2005 2006</u></b>	<b><u>2006 2007</u></b>	<b><u>2007 2008</u></b>	<b><u>2008 2009</u></b>
Assessed Value	\$ 2,134,235,000	\$ 2,483,085,000	\$ 3,008,045,050	\$ 2,885,995,180	\$ 3,017,991,395
Actual Value	\$ 7,351,842,603	\$ 8,804,386,479	\$ 9,779,128,089	\$ 11,252,386,999	\$ 11,996,568,139
Legal Debt Margin:					
Debt limitation - 1.5% of total assessed value					
Debt limitation - 3% of total actual value	220,555,278	264,131,594	293,373,843	337,571,610	359,897,284
Debt applicable to limitation:					
Total debt	\$ 4,255,000	\$ 3,285,000	\$ 2,925,000	\$ 2,550,000	\$ 2,165,000
Less: Certificates of participation	3,640,000	3,285,000	2,925,000	2,550,000	2,165,000
Total debt applicable to debt limitation	615,000	-	-	-	-
Legal debt margin	\$ 219,940,278	\$ 264,131,594	\$ 293,373,843	\$ 337,571,610	\$ 359,897,284

<b>Assessment Year Fiscal/Budget Year</b>	<b><u>2009 2010</u></b>	<b><u>2010 2011</u></b>	<b><u>2011 2012</u></b>	<b><u>2012 2013</u></b>	<b><u>2013 2014</u></b>
Assessed Value	\$ 3,461,698,940	\$ 2,354,797,050	\$ 2,394,149,370	\$ 2,275,296,810	\$ 1,842,416,460
Actual Value	\$ 13,183,765,037	\$ 11,703,822,835	\$ 10,306,419,000	\$ 10,742,115,112	\$ 9,760,081,610
Legal Debt Margin:					
Debt limitation - 1.5% of total assessed value					
Debt limitation - 3% of total actual value	395,512,951	351,114,685	309,192,570	322,263,453	292,802,448
Debt applicable to limitation:					
Total debt	\$ 1,765,000	\$ 1,350,000	\$ -	\$ -	\$ -
Less: Certificates of participation	1,765,000	1,350,000	-	-	-
Total debt applicable to debt limitation	-	-	-	-	-
Legal debt margin	\$ 395,512,951	\$ 351,114,685	\$ 309,192,570	\$ 322,263,453	\$ 292,802,448

**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 2005-2014**

<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>	<b>Coverage</b>
2005	11,558,412	8,350,657	585,000	57,000	642,000	13.0
2006	12,874,145	9,471,990	615,000	29,213	644,213	14.7
2007 <sup>2</sup>	13,536,798	N/A	N/A	N/A	N/A	N/A
2008	13,639,998	N/A	N/A	N/A	N/A	N/A
2009	12,264,867	N/A	N/A	N/A	N/A	N/A
2010	13,528,774	N/A	N/A	N/A	N/A	N/A
2011	12,363,979	N/A	N/A	N/A	N/A	N/A
2012	13,596,356	N/A	N/A	N/A	N/A	N/A
2013	14,080,460	N/A	N/A	N/A	N/A	N/A
2014	14,870,392	N/A	N/A	N/A	N/A	N/A

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

(2) 1992 Sales Tax revenue bonds 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<sup>2</sup></b>	<b>Higher Education Enrollment<sup>3</sup></b>
2005	47,575	1,668,277	35,066.00	3.9	37.4	6628	3946
2006	48,574	1,831,720	37,710.00	3.4	37.7	6704	3907
2007	49,343	1,993,825	40,407.00	2.8	38	6602	3935
2008	50,291	2,221,658	44,176.00	3.6	38.2	6900	3746
2009	51,105	2,093,812	40,971.00	6.0	38.8	7031	3685
2010	51,495	2,164,463	42,032.00	7.1	39.1	6831	3864
2011	51,924	2,276,033	43,834.00	7.0	38.5	6658	3853
2012	52,401	2,382,999	45,476.00	6.5	38.7	6658	3836
2013	54,219	2,465,663	45,476.00	5.5	38.7	6383	4065
2014	53,989	2,484,802	46,633.00	4.2	38.8	6680	4021

**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:**

2014 population is an estimate from the United States Census Bureau at: <http://quickfacts.census.gov/qfd/states/08/08067.html>

Bureau of Economic Analysis

Bureau of Labor Statistics

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 2014</b></u>		<u><b>Estimate 2002*</b></u>	
		<u><b>Employees FT &amp; PT</b></u>	<u><b>Percentage of total County Employment</b></u>	<u><b>Employees</b></u>	<u><b>Percentage of total County Employment</b></u>
Durango School District 9-R	Education	632	1.93%	629	2.49%
Fort Lewis College	Education	570	1.74%	N/A	
Mercury Payment Systems	Finance	630	1.92%	563	2.23%
Southern Ute Indian Tribe - Administration	Government	845	2.58%	365	1.44%
La Plata County	Government	401	1.22%	376	1.49%
Mercy Regional Medical Center	Health	1,200	3.66%	728	2.88%
Crossfire	Oil & Gas	322	0.98%	145	0.57%
BP America	Oil & Gas	221	0.67%	427	1.69%
Durango Mountain Resort	Recreation	479	1.46%	380	1.50%
Sky Ute Lodge and Casino, Museum	Recreation	400	1.22%	449	1.78%
<b>Total Principal Employers</b>		<b>5,700</b>	<b>17.38%</b>	<b>2,604</b>	<b>10.30%</b>
<b>Total County Employment</b>		<b>32,793</b>	<b>100.00%</b>	<b>25,280</b>	<b>100.00%</b>

**La Plata County, Colorado**  
**Full-time Equivalent County Employees by Function/Program**  
**Fiscal Years 2005 - 2014**

Department	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% Change 2014 over 2013
Commissioners	3.85	4.10	4.10	5.10	5.12	5.13	5.00	5.10	5.00	5.00	0.0%
Clerk/Elections	16.66	19.35	16.63	18.80	16.88	14.10	16.16	18.50	16.00	16.00	0.0%
Treasurer/Trustee	5.40	5.40	5.12	5.00	5.00	5.29	5.00	5.10	5.00	5.00	0.0%
Assessor	19.20	20.59	20.45	20.45	20.20	18.94	18.80	19.00	19.00	17.00	-10.5%
Administration	4.30	5.30	4.19	5.18	5.16	5.01	5.03	6.20	5.00	5.00	0.0%
Attorney	0.00	0.00	0.00	0.00	6.00	6.00	5.75	5.10	6.00	6.00	0.0%
Facilities & Grounds	9.00	10.00	10.01	10.01	10.01	10.00	10.00	10.00	11.00	11.00	0.0%
Finance	5.03	5.03	4.02	4.00	5.00	5.00	3.75	3.80	4.50	5.00	11.1%
Information Services	8.50	8.50	10.00	10.00	10.00	10.00	9.02	9.00	9.00	9.00	0.0%
Procurement	4.10	4.10	3.79	3.79	4.02	4.02	4.00	4.00	2.75	2.50	-9.1%
GIS	8.00	8.00	8.00	8.00	7.00	7.00	5.00	5.00	5.00	5.00	0.0%
Human Resources/Risk Mgt	4.08	4.08	4.11	4.08	4.11	4.11	4.11	4.10	4.00	4.00	0.0%
County Surveyor	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.0%
Construction Management	0.00	0.00	1.17	1.27	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Sustainability Office	0.00	0.00	0.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.0%
<b>General Government Total</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>91.50</b>	<b>-1.9%</b>
Building Inspection / OEM	12.52	11.75	11.75	14.00	14.00	11.00	8.00	7.75	8.00	8.00	0.0%
Criminal Investigations	8.60	8.60	9.90	10.90	10.68	10.79	10.40	11.00	10.00	11.00	10.0%
Special Investigations	6.67	6.64	5.80	5.76	5.57	5.53	5.50	5.50	6.00	5.00	-16.7%
Special Services	23.53	22.53	24.10	23.20	22.44	22.29	21.50	21.70	21.25	22.25	4.7%
Public Safety	31.11	34.92	34.90	34.92	34.13	34.15	33.25	33.50	32.00	32.00	0.0%
Alternative to Incarceration	3.61	4.85	5.30	5.48	5.34	5.34	5.30	5.40	5.00	5.00	0.0%
Detentions	45.62	46.61	49.60	60.60	62.16	62.14	62.50	62.60	59.00	59.00	0.0%
Coroner	1.30	1.30	2.10	1.55	1.50	1.50	1.50	1.50	1.50	1.50	0.0%
District Attorney	23.80	24.30	25.10	25.10	25.10	25.50	25.50	25.00	25.00	25.00	0.0%
<b>Public Safety Total</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>168.75</b>	<b>0.6%</b>
Road & Bridge, Eng.	52.40	53.37	51.89	52.64	53.70	49.89	46.33	48.40	41.00	41.00	0.0%
<b>Public Works Total</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>46.33</b>	<b>0.0%</b>
CERF	8.50	9.50	10.07	9.10	9.10	9.10	9.04	9.10	9.00	9.00	0.0%
<b>Internal Service Funds</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>9.00</b>	<b>0.0%</b>
Human Services	56.95	58.45	58.41	59.40	58.75	58.75	60.00	63.93	61.75	63.38	2.6%
<b>Health &amp; Welfare Total</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>63.38</b>	<b>2.6%</b>
Extension Office	3.00	3.65	1.80	2.42	2.42	0.77	0.00	0.80	0.00	0.00	0.0%
Weed	1.80	1.81	1.50	1.70	1.67	1.49	1.30	1.50	1.00	1.00	0.0%
Fairgrounds	10.44	10.34	10.80	10.61	10.60	10.34	10.00	10.00	9.00	9.00	0.0%
Senior Center Ops & Act	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Planning	14.11	15.33	17.21	18.30	18.30	18.28	11.99	11.70	11.75	10.75	-8.5%
Senior Services	5.50	9.17	7.70	8.41	8.72	8.52	8.59	9.50	8.00	8.00	0.0%
Veterans' Services Office	1.00	1.00	1.00	1.00	1.09	1.08	1.00	1.10	1.00	1.00	0.0%
<b>Auxiliary Services</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>29.75</b>	<b>-3.3%</b>
<b>Grand Total</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>408.71</b>	<b>0.0%</b>



**La Plata County, Colorado**  
**Operating Indicators by Function/Program**  
**Fiscal Years 2005 - 2014**

<b>Function/Program</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><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
<b>General Government</b>											
<u>Clerk &amp; Recorder</u>											
# Vehicle Transactions Processed	95,336	121,218	96,000	98,829	98,951	89,672	91,592	100,468	92,650	93,865	95,504
# Titles Issued (69% printed by staff)	19,631	20,146	20,600	23,230	19,083	14,472	13,624	14,955	15,853	17,553	18,679
# documents recorded	24,406	24,904	25,000	20,874	18,969	19,550	16,500	15,889	17,762	17,096	15,069
# of registered voters	36,160	36,160	36,000	33,658	37,615	37,185	37,243	38,590	41,516	41,785	40,154
# of votes cast	31,718	13,265	24,000	1,485	28,117	4,644	20,892	11,694	29,416	15,473	29,123
# of marriage licenses issued	512	550	550	526	528	515	506	554	573	571	632
<u>Treasurer</u>											
Receipts processed	56,500	57,000	58,000	36,913	37,980	37,740	37,954	37,995	59,790	26,366	25,934
<u>Assessor</u>											
# of property accounts maintained/assessed	58,949	60,100	61,000	Unavailable	46,293	Unavailable	46,589	46,503	46,657	46,420	46,580
Assessed value (in thousands)	2,134,234	2,487,511	3,008,034	2,885,995	3,017,991	3,461,699	2,354,797	2,394,149	2,275,296	1,842,416	2,004,585
<u>Geographic Information Services</u>											
# of recorded documents processed	5,881	5,790	6,000	5,429	4,024	1,196	325	5,440	7,039	1,486	226
# of rural addresses assigned	800	800	850	481	314	191	182	565	281	527	338
<b>Public Safety</b>											
<u>Building Inspection</u>											
# of permits issued	1,064	1,001	1,050	951	781	601	577	535	544	580	655
# of inspections completed	5,620	4,974	5,000	4,662	4,651	3,553	2,632	2,414	2,435	2,536	3,369
<u>Emergency Management</u>											
Search & Rescue Missions	33	36	38	71	37	14	23	30	34	35	37
<u>Sheriff - Public Safety</u>											
# of incidents investigated	20,522	20,000	21,000	Unavailable	25,530	3,552	23,652	23,227	22,561	23,224	23,640
# of arrests	679	900	950	Unavailable	946	Unavailable	594	705	586	678	804
# of citations	27	150	200	Unavailable	223	Unavailable	134	131	110	146	97
<u>Alternative to Incarceration</u>											
# of inmates under Day Reporting Supervision	88	140	125	88	93	89	102	124	99	45	11
# of inmates in Community Custody program	93	125	140	178	185	145	298	55	104	108	95
Pretrial management				245	255	222	270	371	333	299	304
<u>Detentions</u>											
Total # of inmates booked into facility	2,769	2,995	3,200	3,087	2,900	Unavailable	3,020	2,943	2,033	2,662	2,858
average daily inmate population	144	175	180	186	181	140	149	166	148	114	111
<b>Public Works</b>											
<u>Maintenance Support</u>											
gallons of dust palliative applied	1,103,545	975,605	1,100,000	1,000,000	1,200,000	1,098,307	920,642	1,100,000	865,672	920,642	988,547
tons of road base hauled and placed	124,585	132,080	125,000	120,000	120,000	101,608	105,297	106,676	79,197	110,568	64,708
# of gallons of highway paint used	12,600	12,500	12,500	12,500	12,750	12,500	12,000	9,500	12,500	12,000	12,500
<u>Convenience Center</u>											
Customers served - Bayfield	2,599	2,800	2,800	2,841	2,506	2,116	2,159	2,117	2,154	1,493	2,091
Customers served - Marvel	716	750	750	713	699	550	421	543	523	340	498

**La Plata County, Colorado**  
**Operating Indicators by Function/Program**  
**Fiscal Years 2005 - 2014**

<b><u>Function/Program</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><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
<b>Health &amp; Welfare</b>											
<u>Human Services</u>											
Child Welfare - # of assessments opened	261	260	270	303	283	172	315	266	273	262	283
Adult Protective Services - # of investigations	135	100	100	90	89	101	88	99	88	87	96
Child Support - \$ of payments collected	\$3,079,623	\$3,150,737	\$3,160,000	\$3,044,044	\$3,570,909	\$3,147,432	\$3,248,125	\$3,302,905	\$3,429,662	\$3,828,881	\$3,671,529
<b>Community Programs</b>											
Conservation Trust Funds	\$150,447	\$178,250	\$238,000	\$204,000	\$234,250	\$150,000	\$0	\$0	\$0	\$0	\$0
Public Service Agency Funds	\$1,657,274	\$2,490,696	\$4,650,264	\$2,379,166	\$3,113,539	\$3,155,684	\$2,894,774	\$2,973,186	\$3,200,905	\$2,461,494	\$2,375,306
<b>Auxiliary Services</b>											
<u>Senior Services</u>											
# of meals provided	37,204	37,750	38,800	39,899	41,549	43,010	41,247	37,745	40,812	43,769	45,011
# of transportation rides provided	4,612	4,646	5,000	6,474	5,571	6,114	6,226	5,584	5,955	5,788	6,549
<u>Veterans Services</u>											
Compensation Claims	n/a	n/a	n/a	168	57	144	196	201	91	192	140
<u>Weed Management</u>											
# of miles treated for noxious weeds	1,206	1,206	1,206	1,309	680	675	**			672	675
# of acres treated for noxious weeds							505	Unavailable	451	90	105
small group bookings (less than 500 participants)	1,970	1,728	1,800	Unavailable	2,548	3,347	2,562	1,633	1,053	131	125
large bookings (more than 500 participants)	57	64	65	Unavailable	74	31	12	365	357	0	0
<u>Planning</u>											
Major projects reviewed	101	85	95	119	91	55	28	48	35	100	122
Oil & Gas (Major & Minor)	83	85	90	232	230	82	31	35	42	25	62
Minor/Administrative Projects reviewed	52	90	90	106	134	80	92	62	71	108	126
<b>Internal Service Funds</b>											
<u>Capital Equipment Replacement Fund</u>											
<p><i>(prior to 2005, vehicles were in R &amp; B Fleet division)</i></p> Vehicles maintained (self propelled mobile units)	201	220	230	233	237	243	246	305	301	307	311

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

		<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>General Government</b>											
Clerk	Number of business locations	3	3	3	3	3	2	2	2	2	2
Facilities & Grounds	Facilities maintained	5	7	17	17	17	17	17	17	17	17
Procurement	Warehouses operated	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>											
Detentions	Jail bed capacity	194	197	197	197	293	293	293	293	293	293
<b>Public Works</b>											
	Miles of Roadways maintained	659.15	654.68	654.68	658	658	658	658	656	672	656
	Bridges	53	53	53	53	53	53	53	48	48	49
<b>Internal Service Funds</b>											
CERF	Number of fleet vehicles maintained	220	230	233	237	243	246	305	301	307	311

**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 24, 2015

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 2014, 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 24, 2015.

#### **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 24, 2015

**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 24, 2015

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, 2014. 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, 2014.

**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 24, 2015

*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, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	Federal	<u>Pass-Through Entity</u>	<u>2014</u>
	<u>CFDA</u> <u>Number</u>	<u>Identifying Number</u>	<u>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		\$ 354,590
Direct			
Schools and Roads - Grants to States	10.665		198,664
Total Department of Agriculture			<u>553,254</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		29,450
Special Programs for Aging-Title III, Part C - Nutrition			
Services	93.045		121,290
Special Programs for Aging - Title III, Part E -			
National Family Caregiver Support	93.052		13,634
Nutrition Service Incentive Program	93.053		29,419
Passed through the Colorado Department of Human Services			
Promoting Safe and Stable Families	93.556		106,676
Temporary Assistance for Needy Families	93.558		935,488
Child Support Enforcement	93.563		349,379
Low-Income Home Energy Assistance	93.568		356,180
Child Care and Development Block Grant	93.575		31,471
Child Care Mandatory and Matching Funds of the Child			
Care and Development Fund	93.596		331,553
Child Welfare Services - State Grants	93.645		14,954
Foster Care Title IV-E	93.658		488,263
Adoption Assistance	93.659		119,418
Social Services Block Grant	93.667		205,646
Chafee Foster Care Independence Program	93.674		42,256
Medical Assistance Program	93.778		286,232
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		9,450
Total Department of Health and Human Services			<u>3,474,759</u>

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Numb</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2014 Expenditures</u>
Department of Interior			
Direct			
Payments in Lieu of Taxes	15.226		760,455
Total Department of Interior			760,455
Department of Transportation			
Passed through the Colorado Department of Transportation			
Highway Planning and Construction	20.205	#12 HA5 39400	2,025,900
Total Department of Transportation			2,025,900
Department of Homeland Security			
Direct			
Passed through the Colorado Department of Local Affairs			
Emergency Management Performance Grants	97.042	12EM-13-34	60,863
Total Department of Homeland Security			60,863
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	403,493
Total Department of Housing and Urban Development			403,493
Department of Justice			
Direct			
Office of Justice Programs			
Bulletproof Vest Partnership Program	16.607		4,544
State Criminal Alien Assistance Program	16.606		10,191
Department of Justice / Criminal Division			
Equitable Sharing Program	16.922		112,489
Total Department of Justice			127,224
Environmental Protection Agency			
Direct			
Colorado - Climate-Wise Community Program	66.041	AF-83494101-0	26,461
Drinking Water State Revolving Fund	66.468		213,776
Total Environmental Protection Agency			240,237
Other Federal Assistance			
Direct			
Office of National Drug Control Policy, Dept of Treasury, Dept of			
Justice High Intensity Drug Trafficking Areas Program	95.001	G14RM0023A	366,849
Total Office of National Drug Control Policy			366,849
Total Federal Assistance			\$ 8,013,034

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2014**

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)		
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	354,590
Total		<u>\$ 354,590</u>
Aging Cluster		
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 29,450
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045	121,290
Special Programs for Aging-Title III, Part E - National Nutrition Service Incentive Program	93.053	29,419
Total		<u>\$ 180,159</u>
CCDF Cluster		
Child Care and Development Block Grant	93.575	\$ 31,471
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	331,553
Total		<u>\$ 363,024</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	\$ 403,493
Colorado - Climate-Wise Community Program		
Subgrantee--Four Corners Office for Resource Efficiency	66.041	26,461
Colorado Works Program		
Subgrantee--San Juan Basin Health	93.558	61,045
Subgrantee--Southern Ute Community Action	93.558	116,354
		<u>\$ 607,353</u>

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<u>Unmodified Opinion</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	<u>✓</u>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	<u>✓</u>	none reported
Noncompliance material to financial statements noted?	_____ yes	<u>✓</u>	no

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	_____ yes	<u>✓</u>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	<u>✓</u>	none reported

Type of auditor's report issued on compliance for major programs:	<u>Unmodified Opinion</u>
--	---------------------------

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____ yes	<u>✓</u>	no
---	-----------	----------	----

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.558	Temporary Assistance for Needy Families
93.575/93.596	Child Care Cluster
14.228	Community Development Block Grants/State's Program
95.001	High Intensity Drug Trafficking Areas Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
---	------------

Auditee qualified as low-risk auditee?	<u>✓</u> yes	_____ no
--	--------------	----------

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2014

---

SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING  
STANDARDS

No findings under Generally Accepted Government Auditing Standards in 2014.

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, 2014

---

No prior year audit findings.