



# **Comprehensive Annual Financial Report**



**For the Year Ending December 31, 2016**

Prepared by La Plata County Finance Department

## **INTRODUCTORY SECTION**

**La Plata County, Colorado**  
***Comprehensive Annual Financial Report***  
***For The Year Ended December 31, 2016***

**TABLE OF CONTENTS**

**Introductory Section**  
**(Unaudited)**

|                                       |      |
|---------------------------------------|------|
| Table of Contents .....               | 2-6  |
| Letter of Transmittal .....           | 7-14 |
| GFOA Certificate of Achievement ..... | 15   |
| List of County Officials.....         | 16   |
| Organizational Chart .....            | 17   |

**Financial Section**

|   |              |
|---|--------------|
| <b>Report of Independent Certified Public Accountants .....</b> | <b>19-20</b> |
| <b>Management’s Discussion and Analysis (Unaudited).....</b>    | <b>21-33</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<br>Net Position .....   | 38 |
| Statement of Revenues, Expenditures and Changes in Fund Balances .....   | 39 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,<br>and Changes in Fund Balances to the Statement of Activities ..... | 40 |
| General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance –<br>Budget and Actual .....   | 41 |
| Road and Bridge Fund Statement of Revenues, Expenditures, and Changes in<br>Fund Balance Budget and Actual .....                                   | 42 |
| Social Services Fund Statement of Revenues, Expenditures, and Changes in<br>Fund Balance Budget and Actual .....                                   | 43 |

**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2016**

**Proprietary Funds:**

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

**Fiduciary Funds:**

|  |    |
|--|----|
| Comparative Statement of Fiduciary Assets and Liabilities – Fiduciary Funds..... | 47 |
|--|----|

|  |       |
|--|-------|
| Notes to the Basic Financial Statements..... | 48-83 |
|--|-------|

**Required Supplementary Information**

**Net Pension Liability**

|  |    |
|--|----|
| Schedule of County’s Proportionate Share of the Net Pension<br>Liability – PERA SCHDTF Pension Plan..... | 86 |
| Schedule of County’s Contributions – PERA SCHDTF Pension Plan.....                                       | 87 |

**Supplementary Information**

**General Fund:**

|   |       |
|---|-------|
| Comparative Balance Sheet .....   | 90    |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances -<br>Budget and Actual..... | 91-95 |

**Major Special Revenue Funds:**

|   |    |
|---|----|
| Road and Bridge Fund<br>Comparative Balance Sheet .....   | 97 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances –<br>Budget and Actual..... | 98 |

Social Services Fund

|  |     |
|--|-----|
| Comparative Balance Sheet .....  | 99  |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances –<br>Budget and Actual ..... | 100 |

**Nonmajor Special Revenue Funds:**

|   |     |
|---|-----|
| Combining Balance Sheet .....   | 102 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances ... | 103 |

**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2016**

|   |     |
|---|-----|
| Joint Sales Tax Fund  |     |
| Comparative Balance Sheet.....  | 104 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund            |     |
| Balance - Budget and Actual.....  | 105 |
| <br>Durango Hills Road Improvement District Fund                              |     |
| Comparative Balance Sheet.....  | 106 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund            |     |
| Balance - Budget and Actual.....  | 107 |
| <br>Palo Verde Public Improvement District #3 Fund                            |     |
| Comparative Balance Sheet.....  | 108 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund            |     |
| Balance - Budget and Actual.....  | 109 |
| <br>Tribal Impact Mitigation  |     |
| Comparative Balance Sheet.....  | 110 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund            |     |
| Balance - Budget and Actual.....  | 111 |
| <br>Conservation Trust Fund   |     |
| Comparative Balance Sheet.....  | 112 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund            |     |
| Balance - Budget and Actual.....  | 113 |
| <br><b>Capital Project Fund:</b>  |     |
| Capital Improvement Fund  |     |
| Comparative Balance Sheet.....  | 115 |
| Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance   |     |
| – Budget and Actual .....   | 116 |
| <br><b>Proprietary Funds</b>  |     |
| <b>Internal Service Funds</b>   |     |
| Combining Statement of Net Position .....                                     | 118 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position .. | 119 |
| Combining Statement of Cash Flows.....  | 120 |
| <br>Capital Equipment Replacement Fund  |     |
| Comparative Statement of Net Position .....                                   | 121 |
| Comparative Statement of Revenues, Expenses and Changes in                    |     |
| Fund Net Position.....  | 122 |
| Schedule of Revenues, Expenses, and Changes in Net Position                   |     |
| – Budget and Actual (Non-GAAP Budgetary Basis) .....                          | 123 |

**La Plata County, Colorado**  
***Comprehensive Annual Financial Report***  
***For The Year Ended December 31, 2016***

|   |     |
|---|-----|
| Employee Medical Self-insurance Fund                        |     |
| Comparative Statement of Net Position .....                 | 124 |
| Comparative Statement of Revenues, Expenses and Changes in  |     |
| Fund Net Position.....                                      | 125 |
| Schedule of Revenues, Expenses, and Changes in Net Position |     |
| – Budget and Actual .....                                   | 126 |

**Fiduciary Funds**

|  |     |
|--|-----|
| General Agency Fund  |     |
| Statement of Changes in Fiduciary Assets and Liabilities ..... | 128 |

**Discretely Presented Component Unit**

|  |     |
|--|-----|
| 6 <sup>th</sup> Judicial District Attorney                                 |     |
| Balance Sheet.....   | 130 |
| Statement of Revenues, Expenditures and Changes in Fund Balances .....     | 131 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances for funds |     |
| with adopted budgets – Budget and Actual (General Fund only) .....         | 132 |

**Special Reports Section**

|  |         |
|--|---------|
| Social Services Fund – Schedule of EBT Authorizations, |         |
| Warrant Expenditures and Total Expenditures .....      | 134     |
| Local Highway Finance Report .....                     | 135-136 |

**Statistical Section**  
**(Unaudited)**

**Statistical Section Narrative**

**Financial Trends**

|   |     |
|---|-----|
| Government-wide Net Position by Component.....      | 139 |
| Government-wide Changes in Net Position .....       | 140 |
| General Governmental Revenues by Source.....        | 141 |
| General Governmental Expenditures by Function ..... | 142 |
| Governmental Fund Balances.....                     | 143 |
| General Governmental Tax Revenues by Source.....    | 144 |

**Revenue Capacity**

|   |     |
|---|-----|
| Property Tax Levies and Collections .....                           | 145 |
| Assessed Value and Estimated Actual Value of Taxable Property ..... | 146 |

**La Plata County, Colorado**  
***Comprehensive Annual Financial Report***  
***For The Year Ended December 31, 2016***

|   |         |
|---|---------|
| Direct and Overlapping Property Tax Revenue and Rates ..... | 147-150 |
| Principal Property Taxpayers .....                          | 151     |
| Direct and Overlapping Sales Tax Rates .....                | 152     |
| Principal Sales Tax Remitters .....                         | 153     |

**Debt Capacity**

|  |     |
|--|-----|
| Ratios of Outstanding Debt by Type ..... | 154 |
| Computation of Legal Debt Margin .....   | 155 |
| Revenue Bond Coverage .....              | 156 |

**Economic & Demographic Information**

|   |     |
|---|-----|
| Demographic and Economic Statistics ..... | 157 |
| Principal Employers .....                 | 158 |

**Operating Information**

|  |         |
|--|---------|
| Full-time Equivalent Employees by Function/Program ..... | 159     |
| Operating Indicators by Function/Program .....           | 160-162 |
| Capital Asset Statistics by Function/Program .....       | 163     |

**Single Audit Section**

|   |         |
|---|---------|
| Report on Internal Control over Financial Reporting and on Compliance and Other<br>Matters Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> ..... | 165-166 |
| Independent Auditor's Report on Compliance for Each Major Program and on<br>Internal Control over Compliance Required By the Uniform Guidance .....   | 167-168 |
| Schedule of Expenditures of Federal Awards .....  | 169-171 |
| Schedule of Findings and Questioned Costs .....   | 172-175 |



June 21, 2016

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

The Comprehensive Annual Financial Report (CAFR) of La Plata County, Colorado for the fiscal year ended December 31, 2016, is hereby submitted. 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.

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 County management 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 our 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 County operations as measured by the financial activity of its various funds. Further, we believe all disclosures have been included that are necessary to enable the reader to gain the maximum understanding of the County's financial activities.

The Governmental Accounting Standard Board (GASB) encourages local governments to demonstrate fiscal and operational accountability by providing additional information to readers, which enables them to ascertain the overall financial position of the government. The Government Finance Officers Association (GFOA) recommends that a government be able to prepare accurate financial statements in conformity with GAAP without the services of the audit firm. The implementation of the Statement on Auditing Standards No. 112 states that preparation of the financial statements by auditors is detrimental to the independence of the audit. La Plata County has established a system of financial accounting that provides reasonable assurance that such statements can be produced without assistance from the external auditors.

The County's financial statements have been audited by the certified public accounting firm of Axiom Certified Public Accountants and Business Advisors, LLC. 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, 2016 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, 2016 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 requires 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.

## **La Plata County Profile**

La Plata County incorporated in 1874 and is located in southwestern Colorado. The County has land area of 1,692 square miles and a 2016 population of 55,623<sup>1</sup>. La Plata County has seen a 1.27% annualized population growth rate (Colorado State Demographer, U.S. 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 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 Southwest Colorado Community College and Fort Lewis College, a four-year liberal arts state institution of approximately 3,585 students<sup>2</sup>.

The local economy is heavily tourism-based, and the Purgatory Ski Area and the Durango & Silverton Narrow Gauge Railroad both draw a significant number of visitors to the County each year. Mesa Verde National Park, in neighboring Montezuma County, brings many visitors to La Plata County and its municipalities. La Plata County is also 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 Memorial Day weekend with more than 3,500 participants in five events, according to the Iron Horse Bicycle Classic's website; and over the Labor Day weekend, an estimated 35,000 motorcyclists participate in events at multiple locations in Southwest Colorado<sup>3</sup>.

<sup>1</sup>United Census Bureau at <http://www.census.gov/quickfacts/table/PST045215/08067,00>

<sup>2</sup>Fort Lewis website at [www.fortlewis.edu/Home/About/AboutFortLewisCollege.aspx](http://www.fortlewis.edu/Home/About/AboutFortLewisCollege.aspx)

<sup>3</sup>Iron Horse Bicycle Classic Information at <http://www.ironhorsebicycleclassic.com>

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

| <u>Employer</u>                  | <u>Type of Business</u> | <b>Percentage</b>  |                        |
|----------------------------------|-------------------------|--------------------|------------------------|
|                                  |                         | <b>Employees</b>   | <b>of total County</b> |
|                                  |                         | <b>FT &amp; PT</b> | <b>Employment</b>      |
| DSC Purgatory LLC                | Recreation              | 1,000              | 2.94%                  |
| Mercy Regional Medical Center    | Health                  | 860                | 2.53%                  |
| Durango School District 9-R      | Education               | 853                | 2.51%                  |
| Southern Ute Indian Tribe        | Government              | 795                | 2.34%                  |
| Crossfire LLC                    | Oil & Gas               | 705                | 2.07%                  |
| Fort Lewis College               | Education               | 660                | 1.94%                  |
| City of Durango                  | Government              | 546                | 1.61%                  |
| La Plata County                  | Government              | 434                | 1.28%                  |
| Sky Ute Lodge and Casino, Museum | Recreation              | 425                | 1.25%                  |
| Mercury Payment Systems          | Finance                 | 365                | 1.07%                  |
| <b>Total Principal Employers</b> |                         | <b>6,643</b>       | <b>19.54%</b>          |
| <b>Total County Employment</b>   |                         | <b>33,981</b>      | <b>100.00%</b>         |

La Plata County is the 14th most populous of Colorado's 64 counties<sup>4</sup>. The preliminary average annual wage for La Plata County in 2015 was \$862 a week or \$44,824 per year<sup>5</sup>. The total labor force for La Plata County in December 2016 was 29,699, of which 28,967 were employed and 732 were unemployed; the unemployment rate was 2.4%<sup>6</sup>.

The construction industry has continued to show signs of recovery since 2014. Previously this industry had been the hardest-hit sector since the economic recession began in 2006, with county building permits declining more than 45% from 2006 to 2013. However, permits issued in 2016 increased 9% from the previous year: The County issued 251 building permits in 2016 as compared to 238 in 2015<sup>7</sup>.

The national and Colorado economies are expected to expand in 2017 and 2018. The two-year downturn in the oil and gas industry appears to be at an end as rig counts have begun to increase in the early months of 2017. Consumer spending remains robust and employers continue to add jobs at the moderate rate, further lowering the unemployment rate. Colorado unemployment rate dropped in the last quarter of the year, ending the year at 3.0 percent.

According to economist Richard Wobbekind of the University of Colorado Boulder's Leeds School of Business, "Colorado is the second-fastest state for percentage growth in population and the seventh-fastest state for total change." The 2017 Colorado Business Economic Outlook report forecasts the addition of 63,400 jobs in the State or a growth of 2.4%<sup>8</sup>.

<sup>4</sup>State Demography Office at <https://demography.dola.colorado.gov/population/population-totals-counties/>

<sup>5</sup>Bureau of Labor Statistics at [data.bls.gov/timeseries/ENU0806740010](http://data.bls.gov/timeseries/ENU0806740010)

<sup>6</sup>BLS Data Viewer at <https://beta.bls.gov/dataViewer/view/timeseries>

<sup>7</sup>LPC Economic Development Alliance at <http://yeslpc.com/economic-dashboard-december-2016>

<sup>8</sup>2017 Colorado Business Economic Outlook report at <http://www.colorado.edu/business/business-research-division/brd-publications/colorado-business-economic-outlook/2017-outlook>

La Plata 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 terms, which are staggered. There are six other elected officials: Sheriff, Clerk & Recorder, Assessor, Treasurer/Public Trustee, Coroner, and Surveyor, who derive their responsibilities and authorities from state statute. There are no term limits on these elected positions.

The County provides the full range of services required by state statutes as well as many ancillary services, including:

- General government
- Public safety: sheriff, jail, coroner, district attorney, emergency management and building inspection;
- Road and bridge operations
- Public health and welfare, including human services
- Recreation and culture

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

The Board of County Commissioners' responsibilities for financial matters include adopting financial policies, adopting the budget and 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. 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.

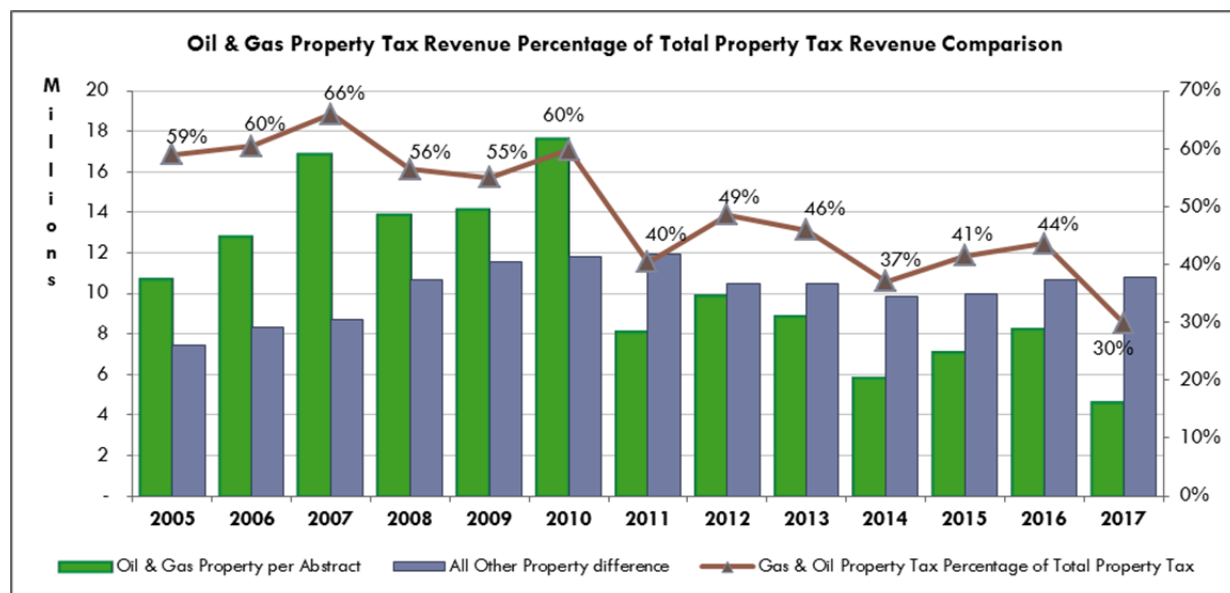
## Budgetary Controls

Colorado state law requires the adoption of budgets for all local governments, adopted by fund. Accordingly, 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 cannot legally exceed the appropriated amount) is at the fund level. However, the County further monitors expenditures at the spending authority level, elected official or department head, within individual funds. The Finance Department monitors revenues and expenditures and informs department heads, the County Manager and the BOCC of budgetary concerns. 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

Much of the County's property tax base has historically derived from coal bed methane gas production. In recent years, natural gas prices have plummeted nationwide and production in La Plata County has correspondingly decreased. This, coupled with a disproportionately low property tax rate of 8.5 mills, has had a detrimental effect on property tax revenues. In 2017, La Plata County's total property tax revenue is anticipated to be \$15.4 million as compared to \$29.4 million in 2010 - a decline of 47%. Of this total, natural gas property tax revenue has been steadily dropping from \$17.6 million in 2010 to \$4.6 million in 2017 - a decline of 73.8%.



La Plata County has the fourth-lowest property tax rate in the state. The Colorado Department of Local Affairs' 2014 County Comparison Report of Colorado's 52 small- and medium-sized counties report the median mill levy was 20.021 mills. At \$293.61 in per capita property tax revenue, La Plata County ranks 41<sup>st</sup> of the 52 like-sized counties in the state.

In addition to property taxes, the County receives severance taxes paid to the state by gas operators based on the price and volume of gas removed from the ground. The production and price drops outlined above are expected to cut severance tax by 69% (a drop in excess of \$900,000 per year for the foreseeable future). Finally, the County has historically received energy impact grants from the state for financing capital projects from a state fund financed with severance tax receipts. We expect this funding source to cut grant awards by more than 50% in future years.

In early 2017, the County completed a remodel of the County Courthouse, to accommodate its statutorily mandated responsibilities to the Sixth Judicial District, as well as to provide courtroom and office space for the U.S. District Court, U.S. Probation and U.S. Marshal's Office. This consolidated justice facility will promote economic vitality and increase access to justice for victims, witnesses and all those involved in federal proceedings. It will also assist the Southern Ute and Ute Mountain Ute tribes which use Federal Court proceedings to adjudicate a variety of tribal matters. The County negotiated a 10-year lease agreement with the federal courts to pay for the tenant improvements and rent for \$170,610 per year.

This project and many others resulted from a 2012 Facilities Master Plan that identified a strategic approach to addressing the County's space needs over the long term. In accordance with this approach, the Department of Human Services relocated to 10 Burnett Court at the Tech Center in January 2016; the county purchased the building later in 2016. This relocation addresses the department's long-standing facility and programmatic needs and will accommodate these purposes into the future, as well as provide space for county departments currently in leased facilities.

The County's ability to address these facility needs was made possible by its wise stewardship of financial resources over time. The practice of utilizing property taxes related to gas production over the year 2000 baseline allowed the County to set aside funds exclusively for such capital projects. At the end of 2016, the County's reserve for capital projects was approximately \$10.5 million.

Providing safe roads and bridges for residents, visitors, school buses and emergency vehicles is a critical obligation of La Plata County and is essential to our local economy. The County currently has a backlog of capital Public Works projects – in part the result of rapid growth in the past that exceeded our ability to fund needed improvements – but also from the dramatic decrease in property tax revenues (nearly 50%) since 2010. As a result, the County has reduced road and bridge maintenance levels and is not keeping pace with current or anticipated needs, particularly in light of the County's recent and projected population growth. Revenue shortfalls must be addressed to ensure sufficient funding to meet the growing demands placed on our local transportation system.

Road and Bridge capital projects are costly. During the 13-year period from 2002 to 2014, the County invested approximately \$40,700,000 in capital road and bridge projects an average of \$3,100,000 per year. Of that, approximately 40% was funded by grants. However, county forecasts suggest that an average of \$5.2 million is needed each year to maintain existing infrastructure and to make even modest improvements to our road and bridge system. The county's current fiscal situation does not make that investment possible.

## **Budget**

In 2017, we anticipate a decrease in property tax revenue of approximately \$3.4 million, largely resulting from the lagging and enduring effects on flat natural gas price and production that began in 2015. We project a modest increase in sales tax collection. It is anticipated that property tax revenues will decrease another \$1.4 million in 2018. This trend, compounded by its effects at the state level, is causing significant structural challenges to La Plata County's budget. Without developing additional revenue sources, this scenario will hamper our ability to deliver services at present levels and as La Plata County population grows, this disparity will widen.

Through leveraging dollars from funding partners, the County has included a number of significant projects in the 2017 budget. The Conservation Trust Fund has \$270,000 budgeted for a Multi-Event Center master plan. This money originates from Colorado Lottery proceeds and is restricted in its use to planning and construction of recreation or open space projects. The Road and Bridge Fund have budgeted for seven projects totaling \$7,019,457 with grants and contributions paying \$5,369,457 of the total investment. The county, with investments from DOLA, the Southern Ute Indian Tribe, and the Colorado Department of Transportation, will oversee a , \$2,125,000 project for urban and access improvements to County Road 517, which bisects the Southern Ute Tribal Campus. The road is located in the heart of the energy development area and has a high level of pedestrian traffic. County Road 318, which connects the Town of Ignacio and State Highway 172 to U.S. Highway 550, is a major arterial for industrial energy traffic and commuting workers. Also of note for road and bridge improvements is \$200,000 collected starting in 2005 from infill fees from the energy industry to mitigate the increased maintenance costs and public safety issues associated with the additional traffic the industry contributes to local roads. These funds will be used to design two bridge replacements near Ignacio. The County has also committed \$700,000 for the mill and asphalt overlay of County Road 302, where oil and gas and airport traffic is very concentrated.

## **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 that the County can provide services to the public during unforeseen disasters.
- Assigned fund balance for capital reserves funding for future tentative plans of capital projects.
- Unassigned fund balance comprises funds that are not otherwise 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' operating costs with a target of three months of operations to provide fiscal cash liquidity.

At December 31, 2016, the General Fund unassigned fund balance is \$26,910,384.

## Awards and Acknowledgements

The Government Finance Officers Association 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, 2015. The Certificate of Achievement is a prestigious international award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. La Plata County has received a Certificate of Achievement for the last 27 consecutive fiscal years (1989-2015) ended December 31. We believe the 2016 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 Finance Department staff. Each member of the department has our sincere appreciation for their individual and team efforts in preparing this report. Also, we would like to extend our appreciation to the partners and staff of the firm of Axiom Certified Public Accountants and Business Advisors, LLC 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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Executive Director/CEO



## LIST OF COUNTY OFFICIALS

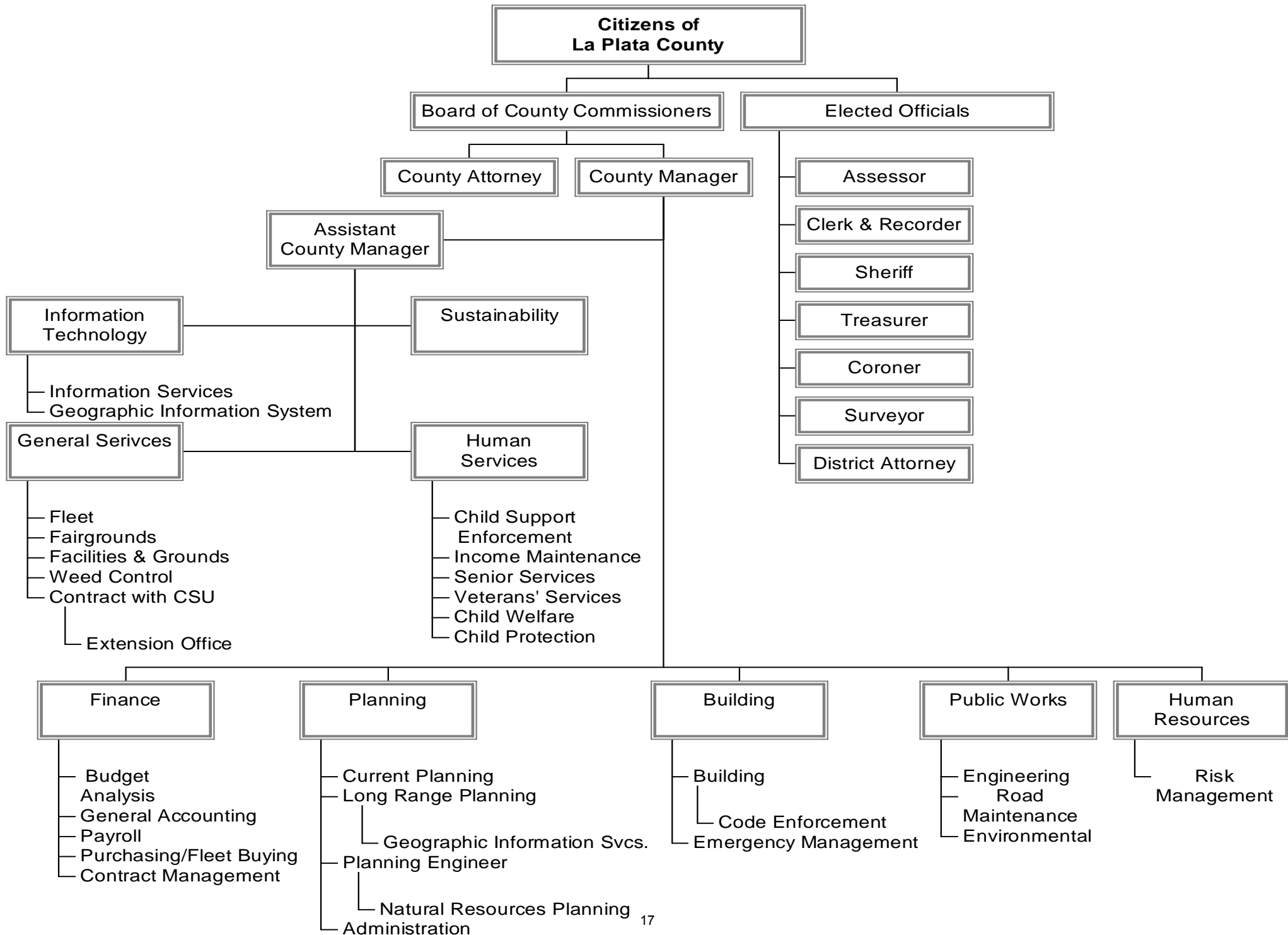
### ELECTED OFFICIALS

| <u>Title</u>               | <u>Name</u>        |
|----------------------------|--------------------|
| Commissioner               | Julie Westendorff  |
| Commissioner               | Gwen A. Lachelt    |
| Commissioner               | Brad Blake         |
| Assessor                   | Craig Larson       |
| Clerk & Recorder           | Tiffany Lee Parker |
| Coroner                    | Jann Smith         |
| Sheriff                    | Sean M. Smith      |
| Surveyor                   | Steven McCormack   |
| Treasurer & Public Trustee | Allison Morrissey  |

### 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

May 26, 2017

To the 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 (the "County") as of and for the year ended December 31, 2016, 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. 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension schedules on pages 22-34 and 87-88 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 the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget to actual schedules, Local Highway Finance Report, Schedule of EBT Authorizations and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget to actual schedules, Local Highway Finance Report, Schedule of EBT Authorizations 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, the combining and individual nonmajor fund financial statements are 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 Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.



Albuquerque, New Mexico  
May 26, 2017

## 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, 2016. 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 totaled \$62,478,137 compared to \$56,074,987 in 2015, an increase of \$6,403,150. The County's assets exceeded its liabilities and deferred inflows by \$206,209,168 (net position) for the calendar year reported. Increase in total net position in 2016 is \$7,658,392, an increase of \$6,357,778 over 2015's \$1,300,614.
- Total net position is comprised of the following:
  - 1) Investment in capital assets of \$112,662,507 includes property and equipment, net of accumulated depreciation.
  - 2) Net position of \$21,635,692 are restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
  - 3) Net position of \$20,708,618 are unrestricted, but are invested in a joint venture.
  - 4) The balance of unrestricted net position of \$71,910,969 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County had \$54,819,745 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$24,212,122 of these expenses. General revenues (primarily taxes) provided the remaining funding for these programs.
- The County's governmental funds reported total ending fund balance of \$68,424,057 this year. This compares to the prior year ending fund balance of \$77,207,689, showing a decrease of \$8,783,632 or 11.4% during the current year. Approximately 67.5% or \$46,215,025 of this total amount is assigned, committed and unassigned and are available for spending at the government's discretion.
- During the 2016 fiscal year, the County's governmental fund type revenues were \$60,041,072 compared to \$55,394,706 in the prior year.

- At the end of the current calendar year, unassigned fund balance for the General Fund was \$26,160,384 or 75.1% of 2017 budgeted General Fund operating expenditures.

Overall, the County continues to maintain a strong financial position.

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

### **Overview of the Financial Statements**

This Management Discussion and Analysis document 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 and deferred outflows 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 36 & 37 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.

La Plata County maintains nine individual governmental funds. The General, Road & Bridge, Human Services and the Capital Improvement Plan fund are considered to be major funds. Information is presented in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures and changes in fund balances. The other five funds are considered non-major funds and are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in combining statements elsewhere in this report. The basic governmental fund financial statements are presented on pages 38 through 44 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 45 through 47 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 48 of this report.

**Budgetary Comparisons** – The County adopted the 2016 budget and appropriations were made for all of its funds on December 8<sup>th</sup>, 2015. A budgetary comparison schedule has been provided for all major funds on pages 91 through 100 and page 116 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 49 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 101. 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

An analysis of net position may serve as a useful indicator of a government's financial health. The County's net position at calendar year-end is \$206,209,168. The following table provides a summary of the County's net position:

|                                  | <b>Governmental<br/>Activities<br/>2016</b> | <b>Percentage<br/>of Total<br/>2016</b> | <b>Governmental<br/>Activities<br/>2015</b> | <b>Percentage<br/>Inc/(Dec)<br/>over 2015</b> |
|----------------------------------|---|---|---|---|
| <b>Assets:</b>                   |   |   |   |   |
| Current assets                   | \$ 102,698,010                              | 43.5%                                   | \$ 114,666,266                              | -10.4%  |
| Investment in joint venture      | 20,708,618                                  | 8.8%                                    | 18,320,815                                  | 13.0%   |
| Capital assets                   | 112,662,507                                 | 47.7%                                   | 98,551,468                                  | 14.3%   |
| <b>Total assets</b>              | <b>236,069,135</b>                          | <b>100.0%</b>                           | <b>231,538,549</b>                          | <b>2.0%</b>                                   |
| <b>Liabilities:</b>              |   |   |   |   |
| Current liabilities              | 10,269,573                                  | 71.8%                                   | 9,707,851                                   | 5.8%  |
| Long-term liabilities            | 4,040,106                                   | 28.2%                                   | 4,281,772                                   | -5.6%   |
| <b>Total liabilities</b>         | <b>14,309,679</b>                           | <b>100.0%</b>                           | <b>13,989,623</b>                           | <b>2.3%</b>                                   |
| Deferred Inflows                 | 15,550,288                                  | 108.7%                                  | 18,998,150                                  | -18.1%  |
| <b>Net position:</b>             |   |   |   |   |
| Net investment in capital assets | 112,662,507                                 | 54.6%                                   | 98,551,468                                  | 14.3%   |
| Restricted                       | 21,635,692                                  | 10.5%                                   | 23,979,522                                  | -9.8%   |
| Unrestricted                     | 71,910,969                                  | 34.9%                                   | 76,019,786                                  | -5.4%   |
| <b>Total net position</b>        | <b>\$ 206,209,168</b>                       | <b>100.0%</b>                           | <b>\$ 198,550,776</b>                       | <b>3.9%</b>                                   |

The largest portion of the County's net position (54.6%) 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 3.98 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 2016 with an offsetting amount reported in deferred inflows. If you remove those amounts from the current ratio calculation, the adjusted ratio is 8.49 to 1, which demonstrates the real liquid position of the County.

The County reported positive balances in Governmental activities net position. Net position increased by \$7,658,392. The increase is related to the increased operating and capital grants revenues of approximately \$4 million and the joint venture, the Durango-La Plata County Airport, increased \$2,387,803. The County's assessed valuations increased \$216,328,760 increasing property tax revenue by \$1.7 million in 2016.

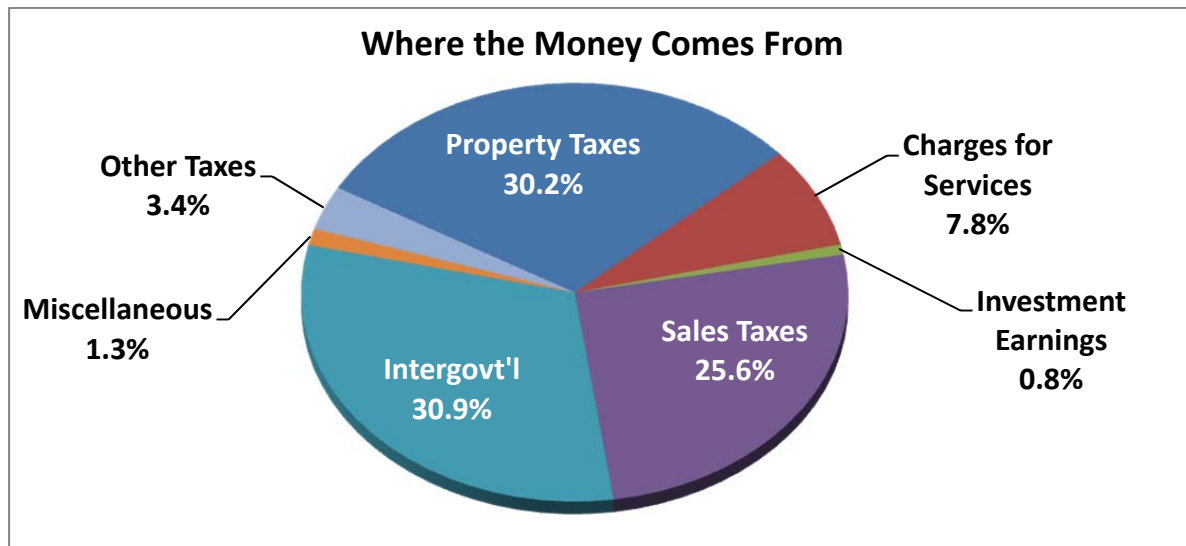
The Sixth Judicial District Attorney, a discretely presented component unit, net position is a negative \$207,075 at the fiscal year end 2016. This was attributable to the implementation of GASB Statements No. 68, Accounting and Financial Reporting for Pensions, requiring government employers to recognize the long-term obligation for state pension benefits.

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

|                             | <b>Governmental<br/>Activities 2016</b> | <b>Percentage of<br/>Total 2016</b> | <b>Governmental<br/>Activities 2015</b> | <b>(Decrease)<br/>Increase</b> |
|-----------------------------|---|-------------------------------------|---|--------------------------------|
| <b>Revenues:</b>            |   |                                     |   |                                |
| <b>Program:</b>             |   |                                     |   |                                |
| Charges for services        | \$ 4,893,954                            | 7.8%                                | \$ 4,469,493                            | \$ 424,461                     |
| Operating grants            | 16,589,822                              | 26.6%                               | 13,977,048                              | 2,612,774                      |
| Capital grants              | 2,728,346                               | 4.4%                                | 1,330,453                               | 1,397,893                      |
| Total Program Revenues      | 24,212,122                              | 38.8%                               | 19,776,994                              | 4,435,128                      |
| <b>General:</b>             |   |                                     |   |                                |
| Taxes                       | 36,977,382                              | 59.2%                               | 34,867,934                              | 2,109,448                      |
| Other                       | 1,288,633                               | 2.1%                                | 1,430,060                               | (141,427)                      |
| Total General Revenues      | 38,266,015                              | 61.2%                               | 36,297,994                              | 1,968,021                      |
| <b>TOTAL REVENUES</b>       | <b>62,478,137</b>                       | <b>100%</b>                         | <b>56,074,988</b>                       | <b>6,403,149</b>               |
| <b>Program Expenses:</b>    |   |                                     |   |                                |
| General government          | 13,427,182                              | 24.5%                               | 12,919,783                              | 507,399                        |
| Public safety               | 17,466,390                              | 31.9%                               | 17,381,499                              | 84,891                         |
| Recreation and culture      | 2,946,427                               | 5.4%                                | 2,960,931                               | (14,504)                       |
| Public works                | 10,436,141                              | 19.0%                               | 11,875,658                              | (1,439,517)                    |
| Health and welfare          | 8,125,198                               | 14.8%                               | 7,701,357                               | 423,841                        |
| Community programs          | 2,415,471                               | 4.4%                                | 1,931,976                               | 483,495                        |
| Interest and fiscal charges | 2,936                                   | 0.0%                                | 3,170                                   | (234)                          |
| <b>TOTAL EXPENSES</b>       | <b>54,819,745</b>                       | <b>100%</b>                         | <b>54,774,374</b>                       | <b>45,371</b>                  |
| Change in net position      | 7,658,392                               |                                     | 1,300,614                               | 6,357,778                      |
| Beginning net position      | 198,550,776                             |                                     | 197,250,162                             |                                |
| <b>Ending net position</b>  | <b>\$ 206,209,168</b>                   |                                     | <b>\$ 198,550,776</b>                   |                                |

### Government-wide Revenues

Governmental revenues for 2016 were \$62,478,137 compared to \$56,074,987 in 2015, an increase of \$6,403,150. The following chart presents the various sources of general revenues for the fiscal year ended December 31, 2016.



Program revenues provided 38.8% to support governmental operations. This means that the County's taxpayers and other general governmental revenues funded 61.2% of the governmental activities. Property and sales tax provide general support for the County's operations with property tax providing 30.2% and sales tax providing 25.6%.

### Government-wide Expenses by Function

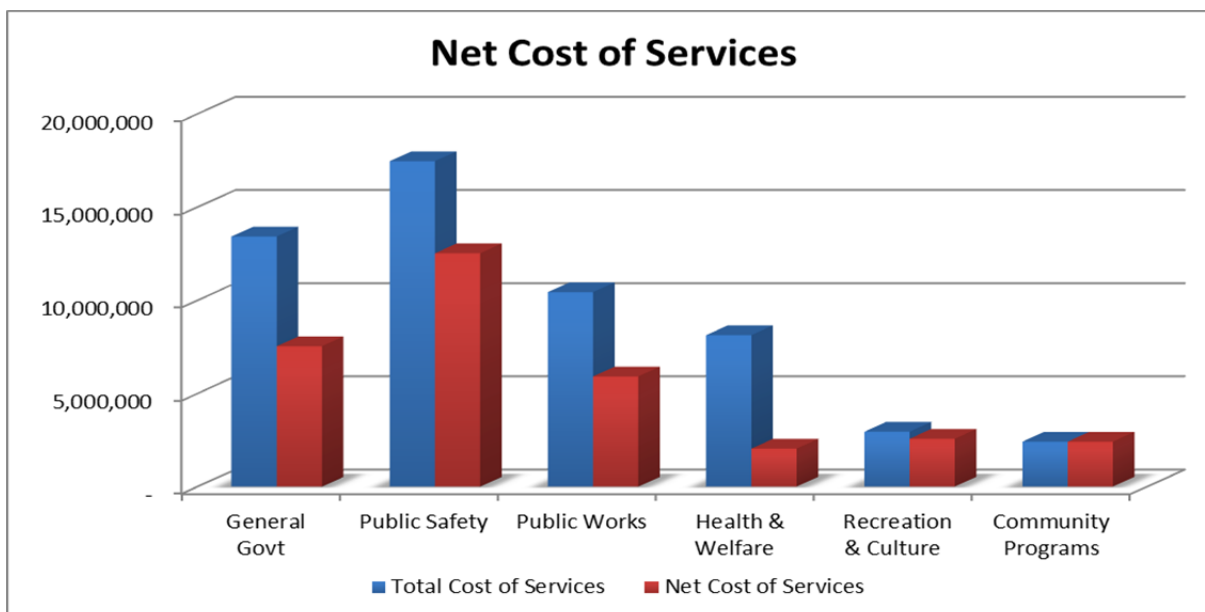
The public safety, general government, and public works functions make up approximately 75% of the total government activities expenses. Public safety totals 31.9% of total governmental expenses of which 26% was spent by the County Sheriff's Office services. The general government functions including Administration, Attorney, Assessor, Clerk & Recorder, Commissioners, Elections, Facilities & Grounds, Finance, GIS, Human Resources, IT, Planning, Procurement, Risk Management, Surveyor, and Treasurer totaled 24.5% of the total governmental expenses. Public works accounted for approximately 19.0% of the total costs.

The following schedule presents a summary of the government-wide expenses for the fiscal year ended December 31, 2016 and the changes from the prior year.

Overall expenses for 2016 increased \$45,371 or 0.1% from 2015. Public safety function is the County's largest cost at \$17.5 million or 31.9% of the total expenses. General government function costs were \$13.4 million or 24.5% of the total expenses. Public works function cost was \$10.4 million or 19.0% of total expenses.

| Function                    | Governmental<br>Activities 2016 | % of<br>Total 2016 | Governmental<br>Activities 2015 | (Decrease)<br>Increase |
|-----------------------------|---------------------------------|--------------------|---------------------------------|------------------------|
| General government          | 13,427,182                      | 24.5%              | 12,919,783                      | 507,399                |
| Public safety               | 17,466,390                      | 31.9%              | 17,381,499                      | 84,891                 |
| Recreation & culture        | 2,946,427                       | 5.4%               | 2,960,931                       | (14,504)               |
| Public works                | 10,436,141                      | 19.0%              | 11,875,658                      | (1,439,517)            |
| Health and welfare          | 8,125,198                       | 14.8%              | 7,701,357                       | 423,841                |
| Community programs          | 2,415,471                       | 4.4%               | 1,931,976                       | 483,495                |
| Interest and fiscal charges | 2,936                           | 0.0%               | 3,170                           | (234)                  |
| <b>Total Expenses</b>       | <b>54,819,745</b>               | <b>100.0%</b>      | <b>54,774,374</b>               | <b>45,371</b>          |

This chart displays the net cost of the County's function, (i.e., total costs less revenues generated by the function). Net cost of services illustrates the financial burden placed on the County's taxpayers by each of these functions.



Public safety function requires the largest taxpayer support at 71.7%. The public safety function includes law enforcement, jail, investigations, coroner, building inspection, and emergency management services. Public works is the second largest function with 56.6% of the costs being supported by taxpayers. The function includes roads and bridges, weed control, and post closure costs of the landfills. General government is the third largest function that requires taxpayer support at 56.1%.

## **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 \$68,424,057. Of this year-end total, \$401,651 represents inventories held for future consumption and \$171,689 are prepaid and long term receivable, neither category represents available, spendable resources. A total of \$21,635,692 is legally restricted for specific purposes, including economic stabilization, law enforcement, capital improvements impact fees, and Tribal mitigation impact. Committed fund balance totals \$7,158,458 and reserved by the Board of County Commissioners to use in case of an emergency or a disaster. A total of \$12,146,183 is assigned and includes \$1,407,803 for 2017 budget deficit expenditures in the general fund, and \$10,511,673 is reserved for capital projects. Finally, nearly \$27 million is unassigned, representing availability for continuing County service requirements.

The total ending fund balances of governmental funds show a decrease of \$8,783,632 or 11.4% less than 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 decreased by \$5.7 million. The decrease is mostly related to the transfer out of \$10 million into the Capital Improvement Fund for capital expenditures.

General Fund revenues increased \$3.2 million from 2015. The majority of the increase is due to the increase in property tax revenues of approximately \$1.6 million or 11% because of 2015 being a reassessment year. Sales tax revenues increased \$917,458 in 2016 over 2015 and are due to the increase in retail sales. Charges for Services in the General Fund increased in 2016 by \$576,860 or 17.5% from 2015.

Expenditures in the General Fund increased \$1,271,513 or 3.9% from 2015. The General government function increased \$555,084. The majority of the increase is due to the increase in leases and utilities related to the 10 Burnett Court and the 135 Burnett Court properties. Public safety function increase \$266,662 and are mostly due to the increased costs in the running of the County jail. Contributions to the San Juan Basin Health increased almost \$78,000 in 2016 and a pass through of a Community Development Block Grant (CDBG) to Region 9 Economic Development District of Southwest Colorado

increased \$368,803 in 2016. The General Fund unassigned ending fund balance of \$26,910,384 is available for future use.

The Road and Bridge Fund accounts for the construction, maintenance, and snow removal on roads and bridges in the County. In 2016, the Road and Bridge fund spent almost \$5.8 million in maintaining the 653 miles of County's roads. Fund balance decreased 1.6% or \$119,740 to \$7,285,515 and is available for future road and bridge spending.

The Social Services Fund accounts for a variety of State mandated social services. In 2016, the Social Services fund balance dropped by 3.6% from \$2,259,847 to \$2,178,454. The fund spent more than \$6.5 million in providing services to clients, an increase of \$361,790, or 5.9% over 2015. Intergovernmental revenues increased \$460,125 over 2015.

The Capital Improvement fund balance decreased from \$10 million in 2015 to \$6.7 million in 2016, a decrease of approximately 33%. The decrease in the fund balance is related to large capital projects in 2016 including the purchase of 10 Burnett Court and the Courthouse remodel.

### General Fund Budgetary Highlights

The budget for the General Fund is prepared in compliance with all applicable Colorado State Statutes. On December 8, 2015, the Board of County Commissioners adopted and appropriated \$47,747,252 for the General Fund expenditures for the 2016 year. During the year, budget amendments were required due to of unanticipated revenues. Almost half of the unanticipated revenue was the result of a contract amendment that increased the funding of the Community Development Block Grant (CDBG) of which the County passes through the funding to the sub-grantee, Region 9 Economic Development District of Southwest Colorado for its continuing Business Loan Fund (BLF). Budget amendments increase revenues and expenditures \$684,427.

|                        | <u>Adopted Budget</u> | <u>Amendments</u> | <u>Final Budget</u> |
|------------------------|-----------------------|-------------------|---------------------|
| Sources                | 37,390,714            | 684,427           | 38,075,141          |
| Uses                   | 47,747,252            | 684,427           | 48,431,679          |
| Change in Fund Balance | <u>(10,356,538)</u>   | <u>(0)</u>        | <u>(10,356,538)</u> |

Actual revenues collected exceeded budgetary estimates by \$124,471 or 0.3%. The General Fund expenditures were \$4.5 million or 9.4% less than budgetary estimates. Personnel expenditures were underspent by \$952,251 or 4.4%. This is mainly due to the not filling vacancies or the delay of filling vacancies. Other expenditures underspent include the budget contingency and cost savings from participating in Colorado Counties Casualty & Property Pool's (CAPP) partially self-funded option program, (discussed in Note 4 in the footnotes to the financial statements).

## 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, 2016, was \$112,662,507. Net capital assets have increased by approximately 14.3% in 2016. 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.

#### Governmental Activities

|                               | 2016        | 2015        |
|-------------------------------|-------------|-------------|
| Non-depreciable assets:       |             |             |
| Land                          | 9,452,945   | 9,452,945   |
| Construction in Progress      | 7,370,512   | 1,885,993   |
| Total non-depreciable         | 16,823,457  | 11,338,938  |
| Depreciable Assets:           |             |             |
| Buildings                     | 67,622,482  | 56,419,552  |
| Improvements                  | 9,102,342   | 9,329,548   |
| Machinery and equipment       | 18,446,858  | 17,907,544  |
| Intangibles                   | 216,448     | -           |
| Infrastructure                | 86,136,721  | 84,356,865  |
| Total depreciable assets      | 181,524,851 | 168,013,509 |
| Less accumulated depreciation | 85,685,801  | 80,800,979  |
| Book value-depreciable assets | 95,839,050  | 87,212,530  |
| Percentage depreciated        | 47.2%       | 48.1%       |
| Book value - all assets       | 112,662,507 | 98,551,468  |

### Long-term obligations

The County has long-term obligations including compensated absences, pollution remediation costs, and landfill post-closure costs. See Note 3-F for additional information about the County's long-term debt. We discuss the pollution remediation costs in Note 3-I and the landfill closure and post closure care liability in Note 3-J. A summary of outstanding debt at year-end is as follows:

|                               | 12/31/2016   | 12/31/2015   | \$ Change    | % Change |
|-------------------------------|--------------|--------------|--------------|----------|
| Colorado Water debt           | \$ 254,215   | \$ 265,843   | \$ (11,628)  | -4.4%    |
| Compensated Absences          | 1,614,677    | 1,698,479    | (83,802)     | -4.9%    |
| Pollution remediation costs   | 2,568,931    | 2,643,071    | (74,140)     | -2.8%    |
| Landfill postclosure costs    | 348,666      | 403,407      | (54,741)     | -13.6%   |
| Total Governmental Activities | \$ 4,786,489 | \$ 5,010,800 | \$ (224,311) | -4.5%    |



## Economic Factors and Next Year's Budget

La Plata County economic activity continued to expand in 2016 at a slightly slower rate than in the previous two years. This reflected overall improvements in the regional economy, leading to population growth and corresponding construction activity acceleration in 2016. However, much of the County's property tax base has historically derived from coal bed methane gas production. In recent years, natural gas prices have plummeted nationwide and production in La Plata County has steadily decreased as a result. Because La Plata County's mill levy at 8.5 mills – the fourth-lowest of Colorado's 64 counties – residential and commercial property tax has been unable to offset the decline in oil and gas-related property tax revenue. This has had an extremely detrimental effect on the county's overall fiscal landscape. In 2017, La Plata County's total property tax revenue is anticipated to be \$15.4 million. In 2016, the county collected nearly \$19 million. That drop has the most impact on La Plata County's ability to serve its citizens, and factors heavily into our planning for 2018.

In 2018, property tax revenue is expected to drop an additional \$1.4 million resulting from lagging natural gas production and low prices, according to County Assessor Craig Larson. Additionally, the state levies a severance tax on oil and gas production and distributes that money back to the counties where the mineral originate. The severance tax revenues to the county fell from \$1.3 million in 2015 to \$400,000 in 2016. We do not expect that revenue to increase in 2018.

The assessment rate for residential properties has been unchanged, at 7.96% of the market value since 2003. In 2018, the residential assessment rate is expected to drop to 7.2%, resulting in an additional decrease in property tax revenues for the county of approximately \$500,000.

In total, the county anticipates a \$7.1 million decline in revenues between 2016 and 2018. Our primary priority for 2017 and 2018 is to address the anticipated decline in revenues and to ensure the county's long-term financial stability. We see this as a comprehensive effort, including new revenue strategies, service-level reductions, and employee-related cost reductions.

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%
- La Plata County 63.5%

Sales tax revenue retained by the County was \$16 million in 2016, an increase of 1.8% over 2015.

Grants and intergovernmental revenues are another cornerstone of the County's revenue base. In 2016, we received \$2.5 million in energy impact grants to assist with the remodel of the County Courthouse as well as the construction of two buildings to house equipment for Road and Bridge facilities in Marvel and Ignacio. These funds also paid for a new Finance and Human Resource management system. In addition,

we secured \$400,417 in gaming grants to contribute to the District Attorney's office and Sheriff's Office jail and patrol operations.

For 2017, County revenues are projected to be \$68.5 million – a 14.3% decrease from the 2016 budget. In total, the 2017 budget projects \$59.6 million in operating expenditures and more than \$17.8 million in proposed one-time expenditures that include capital and contingencies. The County is using its fund balance for one-time expenditures and contingencies – the purpose for which such reserves are intended.

The County's 2017 budget was prepared with consideration of these and other economic factors. The County is developing and implementing strategies to ensure long-term financial stability.

### **Contacting the County's Financial Management Team**

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 1101 E. 2<sup>nd</sup> Avenue, Durango, CO 81301, or via email at [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, 2016**

|  | <b>Primary<br/>Governmental<br/>Activities</b> | <b>Component<br/>Unit</b> |
|--|--|---------------------------|
| <b>Assets</b>  |  |                           |
| Current Assets:  |  |                           |
| Cash   | \$ 204,279                                     | \$ 104,926                |
| Equity in treasurer's cash and investments                           | 75,458,724                                     | 37,612                    |
| Restricted cash and investments                                      | 79,850   | -                         |
| Receivables:   |  |                           |
| Accounts   | 4,080,961                                      | 3,618                     |
| Taxes  | 15,550,288                                     | -                         |
| Deposits   | 5,471  | -                         |
| Intergovernmental  | 6,635,184                                      | 205,143                   |
| Prepaid  | 168,218  | -                         |
| Inventory  | 515,035  | -                         |
| Investment in joint venture  | 20,708,618                                     | -                         |
| Capital Assets:  |  |                           |
| Nondepreciable capital assets  | 16,823,457                                     | -                         |
| Depreciable capital assets, net                                      | 95,839,050                                     | 30,344                    |
| <b>Total Assets</b>  | <b>236,069,135</b>                             | <b>381,643</b>            |
| Deferred Outflows of Resources                                       |  |                           |
| Pension (Note 3-M)   | -  | 66,275                    |
| <b>Liabilities</b>   |  |                           |
| Current Liabilities:   |  |                           |
| Accounts payable   | 3,990,981                                      | 19,303                    |
| Accrued expenses   | 491,767  | 43,892                    |
| Intergovernmental payable  | 3,974,531                                      | -                         |
| Accrued interest payable   | 847  | -                         |
| Deposits payable   | 459,983  | -                         |
| Unearned revenue   | 150,000  | -                         |
| Liabilities payable from restricted assets                           | 79,850   | -                         |
| Claims payable   | 375,231  | -                         |
| Current portion-debt service   | 11,862   | -                         |
| Current portion-compensated absences payable                         | 375,445  | 19,836                    |
| Current portion-pollution remediation obligations                    | 300,000  | -                         |
| Current portion-landfill closure and post-closure care costs payable | 59,076   | -                         |
| Long-Term Liabilities:   |  |                           |
| Debt service (net of current portion)                                | 242,353  | -                         |
| Compensated absences payable (net of current portion)                | 1,239,232                                      | 72,635                    |
| Pollution remediation obligations (net of current portion)           | 2,268,931                                      | -                         |
| Landfill closure/post-closure costs (net of current portion)         | 289,590  | -                         |
| Pension Liability  | -  | 473,540                   |
| <b>Total Liabilities</b>   | <b>14,309,679</b>                              | <b>629,206</b>            |
| <b>Deferred Inflows of Resources</b>                                 |  |                           |
| Property Taxes   | 15,550,288                                     | -                         |
| Pension (Note 3-M)   | -  | 25,787                    |
| <b>Total Deferred Inflows of Resources</b>                           | <b>15,550,288</b>                              | <b>25,787</b>             |
| <b>Net Position</b>  |  |                           |
| Net Investment in capital assets                                     | 112,662,507                                    | 30,344                    |
| Restricted for:  |  |                           |
| Required legal fund segregations                                     | 19,901,793                                     | -                         |
| Economic stabilization (TABOR)                                       | 1,733,899                                      | 75,518                    |
| Unrestricted   | 71,910,969                                     | (312,937)                 |
| <b>Total Net Position</b>  | <b>\$ 206,209,168</b>                          | <b>\$ (207,075)</b>       |

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**

| Function/Program                  | Expenses             | Program Revenues   |  |  | Net (Expense)<br>Revenue and Changes<br>in Net Position<br>Primary Government<br>Governmental<br>Activities | Component<br>Unit   |
|-----------------------------------|----------------------|--|--|--|---|---------------------|
|                                   |                      | Charges for<br>Services                                  | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |   |                     |
| <b>Primary Government</b>         |                      |  |  |  |   |                     |
| <b>Governmental Activities</b>    |                      |  |  |  |   |                     |
| General government                | \$ 13,427,182        | \$ 2,640,097   | \$ 3,252,636                             | \$ -                                   | \$ (7,534,449)  | \$ -                |
| Public safety                     | 17,466,390           | 1,919,582  | 1,313,735                                | 1,708,544                              | (12,524,529)  | -                   |
| Recreation and culture            | 2,946,427            | -  | 350,156                                  | 22,082                                 | (2,574,189)   | -                   |
| Public works                      | 10,436,141           | 295,332  | 3,235,586                                | 997,720                                | (5,907,503)   | -                   |
| Increase in joint venture         | -                    | -  | 2,387,803                                | -                                      | 2,387,803   | -                   |
| Health and welfare                | 8,125,198            | 38,943   | 6,049,906                                | -                                      | (2,036,349)   | -                   |
| Community programs                | 2,415,471            | -  | -  | -                                      | (2,415,471)   | -                   |
| Interest and fiscal charges       | 2,936                | -  | -  | -                                      | (2,936)   | -                   |
| <b>Total - Primary Government</b> | <b>\$ 54,819,745</b> | <b>\$ 4,893,954</b>                                      | <b>\$ 16,589,822</b>                     | <b>\$ 2,728,346</b>                    | <b>(30,607,623)</b>   | <b>-</b>            |
| <b>Component Unit</b>             |                      |  |  |  |   |                     |
| Office of the District Attorney   | \$ 2,356,158         | \$ -   | \$ 840,708                               | \$ -                                   |   | (1,515,450)         |
|                                   |                      | <b>General Revenues</b>                                  |  |  |   |                     |
|                                   |                      | Property taxes levied for general government purposes    |  |  | 18,827,957  | -                   |
|                                   |                      | Sales taxes  |  |  | 16,018,771  | -                   |
|                                   |                      | Other taxes  |  |  | 2,130,654   | -                   |
|                                   |                      | Cable franchise fees                                     |  |  | 110,983   | -                   |
|                                   |                      | Operational funding from primary government-unrestricted |  |  | -   | 1,532,801           |
|                                   |                      | Investment earnings                                      |  |  | 489,863   | -                   |
|                                   |                      | Miscellaneous  |  |  | 687,787   | 31,400              |
|                                   |                      | <b>Total General Revenues</b>                            |  |  | <b>38,266,015</b>   | <b>1,564,201</b>    |
|                                   |                      | <b>Change in Net Position</b>                            |  |  | <b>7,658,392</b>  | <b>48,751</b>       |
|                                   |                      | <b>Beginning Net Position</b>                            |  |  | <b>198,550,776</b>  | <b>(255,826)</b>    |
|                                   |                      | <b>Net Position End of Year</b>                          |  |  | <b>\$ 206,209,168</b>   | <b>\$ (207,075)</b> |

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**

|  | General              | Road and Bridge     | Social Services     | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|---------------------|----------------------|--------------------------|--------------------------|
| <b>Assets</b>                              |                      |                     |                     |                      |                          |                          |
| Cash                                       | \$ 203,729           | \$ 150              | \$ 400              | \$ -                 | \$ -                     | \$ 204,279               |
| Equity in cash and investments             | 47,408,650           | 5,508,110           | 2,114,742           | 6,854,860            | 3,939,111                | 65,825,473               |
| Restricted cash and investments            | 27,689               | -                   | 52,161              | -                    | -                        | 79,850                   |
| Receivables:                               |                      |                     |                     |                      |                          |                          |
| Accounts                                   | 135,720              | 32,503              | 3,829,520           | 1,340                | -                        | 3,999,083                |
| Taxes                                      | 13,355,280           | 1,290,528           | 804,175             | -                    | 100,305                  | 15,550,288               |
| Deposits                                   | 2,000                | -                   | -                   | 3,471                | -                        | 5,471                    |
| Intergovernmental                          | 3,480,506            | 1,557,424           | 357,915             | 837,352              | 401,987                  | 6,635,184                |
| Prepays                                    | 168,218              | -                   | -                   | -                    | -                        | 168,218                  |
| Inventory                                  | -                    | 401,651             | -                   | -                    | -                        | 401,651                  |
| <b>Total Assets</b>                        | <b>64,781,792</b>    | <b>8,790,366</b>    | <b>7,158,913</b>    | <b>7,697,023</b>     | <b>4,441,403</b>         | <b>92,869,497</b>        |
| <b>Liabilities and Fund Balances</b>       |                      |                     |                     |                      |                          |                          |
| <b>Liabilities</b>                         |                      |                     |                     |                      |                          |                          |
| Accounts payable                           | 2,343,341            | 142,784             | 224,600             | 837,859              | 203,474                  | 3,752,058                |
| Accrued salaries and wages                 | 407,191              | 71,539              | -                   | -                    | -                        | 478,730                  |
| Intergovernmental payable                  | 75,008               | -                   | 3,899,523           | -                    | -                        | 3,974,531                |
| Deposits payable                           | 459,983              | -                   | -                   | -                    | -                        | 459,983                  |
| Unearned revenues                          | -                    | -                   | -                   | 150,000              | -                        | 150,000                  |
| Liabilities restricted assets              | 27,689               | -                   | 52,161              | -                    | -                        | 79,850                   |
| <b>Total Liabilities</b>                   | <b>3,313,212</b>     | <b>214,323</b>      | <b>4,176,284</b>    | <b>987,859</b>       | <b>203,474</b>           | <b>8,895,152</b>         |
| <b>Deferred Inflows of Resources</b>       |                      |                     |                     |                      |                          |                          |
| Property Taxes                             | 13,355,280           | 1,290,528           | 804,175             | -                    | 100,305                  | 15,550,288               |
| <b>Total Deferred Inflows of Resources</b> | <b>13,355,280</b>    | <b>1,290,528</b>    | <b>804,175</b>      | <b>-</b>             | <b>100,305</b>           | <b>15,550,288</b>        |
| <b>Fund Balances</b>                       |                      |                     |                     |                      |                          |                          |
| Nonspendable:                              |                      |                     |                     |                      |                          |                          |
| Inventory                                  | -                    | 401,651             | -                   | -                    | -                        | 401,651                  |
| Prepays                                    | 168,218              | -                   | -                   | -                    | -                        | 168,218                  |
| Long term receivable                       | -                    | -                   | -                   | 3,471                | -                        | 3,471                    |
| Restricted:                                |                      |                     |                     |                      |                          |                          |
| Economic stabilization (TABOR)             | 1,733,899            | -                   | -                   | -                    | -                        | 1,733,899                |
| Law enforcement                            | 222,865              | -                   | -                   | -                    | -                        | 222,865                  |
| Construction/maint of roads                | -                    | 5,567,715           | -                   | -                    | -                        | 5,567,715                |
| Capital improv't impact fees               | -                    | 1,316,149           | -                   | -                    | -                        | 1,316,149                |
| Public assistance and welfare              | -                    | -                   | 999,179             | -                    | -                        | 999,179                  |
| Child welfare                              | -                    | -                   | 1,179,275           | -                    | -                        | 1,179,275                |
| Recreation & parks                         | -                    | -                   | -                   | -                    | 3,327,676                | 3,327,676                |
| Joint County/City projects                 | -                    | -                   | -                   | -                    | 561,170                  | 561,170                  |
| Tribal mitigation impact                   | -                    | -                   | -                   | -                    | 22,071                   | 22,071                   |
| General capital improvements               | -                    | -                   | -                   | 6,705,693            | -                        | 6,705,693                |
| Committed:                                 |                      |                     |                     |                      |                          |                          |
| Emergency and disasters                    | 7,158,458            | -                   | -                   | -                    | -                        | 7,158,458                |
| Assigned:                                  |                      |                     |                     |                      |                          |                          |
| Construction/maint of roads                | -                    | -                   | -                   | -                    | 196,972                  | 196,972                  |
| Debt service                               | -                    | -                   | -                   | -                    | 29,735                   | 29,735                   |
| Next year's budget deficit                 | 1,407,803            | -                   | -                   | -                    | -                        | 1,407,803                |
| Capital projects                           | 10,511,673           | -                   | -                   | -                    | -                        | 10,511,673               |
| Unassigned                                 | 26,910,384           | -                   | -                   | -                    | -                        | 26,910,384               |
| <b>Total Fund Balances</b>                 | <b>\$ 48,113,300</b> | <b>\$ 7,285,515</b> | <b>\$ 2,178,454</b> | <b>\$ 6,709,164</b>  | <b>\$ 4,137,624</b>      | <b>\$ 68,424,057</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, 2016**

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|   |                      |
|---|----------------------|
| <b>Total Governmental Fund Balances</b> | <b>\$ 68,424,057</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        | 198,348,308         |             |
| Less accumulated depreciation | <u>(85,685,801)</u> | 112,662,507 |

|  |            |
|--|------------|
| The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net position. | 20,708,618 |
|--|------------|

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  | 9,828,513        |           |
| Current liabilities | <u>(627,191)</u> | 9,201,322 |

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                                 | (255,062)        |                    |
| Compensated absences                         | (1,614,677)      |                    |
| Pollution remediation obligations            | (2,568,931)      |                    |
| Landfill closure and post closure care costs | <u>(348,666)</u> | <u>(4,787,336)</u> |
| Net Pension                                  |                  |                    |

|  |                              |
|--|------------------------------|
| <b>Net Position Of Governmental Activities</b> | <b><u>\$ 206,209,168</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, 2016**

|  | <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  | \$ 27,192,243        | \$ 4,482,619           | \$ 916,613             | \$ 2,000,000                | \$ 2,846,055                    | \$ 37,437,530                   |
| Intergovernmental  | 4,916,481            | 4,233,307              | 5,522,595              | 1,708,544                   | -                               | 16,380,927                      |
| Licenses and permits   | 944,664              | 229,728                | -                      | -                           | -                               | 1,174,392                       |
| Charges for services   | 3,865,133            | -                      | -                      | -                           | -                               | 3,865,133                       |
| Investment earnings  | 458,797              | -                      | -                      | -                           | 24,891                          | 483,688                         |
| Miscellaneous  | 442,554              | 187,714                | -                      | 69,134                      | -                               | 699,402                         |
| <b>Total Revenues</b>  | <b>37,819,872</b>    | <b>9,133,368</b>       | <b>6,439,208</b>       | <b>3,777,678</b>            | <b>2,870,946</b>                | <b>60,041,072</b>               |
| <b>Expenditures</b>  |                      |                        |                        |                             |                                 |                                 |
| General government   | 11,793,389           | -                      | -                      | 313,623                     | -                               | 12,107,012                      |
| Public safety  | 17,098,171           | -                      | -                      | 37,234                      | -                               | 17,135,405                      |
| Recreation & culture   | 644,764              | -                      | -                      | -                           | 1,955,401                       | 2,600,165                       |
| Public works   | 274,292              | 7,020,266              | -                      | -                           | 81,252                          | 7,375,810                       |
| Health and welfare   | 1,613,742            | -                      | 6,520,601              | -                           | -                               | 8,134,343                       |
| Community programs   | 2,415,471            | -                      | -                      | -                           | -                               | 2,415,471                       |
| Capital Outlay   | 43,939               | 2,232,842              | -                      | 16,762,830                  | -                               | 19,039,611                      |
| Debt Service:  |                      |                        |                        |                             |                                 |                                 |
| Principal retirement   | -                    | -                      | -                      | -                           | 11,628                          | 11,628                          |
| Interest and fiscal charges                                      | -                    | -                      | -                      | -                           | 5,259                           | 5,259                           |
| <b>Total Expenditures</b>  | <b>33,883,768</b>    | <b>9,253,108</b>       | <b>6,520,601</b>       | <b>17,113,687</b>           | <b>2,053,540</b>                | <b>68,824,704</b>               |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <b>3,936,104</b>     | <b>(119,740)</b>       | <b>(81,393)</b>        | <b>(13,336,009)</b>         | <b>817,406</b>                  | <b>(8,783,632)</b>              |
| <b>Other Financing Sources (Uses)</b>                            |                      |                        |                        |                             |                                 |                                 |
| Transfers in   | 379,740              | -                      | -                      | 10,000,000                  | -                               | 10,379,740                      |
| Transfers out  | (10,000,000)         | -                      | -                      | -                           | (379,740)                       | (10,379,740)                    |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(9,620,260)</b>   | <b>-</b>               | <b>-</b>               | <b>10,000,000</b>           | <b>(379,740)</b>                | <b>-</b>                        |
| <b>Net Change in Fund Balances</b>                               | <b>(5,684,156)</b>   | <b>(119,740)</b>       | <b>(81,393)</b>        | <b>(3,336,009)</b>          | <b>437,666</b>                  | <b>(8,783,632)</b>              |
| <b>Fund Balances Beginning of Year</b>                           | <b>53,797,456</b>    | <b>7,405,255</b>       | <b>2,259,847</b>       | <b>10,045,173</b>           | <b>3,699,958</b>                | <b>77,207,689</b>               |
| <b>Fund Balances End of Year</b>                                 | <b>\$ 48,113,300</b> | <b>\$ 7,285,515</b>    | <b>\$ 2,178,454</b>    | <b>\$ 6,709,164</b>         | <b>\$ 4,137,624</b>             | <b>\$ 68,424,057</b>            |

See accompanying notes to the basic financial statements



**La Plata County, Colorado**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2016**

|   |                     |                            |
|---|---------------------|----------------------------|
| <b>Net Changes In Fund Balances - Total Governmental Funds</b>  |                     | <b>\$ (8,783,632)</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 internal service funds   | 975,200             |                            |
| Investment earnings   | <u>8,925</u>        | 984,125                    |
| Internal service funds capital asset activity:  |                     |                            |
| Depreciation expense  | (956,260)           |                            |
| Cash received from sales of assets  | 143,284             |                            |
| Assets disposed-net of accumulated depreciation   | <u>(138,091)</u>    | (951,067)                  |
| Governmental funds report capital outlays as expenditures. 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 current period: |                     |                            |
| Depreciation expense (excluding internal service funds)   | (4,863,678)         |                            |
| Capital outlay (excluding internal service funds)   | <u>19,039,611</u>   | 14,175,933                 |
| Governmental funds do not report the net cost of capital assets disposed of, but the cost is reported on the statement of activities.   |                     | (364,364)                  |
| Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities.   |                     | 2,387,803                  |
| Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities:   |                     |                            |
| Transfers in  | 10,379,740          |                            |
| Transfers out   | <u>(10,379,740)</u> | -                          |
| Transfers between governmental funds and internal service funds are reported on the governmental operating statement but eliminated on the government-wide statement of activities.   |                     | (17,040)                   |
| 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 @ 12/31/16  | (847)               |                            |
| Liability @ 12/31/15  | <u>3,170</u>        | 2,323                      |
| The 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 @ 12/31/16  | (2,568,931)         |                            |
| Liability @ 12/31/15  | <u>2,643,071</u>    | 74,140                     |
| The decrease in landfill closure and post closure care costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:  |                     |                            |
| Liability @ 12/31/16  | (348,666)           |                            |
| Liability @ 12/31/15  | <u>403,407</u>      | 54,741                     |
| Long term debt relating to governmental activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:  |                     |                            |
| Liability @ 12/31/16  | (254,215)           |                            |
| Liability @ 12/31/15  | <u>265,843</u>      | 11,628                     |
| 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 @ 12/31/16  | (1,614,677)         |                            |
| Liability @ 12/31/15  | <u>1,698,479</u>    | 83,802                     |
| <b>Change In Net Position of Governmental Activities</b>  |                     | <b><u>\$ 7,658,392</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, 2016**

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>        | <b>Variance with<br/>Final Budget</b> |
|--|----------------------------|-------------------------|----------------------|---------------------------------------|
| <b>Revenues</b>  |                            |                         |                      |                                       |
| Taxes  | \$ 26,624,948              | \$ 26,624,948           | \$ 27,192,243        | \$ 567,295                            |
| Intergovernmental  | 5,675,012                  | 6,035,637               | 4,916,481            | (1,119,156)                           |
| Licenses and permits   | 877,000                    | 877,000                 | 944,664              | 67,664                                |
| Charges for services   | 3,227,648                  | 3,478,987               | 3,865,133            | 386,146                               |
| Investment earnings  | 300,000                    | 350,000                 | 458,797              | 108,797                               |
| Miscellaneous  | 333,256                    | 355,719                 | 442,554              | 86,835                                |
| <b>Total Revenues</b>  | <b>37,037,864</b>          | <b>37,722,291</b>       | <b>37,819,872</b>    | <b>97,581</b>                         |
| <b>Expenditures</b>  |                            |                         |                      |                                       |
| General government   | 14,204,507                 | 14,478,520              | 11,793,389           | 2,685,131                             |
| Public safety  | 18,620,055                 | 18,713,969              | 17,098,171           | 1,615,798                             |
| Recreation & culture   | 840,869                    | 857,369                 | 644,764              | 212,605                               |
| Health & welfare   | 1,655,218                  | 1,655,218               | 1,613,742            | 41,476                                |
| Public works   | 448,209                    | 448,209                 | 274,292              | 173,917                               |
| Community programs & pass thru grants                                | 1,929,772                  | 2,229,772               | 2,415,471            | (185,699)                             |
| <b>Total Current</b>   | <b>37,698,630</b>          | <b>38,383,057</b>       | <b>33,839,829</b>    | <b>4,543,228</b>                      |
| <b>Capital Outlay</b>  | <b>48,622</b>              | <b>48,622</b>           | <b>43,939</b>        | <b>4,683</b>                          |
| <b>Total Expenditures</b>  | <b>37,747,252</b>          | <b>38,431,679</b>       | <b>33,883,768</b>    | <b>4,547,911</b>                      |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <b>(709,388)</b>           | <b>(709,388)</b>        | <b>3,936,104</b>     | <b>4,645,492</b>                      |
| <b>Other Financing Sources (Uses)</b>                                |                            |                         |                      |                                       |
| Transfers in   | 352,850                    | 352,850                 | 379,740              | 26,890                                |
| Transfers out  | (10,000,000)               | (10,000,000)            | (10,000,000)         | -                                     |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(9,647,150)</b>         | <b>(9,647,150)</b>      | <b>(9,620,260)</b>   | <b>26,890</b>                         |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ (10,356,538)</b>     | <b>\$ (10,356,538)</b>  | <b>(5,684,156)</b>   | <b>\$ 4,672,382</b>                   |
| <b>Fund Balances Beginning of Year</b>                               |                            |                         | <b>53,797,456</b>    |                                       |
| <b>Fund Balances End of Year</b>                                     |                            |                         | <b>\$ 48,113,300</b> |                                       |

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, 2016*

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget</b> |
|--|----------------------------|-------------------------|---------------------|---------------------------------------|
| <b>Revenues</b>  |                            |                         |                     |                                       |
| Taxes  | \$ 4,468,739               | \$ 4,468,739            | \$ 4,482,619        | \$ 13,880                             |
| Intergovernmental  | 6,003,901                  | 6,003,901               | 4,233,307           | (1,770,594)                           |
| Licenses and permits   | 230,000                    | 230,000                 | 229,728             | (272)                                 |
| Miscellaneous  | 159,500                    | 159,500                 | 187,714             | 28,214                                |
| <b>Total Revenues</b>  | <b>10,862,140</b>          | <b>10,862,140</b>       | <b>9,133,368</b>    | <b>(1,728,772)</b>                    |
| <b>Expenditures</b>  |                            |                         |                     |                                       |
| Public works   | 11,252,450                 | 11,022,450              | 7,020,266           | 4,002,184                             |
| Capital outlay   | 2,497,000                  | 2,727,000               | 2,232,842           | 494,158                               |
| <b>Total Expenditures</b>  | <b>13,749,450</b>          | <b>13,749,450</b>       | <b>9,253,108</b>    | <b>4,496,342</b>                      |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <b>(2,887,310)</b>         | <b>(2,887,310)</b>      | <b>(119,740)</b>    | <b>2,767,570</b>                      |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ (2,887,310)</b>      | <b>\$ (2,887,310)</b>   | <b>(119,740)</b>    | <b>\$ 2,767,570</b>                   |
| <b>Fund Balances Beginning of Year</b>                               |                            |                         | <b>7,405,255</b>    |                                       |
| <b>Fund Balances End of Year</b>                                     |                            |                         | <b>\$ 7,285,515</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, 2016*

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget</b> |
|--|----------------------------|-------------------------|---------------------|---------------------------------------|
| <b>Revenues</b>  |                            |                         |                     |                                       |
| Taxes  | \$ 902,264                 | \$ 902,264              | \$ 916,613          | \$ 14,349                             |
| Intergovernmental  | 4,808,774                  | 4,923,777               | 5,522,595           | 598,818                               |
| <b>Total Revenues</b>  | <b>5,711,038</b>           | <b>5,826,041</b>        | <b>6,439,208</b>    | <b>613,167</b>                        |
| <b>Expenditures</b>  |                            |                         |                     |                                       |
| Health and welfare   | 6,411,596                  | 6,526,599               | 6,520,601           | 5,998                                 |
| <b>Total Expenditures</b>  | <b>6,411,596</b>           | <b>6,526,599</b>        | <b>6,520,601</b>    | <b>5,998</b>                          |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <b>(700,558)</b>           | <b>(700,558)</b>        | <b>(81,393)</b>     | <b>619,165</b>                        |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ (700,558)</b>        | <b>\$ (700,558)</b>     | <b>(81,393)</b>     | <b>\$ 619,165</b>                     |
| <b>Fund Balances Beginning of Year</b>                               |                            |                         | <b>2,259,847</b>    |                                       |
| <b>Fund Balances End of Year</b>                                     |                            |                         | <b>\$ 2,178,454</b> |                                       |

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2016**

|  | <b>Governmental<br/>Activities<br/>Internal<br/>Services Funds</b> |
|--|--|
| <b>Assets</b>                              |  |
| Current Assets                             |  |
| Equity in treasurer's cash and investments | \$ 9,633,251   |
| Accounts receivable                        | 1,608  |
| Intergovernmental Receivable               | 80,270   |
| Inventory                                  | 113,384  |
| Total Current Assets                       | <u>9,828,513</u>   |
| Noncurrent Assets                          |  |
| Capital Assets:                            |  |
| Depreciable capital assets, net            | <u>7,064,432</u>   |
| <b>Total Assets</b>                        | <b><u>16,892,945</u></b>   |
| <b>Liabilities</b>                         |  |
| Accrued payroll                            | 13,037   |
| Accounts payable                           | 238,923  |
| Accrued claims payable                     | <u>375,231</u>   |
| <b>Total Current Liabilities</b>           | <b><u>627,191</u></b>  |
| <b>Net Position</b>                        |  |
| Net investment in capital assets           | 7,064,432  |
| Unrestricted                               | <u>9,201,322</u>   |
| <b>Total Net Position</b>                  | <b><u>\$ 16,265,754</u></b>  |

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Revenues,**  
**Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2016**

|                                       | <b>Governmental<br/>Activities<br/>Internal<br/>Services Funds</b> |
|---------------------------------------|--|
| <b>Operating Revenues</b>             |  |
| Charges for services                  | \$ 2,004,412   |
| Insurance deposits                    | 3,549,662  |
| Capital grant                         | 78,681   |
| Miscellaneous revenue                 | 600  |
| <b>Total Operating Revenues</b>       | <b>5,633,355</b>   |
| <b>Operating Expenses</b>             |  |
| Equipment maintenance                 | 1,208,940  |
| Depreciation                          | 956,260  |
| Medical claims                        | 3,449,215  |
| <b>Total Operating Expenses</b>       | <b>5,614,415</b>   |
| <b>Operating Income (Loss)</b>        | <b>18,940</b>  |
| <b>Non-Operating Revenues</b>         |  |
| Gain on sale of capital assets        | 5,193  |
| Investment earnings                   | 8,925  |
| <b>Total Non-Operating Revenues</b>   | <b>14,118</b>  |
| <b>Change in Net Position</b>         | <b>33,058</b>  |
| <b>Net Position Beginning of Year</b> | <b>16,232,696</b>  |
| <b>Net Position End of Year</b>       | <b>\$ 16,265,754</b>   |

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2016**

|  | <b>Governmental<br/>Activities<br/>Internal<br/>Services Funds</b> |
|--|--|
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>                                    |  |
| <b>Cash Flows from Operating Activities:</b>   |  |
| Cash received from customers   | \$ 5,489,346   |
| Cash from capital grant  | 78,681   |
| Cash payments for goods and services   | (1,016,327)  |
| Cash payments for claims   | (3,325,378)  |
| <b>Net Cash Provided by Operating Activities</b>   | <b>1,226,322</b>   |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                           |  |
| Cash sales of capital assets   | 143,284  |
| Payments for capital acquisitions  | (1,255,730)  |
| <b>Net Cash Used in Capital and Related Financing Activities</b>                           | <b>(1,112,446)</b>   |
| <b>Cash Flows from Investing Activities:</b>   |  |
| Investment earnings  | 8,925  |
| <b>Net Increase in Cash and Cash Equivalents</b>   | <b>122,801</b>   |
| <b>Cash and Cash Equivalents Beginning of Year</b>   | <b>9,510,450</b>   |
| <b>Cash and Cash Equivalents End of Year</b>   | <b>\$ 9,633,251</b>  |
| <br><b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b> |  |
| <b>Operating Income</b>  | <b>\$ 18,940</b>   |
| <b>Adjustments:</b>  |  |
| Depreciation   | 956,260  |
| <b>Decrease in Assets:</b>   |  |
| Accounts receivable  | 14,942   |
| Intergovernmental receivable   | (80,270)   |
| Inventory  | 28,673   |
| <b>Increase in Liabilities:</b>  |  |
| Accounts payable   | 161,625  |
| Accrued incurred/unreported claims   | 123,837  |
| Accrued wages  | 2,315  |
| <b>Net Cash Provided by Operating Activities</b>   | <b>\$ 1,226,322</b>  |

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Comparative Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2016 and 2015**

|  | <b>2016</b>         | <b>2015</b>         |
|--|---------------------|---------------------|
| <b>Assets</b>                              |                     |                     |
| Equity in treasurer's cash and investments | \$ 3,177,591        | \$ 2,615,604        |
| <b>Liabilities</b>                         |                     |                     |
| Accounts payable                           | \$ 474,005          | \$ 437,128          |
| Due to component unit                      | 37,612              | 13,544              |
| Deposits held for others                   | 2,665,974           | 2,164,932           |
| <b>Total Liabilities</b>                   | <b>\$ 3,177,591</b> | <b>\$ 2,615,604</b> |

See accompanying notes to the basic financial statements



*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

**Index**

|   |        |
|---|--------|
| <b>Summary of Significant Accounting Policies</b> .....     | Note 1 |
| 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 |
| Recent Accounting Pronouncements.....                       | 1-E    |
| <br><b>Stewardship, Compliance and Accountability</b> ..... | Note 2 |
| Budgetary Information .....                                 | 2-A    |
| <br><b>Detailed Notes on All Funds</b> .....                | Note 3 |
| Deposits and Investments .....                              | 3-A    |
| Receivables.....  | 3-B    |
| Property Taxes.....   | 3-C    |
| Capital Assets .....  | 3-D    |
| Interfund Transfers .....                                   | 3-E    |
| Long-Term Debt.....   | 3-F    |
| Colorado Water Resource Loan .....                          | 3-G    |
| Compensated Absences .....                                  | 3-H    |
| Pollution Investigation and Remediation .....               | 3-I    |
| Landfill Closure and Post-closure Care Costs.....           | 3-J    |
| Lease Obligations .....                                     | 3-K    |
| Pensions .....  | 3-L    |
| Fund Balance .....  | 3-M    |
| <br><b>Other Notes</b>                                      |        |
| Risk Management .....                                       | Note 4 |
| Contingent Liabilities .....                                | Note 5 |
| Joint Venture .....   | Note 6 |
| Tax, Spending and Debt Limitations .....                    | Note 7 |

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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, 2016*

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 of significant operational or financial relationships. The La Plata County Board of Commissioners is the governing body for District. 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 of the significant operational or financial relationships. The La Plata County Board of Commissioners is the governing body. 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. La Plata 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 the County's benefit programs and the DA's office is covered through the County's risk management arrangements. The Board of County Commissioners approves the DA's budget and any debt issuances. 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, 2016*

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, deferred outflows, 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

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

grants. By state law, a portion of the road and bridge property tax is allocated to cities and towns for use in their road and street activities.

***Social Services Fund*** – State law requires Colorado counties to maintain this individual fund. This fund accounts for numerous state and federal public welfare programs that the County administers. Primary sources of revenue for this fund are property taxes and revenues from the state and federal government for public welfare and child care and protection programs.

***Capital Improvement Fund*** – Pursuant to a 1984 ballot measure that dedicates a portion of sales tax to capital improvement projects, the County established this fund in 1985. The expenditures are limited to continuing capital and major capital improvements determined by the Board of County Commissioners.

In addition, the County reports the following fund types:

***Non-major Governmental Funds*** – In addition to the major funds listed above, the County also has five non-major special revenue funds, the *Joint Sales Tax Fund*, *Durango Hills Road Improvement District*, *Palo Verde Public Improvement District #3*, *Tribal Impact Mitigation Fund*, and the *Conservation Trust 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.

***I-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

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

after year-end. Grants are considered measureable and available if they are collected within six months after year-end and all eligibility requirements have been met. Expenditures are recorded when the related liability is incurred, with the exception of principal and interest on long-term debt and compensated absences, which are 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

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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.

The County categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset into three levels:

*Level 1:* inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date (June 30th of that year).

*Level 2:* inputs, other than quoted prices included within level 1, that are observable for an asset or liability, either directly or indirectly.

*Level 3:* are unobservable inputs for an asset or liability. The County measures level 3 inputs using other valuation techniques that attempts to maximize the use of relevant observable inputs and maximizes the use of unobservable inputs.

***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 Social Services Fund for individuals totaling \$52,161 and La Plata County jail inmate commissary funds of \$27,689.

***1-D-6 Capital Assets***

General capital assets are those assets not specifically related to business-type activities. These assets

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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 records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Estimated Lives by Asset Class</u> | <u>Governmental<br/>Activities</u> | <u>Discretely Presented<br/>Component Unit</u> |
|---------------------------------------|------------------------------------|--|
| Buildings                             | 60 Years                           | ---  |
| Improvements                          | 30 Years                           | ---  |
| Machinery and equipment               | 5 - 30 Years                       | 5 - 15 Years                                   |
| Infrastructure                        | 20 - 60 Years                      | ---  |
| Intangibles                           | 3 - 10 Years                       | 3 - 10 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.

***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



*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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, 2016, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

***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 through adopted resolution by the Board of County Commissioners, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action.
- 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.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

- 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 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

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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, 2015, from which the data was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

***1-E. Recent Accounting Pronouncements***

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, Fair Value Measurement and Application. The statement addresses accounting and financial reporting issues related to fair value measurements for financial reporting purposes. This statement requires disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques and was effective for financial statements for periods beginning after June 15, 2015. The County adopted this statement for fiscal year ending December 31, 2016.

In June 2015, GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The statement attempts to identify, in the context of the current governmental financial reporting environment, the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The requirements of the statement were effective for periods beginning after June 15, 2015. The County adopted this statement; however, had no effect on the County's financial statements.

In August 2015, GASB issued Statement No. 77, Tax Abatement Disclosures. This statement requires governments who enter into tax abatement agreements to provide additional disclosure in its financial statements. This statement is effective for fiscal years beginning after December 15, 2015. The County adopted this statement; however, there are no tax abatements and the implementation of this statement had no effect on the County's financial statements.

***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-

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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 between funds) 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 budget amendments 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 fund to another. Most funds budget a contingency that may be appropriated to other line items in the same fund, with Board approval, for unanticipated expenditures. Several supplemental appropriations and budget contingency transfers were adopted during 2016.

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

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

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

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

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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 \$9,075,455 and the bank balance was \$9,765,473. Of the bank balance, \$870,411 was covered by federal depository insurance and \$8,895,062 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 \$104,926 and the bank balance was \$104,926. Of the bank balance, \$104,926 was covered by federal depository insurance.

**Credit Risk** – The County's investment policy is to apply the 'prudent investor 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-), Prime Commercial Paper (rated at least A-1); eligible bankers acceptances; general obligations and revenue obligations; repurchase agreements; local government investment pools authorized under C.R.S. 24-75-701 and C.R.S. 24-75-702, money market mutual funds registered under the Investment Company Act of 1940; and non-negotiable certificates of deposit.

As of December 31, 2016, the County's investments in local government investment pools (COLOTRUST) were rated AAAM 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 trade settlement unless otherwise approved in writing by the Board of County Commissioners. Further, it provides that the County shall maintain at least 25 percent of its total investment portfolio in instruments maturing in 120 days or less.

**Concentration of credit risk.** The County's formal investment policy provides that the combined exposure to corporate bonds, commercial paper and eligible bankers acceptances shall not exceed fifty percent of the portfolio, with no more than five percent held in any one issuer. Exposure to general obligations and revenue obligations shall not exceed thirty percent of the portfolio with no more than five percent held in any one issuer.

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

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

As of December 31, 2016, the County's investments were as follows:

|  | Weighted<br>Avg Mkt<br>Dur (Yrs) | S&P/<br>Moody<br>Rating | % of<br>Portfolio | Fair Value/<br>Carrying<br>Amount |
|--|----------------------------------|-------------------------|-------------------|-----------------------------------|
| Local government investment pool-ColoTrust Plus  | -                                | AAAm                    | 30.46%            | \$ 21,271,985                     |
| Local government investment pool-ColoTrust Prime | -                                | AAAm                    | 4.40%             | 3,070,785                         |
| Federal Home Loan Banks (FHLB)                   | 1.42                             | AA+/Aaa                 | 7.94%             | 5,546,237                         |
| Federal National Mortgage Association            | 2.02                             | AA+/Aaa                 | 8.50%             | 5,938,204                         |
| Federal Home Loan Mortgage Corporation (FHLMC)   | 0.83                             | AA+/Aaa                 | 2.87%             | 2,002,634                         |
| United States Treasury Note/Bond                 | 1.48                             | AA+/Aaa                 | 11.48%            | 8,018,570                         |
| Federal Farm Credit Banks (FFCB)                 | 1.32                             | AA+/Aaa                 | 9.96%             | 6,955,804                         |
| Corporate - Commonwealth Bank of Australia/NY    | 1.20                             | AA-/Aa2                 | 2.89%             | 2,016,146                         |
| Corporate - Toronto-Dominion Bank                | 1.80                             | AA-/Aa1                 | 2.87%             | 2,003,720                         |
| Corporate - Toyota Motor Credit Corp             | 1.02                             | AA-/Aa3                 | 2.86%             | 1,999,025                         |
| Corporate - Wells Fargo Bank NA                  | 1.69                             | AA-/Aa2                 | 2.86%             | 1,995,138                         |
| Corporate - Westpac Banking Corp                 | 1.98                             | AA-/Aa2                 | 1.44%             | 1,004,163                         |
| Corporate - Exxon Mobil Corp                     | 2.11                             | AA+/Aaa                 | 1.44%             | 1,002,161                         |
| Corporate - JP Morgan Chase Bank NA              | 2.66                             | A+/Aa3                  | 1.42%             | 990,053                           |
| Corporate - Microsoft Corp 1.3%                  | 1.82                             | AAA/Aaa                 | 1.43%             | 999,201                           |
| Corporate - Berkshire Hathaway Inc               | 1.30                             | AA/Aa2                  | 2.88%             | 2,009,519                         |
| Corporate - Apple Inc                            | 1.32                             | AA+/Aa1                 | 2.88%             | 2,010,189                         |
| Corporate - Chevron                              | 0.87                             | AA-/Aa2                 | 1.43%             | 1,001,192                         |
|  |                                  | <i>Total</i>            | <u>100%</u>       | <u>\$ 69,834,726</u>              |

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

At December 31, 2016, investments were measured at fair value using:

|  | Quoted Prices in                                    |   |   |                      |
|--|---|---|---|----------------------|
|  | Active markets<br>for Identical<br>Assets (Level 1) | Significant Other<br>Observable<br>Inputs (Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) | Total                |
| <b>Investments by fair value level</b> |   |   |   |                      |
| LGIP – Colo Trust Plus                 | \$ -  | -   | \$ 21,271,985                                   | \$ 21,271,985        |
| LGIP – Colo Trust Prime                | -   | -   | 3,070,785                                       | 3,070,785            |
| FHLB                                   | -   | 5,546,237   | -   | 5,546,237            |
| FNMA                                   | -   | 5,938,204   | -   | 5,938,204            |
| FHLMC                                  | -   | 2,002,634   | -   | 2,002,634            |
| US Treasury Note/Bond                  | 8,018,570   | -   | -   | 8,018,570            |
| Federal Farm Credit Banks              | -   | 6,955,804   | -   | 6,955,804            |
| Corporate Stocks                       | 17,030,507  | -   | -   | 17,030,507           |
|  | <u>\$ 25,049,077</u>                                | <u>\$ 20,442,879</u>                                | <u>\$ 24,342,770</u>                            | <u>\$ 69,834,726</u> |

***Cash & Investment Reconciliation:***

| Description  | Carrying<br>Amounts  |   | Cash and<br>Cash Equivalents |
|--------------|----------------------|---|------------------------------|
| Cash on hand | \$ 10,263            | From Statement of Net Position:               |                              |
| Deposits     | 9,075,455            | Cash & Cash Deposits                          | \$ 204,279                   |
| Investments  | 69,834,726           | Equity in treasurer's cash and investments    | 75,458,724                   |
|              |                      | Restricted cash and investments               | 79,850                       |
|              |                      | Statement of Fiduciary Assets and Liabilities | 3,177,591                    |
| Total        | <u>\$ 78,920,444</u> | Total   | <u>\$ 78,920,444</u>         |

***3-B. Receivables***

Receivables at December 31, 2016 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, collectability.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

**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, 2016, was as follows:

|   | Balance<br>1/1/2016  | Reclass     | Additions            | Deletions         | Balance<br>12/31/2016 |
|---|----------------------|-------------|----------------------|-------------------|-----------------------|
| Governmental activities:                  |                      |             |                      |                   |                       |
| Capital assets not being depreciated:     |                      |             |                      |                   |                       |
| Land                                      | \$ 9,452,945         | \$ -        | \$ -                 | \$ -              | \$ 9,452,945          |
| Construction in progress                  | 1,885,993            | (1,075,524) | 6,580,034            | 19,991            | 7,370,512             |
| Total capital assets not being depreciate | 11,338,938           | (1,075,524) | 6,580,034            | 19,991            | 16,823,457            |
| Depreciable capital assets:               |                      |             |                      |                   |                       |
| Buildings                                 | 56,419,552           | 934,674     | 10,268,256           | -                 | 67,622,482            |
| Improvements                              | 9,329,548            | -           |                      | 227,206           | 9,102,342             |
| Machinery and equipment                   | 17,907,544           | -           | 1,591,597            | 1,052,283         | 18,446,858            |
| Intangibles                               | -                    | 140,850     | 75,598               | -                 | 216,448               |
| Infrastructure                            | 84,356,865           | -           | 1,779,856            | -                 | 86,136,721            |
| Total depreciable capital assets          | 168,013,509          | 1,075,524   | 13,715,307           | 1,279,489         | 181,524,851           |
| Total capital assets                      | 179,352,447          | -           | 20,295,341           | 1,299,480         | 198,348,308           |
| Accumulated depreciation:                 |                      |             |                      |                   |                       |
| Buildings                                 | 13,495,478           | -           | 1,164,277            | -                 | 14,659,755            |
| Improvements                              | 3,429,473            | -           | 351,015              | 22,720            | 3,757,768             |
| Machinery and equipment                   | 10,095,689           | -           | 1,182,155            | 912,396           | 10,365,448            |
| Intangibles                               | -                    | -           | 23,775               | -                 | 23,775                |
| Infrastructure                            | 53,780,339           | -           | 3,098,716            | -                 | 56,879,055            |
| Total accumulated depreciation            | 80,800,979           | -           | 5,819,938            | 935,116           | 85,685,801            |
| Governmental activities capital assets,   | <u>\$ 98,551,468</u> | <u>\$ -</u> | <u>\$ 14,475,403</u> | <u>\$ 364,364</u> | <u>\$ 112,662,507</u> |



**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

|  |                     |
|--|---------------------|
| Governmental activities depreciation expense:      | Total               |
| General government                                 | \$ 938,181          |
| Public safety                                      | 772,795             |
| Recreation & Culture                               | 368,281             |
| Public works                                       | 3,697,977           |
| Health and welfare                                 | 42,704              |
| Total governmental activities depreciation expense | <u>\$ 5,819,938</u> |

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2016:

|                                    | Balance<br>1/1/2016 | Additions         | Deletions         | Balance<br>12/31/2016 |
|------------------------------------|---------------------|-------------------|-------------------|-----------------------|
| Depreciable capital assets:        |                     |                   |                   |                       |
| Improvements                       | 23,334              | -                 | -                 | 23,334                |
| Machinery and equipment            | 124,000             | 9,000             | (20,850)          | 112,150               |
| Less accumulated depreciation      | (108,296)           | (15,609)          | 18,765            | (105,140)             |
| Component unit capital assets, net | <u>\$ 39,038</u>    | <u>\$ (6,609)</u> | <u>\$ (2,085)</u> | <u>\$ 30,344</u>      |

### **3-E. Interfund Transfers**

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

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, 2016, consisted of the following:

|                          | General<br>fund     | Non-major<br>govt'l fund | Total               |
|--------------------------|---------------------|--------------------------|---------------------|
| <b>Transfers to:</b>     |                     |                          |                     |
| General fund             | \$ -                | \$ 379,740               | \$ 379,740          |
| Capital improvement fund | 10,000,000          | -                        | 10,000,000          |
| <b>Total</b>             | <u>\$10,000,000</u> | <u>\$ 379,740</u>        | <u>\$10,379,740</u> |

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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

**Changes in Long-term Debt** - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2016:

|   | <b>Outstanding</b> |                    |                    | <b>Outstanding</b> | <b>Amounts Due</b> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Governmental Activities:                    | <b>1/1/2016</b>    | <b>Additions</b>   | <b>Reductions</b>  | <b>12/31/2016</b>  | <b>In One Year</b> |
| Colorado Water debt                         | \$ 265,843         | \$ -               | \$ 11,628          | \$ 254,215         | \$ 11,862          |
| Compensated absences                        | 1,698,479          | 2,221,200          | 2,305,002          | 1,614,677          | 375,445            |
| Pollution remediation obligation            | 2,643,071          | -                  | 74,140             | 2,568,931          | 300,000            |
| Landfill closure and postclosure care costs | 403,407            | -                  | 54,741             | 348,666            | 59,076             |
| Total Governmental Activities               | <u>\$5,010,800</u> | <u>\$2,221,200</u> | <u>\$2,445,511</u> | <u>\$4,786,489</u> | <u>\$ 746,383</u>  |
| Component Unit:                             |                    |                    |                    |                    |                    |
| Compensated absences                        | 111,902            | 108,793            | 128,224            | 92,471             | 21,805             |
|   | <u>\$ 111,902</u>  | <u>\$ 108,793</u>  | <u>\$ 128,224</u>  | <u>\$ 92,471</u>   | <u>\$ 21,805</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 Social 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-H below); any costs not paid for by a third party will be paid for by general revenues. The landfill closure and post-closure care liability will be paid for by general revenues.

**3-G. 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:

| <b>Year</b> | <b>Principal</b>  | <b>Interest</b>  | <b>Total Debt Service</b> |
|-------------|-------------------|------------------|---------------------------|
| 2017        | 11,862            | 5,025            | 16,887                    |
| 2018        | 12,100            | 4,787            | 16,887                    |
| 2019        | 12,343            | 4,544            | 16,887                    |
| 2020        | 12,592            | 4,295            | 16,887                    |
| 2021-2025   | 66,858            | 17,578           | 84,436                    |
| 2026-2030   | 73,852            | 10,583           | 84,435                    |
| 2031-2034   | 64,608            | 2,941            | 67,549                    |
| Total       | <u>\$ 254,215</u> | <u>\$ 49,753</u> | <u>\$ 303,968</u>         |

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

**3-H. Compensated Absences**

County employees accumulate four hours of sick leave per pay period and eight to eleven hours of annual leave (which includes holiday pay) per pay period, depending on length of service. In the event of retirement or termination, an employee is paid 100% of accumulated annual leave. Upon retirement only, an employee is paid 25% of accumulated sick leave. 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 Social Services fund.

**3-I. 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 environmental issues subject to that order, 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. The phased-approach is currently underway.

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. (which subsequently reorganized as BG Retail, LLC), the former owner of the property, seeking reimbursement of the cost of pre-cleanup investigation, past and future 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 BG Retail 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 BG Retail to reimburse La Plata County for 75% of past recoverable response costs totaling 694,787.00 (i.e. \$521,090.25) which BG Retail had paid as of January 2013.

The Court's March 2011 order further 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

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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 \$2,999,206, for a total of \$3,014,206. Based upon the judge's determination that Brown Retail Group is required to reimburse a minimum of \$445,275 in future response costs, the County has recorded a corresponding reduction of \$445,275 in the total liability, reducing the net future liability for pollution cleanup to \$2,568,931. By Court order, Brown Group advanced La Plata County \$445,275 in future cleanup costs in April 2012, and this deposit is being held to cover future recovery costs.

The County's remediation costs which BG Retail's \$445,275 deposit is intended to offset, total, to date, \$344,440.53 in cleanup activities, and \$42,400.40 in legal fees and costs. BG Retail has agreed disputed that certain of those expenses fall outside the scope of remediation expenses allowed by the court's order. Following negotiations with BG Retail, the County agreed to withdraw \$40,687.02 of those expenses from its demand for reimbursement and BG Retail disputes at least another \$19,751.38.

The estimated total current cost of cleanup/remediation activities of \$2,568,931 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, 2016. 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-H) do not apply to the County's ongoing liability related to closed landfills. Note 3-J (below) includes information related to the County's responsibility for landfill closure and post-closure care costs.

***3-J. Landfill Closure and Post-closure 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 post-closure care costs that will be incurred after the date the landfills no longer accept waste. The estimated liability for landfill closure and post-closure care costs has a balance of \$348,666 as of December 31, 2016, which is based on the following assumptions:

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

| Landfill Sites | Estimated Closure and Post-closure Care Costs | Percent Filled | Calculated Liability |
|----------------|---|----------------|----------------------|
| Tiffany        | \$ 2,722                                      | 100%           | \$ 2,722             |
| Marvel         | 4,722   | 100%           | 4,722                |
| Durango        | 38,400  | 100%           | 38,400               |
| Bayfield       | 302,822                                       | 100%           | 302,822              |
| Totals         | \$ 348,666                                    |                | \$ 348,666           |

The estimated total current cost of the landfill closure and post-closure care of \$348,666 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, 2016. 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-K. Lease Obligations***

***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. In July 2016, a third amendment was approved extending the lease terms through February 28, 2017. The County is responsible for taxes, maintenance, utilities, and common area maintenance charges. The amount paid for the lease during 2016 totaled \$44,087.

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 former 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. Effective

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

February 2016 a third lease amendment was negotiated extending the lease terms through February 28, 2019. The lease amendment also secured approximately 750 square feet of additional space. The amount paid for the lease during 2016 totaled \$125,996.

***3-L. 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).

The total payroll for the County and the District Attorney's employees that are enrolled in CCOERA in calendar year 2016 was \$23,131,062. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$21,871,477. Both the employer and the covered employees made the required contributions, amounting to \$1,369,452 from the employer and \$1,369,452 from employees, or \$2,738,904.04 total.

***Defined Benefit Pension Plan***  
***Summary of Significant Accounting Policies***

*District Attorney Pensions.* The Sixth Judicial District Attorney participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

***General Information about the Pension Plan***

*Plan description.* The Sixth Judicial District Attorney is provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

**Contributions:** Eligible employees and the Sixth Judicial District Attorney are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees with the exception of State Troopers are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements for all employees except State Troopers are summarized in the table below:

|   | For the Year<br>Ended<br>December 31,<br>2015 | For the Year<br>Ended<br>December 31,<br>2016 | For the Year<br>Ended<br>December 31,<br>2017 |
|---|---|---|---|
| Employer Contribution Rate <sup>1</sup>   | 10.15%  | 10.15%  | 10.15%  |
| Amount of Employer Contribution apportioned<br>to the Health Care Trust Fund as specified in<br>C.R.S. § 24-51-208(1)(f) <sup>1</sup> | (1.02)%                                       | (1.02)%                                       | (1.02)%                                       |
| Amount Apportioned to the SDTF <sup>1</sup>   | 9.13%   | 9.13%   | 9.13%   |
| Amortization Equalization Disbursement (AED)<br>as specified in C.R.S. § 24-51-411 <sup>1</sup>                                       | 4.20%   | 4.60%   | 5.00%   |
| Supplemental Amortization Equalization<br>Disbursement (SAED) as specified in C.R.S. §<br>24-51-411 <sup>1</sup>                      | 4.00%   | 4.50%   | 5.00%   |
| Total Employer Contribution Rate to the SDTF <sup>1</sup>   | 17.33%  | 18.23%  | 19.13%  |

<sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Sixth Judicial District Attorney's Office is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Sixth Judicial District Attorney's Office were \$25,025 for the year ended December 31, 2016.



*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2016, the Sixth Judicial District Attorney reported a liability of \$473,540 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Sixth Judicial District Attorney proportion of the net pension liability was based on Sixth Judicial District Attorney contributions to the SDTF for the calendar year 2015 relative to the total contributions of participating employers to the SDTF.

At December 31, 2015, the Sixth Judicial District Attorney proportion was 0.0044966108%, which was a decrease of 0.0003315542% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Sixth Judicial District Attorney recognized a pension expense of \$2,194. At December 31, 2016, the Sixth Judicial District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|---|---|--|
| Difference between expected and actual experience   | \$6,896                                   | \$ 15                                    |
| Changes of assumptions or other inputs  | -   | 5,605                                    |
| Net difference between projected and actual earnings on pension plan investments                                | 35,681                                    | -  |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | -   | 20,167                                   |
| Contributions subsequent to the measurement date  | 23,698                                    | -  |
| Total   | \$66,275                                  | \$25,787                                 |

\$23,699 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended December 31, 2016:**

|             |          |
|-------------|----------|
| December 31 |          |
| 2017        | \$ (871) |
| 2018        | 897      |
| 2019        | 9,459    |
| 2020        | 7,303    |
| Thereafter  | -        |

*Actuarial assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

|   |  |
|---|--|
| Price inflation   | 2.80 %                                     |
| Real wage growth  | 1.10 %                                     |
| Wage inflation  | 3.90 %                                     |
| Salary increases, including wage inflation  | 3.90 – 9.57 %                              |
| Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation | 7.50 %                                     |
| Future post-retirement benefit increases:   |  |
| PERA Benefit Structure hired prior to 1/1/07;<br>and DPS Benefit Structure (automatic)                  | 2.00 %                                     |
| PERA Benefit Structure hired after 12/31/06<br>(ad hoc, substantively automatic)                        | Financed by the<br>Annual Increase Reserve |

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 201 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <b>Asset Class</b>          | <b>Target Allocation</b> | <b>10 Year Expected Geometric<br/>Real Rate of Return</b> |
|-----------------------------|--------------------------|---|
| U.S. Equity – Large Cap     | 26.76%                   | 5.00%   |
| U.S. Equity – Small Cap     | 4.40%                    | 5.19%   |
| Non U.S. Equity – Developed | 22.06%                   | 5.29%   |
| Non U.S. Equity – Emerging  | 6.24%                    | 6.76%   |
| Core Fixed Income           | 24.05%                   | 0.98%   |
| High Yield                  | 1.53%                    | 2.64%   |
| Long Duration Gov't/Credit  | 0.53%                    | 1.57%   |
| Emerging Market Bonds       | 0.43%                    | 3.04%   |
| Real Estate                 | 7.00%                    | 5.09%   |
| Private Equity              | 7.00%                    | 7.15%   |
| Total                       | 100.00%                  |   |

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

**Discount rate.** The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the Sixth Judicial District Attorney proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

|  | 1% Decrease<br>(6.50%) | Current Discount<br>Rate (7.50%) | 1% Increase<br>(8.50%) |
|--|------------------------|----------------------------------|------------------------|
| Proportionate share of the net pension liability | \$598,251              | \$473,540                        | \$369,223              |

*Pension plan fiduciary net position.* Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

**Other Post-Employment Benefits**

**Health Care Trust Fund**

*Plan Description* – The Sixth Judicial District Attorney contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Sixth Judicial District Attorney is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Sixth Judicial District Attorney are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2016, 2015, 2014, the Sixth Judicial District Attorney contributions to the HCTF were \$1,326, \$1,326 and \$1,326, respectively, equal to their required contributions for each year.

***3- M. 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.

Prepays – represents the amount of prepaid expenditures.

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.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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.

Construction/maintenance of roads – 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 are restricted to fund construction and maintenance of roads and streets within the County boundaries.

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.

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 assigned for only public assistance and welfare and related programs.

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

Recreation & parks – Funds received from the Colorado lottery program are reported in the Conservation Trust Fund and are restricted for outdoor recreation construction and expenditures.

Joint County/City projects – 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 are restricted to fund projects of mutual benefit and agreement of the County and the City of Durango.

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.

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 restricted to capital improvements.

***Committed Fund Balance:***

Emergency and disasters – Funds set aside by the La Plata County Board of County Commissioners to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations such as fires and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services

***Assigned Fund Balance:***

Construction/maintenance of roads - The Durango Hills local improvement district funds are assigned for the construction and maintenance of public streets within the boundaries of the district.

Debt service –Funds to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

Next year's budget deficit – As part of the 2017 budget adoption process, the 2017 general fund revenues and transfers in were estimated at \$35,265,029 and expenditures and transfers out were estimated at \$36,672,832, demonstrating a projected deficit of \$1,407,803. Therefore, it is necessary to set aside this amount to cover the subsequent year budget deficit.

Capital projects – Funds set aside by La Plata County Board of County Commissioners to be used for capital outlay.

***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 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 December 31, 2016 are:

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2016**

**Fund Balance**

|                                |    |                      |
|--------------------------------|----|----------------------|
| Nonspendable:                  |    |                      |
| Prepays                        | \$ | 168,218              |
| Restricted:                    |    |                      |
| Economic stabilization (TABOR) |    | 1,733,899            |
| Law enforcement                |    | 222,865              |
| Committed:                     |    |                      |
| Emergency and disasters        |    | 7,158,458            |
| Assigned:                      |    |                      |
| Next year's budget deficit     |    | 1,407,803            |
| Capital projects               |    | 10,511,673           |
| Unassigned                     |    | 26,910,384           |
| Total General Fund Balance     |    | <u>\$ 48,113,300</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 BlueCross BlueShield and Delta Dental for third-party administration services for medical and dental plans, respectively. Medical claims exceeding \$100,000 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 \$375,231 reported in the employee medical self insurance fund represents the amount due to the County's third party administrators at December 31, 2016 for the 2016 claims year and an estimate for incurred but not reported claims.

Changes in the funds claims liability amount in calendar 2016 and 2015 were:

|   | 2016               | 2015               |
|---|--------------------|--------------------|
| Liability at January 1                          |                    |                    |
| Add: Current year claims & changes in estimates | \$ 251,394         | \$ 159,120         |
| Less: Claim Payments                            | 3,573,052          | 3,523,845          |
| Balance at December 31                          | <u>(3,449,215)</u> | <u>(3,431,571)</u> |
|   | <u>\$ 375,231</u>  | <u>\$ 251,394</u>  |



***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

***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 settlements on behalf of La Plata County in excess of insurance coverage for the last five fiscal years.

La Plata County entered into an agreement effective January 1, 2016 through December 31, 2016 with CTSI to increase the deductible for the CAPP insurance coverage to \$100,000 per claim. The County has always participated in the pool's standard insurance program that provides a \$500 deductible for most property and liability insurance claims. After consultation with CTSI and analysis by the County, the County determined it would be beneficial for the County to participate in CAPP's partially self-funded option program. Under this program, the County will self-fund a portion of its anticipated property and casualty claims for the program year 2016 while having CAPP continue to provide claims adjudication and management services and loss control and prevention programs for the County.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

**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 2016, 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). A summary of these commitments is presented below:

| <b>Grant</b>  | <b>Period</b>       | <b>Grant Funds</b>  | <b>Matching Funds</b> | <b>Description</b>                               |
|---------------|---------------------|---------------------|-----------------------|--|
| EIAF #7614    | 03/02/15 - 12/31/17 | 1,000,000           | 1,325,000             | La Plata County Road 517 Urban Improvements      |
| EIAF #7693    | 04/15/15 - 03/31/17 | 100,000             | 225,000               | La Plata County Financial & HR Management System |
| EIAF #7850    | 12/09/15 - 05/31/17 | 1,900,000           | 3,199,274             | La Plata County Courthouse Remodel               |
| EIAF #8096    | 02/23/16 - 02/28/17 | 700,000             | 700,000               | La Plata County CR 318 Mill & Overlay            |
| EIAF #8106    | 01/15/16 - 02/28/17 | 25,000              | 25,000                | La Plata County Courthouse Renovation Design     |
| EIAF #8194    | 10/11/16 - 04/30/18 | 700,000             | 700,000               | La Plata County CR 302 Improvements              |
| EIAF #9115    | 05/12/16 - 08/31/17 | 50,000              | 50,000                | La Plata County CR 321 Tiffany Draw Bridge       |
| LGGF 15-905   | 01/01/16 - 12/31/16 | 105,494             | 267,970               | La Plata County Detention Services               |
| LGGF 15-906   | 01/01/16 - 12/31/16 | 200,564             | 200,564               | La Plata County Sheriff Public Safety Services   |
| LGGF 15-908   | 01/01/16 - 12/31/16 | 112,175             | 2,274,531             | La Plata County 6th Judicial DA Impacts          |
| <b>Totals</b> |                     | <b>\$ 4,893,233</b> | <b>\$ 8,967,339</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 2016, the amount of funding provided pursuant to the agreement was \$177,030.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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

***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 entered into a lease agreement signed by the County on March 10, 2015 and by the GSA on April 3, 2015. The total project cost was 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 \$170,610 (which includes costs associated with tenant improvements) for a term of ten years.

***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 \$20,708,618 at December 31, 2016. 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, 2016, and may be obtained by contacting the management of the Durango-La Plata County Airport at 1000 Airport Road, Durango, Colorado, 81303 or via telephone at 970-247-8143.

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

In 1992 Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue increases, spending abilities, and other specific requirements of state and local governments. The Amendment, also known as TABOR (Taxpayers Bill of Rights), is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## **NET PENSION LIABILITY**

**La Plata County, Colorado**  
*Schedule of County's Proportionate Share  
of the Net Pension Liability  
PERA SCHDTF Pension Plan  
For the Year Ended December 31, 2016*

|   | <b>Measurement Date</b> |               |
|---|-------------------------|---------------|
|   | <b>2015</b>             | <b>2014</b>   |
| County's proportion of the net pension liability  | 0.0044966108%           | 0.0048281650% |
| County's proportionate share of the net pension liability (asset)   | 473,540                 | 454,162       |
| County's covered-employee payroll   | 130,000                 | 130,000       |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 364.26%                 | 349.36%       |
| Plan fiduciary net position as a percentage of the total pension liability covered-employee payroll               | 56.1%                   | 59.8%         |

This schedule presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the County presents information for those years for which information is available.

**Notes to Required Supplement Information**

There have not been any changes to benefit terms.

There have not been any changes in assumptions.

**La Plata County, Colorado**  
**Schedule of County's Contributions**  
**PERA SCHDTF Pension Plan**  
**For the Year Ended December 31, 2016**

|  | December 31,<br>2016 | December 31,<br>2015 | December 31,<br>2014 |
|--|----------------------|----------------------|----------------------|
| Contractually required contribution                                  | \$ 25,025            | \$ 23,855            | \$ 22,685            |
| Contributions in relation to the contractually required contribution | <u>(25,025)</u>      | <u>(23,855)</u>      | <u>(22,685)</u>      |
| Contribution deficiency (excess)                                     | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| County's covered-employee payroll                                    | \$ 130,000           | \$ 130,000           | \$ 130,000           |
| Contributions as a percentage of covered-employee payroll            | 19.25%               | 18.35%               | 17.45%               |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the County presents information for those years for which information is available.

**Notes to Required Supplement Information**

There have not been any changes to benefit terms.

There have not been any changes in assumptions.



## **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, 2016 and 2015**

|  | <b>2016</b>          | <b>2015</b>          |
|--|----------------------|----------------------|
| <b>Assets</b>                              |                      |                      |
| Cash and cash deposits                     | \$ 203,729           | \$ 283,706           |
| Equity in treasurer's cash and investments | 47,408,650           | 53,325,912           |
| Restricted cash and investments            | 27,689               | 31,479               |
| Receivables:                               |                      |                      |
| Accounts                                   | 135,720              | 134,418              |
| Property taxes                             | 13,355,280           | 16,475,337           |
| Deposits                                   | 2,000                | 2,000                |
| Intergovernmental                          | 3,480,506            | 3,031,544            |
| Interfund                                  | -                    | 2,519                |
| Prepays                                    | 168,218              | 196,375              |
| <b>Total Assets</b>                        | <b>64,781,792</b>    | <b>73,483,290</b>    |
| <b>Liabilities</b>                         |                      |                      |
| Accounts payable                           | 2,343,341            | 2,227,099            |
| Accrued salaries and benefits              | 407,191              | 341,880              |
| Interfund payable                          | -                    | -                    |
| Intergovernmental payable                  | 75,008               | 151,255              |
| Deposits payable                           | 459,983              | 458,783              |
| Liabilities payable from restricted assets | 27,689               | 31,480               |
| <b>Total Liabilities</b>                   | <b>3,313,212</b>     | <b>3,210,497</b>     |
| <b>Deferred Inflows of Resources</b>       |                      |                      |
| Property taxes                             | 13,355,280           | 16,475,337           |
| <b>Total Deferred Inflows of Resources</b> | <b>13,355,280</b>    | <b>16,475,337</b>    |
| <b>Fund Balances</b>                       |                      |                      |
| Nonspendable:                              |                      |                      |
| Prepays                                    | 168,218              | 196,375              |
| Restricted:                                |                      |                      |
| Economic stabilization (TABOR)             | 1,733,899            | 1,600,510            |
| Law enforcement                            | 222,865              | 275,506              |
| Committed:                                 |                      |                      |
| Emergency and disasters                    | 7,158,458            | 6,764,859            |
| Assigned:                                  |                      |                      |
| Next year's budget deficit                 | 1,407,803            | 10,356,538           |
| Capital projects                           | 10,511,673           | 20,511,673           |
| Partially self funded Insurance claims     | 750,000              | -                    |
| Unassigned                                 | 26,160,384           | 14,091,995           |
| <b>Total Fund Balances</b>                 | <b>\$ 48,113,300</b> | <b>\$ 53,797,456</b> |

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2016*  
*(With Comparative Actual Amounts for Year Ended December 31, 2015)*

|  | 2016               |                   |                   |                               |                   |
|--|--------------------|-------------------|-------------------|-------------------------------|-------------------|
|  | Original<br>Budget | Final<br>Budget   | Actual            | Variance with<br>Final Budget | 2015<br>Actual    |
| <b>Revenues</b>                        |                    |                   |                   |                               |                   |
| <b>Taxes:</b>                          |                    |                   |                   |                               |                   |
| General property & delinquent taxes    | \$ 16,492,977      | \$ 16,492,977     | \$ 16,452,255     | \$ (40,722)                   | \$ 14,837,193     |
| Specific ownership                     | 1,400,000          | 1,400,000         | 1,421,765         | 21,765                        | 1,348,937         |
| Sales tax (net)                        | 8,389,971          | 8,389,971         | 8,881,995         | 492,024                       | 7,964,537         |
| Cable franchise fees                   | 112,000            | 112,000           | 110,983           | (1,017)                       | 106,991           |
| Lodger's tax                           | 230,000            | 230,000           | 325,245           | 95,245                        | 274,019           |
| <b>Total Taxes</b>                     | <b>26,624,948</b>  | <b>26,624,948</b> | <b>27,192,243</b> | <b>567,295</b>                | <b>24,531,677</b> |
| <b>Intergovernmental Revenue:</b>      |                    |                   |                   |                               |                   |
| Federal Revenue:                       |                    |                   |                   |                               |                   |
| Senior Services-Older American Act     | 101,080            | 101,080           | 143,645           | 42,565                        | 150,279           |
| Senior Services-NSIP/SMP/SHIP          | 40,540             | 40,540            | 62,949            | 22,409                        | 45,642            |
| CSB Grant-for Sr. Svcs                 | 5,000              | 5,000             | 10,857            | 5,857                         | 5,000             |
| Payment In Lieu of Taxes               | 500,000            | 500,000           | 627,520           | 127,520                       | 584,888           |
| HIDTA grant                            | 403,763            | 403,763           | 375,583           | (28,180)                      | 356,854           |
| Bulletproof vest grant                 | 7,000              | 7,000             | 5,060             | (1,940)                       | 2,347             |
| State Criminal Alien Assistance        | 9,500              | 9,500             | 5,125             | (4,375)                       | 12,610            |
| Other Miscellaneous Federal Grants     | 10,000             | 10,000            | -                 | (10,000)                      | -                 |
| Office of Emergency Management         | 87,000             | 87,000            | 61,927            | (25,073)                      | 56,282            |
| Community Development Block Grant      | 464,000            | 764,000           | 832,345           | 68,345                        | 498,110           |
| Southern Ute Payment in Lieu of Taxes  | 472,000            | 472,000           | 389,322           | (82,678)                      | 471,694           |
| State Revenues:                        |                    |                   |                   |                               |                   |
| Senior Services-State Funding          | 378,031            | 378,031           | 320,859           | (57,172)                      | 241,789           |
| Cigarette taxes                        | 23,000             | 23,000            | 22,133            | (867)                         | 22,030            |
| Search and rescue monies               | -                  | -                 | -                 | -                             | 5,533             |
| Mineral severance tax                  | 1,332,527          | 1,332,527         | 407,825           | (924,702)                     | 1,332,528         |
| Mineral leasing                        | 426,426            | 426,426           | 734,731           | 308,305                       | 426,426           |
| DOW Impact assistance (net)            | 941                | 941               | 1,003             | 62                            | 941               |
| Limited Gaming grants                  | 346,164            | 346,164           | 299,595           | (46,569)                      | 279,797           |
| Pre-Trial service testing grant        | -                  | 5,000             | 1,853             | (3,147)                       | -                 |
| Ballot drop box grant                  | -                  | 4,000             | 4,000             | -                             | -                 |
| GOCO grant                             | -                  | -                 | 22,082            | 22,082                        | -                 |
| Gold King/Animas River Funding         | 700,000            | 700,000           | 208,709           | (491,291)                     | 203,962           |
| Jail Behavior Health Contract          | 289,900            | 289,900           | 303,127           | 13,227                        | 312,204           |
| Veteran's Services                     | 16,640             | 16,640            | 16,632            | (8)                           | 10,716            |
| Predator Control Reimbursement         | 1,500              | 1,500             | 1,130             | (370)                         | 2,346             |
| DNR Wildfire Risk Reduction            | -                  | 45,000            | 45,000            | -                             | -                 |
| Local Government Revenue               | 10,000             | 16,625            | 13,469            | (3,156)                       | 11,015            |
| Other local government revenue         | 50,000             | 50,000            | -                 | (50,000)                      | 25,000            |
| <b>Total Intergovernmental Revenue</b> | <b>5,675,012</b>   | <b>6,035,637</b>  | <b>4,916,481</b>  | <b>(1,119,156)</b>            | <b>5,057,993</b>  |
| <b>Licenses and Permits:</b>           |                    |                   |                   |                               |                   |
| Liquor licenses                        | 6,000              | 6,000             | 8,082             | 2,082                         | 9,555             |
| Medical Marijuana licenses             | 46,000             | 46,000            | 30,000            | (16,000)                      | 17,500            |
| Recreational Marijuana licenses        | -                  | -                 | 49,000            | 49,000                        | 28,100            |
| Building permits                       | 825,000            | 825,000           | 857,582           | 32,582                        | 764,318           |
| <b>Total Licenses and Permits</b>      | <b>877,000</b>     | <b>877,000</b>    | <b>944,664</b>    | <b>67,664</b>                 | <b>819,473</b>    |

**Charges for Services:**

|  |                  |                  |                  |                |                  |
|--|------------------|------------------|------------------|----------------|------------------|
| Treasurer's fees                       | 722,400          | 722,400          | 770,727          | 48,327         | 754,604          |
| Clerk and recorder's fees              | 1,114,000        | 1,114,000        | 1,187,864        | 73,864         | 1,140,875        |
| Public trustee's fees                  | 50,000           | 50,000           | 39,232           | (10,768)       | 28,634           |
| Planning fees                          | 40,000           | 40,000           | 57,555           | 17,555         | 38,200           |
| Oil and gas fees                       | 55,000           | 55,000           | 48,925           | (6,075)        | 52,200           |
| Assessor's fees                        | 20,600           | 20,600           | 41,289           | 20,689         | 16,904           |
| Sheriff's fees                         | 84,500           | 84,500           | 97,025           | 12,525         | 86,153           |
| Law enforcement assistance fund        | 5,500            | 5,500            | 5,714            | 214            | 9,202            |
| Other security services                | 35,000           | 35,000           | 6,369            | (28,631)       | 33,393           |
| Jail room & board                      | 436,000          | 436,000          | 636,791          | 200,791        | 458,885          |
| Jail bond fees                         | 8,000            | 10,000           | 12,746           | 2,746          | 9,763            |
| Drug Offender's Fees                   | -                | -                | 22,096           | 22,096         | 8,196            |
| Victim impact panel fees               | -                | -                | 4,505            | 4,505          | -                |
| Booking fees                           | 47,518           | 47,518           | 56,153           | 8,635          | 44,821           |
| Prisoner transportation                | 32,000           | 32,000           | 36,790           | 4,790          | 38,442           |
| Hazardous waste fees and cost share    | 15,000           | 15,000           | 26,427           | 11,427         | -                |
| Vehicle inspection fees                | 42,000           | 42,000           | 43,340           | 1,340          | 45,400           |
| Useful public service program          | -                | 22,000           | 20,718           | (1,282)        | (9,757)          |
| Alternatives to incarceration          | 86,000           | 86,000           | 72,896           | (13,104)       | 51,665           |
| Senior meal donations-Durango          | 87,500           | 87,500           | 69,612           | (17,888)       | 84,912           |
| Senior meal donations-Bayfield         | 11,500           | 11,500           | 11,826           | 326            | 10,638           |
| Senior home chore                      | 12,500           | 12,500           | 7,360            | (5,140)        | 11,632           |
| Senior transportation income           | 18,000           | 18,000           | 7,467            | (10,533)       | 15,048           |
| Senior center activities               | 14,000           | 14,000           | 16,867           | 2,867          | 18,503           |
| Senior center rentals                  | 4,300            | 4,300            | 3,038            | (1,262)        | 2,473            |
| Senior services-other                  | -                | -                | 6,663            | 6,663          | 2,077            |
| Surveyor's fees                        | 8,500            | 8,500            | 12,920           | 4,420          | 12,880           |
| Indirect cost allocation reimbursement | 171,388          | 171,388          | 211,273          | 39,885         | 174,217          |
| Charges for services to DHS            | -                | 220,339          | 176,532          | (43,807)       | -                |
| GIS Services reimbursements            | 2,200            | 2,200            | 2,313            | 113            | 1,714            |
| Election Reimbursements                | 35,000           | 35,000           | 81,811           | 46,811         | 56,371           |
| Inmate medical/phone reimbursements    | 62,242           | 69,242           | 69,444           | 202            | 87,666           |
| Animal control fines                   | 1,000            | 1,000            | 610              | (390)          | 766              |
| Maps/code book sales & sign fees       | 6,000            | 6,000            | 235              | (5,765)        | 1,796            |
| <b>Total Charges for Services</b>      | <b>3,227,648</b> | <b>3,478,987</b> | <b>3,865,133</b> | <b>386,146</b> | <b>3,288,273</b> |

**Investment earnings**

|                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|
| <b>300,000</b> | <b>350,000</b> | <b>458,797</b> | <b>108,797</b> | <b>405,091</b> |
|----------------|----------------|----------------|----------------|----------------|

**Miscellaneous Revenue:**

|                                      |                |                |                |               |                |
|--------------------------------------|----------------|----------------|----------------|---------------|----------------|
| Building rentals                     | 154,131        | 154,131        | 156,141        | 2,010         | 179,836        |
| Fairgrounds rentals                  | 65,500         | 65,500         | 78,899         | 13,399        | 70,481         |
| Forfeitures                          | 5,000          | 5,000          | 33,568         | 28,568        | 39,899         |
| Senior services-United Way           | 19,625         | 19,625         | 14,716         | (4,909)       | 19,625         |
| Prisoner commissary collections      | 35,000         | 35,000         | 23,081         | (11,919)      | 19,506         |
| Photocopies                          | -              | -              | 636            | 636           | 479            |
| Parking/Traffic fines                | 11,500         | 11,500         | 10,704         | (796)         | 8,621          |
| Insurance refunds                    | 40,000         | 40,000         | 12,072         | (27,928)      | 25,040         |
| Bayfield Landfill Remediation Reimb. | -              | 15,018         | 21,791         | 6,773         | -              |
| Vending machine commissions          | -              | -              | 335            | 335           | 812            |
| Other miscellaneous revenues         | 2,500          | 9,945          | 90,611         | 80,666        | 127,196        |
| <b>Total Miscellaneous Revenue</b>   | <b>333,256</b> | <b>355,719</b> | <b>442,554</b> | <b>86,835</b> | <b>491,495</b> |

**Total Revenue**

|                   |                   |                   |               |                   |
|-------------------|-------------------|-------------------|---------------|-------------------|
| <b>37,037,864</b> | <b>37,722,291</b> | <b>37,819,872</b> | <b>97,581</b> | <b>34,594,002</b> |
|-------------------|-------------------|-------------------|---------------|-------------------|

**Expenditures:**

## General Government

## Board of County Commissioners

|                        |                |                |                |               |                |
|------------------------|----------------|----------------|----------------|---------------|----------------|
| Personnel Expenditures | 270,777        | 270,777        | 269,938        | 839           | 273,344        |
| Operating Expenditures | 130,151        | 128,851        | 113,072        | 15,779        | 93,166         |
|                        | <b>400,928</b> | <b>399,628</b> | <b>383,010</b> | <b>16,618</b> | <b>366,510</b> |

|                                      |                  |                  |                  |                |                  |
|--------------------------------------|------------------|------------------|------------------|----------------|------------------|
| County Clerk and Recorder-Operations |                  |                  |                  |                |                  |
| Personnel Expenditures               | 899,006          | 899,006          | 882,328          | 16,678         | 869,567          |
| Operating Expenditures               | 260,887          | 260,887          | 255,474          | 5,413          | 246,925          |
|                                      | <u>1,159,893</u> | <u>1,159,893</u> | <u>1,137,802</u> | <u>22,091</u>  | <u>1,116,492</u> |
| County Clerk and Recorder-Elections  |                  |                  |                  |                |                  |
| Personnel Expenditures               | 81,305           | 81,305           | 81,662           | (357)          | 69,826           |
| Operating Expenditures               | 207,175          | 211,175          | 210,258          | 917            | 122,005          |
|                                      | <u>288,480</u>   | <u>292,480</u>   | <u>291,920</u>   | <u>560</u>     | <u>191,831</u>   |
| County Treasurer                     |                  |                  |                  |                |                  |
| Personnel Expenditures               | 364,666          | 365,817          | 340,202          | 25,615         | 342,183          |
| Operating Expenditures               | 201,165          | 251,171          | 206,021          | 45,150         | 165,063          |
|                                      | <u>565,831</u>   | <u>616,988</u>   | <u>546,223</u>   | <u>70,765</u>  | <u>507,246</u>   |
| Public Trustee's Office              |                  |                  |                  |                |                  |
| Personnel Expenditures               | 15,272           | 15,272           | 15,256           | 16             | 15,377           |
| Operating Expenditures               | 11,630           | 11,630           | 7,354            | 4,276          | 11,269           |
|                                      | <u>26,902</u>    | <u>26,902</u>    | <u>22,610</u>    | <u>4,292</u>   | <u>26,646</u>    |
| County Assessor                      |                  |                  |                  |                |                  |
| Personnel Expenditures               | 1,041,504        | 1,041,504        | 1,018,184        | 23,320         | 1,001,979        |
| Operating Expenditures               | 152,085          | 152,085          | 141,551          | 10,534         | 148,340          |
|                                      | <u>1,193,589</u> | <u>1,193,589</u> | <u>1,159,735</u> | <u>33,854</u>  | <u>1,150,319</u> |
| County Surveyor                      |                  |                  |                  |                |                  |
| Personnel Expenditures               | 5,141            | 13,791           | 14,309           | (518)          | 10,387           |
| Operating Expenditures               | 1,500            | 1,500            | 1,250            | 250            | 1,110            |
|                                      | <u>6,641</u>     | <u>15,291</u>    | <u>15,559</u>    | <u>(268)</u>   | <u>11,497</u>    |
| Administrative Offices               |                  |                  |                  |                |                  |
| Personnel Expenditures               | 817,852          | 817,852          | 701,022          | 116,830        | 653,233          |
| Operating Expenditures               | 220,695          | 221,995          | 86,671           | 135,324        | 149,173          |
|                                      | <u>1,038,547</u> | <u>1,039,847</u> | <u>787,693</u>   | <u>252,154</u> | <u>802,406</u>   |
| County Attorney's Office             |                  |                  |                  |                |                  |
| Personnel Expenditures               | 683,714          | 896,453          | 723,703          | 172,750        | 637,296          |
| Operating Expenditures               | 265,400          | 388,727          | 367,743          | 20,984         | 335,207          |
|                                      | <u>949,114</u>   | <u>1,285,180</u> | <u>1,091,446</u> | <u>193,734</u> | <u>972,503</u>   |
| Finance                              |                  |                  |                  |                |                  |
| Personnel Expenditures               | 404,959          | 404,959          | 395,046          | 9,913          | 429,102          |
| Operating Expenditures               | 167,436          | 167,436          | 98,503           | 68,933         | 88,580           |
|                                      | <u>572,395</u>   | <u>572,395</u>   | <u>493,549</u>   | <u>78,846</u>  | <u>517,682</u>   |
| Information Services                 |                  |                  |                  |                |                  |
| Personnel Expenditures               | 1,265,522        | 1,265,522        | 1,186,644        | 78,878         | 1,229,154        |
| Operating Expenditures               | 544,440          | 544,440          | 471,380          | 73,060         | 458,352          |
|                                      | <u>1,809,962</u> | <u>1,809,962</u> | <u>1,658,024</u> | <u>151,938</u> | <u>1,687,506</u> |
| Procurement/Warehouse                |                  |                  |                  |                |                  |
| Personnel Expenditures               | 171,778          | 171,778          | 166,433          | 5,345          | 156,396          |
| Operating Expenditures               | 12,039           | 12,039           | 9,058            | 2,981          | 12,633           |
|                                      | <u>183,817</u>   | <u>183,817</u>   | <u>175,491</u>   | <u>8,326</u>   | <u>169,029</u>   |
| Building Maintenance                 |                  |                  |                  |                |                  |
| Personnel Expenditures               | 870,314          | 870,314          | 959,992          | (89,678)       | 641,799          |
| Operating Expenditures               | 1,537,555        | 1,521,055        | 1,028,705        | 492,350        | 894,897          |
|                                      | <u>2,407,869</u> | <u>2,391,369</u> | <u>1,988,697</u> | <u>402,672</u> | <u>1,536,696</u> |
| Building Maintenance-OMPO            |                  |                  |                  |                |                  |
| Operating Expenditures               | 73,005           | 73,005           | 51,293           | 21,712         | 63,698           |
|                                      | <u>73,005</u>    | <u>73,005</u>    | <u>51,293</u>    | <u>21,712</u>  | <u>63,698</u>    |
| Human Resources                      |                  |                  |                  |                |                  |
| Personnel Expenditures               | 466,786          | 474,908          | 432,655          | 42,253         | 440,149          |
| Operating Expenditures               | 221,175          | 213,053          | 175,234          | 37,819         | 156,643          |
|                                      | <u>687,961</u>   | <u>687,961</u>   | <u>607,889</u>   | <u>80,072</u>  | <u>596,792</u>   |
| Planning Department                  |                  |                  |                  |                |                  |
| Personnel Expenditures               | 993,825          | 986,325          | 939,931          | 46,394         | 896,950          |
| Operating Expenditures               | 128,352          | 165,852          | 131,684          | 34,168         | 69,538           |
|                                      | <u>1,122,177</u> | <u>1,152,177</u> | <u>1,071,615</u> | <u>80,562</u>  | <u>966,488</u>   |
| Risk Management                      |                  |                  |                  |                |                  |
| Personnel Expenditures               | 100,587          | 100,587          | 100,282          | 305            | 97,241           |
| Operating Expenditures               | 616,809          | 616,809          | 210,551          | 406,258        | 457,723          |
|                                      | <u>717,396</u>   | <u>717,396</u>   | <u>310,833</u>   | <u>406,563</u> | <u>554,964</u>   |

|   |                   |                   |                   |                  |                   |
|---|-------------------|-------------------|-------------------|------------------|-------------------|
| Budget Contingency/Reserves               | 1,000,000         | 860,640           | -                 | 860,640          | -                 |
| <b>Total General Government</b>           | <b>14,204,507</b> | <b>14,478,520</b> | <b>11,793,389</b> | <b>2,685,131</b> | <b>11,238,305</b> |
| <b>Public Safety</b>                      |                   |                   |                   |                  |                   |
| Sheriff-Patrol                            |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 3,790,157         | 3,794,157         | 3,162,242         | 631,915          | 3,105,768         |
| Operating Expenditures                    | 1,134,198         | 1,161,923         | 1,053,967         | 107,956          | 1,088,204         |
|   | 4,924,355         | 4,956,080         | 4,216,209         | 739,871          | 4,193,972         |
| Sheriff-Detentions                        |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 4,691,988         | 4,379,640         | 4,429,351         | (49,711)         | 4,431,953         |
| Operating Expenditures                    | 1,625,339         | 1,976,687         | 1,904,921         | 71,766           | 1,590,779         |
|   | 6,317,327         | 6,356,327         | 6,334,272         | 22,055           | 6,022,732         |
| Sheriff-Admin                             |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 1,052,905         | 1,058,104         | 1,037,940         | 20,164           | 1,326,394         |
| Operating Expenditures                    | 163,291           | 170,291           | 126,114           | 44,177           | 348,157           |
|   | 1,216,196         | 1,228,395         | 1,164,054         | 64,341           | 1,674,551         |
| Sheriff-Special Investigations            |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 514,696           | 514,696           | 414,863           | 99,833           | 469,856           |
| Operating Expenditures                    | 473,532           | 415,532           | 377,418           | 38,114           | 368,117           |
|   | 988,228           | 930,228           | 792,281           | 137,947          | 837,973           |
| Sheriff-Criminal Investigations           |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 843,305           | 839,305           | 785,296           | 54,009           | 879,605           |
| Operating Expenditures                    | 149,903           | 146,003           | 113,328           | 32,675           | 145,959           |
|   | 993,208           | 985,308           | 898,624           | 86,684           | 1,025,564         |
| Sheriff-Special Operations                |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | -                 | -                 | 554,894           | (554,894)        | -                 |
| Operating Expenditures                    | 50,875            | 92,765            | 118,719           | (25,954)         | -                 |
|   | 50,875            | 92,765            | 673,613           | (580,848)        | -                 |
| Alternatives to Incarceration             |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 361,704           | 361,704           | 342,632           | 19,072           | 390,573           |
| Operating Expenditures                    | 99,009            | 89,009            | 51,573            | 37,436           | 64,899            |
|   | 460,713           | 450,713           | 394,205           | 56,508           | 455,472           |
| County Coroner                            |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 99,603            | 99,603            | 91,103            | 8,500            | 85,908            |
| Operating Expenditures                    | 147,073           | 147,073           | 131,851           | 15,222           | 100,397           |
|   | 246,676           | 246,676           | 222,954           | 23,722           | 186,305           |
| Building Inspection Department            |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 666,803           | 666,803           | 622,246           | 44,557           | 556,465           |
| Operating Expenditures                    | 106,769           | 106,769           | 85,275            | 21,494           | 88,254            |
|   | 773,572           | 773,572           | 707,521           | 66,051           | 644,719           |
| Emergency Management Office               |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 136,883           | 136,883           | 124,788           | 12,095           | 122,740           |
| Operating Expenditures                    | 862,500           | 907,500           | 36,849            | 870,651          | 155,576           |
|   | 999,383           | 1,044,383         | 161,637           | 882,746          | 278,316           |
| Pmt to Component Unit - District Attorney | 1,649,522         | 1,649,522         | 1,532,801         | 116,721          | 1,511,905         |
| <b>Total Public Safety</b>                | <b>18,620,055</b> | <b>18,713,969</b> | <b>17,098,171</b> | <b>1,615,798</b> | <b>16,831,509</b> |
| <b>Recreation &amp; Culture</b>           |                   |                   |                   |                  |                   |
| Fairgrounds                               |                   |                   |                   |                  |                   |
| Personnel Expenditures                    | 496,263           | 496,263           | 316,817           | 179,446          | 476,065           |
| Operating Expenditures                    | 257,066           | 273,566           | 244,388           | 29,178           | 236,761           |
|   | 753,329           | 769,829           | 561,205           | 208,624          | 712,826           |
| Extension Office                          |                   |                   |                   |                  |                   |
| Operating Expenditures                    | 87,540            | 87,540            | 83,559            | 3,981            | 84,381            |
| <b>Total Recreation &amp; Culture</b>     | <b>840,869</b>    | <b>857,369</b>    | <b>644,764</b>    | <b>212,605</b>   | <b>797,207</b>    |

**Health & Welfare**

## Senior Services

|                        |                |                |                |              |                |
|------------------------|----------------|----------------|----------------|--------------|----------------|
| Personnel Expenditures | 621,277        | 621,277        | 617,467        | 3,810        | 561,026        |
| Operating Expenditures | 245,023        | 245,023        | 243,841        | 1,182        | 209,816        |
|                        | <u>866,300</u> | <u>866,300</u> | <u>861,308</u> | <u>4,992</u> | <u>770,842</u> |

## Senior Services - non Joint Sales Tax

|                        |                |                |                |               |                |
|------------------------|----------------|----------------|----------------|---------------|----------------|
| Personnel Expenditures | 48,032         | 48,032         | 39,743         | 8,289         | 38,092         |
| Operating Expenditures | 126,486        | 126,486        | 109,552        | 16,934        | 100,754        |
|                        | <u>174,518</u> | <u>174,518</u> | <u>149,295</u> | <u>25,223</u> | <u>138,846</u> |

## Veterans Services

|                        |               |               |               |               |               |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Personnel Expenditures | 77,855        | 77,855        | 71,150        | 6,705         | 69,699        |
| Operating Expenditures | 14,471        | 14,471        | 9,915         | 4,556         | 9,491         |
|                        | <u>92,326</u> | <u>92,326</u> | <u>81,065</u> | <u>11,261</u> | <u>79,190</u> |

|                       |                |                |                |          |                |
|-----------------------|----------------|----------------|----------------|----------|----------------|
| San Juan Basin Health | <u>522,074</u> | <u>522,074</u> | <u>522,074</u> | <u>-</u> | <u>444,272</u> |
|-----------------------|----------------|----------------|----------------|----------|----------------|

|                                   |                         |                         |                         |                      |                         |
|-----------------------------------|-------------------------|-------------------------|-------------------------|----------------------|-------------------------|
| <b>Total Health &amp; Welfare</b> | <b><u>1,655,218</u></b> | <b><u>1,655,218</u></b> | <b><u>1,613,742</u></b> | <b><u>41,476</u></b> | <b><u>1,433,150</u></b> |
|-----------------------------------|-------------------------|-------------------------|-------------------------|----------------------|-------------------------|

**Public Works**

## Landfill Closure and Waste Management

|                        |                |                |                |                |                |
|------------------------|----------------|----------------|----------------|----------------|----------------|
| Operating Expenditures | 273,400        | 273,400        | 148,241        | 125,159        | 103,482        |
|                        | <u>273,400</u> | <u>273,400</u> | <u>148,241</u> | <u>125,159</u> | <u>103,482</u> |

## Weed Control

|                        |                |                |                |               |                |
|------------------------|----------------|----------------|----------------|---------------|----------------|
| Personnel Expenditures | 116,654        | 116,654        | 96,776         | 19,878        | 99,058         |
| Operating Expenditures | 58,155         | 58,155         | 29,275         | 28,880        | 36,637         |
|                        | <u>174,809</u> | <u>174,809</u> | <u>126,051</u> | <u>48,758</u> | <u>135,695</u> |

|                           |                       |                       |                       |                       |                       |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total Public Works</b> | <b><u>448,209</u></b> | <b><u>448,209</u></b> | <b><u>274,292</u></b> | <b><u>173,917</u></b> | <b><u>239,177</u></b> |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|

**Community Programs**

|                         |           |           |           |          |           |
|-------------------------|-----------|-----------|-----------|----------|-----------|
| Public Service Agencies | 1,235,772 | 1,235,772 | 1,240,597 | (4,825)  | 1,177,131 |
| Lodger's tax to DATO    | 230,000   | 230,000   | 325,245   | (95,245) | 274,019   |

|                                 |                         |                         |                         |                         |                         |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Total Community Programs</b> | <b><u>1,465,772</u></b> | <b><u>1,465,772</u></b> | <b><u>1,565,842</u></b> | <b><u>(100,070)</u></b> | <b><u>1,451,150</u></b> |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|

Pass through of grants received  
of CDBG funds

|  |                |                |                |                 |                |
|--|----------------|----------------|----------------|-----------------|----------------|
|  | <u>464,000</u> | <u>764,000</u> | <u>849,629</u> | <u>(85,629)</u> | <u>480,826</u> |
|--|----------------|----------------|----------------|-----------------|----------------|

|                                     |                       |                       |                       |                        |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|
| <b>Total Pass through of grants</b> | <b><u>464,000</u></b> | <b><u>764,000</u></b> | <b><u>849,629</u></b> | <b><u>(85,629)</u></b> | <b><u>480,826</u></b> |
|-------------------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|

|                       |                      |                      |                      |                     |                       |
|-----------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|
| <b>Capital Outlay</b> | <b><u>48,622</u></b> | <b><u>48,622</u></b> | <b><u>43,939</u></b> | <b><u>4,683</u></b> | <b><u>140,931</u></b> |
|-----------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|

|                           |                          |                          |                          |                         |                          |
|---------------------------|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|
| <b>Total Expenditures</b> | <b><u>37,747,252</u></b> | <b><u>38,431,679</u></b> | <b><u>33,883,768</u></b> | <b><u>4,547,911</u></b> | <b><u>32,612,255</u></b> |
|---------------------------|--------------------------|--------------------------|--------------------------|-------------------------|--------------------------|

|   |                         |                         |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Excess of Revenues Over Expenditures</b> | <b><u>(709,388)</u></b> | <b><u>(709,388)</u></b> | <b><u>3,936,104</u></b> | <b><u>4,645,492</u></b> | <b><u>1,981,747</u></b> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|

## Other Financing Sources (Uses)

|                                       |              |              |              |        |             |
|---------------------------------------|--------------|--------------|--------------|--------|-------------|
| Transfers in-Joint Sales Tax fund     | 352,850      | 352,850      | 379,740      | 26,890 | 380,723     |
| Transfers out-Conservation Trust Fund | -            | -            | -            | -      | (2,652,677) |
| Transfers out-Capital Improvement     | (10,000,000) | (10,000,000) | (10,000,000) | -      | (5,577,637) |

|   |                           |                           |                           |                      |                           |
|---|---------------------------|---------------------------|---------------------------|----------------------|---------------------------|
| <b>Total Other Financing Sources (Uses)</b> | <b><u>(9,647,150)</u></b> | <b><u>(9,647,150)</u></b> | <b><u>(9,620,260)</u></b> | <b><u>26,890</u></b> | <b><u>(7,849,591)</u></b> |
|---|---------------------------|---------------------------|---------------------------|----------------------|---------------------------|

|                                    |                              |                              |                           |                            |                           |
|------------------------------------|------------------------------|------------------------------|---------------------------|----------------------------|---------------------------|
| <b>Net Change in Fund Balances</b> | <b><u>\$(10,356,538)</u></b> | <b><u>\$(10,356,538)</u></b> | <b><u>(5,684,156)</u></b> | <b><u>\$ 4,672,382</u></b> | <b><u>(5,867,844)</u></b> |
|------------------------------------|------------------------------|------------------------------|---------------------------|----------------------------|---------------------------|

|                                       |  |  |                          |  |                          |
|---------------------------------------|--|--|--------------------------|--|--------------------------|
| <b>Fund Balance Beginning of Year</b> |  |  | <b><u>53,797,456</u></b> |  | <b><u>59,665,300</u></b> |
|---------------------------------------|--|--|--------------------------|--|--------------------------|

|                                  |  |  |                             |  |                             |
|----------------------------------|--|--|-----------------------------|--|-----------------------------|
| <b>Fund Balances End of Year</b> |  |  | <b><u>\$ 48,113,300</u></b> |  | <b><u>\$ 53,797,456</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.

La Plata County has two major and five non-major Special Revenue Funds.

### **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.

**La Plata County, Colorado**  
**Road and Bridge Fund**  
**Comparative Balance Sheet**  
**December 31, 2016 and 2015**

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| <b>Assets</b>                              |                            |                            |
| Cash                                       | \$ 150                     | \$ 150                     |
| Equity in treasurer's cash and investments | 5,508,110                  | 6,551,760                  |
| Receivables:                               |                            |                            |
| Accounts                                   | 32,503                     | 86,287                     |
| Property taxes                             | 1,290,528                  | 1,578,608                  |
| Intergovernmental                          | 1,557,424                  | 1,070,561                  |
| Inventory                                  | 401,651                    | 254,708                    |
| <b>Total Assets</b>                        | <u><b>8,790,366</b></u>    | <u><b>9,542,074</b></u>    |
| <b>Liabilities</b>                         |                            |                            |
| Accounts payable                           | 142,784                    | 499,513                    |
| Accrued salaries and wages                 | 71,539                     | 58,698                     |
| <b>Total Liabilities</b>                   | <u><b>214,323</b></u>      | <u><b>558,211</b></u>      |
| <b>Deferred Inflows of Resources</b>       |                            |                            |
| Property taxes                             | 1,290,528                  | 1,578,608                  |
| <b>Total Deferred Inflows of Resources</b> | <u><b>1,290,528</b></u>    | <u><b>1,578,608</b></u>    |
| <b>Fund Balances</b>                       |                            |                            |
| Nonspendable:                              |                            |                            |
| Inventory                                  | 401,651                    | 254,708                    |
| Restricted:                                |                            |                            |
| Capital improvements impact fees           | 1,316,149                  | 1,650,305                  |
| Construction/maintenance of roads          | 5,567,715                  | 5,500,242                  |
| <b>Total Fund Balances</b>                 | <u><b>\$ 7,285,515</b></u> | <u><b>\$ 7,405,255</b></u> |

**La Plata County, Colorado**  
**Road and Bridge Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2016*  
*(With Comparative Actual Amounts for Year Ended December 31, 2015)*

|  | 2016                  |                       |                     |                               |                     |
|--|-----------------------|-----------------------|---------------------|-------------------------------|---------------------|
|  | Original<br>Budget    | Final<br>Budget       | Actual              | Variance with<br>Final Budget | 2015<br>Actual      |
| <b>Revenues</b>                        |                       |                       |                     |                               |                     |
| Taxes                                  | \$ 4,468,739          | \$ 4,468,739          | \$ 4,482,619        | \$ 13,880                     | \$ 4,995,902        |
| Intergovernmental                      | 6,003,901             | 6,003,901             | 4,233,307           | (1,770,594)                   | 3,685,913           |
| Licenses and permits                   | 230,000               | 230,000               | 229,728             | (272)                         | 231,330             |
| Miscellaneous                          | 159,500               | 159,500               | 187,714             | 28,214                        | 263,478             |
| <b>Total Revenues</b>                  | <b>10,862,140</b>     | <b>10,862,140</b>     | <b>9,133,368</b>    | <b>(1,728,772)</b>            | <b>9,176,623</b>    |
| <b>Expenditures</b>                    |                       |                       |                     |                               |                     |
| <b>Current:</b>                        |                       |                       |                     |                               |                     |
| <b>Public Works</b>                    |                       |                       |                     |                               |                     |
| Maintenance                            | 6,763,694             | 6,763,694             | 5,980,931           | 782,763                       | 5,891,622           |
| Engineering                            | 1,440,089             | 1,390,089             | 871,330             | 518,759                       | 913,503             |
| Road Projects                          | 2,298,667             | 2,148,667             | 168,005             | 1,980,662                     | 1,812,268           |
| Contingency                            | 750,000               | 720,000               | -                   | 720,000                       | -                   |
| Capital Outlay                         | 2,497,000             | 2,727,000             | 2,232,842           | 494,158                       | 934,674             |
| <b>Total Expenditures</b>              | <b>13,749,450</b>     | <b>13,749,450</b>     | <b>9,253,108</b>    | <b>4,496,342</b>              | <b>9,552,067</b>    |
| <b>Deficiency of Revenues (Under)</b>  |                       |                       |                     |                               |                     |
| <b>Expenditures</b>                    | <b>(2,887,310)</b>    | <b>(2,887,310)</b>    | <b>(119,740)</b>    | <b>2,767,570</b>              | <b>(375,444)</b>    |
| <b>Net Change in Fund Balances</b>     | <b>\$ (2,887,310)</b> | <b>\$ (2,887,310)</b> | <b>(119,740)</b>    | <b>\$ 2,767,570</b>           | <b>(375,444)</b>    |
| <b>Fund Balances Beginning of Year</b> |                       |                       | <b>7,405,255</b>    |                               | <b>7,780,699</b>    |
| <b>Fund Balances End of Year</b>       |                       |                       | <b>\$ 7,285,515</b> |                               | <b>\$ 7,405,255</b> |

**La Plata County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2016 and 2015**

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| <b>Assets</b>                              |                            |                            |
| Cash                                       | \$ 400                     | \$ 400                     |
| Equity in treasurer's cash and investments | 2,114,742                  | 2,222,075                  |
| Restricted cash                            | 52,161                     | 61,657                     |
| Receivables:                               |                            |                            |
| Accounts                                   | 3,829,520                  | 3,761,681                  |
| Property taxes                             | 804,175                    | 844,890                    |
| Intergovernmental                          | 357,915                    | 308,934                    |
| <b>Total Assets</b>                        | <u><b>7,158,913</b></u>    | <u><b>7,199,637</b></u>    |
| <b>Liabilities</b>                         |                            |                            |
| Accounts payable                           | 224,600                    | 115,584                    |
| Liabilities payable from restricted assets | 52,161                     | 61,657                     |
| Interfund payable                          | -                          | 2,519                      |
| Intergovernmental payable                  | 3,899,523                  | 3,915,140                  |
| <b>Total Liabilities</b>                   | <u><b>4,176,284</b></u>    | <u><b>4,094,900</b></u>    |
| <b>Deferred Inflows of Resources</b>       |                            |                            |
| Property taxes                             | 804,175                    | 844,890                    |
| <b>Total Deferred Inflows of Resources</b> | <u><b>804,175</b></u>      | <u><b>844,890</b></u>      |
| <b>Fund Balances</b>                       |                            |                            |
| Restricted:                                |                            |                            |
| Child welfare                              | 1,179,275                  | 1,492,242                  |
| Public assistance and welfare              | 999,179                    | 767,605                    |
| <b>Total Fund Balances</b>                 | <u><b>\$ 2,178,454</b></u> | <u><b>\$ 2,259,847</b></u> |

**La Plata County, Colorado**  
**Social Services Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended December 31, 2016*  
*(With Comparative Actual Amounts for Year Ended December 31, 2015)*

|  | 2016                       |                         |                     |                                       | 2015                |
|--|----------------------------|-------------------------|---------------------|---------------------------------------|---------------------|
|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance with<br/>Final Budget</u> | <u>Actual</u>       |
| <b>Revenues</b>  |                            |                         |                     |                                       |                     |
| Taxes  | \$ 902,264                 | \$ 902,264              | \$ 916,613          | \$ 14,349                             | \$ 830,058          |
| Intergovernmental  | 4,808,774                  | 4,923,777               | 5,522,595           | 598,818                               | 5,062,470           |
| <b>Total Revenues</b>  | <b>5,711,038</b>           | <b>5,826,041</b>        | <b>6,439,208</b>    | <b>613,167</b>                        | <b>5,892,528</b>    |
| <b>Expenditures</b>  |                            |                         |                     |                                       |                     |
| Health and welfare   | 6,411,596                  | 6,526,599               | 6,520,601           | 5,998                                 | 6,158,811           |
| <b>Total Expenditures</b>  | <b>6,411,596</b>           | <b>6,526,599</b>        | <b>6,520,601</b>    | <b>5,998</b>                          | <b>6,158,811</b>    |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(700,558)</b>           | <b>(700,558)</b>        | <b>(81,393)</b>     | <b>619,165</b>                        | <b>(266,283)</b>    |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ (700,558)</b>        | <b>\$ (700,558)</b>     | <b>(81,393)</b>     | <b>\$ 619,165</b>                     | <b>(266,283)</b>    |
| <b>Fund Balances Beginning of Year</b>                               |                            |                         | <b>2,259,847</b>    |                                       | <b>2,526,130</b>    |
| <b>Fund Balances End of Year</b>                                     |                            |                         | <b>\$ 2,178,454</b> |                                       | <b>\$ 2,259,847</b> |

## NON-MAJOR GOVERNMENTAL 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.

La Plata County has two major and five non-major Special Revenue Funds.

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.

*Durango Hills Road Improvement Districts Fund:* Taxpayers living in certain subdivisions within the County have elected to assess themselves an extra property tax to fund certain maintenance/improvements. This fund accounts for the revenues and expenditures associated with the activities in that local taxing district.

*Palo Verde Public Improvement District Fund:* Taxpayers living in certain subdivisions within the County have elected to assess themselves an extra property tax to fund certain maintenance/improvements. This fund accounts for the revenues and expenditures associated with the activities in that local taxing district.

*Tribal Impact Mitigation Fund:* established per Colorado Revised Statutes 24-61-201 as a taxation compact between the Southern Ute Indian Tribe, La Plata County, and the State of Colorado, as set forth in House Bill 96-1367. The impact fund shall be under the control of a three-member board comprised of the chairman of the La Plata County Board of County Commissioners, the Chairman of the Southern Ute Indian Tribal Council, and the governor, or their respective designees. Moneys may be distributed from the impact fund upon an affirmative vote of a majority of the members of the board.

*Conservation Trust Fund:* accounts for revenue received from the State of Colorado to be used for the acquisition, development and maintenance of new and existing parks and recreation sites within La Plata County. The funds are derived primarily from the Colorado State Lottery.

**La Plata County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2016**

|  | <b>Joint<br/>Sales<br/>Tax</b> | <b>Durango Hills<br/>Road<br/>Improvement<br/>District</b> | <b>Palo Verde<br/>Public<br/>Improvement<br/>District</b> | <b>Conservation<br/>Trust<br/>Fund</b> | <b>Tribal<br/>Impact<br/>Mitigation</b> | <b>Total<br/>Nonmajor<br/>Special Revenue<br/>Funds</b> |
|--|--------------------------------|--|---|--|---|---|
| <b>Assets</b>                              |                                |  |   |  |   |   |
| Equity in treasurer's cash and investments | \$ 360,171                     | \$ 199,638   | \$ 29,555   | \$ 3,327,676                           | \$ 22,071                               | \$ 3,939,111  |
| Receivables:                               |                                |  |   |  |   |   |
| Property taxes receivable                  | -                              | 77,742   | 22,563  | -                                      | -                                       | 100,305   |
| Intergovernmental receivable               | 401,195                        | 612  | 180   | -                                      | -                                       | 401,987   |
| <b>Total Assets</b>                        | <b>761,366</b>                 | <b>277,992</b>   | <b>52,298</b>   | <b>3,327,676</b>                       | <b>22,071</b>                           | <b>4,441,403</b>  |
| <b>Liabilities</b>                         |                                |  |   |  |   |   |
| Accounts payable                           | 200,196                        | 3,278  | -   | -                                      | -                                       | 203,474   |
| <b>Total Liabilities</b>                   | <b>200,196</b>                 | <b>3,278</b>   | <b>-</b>  | <b>-</b>                               | <b>-</b>                                | <b>203,474</b>  |
| <b>Deferred Inflows of Resources</b>       |                                |  |   |  |   |   |
| Property Taxes                             | -                              | 77,742   | 22,563  | -                                      | -                                       | 100,305   |
| <b>Total Deferred Inflows of Resources</b> | <b>-</b>                       | <b>77,742</b>  | <b>22,563</b>   | <b>-</b>                               | <b>-</b>                                | <b>100,305</b>  |
| <b>Fund Balances</b>                       |                                |  |   |  |   |   |
| Restricted:                                |                                |  |   |  |   |   |
| Tribal mitigation impact                   | -                              | -  | -   | -                                      | 22,071                                  | 22,071  |
| Joint County/City projects                 | 561,170                        | -  | -   | -                                      | -                                       | 561,170   |
| Recreation & parks                         | -                              | -  | -   | 3,327,676                              | -                                       | 3,327,676   |
| Assigned:                                  |                                |  |   |  |   |   |
| Construction/maintenance of roads          | -                              | 196,972  | -   | -                                      | -                                       | 196,972   |
| Debt service                               | -                              | -  | 29,735  | -                                      | -                                       | 29,735  |
| <b>Total Fund Balances</b>                 | <b>\$ 561,170</b>              | <b>\$ 196,972</b>  | <b>\$ 29,735</b>  | <b>\$ 3,327,676</b>                    | <b>\$ 22,071</b>                        | <b>\$ 4,137,624</b>                                     |

**La Plata County, Colorado**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2016**

|  | <b>Joint<br/>Sales<br/>Tax</b> | <b>Durango Hills<br/>Road<br/>Improvement<br/>District</b> | <b>Palo Verde<br/>Public<br/>Improvement<br/>District</b> | <b>Conservation<br/>Trust<br/>Fund</b> | <b>Tribal<br/>Impact<br/>Mitigation</b> | <b>Total<br/>Nonmajor<br/>Special Revenue<br/>Funds</b> |
|--|--------------------------------|--|---|--|---|---|
| <b>Revenues</b>  |                                |  |   |  |   |   |
| Property taxes   | \$ -                           | \$ 76,827  | \$ 22,276   | \$ 350,156                             | \$ 21,140                               | \$ 470,399  |
| Sales taxes  | 2,366,776                      | -  | -   | -                                      | -                                       | 2,366,776   |
| Other taxes  | -                              | 6,631  | 2,249   | -                                      | -                                       | 8,880   |
| Miscellaneous  | 877                            | 2,750  | -   | 21,264                                 | -                                       | 24,891  |
| <b>Total Revenues</b>  | <b>2,367,653</b>               | <b>86,208</b>  | <b>24,525</b>   | <b>371,420</b>                         | <b>21,140</b>                           | <b>2,870,946</b>  |
| <b>Expenditures</b>  |                                |  |   |  |   |   |
| Public works   | -                              | 79,961   | 1,291   | -                                      | -                                       | 81,252  |
| Recreation & Culture   | 1,955,401                      | -  | -   | -                                      | -                                       | 1,955,401   |
| <b>Debt Service</b>  |                                |  |   |  |   |   |
| Principal retirement   | -                              | -  | 11,628  | -                                      | -                                       | 11,628  |
| Interest and fiscal charges  | -                              | -  | 5,259   | -                                      | -                                       | 5,259   |
| <b>Total Expenditures</b>  | <b>1,955,401</b>               | <b>79,961</b>  | <b>18,178</b>   | <b>-</b>                               | <b>-</b>                                | <b>2,053,540</b>  |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>412,252</b>                 | <b>6,247</b>   | <b>6,347</b>  | <b>371,420</b>                         | <b>21,140</b>                           | <b>817,406</b>  |
| <b>Other Financing Sources (Uses)</b>                                |                                |  |   |  |   |   |
| Transfers in/(out)   | (379,740)                      | -  | -   | -                                      | -                                       | (379,740)   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(379,740)</b>               | <b>-</b>   | <b>-</b>  | <b>-</b>                               | <b>-</b>                                | <b>(379,740)</b>  |
| <b>Net Change in Fund Balances</b>                                   | <b>32,512</b>                  | <b>6,247</b>   | <b>6,347</b>  | <b>371,420</b>                         | <b>21,140</b>                           | <b>437,666</b>  |
| <b>Fund Balances Beginning of Year</b>                               | <b>528,658</b>                 | <b>190,725</b>   | <b>23,388</b>   | <b>2,956,256</b>                       | <b>931</b>                              | <b>3,699,958</b>  |
| <b>Fund Balances End of Year</b>                                     | <b>\$ 561,170</b>              | <b>\$ 196,972</b>  | <b>\$ 29,735</b>  | <b>\$ 3,327,676</b>                    | <b>\$ 22,071</b>                        | <b>\$ 4,137,624</b>                                     |



**La Plata County, Colorado**  
**Joint Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2016 and 2015**

|  | <u>2016</u>              | <u>2015</u>              |
|--|--------------------------|--------------------------|
| <b>Assets</b>                              |                          |                          |
| Equity in treasurer's cash and investments | \$ 360,171               | \$ 324,453               |
| Intergovernmental receivable               | <u>401,195</u>           | <u>383,038</u>           |
| <b>Total Assets</b>                        | <u><b>761,366</b></u>    | <u><b>707,491</b></u>    |
| <b>Liabilities</b>                         |                          |                          |
| Accounts payable                           | 40,632                   | 178,833                  |
| Intergovernmental payable                  | <u>159,564</u>           | <u>-</u>                 |
| <b>Total Liabilities</b>                   | <u><b>200,196</b></u>    | <u><b>178,833</b></u>    |
| <b>Fund Balances</b>                       |                          |                          |
| Restricted:                                |                          |                          |
| Joint County/City projects                 | <u>561,170</u>           | <u>528,658</u>           |
| <b>Total Fund Balances</b>                 | <u><b>\$ 561,170</b></u> | <u><b>\$ 528,658</b></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, 2016**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2015)*

|  | 2016                |                     |                   |                               | 2015<br>Actual    |
|--|---------------------|---------------------|-------------------|-------------------------------|-------------------|
|  | Original<br>Budget  | Final<br>Budget     | Actual            | Variance with<br>Final Budget |                   |
| <b>Revenues</b>  |                     |                     |                   |                               |                   |
| Sales taxes  | \$ 2,317,822        | \$ 2,317,822        | \$ 2,366,776      | \$ 48,954                     | \$ 2,324,742      |
| Investment income  | 300                 | 300                 | 877               | 577                           | -                 |
| <b>Total Revenues</b>  | <b>2,318,122</b>    | <b>2,318,122</b>    | <b>2,367,653</b>  | <b>49,531</b>                 | <b>2,324,742</b>  |
| <b>Expenditures</b>  |                     |                     |                   |                               |                   |
| Telecommunication Infrastructure                                     | 266,590             | 266,590             | -                 | 266,590                       | -                 |
| Durango Public Library   | 1,914,769           | 1,914,769           | 1,955,401         | (40,632)                      | 1,891,568         |
| <b>Total Expenditures</b>  | <b>2,181,359</b>    | <b>2,181,359</b>    | <b>1,955,401</b>  | <b>225,958</b>                | <b>1,891,568</b>  |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>136,763</b>      | <b>136,763</b>      | <b>412,252</b>    | <b>275,489</b>                | <b>433,174</b>    |
| <b>Other Financing Sources (Uses)</b>                                |                     |                     |                   |                               |                   |
| Transfers out  | (413,353)           | (413,353)           | (379,740)         | 33,613                        | (380,723)         |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(413,353)</b>    | <b>(413,353)</b>    | <b>(379,740)</b>  | <b>33,613</b>                 | <b>(380,723)</b>  |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ (276,590)</b> | <b>\$ (276,590)</b> | <b>32,512</b>     | <b>\$ 309,102</b>             | <b>52,451</b>     |
| <b>Fund Balances Beginning of Year</b>                               |                     |                     | <b>528,658</b>    |                               | <b>476,207</b>    |
| <b>Fund Balances End of Year</b>                                     |                     |                     | <b>\$ 561,170</b> |                               | <b>\$ 528,658</b> |

**La Plata County, Colorado**  
***Durango Hills Road Improvement District***  
***Comparative Balance Sheet***  
***December 31, 2016 and 2015***

|  | <u>2016</u>              | <u>2015</u>              |
|--|--------------------------|--------------------------|
| <b>Assets</b>                              |                          |                          |
| Equity in treasurer's cash and investments | \$ 199,638               | \$ 192,403               |
| Receivable:                                |                          |                          |
| Property taxes receivable                  | 77,742                   | 76,752                   |
| Intergovernment receivable                 | <u>612</u>               | <u>645</u>               |
| <b>Total Assets</b>                        | <u><b>277,992</b></u>    | <u><b>269,800</b></u>    |
| <b>Liabilities</b>                         |                          |                          |
| Accounts payable                           | <u>3,278</u>             | <u>2,323</u>             |
| <b>Total Liabilities</b>                   | <u><b>3,278</b></u>      | <u><b>2,323</b></u>      |
| <b>Deferred Inflows of Resources</b>       |                          |                          |
| Property taxes                             | <u>77,742</u>            | <u>76,752</u>            |
| <b>Total Deferred Inflows of Resources</b> | <u><b>77,742</b></u>     | <u><b>76,752</b></u>     |
| <b>Fund Balances</b>                       |                          |                          |
| Assigned:                                  |                          |                          |
| Construction/maintenance of roads          | <u>196,972</u>           | <u>190,725</u>           |
| <b>Total Fund Balances</b>                 | <u><b>\$ 196,972</b></u> | <u><b>\$ 190,725</b></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, 2016**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2015)*

|  | 2016               |                    |                   |                               | 2015<br>Actual    |
|--|--------------------|--------------------|-------------------|-------------------------------|-------------------|
|  | Original<br>Budget | Final<br>Budget    | Actual            | Variance with<br>Final Budget |                   |
| <b>Revenues</b>  |                    |                    |                   |                               |                   |
| Property Taxes   | \$ 76,752          | \$ 76,752          | \$ 76,827         | \$ 75                         | \$ 74,548         |
| Other Taxes  | 5,500              | 5,500              | 6,631             | 1,131                         | 6,764             |
| Miscellaneous  | 2,475              | 2,475              | 2,750             | 275                           | 4,400             |
| <b>Total Revenues</b>  | <b>84,727</b>      | <b>84,727</b>      | <b>86,208</b>     | <b>1,481</b>                  | <b>85,712</b>     |
| <b>Expenditures</b>  |                    |                    |                   |                               |                   |
| Public works   | 131,000            | 131,000            | 79,961            | 51,039                        | 67,023            |
| <b>Total Expenditures</b>  | <b>131,000</b>     | <b>131,000</b>     | <b>79,961</b>     | <b>51,039</b>                 | <b>67,023</b>     |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(46,273)</b>    | <b>(46,273)</b>    | <b>6,247</b>      | <b>52,520</b>                 | <b>18,689</b>     |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>           | <b>-</b>           | <b>-</b>          | <b>-</b>                      | <b>-</b>          |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ (46,273)</b> | <b>\$ (46,273)</b> | <b>6,247</b>      | <b>\$ 52,520</b>              | <b>18,689</b>     |
| <b>Fund Balances Beginning of Year</b>                               |                    |                    | <b>190,725</b>    |                               | <b>172,036</b>    |
| <b>Fund Balances End of Year</b>                                     |                    |                    | <b>\$ 196,972</b> |                               | <b>\$ 190,725</b> |

**La Plata County, Colorado**  
***Palo Verde Public Improvement District #3***  
***Comparative Balance Sheet***  
***December 31, 2016 and 2015***

|  | <u>2016</u>             | <u>2015</u>             |
|--|-------------------------|-------------------------|
| <b>Assets</b>                              |                         |                         |
| Equity in treasurer's cash and investments | \$ 29,555               | \$ 23,194               |
| Receivable:                                |                         |                         |
| Property taxes receivable                  | 22,563                  | 22,563                  |
| Intergovernmental receivable               | <u>180</u>              | <u>194</u>              |
| <b>Total Assets</b>                        | <u><b>52,298</b></u>    | <u><b>45,951</b></u>    |
| <br><b>Deferred Inflows of Resources</b>   |                         |                         |
| Property taxes                             | <u>22,563</u>           | <u>22,563</u>           |
| <b>Total Deferred Inflows of Resources</b> | <u><b>22,563</b></u>    | <u><b>22,563</b></u>    |
| <br><b>Fund Balances</b>                   |                         |                         |
| Assigned:                                  |                         |                         |
| Debt service                               | <u>29,735</u>           | <u>23,388</u>           |
| <b>Total Fund Balances</b>                 | <u><b>\$ 29,735</b></u> | <u><b>\$ 23,388</b></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, 2016**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2015)*

|  | 2016               |                 |                  |                               | 2015             |
|--|--------------------|-----------------|------------------|-------------------------------|------------------|
|  | Original<br>Budget | Final<br>Budget | Actual           | Variance with<br>Final Budget | Actual           |
| <b>Revenues</b>  |                    |                 |                  |                               |                  |
| Property Taxes   | \$ 22,563          | \$ 22,563       | \$ 22,276        | \$ (287)                      | \$ 22,073        |
| Other Taxes  | -                  | -               | 2,249            | 2,249                         | 2,443            |
| <b>Total Revenues</b>  | <b>22,563</b>      | <b>22,563</b>   | <b>24,525</b>    | <b>1,962</b>                  | <b>24,516</b>    |
| <b>Expenditures</b>  |                    |                 |                  |                               |                  |
| Public works   | 5,675              | 5,675           | 1,291            | 4,384                         | 1,503            |
| <b>Debt Service</b>  |                    |                 |                  |                               |                  |
| Principal retirement   | 11,629             | 11,629          | 11,628           | 1                             | 6,657            |
| Interest and fiscal charges  | 5,259              | 5,259           | 5,259            | -                             | 3,170            |
| <b>Total Expenditures</b>  | <b>22,563</b>      | <b>22,563</b>   | <b>18,178</b>    | <b>4,385</b>                  | <b>11,330</b>    |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>-</b>           | <b>-</b>        | <b>6,347</b>     | <b>6,347</b>                  | <b>13,186</b>    |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ -</b>        | <b>\$ -</b>     | <b>6,347</b>     | <b>\$ 6,347</b>               | <b>13,186</b>    |
| <b>Fund Balances Beginning of Year</b>                               |                    |                 | <b>23,388</b>    |                               | <b>10,202</b>    |
| <b>Fund Balances End of Year</b>                                     |                    |                 | <b>\$ 29,735</b> |                               | <b>\$ 23,388</b> |

**La Plata County, Colorado**  
***Tribal Impact Mitigation Fund***  
***Comparative Balance Sheet***  
***December 31, 2016 and 2015***

|  | <u>2016</u>             | <u>2015</u>          |
|--|-------------------------|----------------------|
| <b>Assets</b>                              |                         |                      |
| Equity in treasurer's cash and investments | <u><u>\$ 22,071</u></u> | <u><u>\$ 931</u></u> |
| <br><b>Fund Balances</b>                   |                         |                      |
| Restricted:                                |                         |                      |
| Tribal mitigation impact                   | <u>22,071</u>           | <u>931</u>           |
| <b>Total Fund Balances</b>                 | <u><u>\$ 22,071</u></u> | <u><u>\$ 931</u></u> |

**La Plata County, Colorado**  
**Tribal Impact Mitigation Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2016**

|  | 2016               |                 |                         |                               | 2015<br>Actual       |
|--|--------------------|-----------------|-------------------------|-------------------------------|----------------------|
|  | Original<br>Budget | Final<br>Budget | Actual                  | Variance with<br>Final Budget |                      |
| <b>Revenues</b>  |                    |                 |                         |                               |                      |
| Intergovernmental:   |                    |                 |                         |                               |                      |
| Southern Ute Indian tribe payment                                    | \$ -               | \$ -            | \$ 21,140               | \$ 21,140                     | \$ -                 |
| <b>Total Revenues</b>  | <u>-</u>           | <u>-</u>        | <u>21,140</u>           | <u>21,140</u>                 | <u>-</u>             |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>-</u>           | <u>-</u>        | <u>21,140</u>           | <u>21,140</u>                 | <u>-</u>             |
| <b>Fund Balances Beginning of Year</b>                               |                    |                 | <u>931</u>              |                               | <u>931</u>           |
| <b>Fund Balances End of Year</b>                                     |                    |                 | <u><u>\$ 22,071</u></u> |                               | <u><u>\$ 931</u></u> |



**La Plata County, Colorado**  
***Conservation Trust Fund***  
***Comparative Balance Sheet***  
***December 31, 2016 and 2015***

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| <b>Assets</b>                              |                            |                            |
| Equity in treasurer's cash and investments | \$ 3,327,676               | \$ 2,956,256               |
| <b>Total Assets</b>                        | <u><b>3,327,676</b></u>    | <u><b>2,956,256</b></u>    |
| <br><b>Fund Balances</b>                   |                            |                            |
| Restricted:                                |                            |                            |
| Recreation & parks                         | 3,327,676                  | 2,956,256                  |
| <b>Total Fund Balances</b>                 | <u><b>\$ 3,327,676</b></u> | <u><b>\$ 2,956,256</b></u> |

The Conservation Trust Fund was created during the 2016 Budget cycle to properly report Lottery Funds and qualifying expenditures on parks and recreational sites. 2014 Fund Balance was moved in from General Fund.

**La Plata County, Colorado**  
**Conservation Trust Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2016**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2015)*

|  | <b>2016</b>                |                         |                     |                                       | <b>2015</b>         |
|--|----------------------------|-------------------------|---------------------|---------------------------------------|---------------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       | <b>Variance with<br/>Final Budget</b> | <b>Actual</b>       |
| <b>Revenues</b>  |                            |                         |                     |                                       |                     |
| Lottery funds  | \$ 338,000                 | \$ 338,000              | \$ 350,156          | \$ 12,156                             | \$ 298,434          |
| Investment earnings  | 3,000                      | 3,000                   | 21,264              | 18,264                                | 5,145               |
| <b>Total Revenues</b>  | <b>341,000</b>             | <b>341,000</b>          | <b>371,420</b>      | <b>30,420</b>                         | <b>303,579</b>      |
| <b>Expenditures</b>  |                            |                         |                     |                                       |                     |
| Parks & recreational sites   | 270,000                    | 270,000                 | -                   | 270,000                               | -                   |
| <b>Total Expenditures</b>  | <b>270,000</b>             | <b>270,000</b>          | <b>-</b>            | <b>270,000</b>                        | <b>-</b>            |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>71,000</b>              | <b>71,000</b>           | <b>371,420</b>      | <b>300,420</b>                        | <b>303,579</b>      |
| <b>Other Financing Sources (Uses)</b>                                |                            |                         |                     |                                       |                     |
| Transfer In from General Fund  | -                          | -                       | -                   | -                                     | 2,652,677           |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>                   | <b>-</b>                | <b>-</b>            | <b>-</b>                              | <b>2,652,677</b>    |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ 71,000</b>           | <b>\$ 71,000</b>        | <b>371,420</b>      | <b>\$ 300,420</b>                     | <b>2,956,256</b>    |
| <b>Fund Balances Beginning of Year</b>                               |                            |                         | <b>2,956,256</b>    |                                       | <b>-</b>            |
| <b>Fund Balances End of Year</b>                                     |                            |                         | <b>\$ 3,327,676</b> |                                       | <b>\$ 2,956,256</b> |

## **CAPITAL PROJECTS**

Capital Projects Funds are used to account for the acquisition and construction of major capital equipment and facilities other than those financed 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, 2016 and 2015**

|  | <u>2016</u>                | <u>2015</u>                 |
|--|----------------------------|-----------------------------|
| <b>Assets</b>                              |                            |                             |
| Equity in treasurer's cash and investments | \$ 6,854,860               | \$ 10,293,106               |
| Receivables:                               |                            |                             |
| Accounts                                   | 1,340                      | -                           |
| Intergovernmental                          | 837,352                    | 344,085                     |
| Deposits receivable                        | 3,471                      | 1,976                       |
| <b>Total Assets</b>                        | <b><u>7,697,023</u></b>    | <b><u>10,639,167</u></b>    |
| <b>Liabilities</b>                         |                            |                             |
| Accounts payable                           | 837,859                    | 443,994                     |
| Unearned revenue                           | 150,000                    | 150,000                     |
| <b>Total Liabilities</b>                   | <b><u>987,859</u></b>      | <b><u>593,994</u></b>       |
| <b>Fund Balances</b>                       |                            |                             |
| Nonspendable:                              |                            |                             |
| Long term receivable                       | 3,471                      | 1,976                       |
| Restricted:                                |                            |                             |
| General capital improvements               | 6,705,693                  | 10,043,197                  |
| <b>Total Fund Balance</b>                  | <b><u>\$ 6,709,164</u></b> | <b><u>\$ 10,045,173</u></b> |

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, 2016*  
*(With Comparative Actual Amounts for the Year Ended December 31, 2015)*

|  | 2016                  |                       |                       |                               | 2015                 |
|--|-----------------------|-----------------------|-----------------------|-------------------------------|----------------------|
|  | Original<br>Budget    | Final<br>Budget       | Actual                | Variance with<br>Final Budget | Actual               |
| <b>Revenues</b>  |                       |                       |                       |                               |                      |
| Sales Tax  | \$ 2,000,000          | \$ 2,000,000          | \$ 2,000,000          | \$ -                          | \$ 2,000,000         |
| Intergovernmental  | 2,188,000             | 2,188,000             | 1,708,544             | (479,456)                     | 866,517              |
| Miscellaneous  | -                     | -                     | 69,134                | 69,134                        | 126,487              |
| <b>Total Revenues</b>  | <b>4,188,000</b>      | <b>4,188,000</b>      | <b>3,777,678</b>      | <b>(410,322)</b>              | <b>2,993,004</b>     |
| <b>Expenditures</b>  |                       |                       |                       |                               |                      |
| General government   | 6,541,000             | 4,205,804             | 313,623               | 3,892,181                     | 181,316              |
| Public safety  | -                     | -                     | 37,234                | (37,234)                      | -                    |
| Capital Outlay   | 17,366,094            | 19,701,290            | 16,762,830            | 2,938,460                     | 5,730,979            |
| <b>Total Expenditures</b>  | <b>23,907,094</b>     | <b>23,907,094</b>     | <b>17,113,687</b>     | <b>6,793,407</b>              | <b>5,912,295</b>     |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(19,719,094)</b>   | <b>(19,719,094)</b>   | <b>(13,336,009)</b>   | <b>6,383,085</b>              | <b>(2,919,291)</b>   |
| <b>Other Financing Sources</b>                                       |                       |                       |                       |                               |                      |
| Transfers in from General Fund                                       | 10,000,000            | 10,000,000            | 10,000,000            | -                             | 5,577,637            |
| <b>Total Other Financing Sources</b>                                 | <b>10,000,000</b>     | <b>10,000,000</b>     | <b>10,000,000</b>     | <b>-</b>                      | <b>5,577,637</b>     |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ (9,719,094)</b> | <b>\$ (9,719,094)</b> | <b>\$ (3,336,009)</b> | <b>\$ 6,383,085</b>           | <b>\$ 2,658,346</b>  |
| <b>Fund Balances Beginning of Year</b>                               |                       |                       | <b>10,045,173</b>     |                               | <b>7,386,827</b>     |
| <b>Fund Balances End of Year</b>                                     |                       |                       | <b>\$ 6,709,164</b>   |                               | <b>\$ 10,045,173</b> |

## **PROPRIETARY FUNDS**

### **INTERNAL SERVICE FUNDS**

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

#### *Capital Equipment Replacement Fund:*

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

#### *Employee Health Insurance Fund:*

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

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**December 31, 2016**

|  | <b>Capital<br/>Equipment<br/>Replacement<br/>Fund</b> | <b>Employee<br/>Medical Self<br/>Insurance Fund</b> | <b>Total</b>         |
|--|---|---|----------------------|
| <b>Assets</b>                              |   |   |                      |
| Current Assets:                            |   |   |                      |
| Equity in treasurer's cash and investments | \$ 6,571,156  | \$ 3,062,095  | \$ 9,633,251         |
| Accounts receivable                        | -   | 1,608   | 1,608                |
| Intergovernmental Receivable               | 80,270  | -   | 80,270               |
| Inventory                                  | 113,384   | -   | 113,384              |
| <b>Total Current Assets</b>                | <b>6,764,810</b>                                      | <b>3,063,703</b>                                    | <b>9,828,513</b>     |
| Noncurrent Assets:                         |   |   |                      |
| Capital Assets:                            |   |   |                      |
| Depreciable capital assets, net            | 7,064,432   | -   | 7,064,432            |
| <b>Total Assets</b>                        | <b>13,829,242</b>                                     | <b>3,063,703</b>                                    | <b>16,892,945</b>    |
| <b>Liabilities</b>                         |   |   |                      |
| Accrued payroll                            | 13,037  | -   | 13,037               |
| Accounts payable                           | 238,923   | -   | 238,923              |
| Accrued claims payable                     | -   | 375,231   | 375,231              |
| <b>Total Current Liabilities</b>           | <b>251,960</b>  | <b>375,231</b>                                      | <b>627,191</b>       |
| <b>Net Position</b>                        |   |   |                      |
| Net investment in capital assets           | 7,064,432   | -   | 7,064,432            |
| Unrestricted                               | 6,512,850   | 2,688,472   | 9,201,322            |
| <b>Total Net Position</b>                  | <b>\$ 13,577,282</b>                                  | <b>\$ 2,688,472</b>                                 | <b>\$ 16,265,754</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, 2016**

|  | <b>Capital<br/>Equipment<br/>Replacement<br/>Fund</b> | <b>Employee<br/>Medical Self<br/>Insurance Fund</b> | <b>Total</b>         |
|--|---|---|----------------------|
| <b>Operating Revenues</b>                      |   |   |                      |
| Charges for services                           | \$ 2,004,412  | \$ -  | \$ 2,004,412         |
| Insurance deposits                             | -   | 3,549,662   | 3,549,662            |
| Capital grant                                  | 78,681  | -   | 78,681               |
| Miscellaneous revenue                          | 600   | -   | 600                  |
| <b>Total Operating Revenues</b>                | <b>2,083,693</b>                                      | <b>3,549,662</b>                                    | <b>5,633,355</b>     |
| <b>Operating Expenses</b>                      |   |   |                      |
| Equipment maintenance                          | 1,208,940   | -   | 1,208,940            |
| Depreciation                                   | 956,260   | -   | 956,260              |
| Medical claims                                 | -   | 3,449,215   | 3,449,215            |
| <b>Total Operating Expenses</b>                | <b>2,165,200</b>                                      | <b>3,449,215</b>                                    | <b>5,614,415</b>     |
| <b>Operating Income (Loss)</b>                 | <b>(81,507)</b>                                       | <b>100,447</b>                                      | <b>18,940</b>        |
| <b>Non-Operating Revenues</b>                  |   |   |                      |
| Gain (loss) on sale of capital assets          | 5,193   | -   | 5,193                |
| Investment earnings                            | -   | 8,925   | 8,925                |
| <b>Total Non-Operating Revenues (Expenses)</b> | <b>5,193</b>  | <b>8,925</b>  | <b>14,118</b>        |
| <b>Change in Net Position</b>                  | <b>(76,314)</b>                                       | <b>109,372</b>                                      | <b>33,058</b>        |
| <b>Net Position Beginning of Year</b>          | <b>13,653,596</b>                                     | <b>2,579,100</b>                                    | <b>16,232,696</b>    |
| <b>Net Position End of Year</b>                | <b>\$ 13,577,282</b>                                  | <b>\$ 2,688,472</b>                                 | <b>\$ 16,265,754</b> |



**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2016**

|   | <b>Capital<br/>Equipment<br/>Replacement<br/>Fund</b> | <b>Employee<br/>Medical Self<br/>Insurance<br/>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  | \$ 1,940,961  | \$ 3,548,385  | \$ 5,489,346        |
| Cash from capital grant   | 78,681  |   | 78,681              |
| Cash payments for goods and services  | (1,016,327)   | -   | (1,016,327)         |
| Cash payments for claims  | -   | (3,325,378)   | (3,325,378)         |
| <b>Net Cash Provided By (Used In) Operating Activities</b>  | <b>1,003,315</b>                                      | <b>223,007</b>  | <b>1,226,322</b>    |
| <b>Cash Flows from Capital and Related Financing Activities</b>                                   |   |   |                     |
| Cash sales of capital assets  | 143,284   | -   | 143,284             |
| Payments for capital acquisitions   | (1,255,730)   | -   | (1,255,730)         |
| <b>Net Cash Used in Capital and Related Financing Activities</b>                                  | <b>(1,112,446)</b>                                    | <b>-</b>  | <b>(1,112,446)</b>  |
| <b>Cash Flows from Investing Activities</b>   |   |   |                     |
| Investment earnings   | -   | 8,925   | 8,925               |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                       | <b>(109,131)</b>                                      | <b>231,932</b>  | <b>122,801</b>      |
| <b>Cash and Cash Equivalents Beginning of Year</b>  | <b>6,680,287</b>                                      | <b>2,830,163</b>  | <b>9,510,450</b>    |
| <b>Cash and Cash Equivalents End of Year</b>  | <b>\$ 6,571,156</b>                                   | <b>\$ 3,062,095</b>                                     | <b>\$ 9,633,251</b> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by Operating Activities</b> |   |   |                     |
| <b>Operating Income (Loss)</b>  | <b>\$ (81,507)</b>                                    | <b>\$ 100,447</b>                                       | <b>\$ 18,940</b>    |
| <b>Adjustments:</b>   |   |   |                     |
| Depreciation  | 956,260   | -   | 956,260             |
| <b>(Increase) Decrease in Assets:</b>   |   |   |                     |
| Accounts receivable   | 16,219  | (1,277)   | 14,942              |
| Intergovernmental receivable  | (80,270)  | -   | (80,270)            |
| Inventory   | 28,673  | -   | 28,673              |
| <b>Increase (Decrease) in Liabilities:</b>  |   |   |                     |
| Accounts payable  | 161,625   | -   | 161,625             |
| Accrued incurred/unreported claims/deferred revenues  | -   | 123,837   | 123,837             |
| Accrued wages   | 2,315   | -   | 2,315               |
| <b>Net Cash Provided by Operating Activities</b>  | <b>\$ 1,003,315</b>                                   | <b>\$ 223,007</b>                                       | <b>\$ 1,226,322</b> |

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Net Position**  
**December 31, 2016 and 2015**

|  | <b>2016</b>          | <b>2015</b>          |
|--|----------------------|----------------------|
| <b>Assets</b>                              |                      |                      |
| <b>Current Assets:</b>                     |                      |                      |
| Equity in treasurer's cash and investments | \$ 6,571,156         | \$ 6,680,287         |
| Accounts receivable                        | -                    | 16,219               |
| Intergovernmental                          | 80,270               | -                    |
| Inventory                                  | 113,384              | 142,057              |
| <b>Total Current Assets</b>                | <b>6,764,810</b>     | <b>6,838,563</b>     |
| <b>Noncurrent Assets</b>                   |                      |                      |
| <b>Capital Assets:</b>                     |                      |                      |
| Depreciable capital assets, net            | 7,064,432            | 6,903,053            |
| <b>Total Assets</b>                        | <b>13,829,242</b>    | <b>13,741,616</b>    |
| <b>Liabilities</b>                         |                      |                      |
| Accrued payroll                            | 13,037               | 10,722               |
| Accounts payable                           | 238,923              | 77,298               |
| <b>Total Current Liabilities</b>           | <b>251,960</b>       | <b>88,020</b>        |
| <b>Net Position</b>                        |                      |                      |
| Investment in capital assets               | 7,064,432            | 6,903,053            |
| Unrestricted                               | 6,512,850            | 6,750,543            |
| <b>Total Net Position</b>                  | <b>\$ 13,577,282</b> | <b>\$ 13,653,596</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, 2016 and 2015**

|                                       | <b>2016</b>          | <b>2015</b>          |
|---------------------------------------|----------------------|----------------------|
| <b>Operating Revenues</b>             |                      |                      |
| Capital grant                         | \$ 78,681            | \$ -                 |
| Charges for services                  | 2,004,412            | 2,082,331            |
| Miscellaneous revenue                 | 600                  | 20,927               |
| <b>Total Operating Revenues</b>       | <b>2,083,693</b>     | <b>\$ 2,103,258</b>  |
| <b>Operating Expenses</b>             |                      |                      |
| Equipment maintenance                 | 1,208,940            | 1,212,840            |
| Depreciation                          | 956,260              | 996,007              |
| <b>Total Operating Expenses</b>       | <b>2,165,200</b>     | <b>2,208,847</b>     |
| <b>Operating (Loss)</b>               | <b>(81,507)</b>      | <b>(105,589)</b>     |
| <b>Non-Operating Revenues</b>         |                      |                      |
| Gain on sale of capital assets        | 5,193                | 156,358              |
| <b>Total Non-Operating Revenues</b>   | <b>5,193</b>         | <b>156,358</b>       |
| <b>Change in Net Position</b>         | <b>(76,314)</b>      | <b>50,769</b>        |
| <b>Net Position Beginning of Year</b> | <b>13,653,596</b>    | <b>13,602,827</b>    |
| <b>Net Position End of Year</b>       | <b>\$ 13,577,282</b> | <b>\$ 13,653,596</b> |

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2016**

|  | <u>Original<br/>Budget</u>        | <u>Final<br/>Budget</u>           | <u>Actual</u>                    | <u>Variance with<br/>Final Budget</u> |
|--|-----------------------------------|-----------------------------------|----------------------------------|---------------------------------------|
| <b>Revenues</b>  |                                   |                                   |                                  |                                       |
| Charges for services   | \$ 2,083,608                      | \$ 2,083,608                      | \$ 2,004,412                     | \$ (79,196)                           |
| Sales of capital assets  | 211,200                           | 211,200                           | 143,284                          | (67,916)                              |
| Capital grant  | 25,200                            | 78,800                            | 78,681                           | (119)                                 |
| Miscellaneous  | -                                 | -                                 | 600                              | 600                                   |
| <b>Total Revenues</b>  | <u><b>2,320,008</b></u>           | <u><b>2,373,608</b></u>           | <u><b>2,226,977</b></u>          | <u><b>(146,631)</b></u>               |
| <b>Expenditures</b>  |                                   |                                   |                                  |                                       |
| Personnel costs  | 680,379                           | 680,379                           | 671,374                          | 9,005                                 |
| Equipment maintenance  | 654,310                           | 654,310                           | 537,566                          | 116,744                               |
| Capital outlay   | 1,523,946                         | 1,577,546                         | 1,255,730                        | 321,816                               |
| <b>Total Expenditures</b>  | <u><b>2,858,635</b></u>           | <u><b>2,912,235</b></u>           | <u><b>2,464,670</b></u>          | <u><b>447,565</b></u>                 |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u><b>(538,627)</b></u>           | <u><b>(538,627)</b></u>           | <u><b>(237,693)</b></u>          | <u><b>300,934</b></u>                 |
| <b>Net change in Fund Balances</b>                                   | <u><u><b>\$ (538,627)</b></u></u> | <u><u><b>\$ (538,627)</b></u></u> | <u><u><b>(237,693)</b></u></u>   | <u><u><b>\$ 300,934</b></u></u>       |
| <b>Reconciliation to GAAP Net Income:</b>                            |                                   |                                   |                                  |                                       |
| Less: Capital assets, disposed net of accumulated depreciation       |                                   |                                   | (138,091)                        |                                       |
| Add: capital contributions   |                                   |                                   |                                  |                                       |
| Add capital expenditures capitalized                                 |                                   |                                   | 1,255,730                        |                                       |
| Less depreciation expense  |                                   |                                   | (956,260)                        |                                       |
| <b>Change in Net Position</b>  |                                   |                                   | <u><u><b>\$ (76,314)</b></u></u> |                                       |

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Position**  
**December 31, 2016 and 2015**

|  | <u>2016</u>                | <u>2015</u>                |
|--|----------------------------|----------------------------|
| <b>Assets</b>                              |                            |                            |
| <b>Current Assets:</b>                     |                            |                            |
| Equity in treasurer's cash and investments | \$ 3,062,095               | \$ 2,830,163               |
| Accounts receivable                        | <u>1,608</u>               | <u>331</u>                 |
| <b>Total Current Assets</b>                | <b><u>3,063,703</u></b>    | <b><u>2,830,494</u></b>    |
| <br><b>Liabilities</b>                     |                            |                            |
| <b>Current Liabilities:</b>                |                            |                            |
| Accrued claims payable                     | <u>375,231</u>             | <u>251,394</u>             |
| <b>Total Current Liabilities</b>           | <b><u>375,231</u></b>      | <b><u>251,394</u></b>      |
| <br><b>Net Position</b>                    |                            |                            |
| Unrestricted                               | <b><u>\$ 2,688,472</u></b> | <b><u>\$ 2,579,100</u></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, 2016 and 2015**

|                                       | <u>2016</u>                | <u>2015</u>                |
|---------------------------------------|----------------------------|----------------------------|
| <b>Operating Revenues</b>             |                            |                            |
| Insurance deposits                    | \$ 3,549,662               | \$ 3,520,341               |
| <b>Operating Expenses</b>             |                            |                            |
| Medical claims                        | <u>3,449,215</u>           | <u>3,431,571</u>           |
| <b>Operating Income</b>               | <u>100,447</u>             | <u>88,770</u>              |
| <b>Non-Operating Revenues</b>         |                            |                            |
| Investment earnings                   | <u>8,925</u>               | <u>866</u>                 |
| <b>Change in Net Position</b>         | <b>109,372</b>             | <b>89,636</b>              |
| <b>Net Position Beginning of Year</b> | <u>2,579,100</u>           | <u>2,489,464</u>           |
| <b>Net Position End of Year</b>       | <u><u>\$ 2,688,472</u></u> | <u><u>\$ 2,579,100</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, 2016**

|                                       | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u>    | <u>Actual</u>              | <u>Variance with<br/>Final Budget</u> |
|---------------------------------------|----------------------------|----------------------------|----------------------------|---------------------------------------|
| <b>Operating Revenues</b>             |                            |                            |                            |                                       |
| Insurance deposits                    | \$ 4,205,526               | \$ 4,205,526               | \$ 3,549,662               | \$ (655,864)                          |
| <b>Operating Expenses</b>             |                            |                            |                            |                                       |
| Medical claims                        | <u>4,478,526</u>           | <u>4,478,526</u>           | <u>3,449,215</u>           | <u>1,029,311</u>                      |
| <b>Operating Income (Loss)</b>        | <u>(273,000)</u>           | <u>(273,000)</u>           | <u>100,447</u>             | <u>373,447</u>                        |
| <b>Non-Operating Revenues</b>         |                            |                            |                            |                                       |
| Investment earnings                   | <u>1,000</u>               | <u>1,000</u>               | <u>8,925</u>               | <u>7,925</u>                          |
| <b>Change in Net Position</b>         | <u><u>\$ (272,000)</u></u> | <u><u>\$ (272,000)</u></u> | <u>109,372</u>             | <u><u>\$ 381,372</u></u>              |
| <b>Net Position Beginning of Year</b> |                            |                            | <u>2,579,100</u>           |                                       |
| <b>Net Position End of Year</b>       |                            |                            | <u><u>\$ 2,688,472</u></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, 2016*

|  | <b>Balance</b><br><b>January 1, 2016</b> | <b>Additions</b>     | <b>Deductions</b>    | <b>Balance</b><br><b>December 31, 2016</b> |
|--|--|----------------------|----------------------|--|
| <b>Assets</b>                              |  |                      |                      |  |
| Equity in treasurer's cash and investments | \$ 2,615,604                             | \$ 68,878,044        | \$ 68,316,057        | \$ 3,177,591                               |
| <b>Liabilities</b>                         |  |                      |                      |  |
| Accounts payable                           | 437,128                                  | 34,042,073           | 34,005,196           | 474,005                                    |
| Due to component unit                      | 13,544                                   | 2,386,122            | 2,362,054            | 37,612                                     |
| Deposits held for others                   | 2,164,932                                | 32,449,849           | 31,948,807           | 2,665,974                                  |
| <b>Total Liabilities</b>                   | <b>\$ 2,615,604</b>                      | <b>\$ 68,878,044</b> | <b>\$ 68,316,057</b> | <b>\$ 3,177,591</b>                        |

## **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, 2016**

| <b>Assets</b>  | <b>2016</b>         | <b>2015</b>       |
|--|---------------------|-------------------|
| Cash deposits  | \$ 104,926          | \$ 106,502        |
| Equity in Treasurer's cash and investments   | 37,612              | 13,544            |
| Receivables:   |                     |                   |
| Accounts receivable  | 3,618               | 12,658            |
| Intergovernmental receivable   | 205,143             | 168,868           |
| <b>Total Assets</b>  | <b>351,299</b>      | <b>301,572</b>    |
| <b>Liabilities and Fund Balances</b>   |                     |                   |
| <b>Liabilities</b>   |                     |                   |
| Accounts payable   | 19,303              | 12,437            |
| Accrued salaries and benefits  | 43,892              | 36,851            |
| Due to primary government  | -                   | -                 |
| <b>Total Liabilities</b>   | <b>63,195</b>       | <b>49,288</b>     |
| <b>Fund Balances</b>   |                     |                   |
| <b>Restricted for:</b>   |                     |                   |
| Law enforcement  | 212,586             | 182,641           |
| Economic stabilization (TABOR)   | 75,518              | 69,643            |
| <b>Total Fund Balances</b>   | <b>\$ 288,104</b>   | <b>\$ 252,284</b> |
| <br>Governmental Fund Balance  | <br>\$ 288,104      |                   |
| <br>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   | 30,344              |                   |
| Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position. | 66,275              |                   |
| Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.  | (25,787)            |                   |
| Net pension liabilities are not due and payable in the current period and not reported in the funds.   | (473,540)           |                   |
| Compensated absences are not due and payable in the current period and therefore not reported in the governmental funds  | (92,471)            |                   |
| Net position of governmental activities  | <u>\$ (207,075)</u> |                   |

**Sixth Judicial District Attorney**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2016**

|  | <b>2016</b>          |
|--|----------------------|
| <b>Revenues</b>  |                      |
| Intergovernmental  | \$ 840,708           |
| Intergovernmental - County   | 1,532,801            |
| Miscellaneous  | 31,400               |
| <b>Total Revenues</b>  | <b>2,404,909</b>     |
| <b>Expenditures</b>  |                      |
| Public safety  | 2,369,089            |
| <b>Total Expenditures</b>  | <b>2,369,089</b>     |
| <b>Net Change in Fund Balances</b>   | <b>35,820</b>        |
| <b>Fund Balances Beginning of Year</b>   | <b>252,284</b>       |
| <b>Fund Balances End of Year</b>   | <b>\$ 288,104</b>    |
| <br>Net change in fund balances  | <br>35,820           |
| <br>Amounts reported for governmental activities in the statement of activities are different because:   |                      |
| <br>Governmental funds report capital outlays as expenditures but they are capitalized at the government-wide financial reporting level:                                     |                      |
| Depreciation expense   | (15,609)             |
| Capital outlay   | 9,000                |
|  | (6,609)              |
| Capital assets disposed, net of accumulated depreciation   | (2,085)              |
| <br>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 @ 12/31/16   | (92,471)             |
| Liability @ 12/31/15   | 111,902              |
|  | 19,431               |
| <br>Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the fund statements. |                      |
| This items consists of the change in pension expenditures  | 2,194                |
| <br>Change in net position at the government-wide financial reporting level  | <br><b>\$ 48,751</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, 2016**

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance with<br/>Final Budget</b> |
|--|----------------------------|-------------------------|-------------------|---------------------------------------|
| <b>Revenues</b>  |                            |                         |                   |                                       |
| Intergovernmental  | \$ 883,370                 | \$ 901,699              | \$ 840,708        | \$ (60,991)                           |
| Intergovernmental - County   | 1,649,522                  | 1,649,523               | 1,532,801         | (116,722)                             |
| Miscellaneous  | 250                        | 19,252                  | 31,400            | 12,148                                |
| <b>Total Revenues</b>  | <b>2,533,142</b>           | <b>2,570,474</b>        | <b>2,404,909</b>  | <b>(165,565)</b>                      |
| <b>Expenditures</b>  |                            |                         |                   |                                       |
| Public safety  | 2,533,142                  | 2,556,310               | 2,360,089         | 196,221                               |
| <b>Total Current</b>   | <b>2,533,142</b>           | <b>2,556,310</b>        | <b>2,360,089</b>  | <b>196,221</b>                        |
| <b>Capital Outlay</b>  | <b>-</b>                   | <b>14,164</b>           | <b>9,000</b>      | <b>(5,164)</b>                        |
| <b>Total Expenditures</b>  | <b>2,533,142</b>           | <b>2,570,474</b>        | <b>2,369,089</b>  | <b>(201,385)</b>                      |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <b>-</b>                   | <b>-</b>                | <b>35,820</b>     | <b>35,820</b>                         |
| <b>Net Change in Fund Balances</b>                                   | <b>\$ -</b>                | <b>\$ -</b>             | <b>35,820</b>     | <b>\$ 35,820</b>                      |
| <b>Fund Balances Beginning of Year</b>                               |                            |                         | <b>252,284</b>    |                                       |
| <b>Fund Balances End of Year</b>                                     |                            |                         | <b>\$ 288,104</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, 2016**

| Program                           | County<br>EBT<br>Authorizations | County<br>Share of<br>Authorizations | Expenditures<br>By County<br>Warrant | Total<br>Authorizations<br>& Expenditures By<br>County Warrant | Total<br>Expenditures |
|-----------------------------------|---------------------------------|--------------------------------------|--------------------------------------|--|-----------------------|
| Colorado Works                    | \$ 653,187                      | \$ 97,281                            | \$ 381,064                           | \$ 1,034,251   | \$ 478,345            |
| Child Care                        | 375,233                         | 59,131                               | 126,980                              | 502,213  | 186,111               |
| Child Welfare                     | 514,611                         | 89,681                               | 1,641,188                            | 2,155,799  | 1,730,869             |
| County Administrative             | -                               | -                                    | 954,101                              | 954,101  | 954,101               |
| Core Services                     | 548,359                         | 55,543                               | 650,744                              | 1,199,103  | 706,287               |
| Child Support Administrative      | -                               | -                                    | 528,183                              | 528,183  | 528,183               |
| LEAP                              | 289,440                         | -                                    | 2,064                                | 291,504  | 2,064                 |
| AND                               | 213,341                         | 32,233                               | -                                    | 213,341  | 32,233                |
| Old Age Pension                   | 395,510                         | 85                                   | 13,380                               | 408,890  | 13,465                |
| Food Assistance Fraud             | -                               | -                                    | 44,863                               | 44,863   | 44,863                |
| Food Assistance                   | 5,331,242                       | -                                    | -                                    | 5,331,242  | -                     |
| Food Assistance Job Search        | -                               | -                                    | 84,741                               | 84,741   | 84,741                |
| Title XX                          | -                               | -                                    | 10,192                               | 10,192   | 10,192                |
| CHAFFEE                           | -                               | -                                    | 27,418                               | 27,418   | 27,418                |
| General Assistance                | -                               | -                                    | 15,462                               | 15,462   | 15,462                |
| Adult Protective Services         | -                               | -                                    | 305,717                              | 305,717  | 305,717               |
| Child Welfare IV-E waiver         | -                               | -                                    | 201,318                              | 201,318  | 201,318               |
| PSSF Caseworker Visitation        | -                               | -                                    | -                                    | -  | -                     |
| Title IV-B Sup Part 2 (PSSF)      | -                               | -                                    | 227,293                              | 227,293  | 227,293               |
| Child Welfare Discretionary Grant | -                               | -                                    | 63,171                               | 63,171   | 63,171                |
| Foster Care/Adoption Recruitment  | -                               | -                                    | 3,150                                | 3,150  | 3,150                 |
| <b>Totals</b>                     | <b>\$ 8,320,923</b>             | <b>\$ 333,954</b>                    | <b>\$ 5,281,029</b>                  | <b>\$ 13,601,952</b>   | <b>\$ 5,614,983</b>   |

|  |  |
|--|--|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                    | City or County:<br>County  |
|  | YEAR ENDING :<br>December 2016                                     |
|  | This Information From The Records Of: County of La Plata, Colorado |
| Prepared By: Diane K. Sorensen<br>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)                   | 2,263,025 |
| a. Motor Fuel (from Item I.A.5.)                      |           | 2. Maintenance:                                   | 5,755,581 |
| b. Motor Vehicle (from Item I.B.5.)                   |           | 3. Road and street services:                      |           |
| c. Total (a.+b.)                                      |           | a. Traffic control operations                     | 237,954   |
| 2. General fund appropriations                        | 0         | b. Snow and ice removal                           | 734,294   |
| 3. Other local imposts (from page 2)                  | 4,596,365 | c. Other  | 0         |
| 4. Miscellaneous local receipts (from page 2)         | 122,721   | d. Total (a. through c.)                          | 972,248   |
| 5. Transfers from toll facilities                     | 0         | 4. General administration & miscellaneous         | 262,254   |
| 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)                            | 9,253,108 |
| b. Bonds - Refunding Issues                           | 0         | <b>B. Debt service on local obligations:</b>      |           |
| c. Notes  | 0         | 1. Bonds:   |           |
| d. Total (a. + b. + c.)                               | 0         | a. Interest                                       | 0         |
| 7. Total (1 through 6)                                | 4,719,086 | b. Redemption                                     | 0         |
| <b>B. Private Contributions (So Ute Indian Tribe)</b> | 37,303    | c. Total (a. + b.)                                | 0         |
| <b>C. Receipts from State government</b>              |           | 2. Notes:   |           |
| (from page 2)   | 4,118,445 | a. Interest                                       | 0         |
| <b>D. Receipts from Federal Government</b>            |           | b. Redemption                                     | 0         |
| (from page 2)   | 258,534   | c. Total (a. + b.)                                | 0         |
| <b>E. Total receipts (A.7 + B + C + D)</b>            | 9,133,368 | 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> | 9,253,108 |

**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**

|  | C. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | 7,405,255            | 9,133,368         | 9,253,108              | 7,285,515         | 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:<br>Colorado<br>YEAR ENDING (mm/yy):<br>December 2016 |
|-------------------------------------|---|

| 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                        | 1,576,390 | a. Interest on investments                 | 0  |
| b. Other local imposts:                                  |           | b. Traffic Fines & Penalties               | 0  |
| 1. Sales Taxes   | 2,770,000 | c. Parking Garage Fees                     | 0  |
| 2. Infrastructure & Impact Fees                          | 64,994    | d. Parking Meter Fees                      | 0  |
| 3. Liens   | 0         | e. Sale of Surplus Property                | 0  |
| 4. Licenses  | 48,753    | f. Charges for Services                    | 0  |
| 5. Specific Ownership &/or Other                         | 136,228   | g. Other Misc. Receipts                    | 122,721                                  |
| 6. Total (1. through 5.)                                 | 3,019,975 | h. Other                                   | 0  |
| c. Total (a. + b.)                                       | 4,596,365 |  |  |
|  |           |  |  |
| ITEM   | AMOUNT    | ITEM                                       | AMOUNT                                   |
| <b>C. Receipts from State Government</b>                 |           | <b>D. Receipts from Federal Government</b> |  |
| 1. Highway-user taxes                                    | 3,108,663 | 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                           | 180,976   | d. Federal Transit Admin                   |  |
| d. Other EIAF/LGGF                                       | 828,806   | e. U.S. Corps of Engineers                 |  |
| e. Other Bridge Funds/Enhancement                        | 0         | f. Other Federal                           | 258,534                                  |
| f. Total (a. through e.)                                 | 1,009,782 | g. Total (a. through f.)                   | 258,534                                  |
| 4. Total (1. + 2. + 3.f)                                 | 4,118,445 | 3. Total (1. + 2.g)                        | 258,534                                  |
|  |           |  | (Carry forward to page 1)                |
| III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL |           |  |  |
|  |           | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a)    | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) |
|  |           |  | TOTAL<br>(c)                             |
| <b>A.1. Capital outlay:</b>                              |           |  |  |
| a. Right-Of-Way Costs                                    |           |  | 1,526                                    |
| b. Engineering Costs                                     |           |  | 187,413                                  |
| c. Construction:   |           |  |  |
| (1). New Facilities                                      |           |  | 294,230                                  |
| (2). Capacity Improvements                               |           |  | 541,805                                  |
| (3). System Preservation                                 |           |  | 1,238,051                                |
| (4). System Enhancement & Operation                      |           |  | 0  |
| (5). Total Construction (1) + (2) + (3) + (4)            |           | 0  | 2,074,086                                |
| + 1.c.5)   |           | 0  | 2,263,025                                |
|  |           |  | (Carry forward to page 1)                |
| <b>Notes and Comments:</b>                               |           |  |  |

## **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  | 1-6           |
| <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   | 7-12          |
| <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   | 16-17         |
| <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**

**Table 1**

|  | December 31, 2007     | December 31, 2008     | December 31, 2009     | December 31, 2010     | December 31, 2011     |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental Activities</b>                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                     | \$ 85,872,184         | \$ 101,427,081        | \$ 104,785,611        | \$ 103,057,349        | \$ 100,077,282        |
| Restricted for:                                      |                       |                       |                       |                       |                       |
| Capital projects                                     | 15,086,883            | 5,440,161             | 4,652,468             | 5,434,327             | 6,283,012             |
| Emergencies  | 1,285,000             | 2,000,000             | 2,000,000             | 2,000,000             | 1,541,536             |
| Debt Service   | 448,522               | 454,883               | 452,735               | 452,735               | 450,985               |
| Specific projects and programs                       | 9,674,145             | 5,573,959             | 3,667,978             | 3,801,100             | 14,349,826            |
| Unrestricted   | 33,418,117            | 44,754,550            | 57,321,536            | 70,682,038            | 66,206,346            |
| <b>Subtotal Governmental Activities Net Position</b> | <b>\$ 145,784,851</b> | <b>\$ 159,650,634</b> | <b>\$ 172,880,328</b> | <b>\$ 185,427,549</b> | <b>\$ 188,908,987</b> |
| <b>Primary Government</b>                            |                       |                       |                       |                       |                       |
| Net investment in capital assets                     | \$ 85,872,184         | \$ 101,427,081        | \$ 104,785,611        | \$ 103,057,349        | \$ 100,077,282        |
| Restricted   | 26,494,550            | 13,469,003            | 10,773,181            | 11,688,162            | 22,625,359            |
| Unrestricted   | 33,418,117            | 44,754,550            | 57,321,536            | 70,682,038            | 66,206,346            |
| <b>Total Primary Government Net Position</b>         | <b>\$ 145,784,851</b> | <b>\$ 159,650,634</b> | <b>\$ 172,880,328</b> | <b>\$ 185,427,549</b> | <b>\$ 188,908,987</b> |

|  | December 31, 2012     | December 31, 2013     | December 31, 2014     | December 31, 2015     | December 31, 2016     |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental Activities</b>                       |                       |                       |                       |                       |                       |
| Net investment in capital assets                     | \$ 101,877,845        | \$ 98,126,731         | \$ 96,745,229         | \$ 98,551,468         | \$ 112,662,507        |
| Restricted for:                                      |                       |                       |                       |                       |                       |
| Capital projects                                     | 5,218,448             | 7,057,030             | -                     | -                     | -                     |
| Economic stabilization (TABOR)                       | 1,504,732             | 1,519,735             | 1,563,138             | 1,600,510             | 1,733,899             |
| Debt Service   | -                     | -                     | -                     | -                     | -                     |
| Required legal fund segregations                     | 12,579,204            | 14,195,240            | 6,552,331             | 22,379,012            | 19,901,793            |
| Unrestricted   | 70,758,262            | 72,631,281            | 92,389,464            | 76,019,786            | 71,910,969            |
| <b>Subtotal Governmental Activities Net Position</b> | <b>\$ 191,938,491</b> | <b>\$ 193,530,017</b> | <b>\$ 197,250,162</b> | <b>\$ 198,550,776</b> | <b>\$ 206,209,168</b> |
| <b>Primary Government</b>                            |                       |                       |                       |                       |                       |
| Net investment in capital assets                     | \$ 101,877,845        | \$ 98,126,731         | \$ 96,745,229         | \$ 98,551,468         | \$ 112,662,507        |
| Restricted   | 19,302,384            | 22,772,005            | 8,115,469             | 23,979,522            | 21,635,692            |
| Unrestricted   | 70,758,262            | 72,631,281            | 92,389,464            | 76,019,786            | 71,910,969            |
| <b>Total Primary Government Net Position</b>         | <b>\$ 191,938,491</b> | <b>\$ 193,530,017</b> | <b>\$ 197,250,162</b> | <b>\$ 198,550,776</b> | <b>\$ 206,209,168</b> |

Source: La Plata County Finance Department

**La Plata County, Colorado**  
**Government-wide Changes in Net Position**  
**Fiscal Years 2007-2016**

**Table 2**

|   | Fiscal Year 2007     | Fiscal Year 2008     | Fiscal Year 2009     | Fiscal Year 2010     | Fiscal Year 2011    | Fiscal Year 2012    | Fiscal Year 2013    | Fiscal Year 2014    | Fiscal Year 2015    | Fiscal Year 2016    |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Expenses</b>   |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| <b>Governmental Activities</b>                            |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| General government  | \$ 9,310,267         | \$ 10,081,860        | \$ 11,324,542        | \$ 12,590,925        | \$ 10,570,951       | \$ 10,374,610       | \$ 10,514,636       | \$ 10,328,052       | \$ 12,919,783       | \$ 13,427,182       |
| Public safety   | 13,408,383           | 13,909,083           | 14,921,662           | 15,228,090           | 15,426,187          | 16,332,272          | 16,401,170          | 15,939,033          | 17,381,499          | 17,466,390          |
| Recreation and culture                                    | 4,796,460            | 3,693,219            | 3,925,467            | 3,609,635            | 3,382,410           | 3,193,425           | 3,085,940           | 3,097,514           | 2,960,931           | 2,946,427           |
| Public works  | 3,290,009            | 12,532,719           | 13,329,071           | 9,946,369            | 10,572,032          | 10,929,759          | 12,686,719          | 12,936,627          | 11,875,658          | 10,436,141          |
| Decrease in joint venture                                 | -                    | -                    | -                    | -                    | -                   | -                   | 360,978             | -                   | -                   | -                   |
| Health and welfare  | 11,690,024           | 4,896,385            | 5,551,746            | 5,653,873            | 5,581,089           | 5,615,860           | 5,607,927           | 5,757,071           | 7,701,357           | 8,125,198           |
| Community programs  | 4,044,371            | 4,341,763            | 5,191,522            | 4,693,722            | 4,296,657           | 4,527,441           | 4,221,545           | 4,276,928           | 1,931,976           | 2,415,471           |
| Interest on long-term debt                                | 104,989              | 91,633               | 81,935               | 70,139               | 57,270              | 20,458              | -                   | 3,170               | 3,170               | 2,936               |
| <b>Total Primary Government Expenses</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>52,338,395</b>   | <b>54,774,374</b>   | <b>54,819,745</b>   |
| <b>Program Revenues</b>                                   |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| <b>Governmental Activities</b>                            |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Charges for Services                                      |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| General government  | 3,122,679            | 2,742,547            | 2,820,023            | 2,753,843            | 2,689,737           | 2,867,637           | 3,016,390           | 3,287,481           | 2,493,802           | 2,640,097           |
| Public safety   | 709,336              | 845,054              | 813,731              | 860,444              | 930,281             | 897,042             | 835,799             | 660,284             | 1,595,067           | 1,919,582           |
| Recreation and culture                                    | 477,721              | 620,385              | 264,190              | 239,027              | 243,891             | 244,614             | 205,462             | 168,745             | -                   | -                   |
| Public works  | 270,851              | 267,910              | 86,341               | 60,110               | 52,926              | 46,413              | 241,454             | 844,705             | 328,787             | 295,332             |
| Health and welfare  | -                    | -                    | -                    | -                    | -                   | -                   | -                   | -                   | 51,837              | 38,943              |
| Community programs  | -                    | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                   | -                   |
| Total Charges for Services                                | 4,580,587            | 4,475,896            | 3,984,285            | 3,913,424            | 3,916,835           | 4,055,706           | 4,299,105           | 4,961,215           | 4,469,493           | 4,893,954           |
| Operating Grants and Contributions                        | 11,291,178           | 10,280,747           | 18,162,203           | 12,765,925           | 12,753,984          | 12,572,836          | 11,961,803          | 13,230,028          | 13,977,048          | 16,589,822          |
| Capital Grants and Contributions                          | 3,905,903            | 4,026,680            | 2,828,191            | 662,256              | 308,532             | 109,228             | 562,211             | 4,019,552           | 1,330,453           | 2,728,346           |
| <b>Total Primary Government Program Revenues</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>22,210,795</b>   | <b>19,776,994</b>   | <b>24,212,122</b>   |
| <b>Net (Expense) Revenue</b>                              |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| <b>Total Primary Government</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>(30,127,600)</b> | <b>(34,997,380)</b> | <b>(30,607,623)</b> |
| <b>General revenues and other changes in net position</b> |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| <b>Governmental Activities:</b>                           |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Taxes   |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Property taxes levied for general purposes                | 27,340,954           | 27,363,462           | 27,822,967           | 31,654,239           | 21,357,288          | 21,714,072          | 21,022,611          | 15,639,563          | 17,141,607          | 18,827,957          |
| Sales taxes   | 13,903,657           | 13,639,998           | 12,264,867           | 13,528,774           | 12,363,979          | 13,596,356          | 14,080,460          | 14,870,392          | 15,734,279          | 16,018,771          |
| Other taxes   | 178,160              | 189,262              | 168,180              | 283,895              | 299,419             | 336,697             | 316,293             | 2,077,512           | 2,099,038           | 2,241,637           |
| Investment earnings                                       | 3,175,953            | 1,927,368            | 514,724              | 435,688              | 420,128             | 347,657             | 43,207              | 489,296             | 411,103             | 489,863             |
| Gain (loss) on disposition of capital assets              | 6,592                | (261,944)            | -                    | -                    | -                   | -                   | -                   | -                   | -                   | -                   |
| Miscellaneous   | 2,146,353            | 2,137,836            | 1,810,220            | 1,095,772            | 1,947,870           | 1,290,777           | 888,647             | 770,982             | 911,966             | 687,787             |
| <b>Total Primary Government</b>                           | <b>46,751,669</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>36,351,218</b>   | <b>33,847,745</b>   | <b>36,297,993</b>   | <b>38,266,015</b>   |
| <b>Changes in Net Position</b>                            | <b>\$ 19,884,834</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>\$ 3,720,145</b> | <b>\$ 1,300,613</b> | <b>\$ 7,658,392</b> |

Source: La Plata County Finance Department

**La Plata County, Colorado**  
*General Governmental Revenues by Source*

**Table 3**

| <b>Source</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>2015</b>          | <b>2016</b>          |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxes                    | \$ 41,055,912        | \$ 41,192,722        | \$ 40,256,015        | \$ 45,466,908        | \$ 34,020,684        | \$ 35,647,126        | \$ 35,419,368        | \$ 32,589,122        | \$ 35,086,641        | \$ 37,437,530        |
| Intergovernmental        | 12,735,290           | 13,997,368           | 16,538,111           | 12,935,455           | 12,255,999           | 12,280,676           | 12,524,014           | 17,130,157           | 14,672,893           | 16,380,927           |
| Licenses and permits     | 1,142,078            | 931,951              | 520,400              | 449,677              | 388,800              | 660,372              | 765,742              | 1,013,603            | 1,050,803            | 1,174,392            |
| Charges for services     | 3,393,629            | 3,530,762            | 3,302,681            | 3,313,725            | 3,350,386            | 3,473,616            | 3,324,857            | 3,107,431            | 3,288,273            | 3,865,133            |
| Fines and forfeitures    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Miscellaneous            | 5,126,793            | 3,946,848            | 2,317,105            | 1,529,148            | 2,399,722            | 1,666,008            | 931,170              | 1,821,358            | 1,296,096            | 1,183,090            |
| Total revenues           | <u>\$ 63,453,702</u> | <u>\$ 63,599,651</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> | <u>\$ 55,394,706</u> | <u>\$ 60,041,072</u> |
| % change from prior year | <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>          | <u>-0.5%</u>         | <u>8.4%</u>          |

**Source:** La Plata County Finance Department

**La Plata County, Colorado**  
**General Governmental Expenditures by Function**

(modified accrual basis of accounting)

**Table 4**

| Function  | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 |
| <b>Current:</b>   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government  | \$ 8,918,391         | \$ 9,574,832         | \$ 10,629,669        | \$ 11,636,438        | \$ 9,766,049         | \$ 9,551,895         | \$ 9,829,705         | \$ 9,776,629         | \$ 11,419,621        | \$ 12,107,012        |
| Public safety   | 13,308,782           | 13,933,609           | 14,623,385           | 14,844,053           | 14,901,413           | 15,515,104           | 16,230,442           | 15,767,639           | 16,831,509           | 17,135,405           |
| Public works  | 8,981,938            | 8,974,502            | 8,005,211            | 7,942,046            | 7,831,786            | 8,339,156            | 10,017,083           | 9,720,482            | 8,925,096            | 7,375,810            |
| Health and welfare  | 4,759,169            | 4,829,459            | 5,532,693            | 5,558,455            | 5,508,421            | 5,509,934            | 5,602,540            | 5,774,076            | 7,591,961            | 8,134,343            |
| Recreation and culture  | 3,025,521            | 3,306,975            | 3,593,406            | 3,246,466            | 3,068,201            | 2,837,282            | 2,759,382            | 2,784,783            | 2,688,775            | 2,600,165            |
| Community Programs  | 4,044,371            | 4,341,763            | 5,191,522            | 4,693,722            | 4,296,657            | 4,527,441            | 4,221,545            | 4,276,928            | 1,931,976            | 2,415,471            |
| <b>Total Current</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>48,100,537</b>    | <b>49,388,938</b>    | <b>49,768,206</b>    |
| <b>% Change From Prior Year</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>-1.2%</b>         | <b>2.7%</b>          | <b>0.8%</b>          |
| <b>Capital Outlay</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>3,273,781</b>     | <b>6,806,584</b>     | <b>19,039,611</b>    |
| <b>% Change From Prior Year</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>214.2%</b>        | <b>107.9%</b>        | <b>179.7%</b>        |
| <b>Debt Service</b>   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Principal   | <sup>1</sup> 360,000 | 375,000              | 385,000              | 400,000              | 415,000              | 1,350,000            | -                    | -                    | 6,657                | 11,628               |
| Interest  | 103,839              | 94,362               | 83,431               | 71,256               | 57,853               | 24,550               | -                    | -                    | 3,170                | 5,259                |
| <b>Total Debt Service</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>-</b>             | <b>9,827</b>         | <b>16,887</b>        |
| <b>% Change From Prior Year</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>0.0%</b>          | <b>100.0%</b>        | <b>71.8%</b>         |
| <b>Total Expenditures</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>\$ 51,374,318</b> | <b>\$ 56,205,349</b> | <b>\$ 68,824,704</b> |
| <b>% Change From Prior Year</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>3.4%</b>          | <b>9.4%</b>          | <b>22.5%</b>         |
| <b>Debt Service as a Percentage of Total Non-capital Expenditures</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>          | <b>0.0%</b>          | <b>0.0%</b>          | <b>0.03%</b>         |

**Source:** La Plata County Finance Department

**Notes:**

<sup>1</sup> Final year of debt service on 2000 Sales Tax Revenue Bonds

**La Plata County, Colorado**  
**Governmental Fund - Fund Balances**

**Table 5**

|   | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved  | \$ 1,355,569         | \$ 1,386,509         | \$ 1,536,887         | \$ 1,747,996         |                      |                      |                      |                      |                      |                      |
| Unreserved  | 16,842,929           | 23,951,512           | 28,285,373           | 40,111,898           |                      |                      |                      |                      |                      |                      |
| Nonspendable  |                      |                      |                      |                      | 360,411              | 303,429              | 27,638               | 129,028              | 196,375              | 168,218              |
| Restricted  |                      |                      |                      |                      | 3,483,597            | 3,752,426            | 4,637,690            | 4,972,923            | 1,876,016            | 1,956,764            |
| Committed   |                      |                      |                      |                      | -                    | -                    | -                    | 15,541,790           | 6,764,859            | 7,158,458            |
| Assigned  |                      |                      |                      |                      | 1,331,567            | 597,676              | 2,750,002            | 33,858,785           | 30,868,211           | 11,919,476           |
| Unassigned  |                      |                      |                      |                      | 43,188,909           | 48,220,847           | 50,303,760           | 5,162,801            | 14,091,995           | 26,910,384           |
| <b>Subtotal General Fund</b>                          | <b>18,198,498</b>    | <b>25,338,021</b>    | <b>29,822,260</b>    | <b>41,859,894</b>    | <b>48,364,484</b>    | <b>52,874,378</b>    | <b>57,719,090</b>    | <b>59,665,327</b>    | <b>53,797,456</b>    | <b>48,113,300</b>    |
| <b>General Fund Percentage Change</b>                 | <b>27.4%</b>         | <b>39.2%</b>         | <b>17.7%</b>         | <b>40.4%</b>         | <b>15.5%</b>         | <b>9.3%</b>          | <b>9.2%</b>          | <b>3.4%</b>          | <b>-9.83%</b>        | <b>-10.57%</b>       |
| <b>All Other Governmental Funds Combined</b>          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved  | 20,987,489           | 12,920,525           | 9,623,971            | 10,371,282           | -                    | -                    | -                    | -                    | -                    | -                    |
| Unreserved  | 6,482,847            | 6,021,669            | 12,108,796           | 11,464,223           | -                    | -                    | -                    | -                    | -                    | -                    |
| Nonspendable  |                      |                      |                      |                      | 560,636              | 475,455              | 355,077              | 316,647              | 256,684              | 405,122              |
| Restricted  |                      |                      |                      |                      | 19,141,762           | 15,549,958           | 15,384,313           | 15,041,735           | 22,103,506           | 19,678,928           |
| Committed   |                      |                      |                      |                      | -                    | -                    | -                    | 1,957,328            | -                    | -                    |
| Assigned  |                      |                      |                      |                      | -                    | -                    | -                    | 1,037,322            | 1,050,043            | 226,707              |
| Unassigned  |                      |                      |                      |                      | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Subtotal All Other Governmental Funds Combined</b> | <b>27,470,336</b>    | <b>18,942,194</b>    | <b>21,732,767</b>    | <b>21,835,505</b>    | <b>19,702,398</b>    | <b>16,025,413</b>    | <b>15,739,390</b>    | <b>18,353,032</b>    | <b>23,410,233</b>    | <b>20,310,757</b>    |
| <b>Total Governmental Funds</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved  | 22,343,058           | 13,852,151           | 11,160,858           | 12,119,278           | -                    | -                    | -                    | -                    | -                    | -                    |
| Unreserved  | 23,325,776           | 30,428,064           | 40,394,169           | 51,576,121           | -                    | -                    | -                    | -                    | -                    | -                    |
| Nonspendable  |                      |                      |                      |                      | 921,047              | 778,884              | 382,715              | 445,675              | 453,059              | 573,340              |
| Restricted  |                      |                      |                      |                      | 22,625,359           | 19,302,384           | 20,022,003           | 20,014,658           | 23,979,522           | 21,635,692           |
| Committed   |                      |                      |                      |                      | -                    | -                    | -                    | 17,499,118           | 6,764,859            | 7,158,458            |
| Assigned  |                      |                      |                      |                      | 1,331,567            | 597,676              | 2,750,002            | 34,896,080           | 31,918,254           | 12,146,183           |
| Unassigned  |                      |                      |                      |                      | 43,188,909           | 48,220,847           | 50,303,760           | 5,162,801            | 14,091,995           | 26,910,384           |
| <b>Total Governmental Funds</b>                       | <b>\$ 45,668,834</b> | <b>\$ 44,280,215</b> | <b>\$ 51,555,027</b> | <b>\$ 63,695,399</b> | <b>\$ 68,066,882</b> | <b>\$ 68,899,791</b> | <b>\$ 73,458,480</b> | <b>\$ 78,018,332</b> | <b>\$ 77,207,689</b> | <b>\$ 68,424,057</b> |
| <b>All Governmental Funds Percentage Change</b>       | <b>18.8%</b>         | <b>-3.0%</b>         | <b>16.4%</b>         | <b>23.5%</b>         | <b>6.9%</b>          | <b>1.2%</b>          | <b>6.6%</b>          | <b>6.2%</b>          | <b>-1.0%</b>         | <b>-11.4%</b>        |

**Source:** La Plata County Finance Department

**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**

**Table 6**

| <b>Fiscal<br/>Year</b> | <b>Property</b> | <b>Specific<br/>Ownership</b> | <b>Sales</b> | <b>Cable<br/>Franchise</b> | <b>Lodging</b> | <b>Total</b> |
|------------------------|-----------------|-------------------------------|--------------|----------------------------|----------------|--------------|
| 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   | 92,042                     | 189,262        | 41,189,848   |
| 2009                   | 25,928,320      | 1,799,726                     | 12,264,867   | 97,888                     | 168,087        | 40,258,888   |
| 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      | 1,478,205                     | 13,596,356   | 109,943                    | 226,754        | 35,641,007   |
| 2013                   | 19,630,764      | 1,586,837                     | 14,080,460   | 111,441                    | 204,852        | 35,614,354   |
| 2014                   | 15,639,563      | 1,531,022                     | 14,870,392   | 108,759                    | 281,315        | 32,431,051   |
| 2015                   | 17,141,607      | 1,556,164                     | 15,734,279   | 106,991                    | 274,019        | 34,813,060   |
| 2016                   | 18,827,957      | 1,639,484                     | 16,018,771   | 110,983                    | 325,245        | 36,922,440   |

**Source:** La Plata County Finance Department

**La Plata County, Colorado**  
**Property Tax Levies and Collections**

**Table 7**

| <b>Fiscal Year<br/>Collected</b> | <b>Current Tax<br/>Levy</b> | <b>Collected within the Fiscal Year<br/>of the Levy</b> |                               | <b>Delinquent Tax<br/>Collections</b> | <b>Total Collections to Date</b> |                               |
|----------------------------------|-----------------------------|---|-------------------------------|---------------------------------------|----------------------------------|-------------------------------|
|                                  |                             | <b>Amount<br/>Collected</b>                             | <b>Percentage<br/>of Levy</b> |                                       | <b>Total Tax<br/>Collections</b> | <b>Percentage<br/>of Levy</b> |
| 2007                             | 25,580,329                  | 25,587,337  | 100.03%                       | 511,838                               | 26,099,175                       | 102.03%                       |
| 2008                             | 25,128,293                  | 24,608,842  | 99.76%                        | 176,854                               | 24,785,696                       | 98.64%                        |
| 2009                             | 25,855,265                  | 25,324,930  | 97.95%                        | 464,515                               | 25,789,445                       | 99.75%                        |
| 2010                             | 30,098,236                  | 30,019,139  | 99.74%                        | 49,502                                | 30,068,641                       | 99.90%                        |
| 2011                             | 20,096,506                  | 20,020,342  | 99.62%                        | 14,770                                | 20,035,112                       | 99.69%                        |
| 2012                             | 20,425,024                  | 20,388,334  | 99.82%                        | 20,163                                | 20,408,497                       | 99.92%                        |
| 2013                             | 19,450,108                  | 19,412,361  | 99.81%                        | 12,309                                | 19,424,670                       | 99.87%                        |
| 2014                             | 15,776,463                  | 15,749,283  | 99.83%                        | 11,017                                | 15,760,300                       | 99.90%                        |
| 2015                             | 17,135,880                  | 17,098,606  | 99.78%                        | 3,460                                 | 17,102,066                       | 99.80%                        |
| 2016                             | 18,977,023                  | 18,945,372  | 99.83%                        | 5,370                                 | 18,950,742                       | 99.86%                        |

<sup>1</sup> As certified by the Board of County Commissioners, includes General, Road and Bridge, and Social Services Funds, as well as Local Improvement District funds.

**Sources:** La Plata County Department of Finance and La Plata County Treasurer's Office

**La Plata County, Colorado**  
**Assessed Value and Estimated Actual Value of Taxable Property (in Thousands)**

**Table 8**

| <b>Assessment/<br/>Fiscal Year</b> | <b>Vacant<br/>Property</b> | <b>Residential<br/>Property</b> | <b>Commercial<br/>Property</b> | <b>Industrial<br/>Property</b> | <b>Agricultural<br/>Property</b> | <b>Natural<br/>Resources</b> | <b>Oil &amp;<br/>Gas</b> | <b>Other</b> |
|------------------------------------|----------------------------|---------------------------------|--------------------------------|--------------------------------|----------------------------------|------------------------------|--------------------------|--------------|
| 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       |
| 2014/2015                          | 136,017                    | 556,214                         | 358,921                        | 19,125                         | 14,637                           | 11,507                       | 830,854                  | 79,016       |
| 2015/2016                          | 139,116                    | 624,381                         | 369,871                        | 20,530                         | 13,627                           | 10,991                       | 968,521                  | 77,332       |

| <b>Assessment/<br/>Fiscal Year</b> | <b>Total<br/>Assessed</b> | <b>Estimated<br/>Actual<br/>Value</b> | <b>Ratio of Assessed<br/>Value to Total<br/>Est. Actual Value</b> | <b>Oil and Gas<br/>As % of<br/>Total</b> | <b>La Plata County<br/>only<br/>Mill Levy</b> |
|------------------------------------|---------------------------|---------------------------------------|---|--|---|
| 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   |
| 2014/2015                          | 2,006,292                 | 10,072,411                            | 19.9%   | 41.4%                                    | 8.500   |
| 2015/2016                          | 2,224,369                 | 11,128,335                            | 20.0%   | 43.5%                                    | 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**

**Fiscal Years 2007-2016**

**Table 9**

| <b>Collection Year:</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>2015</b> | <b>2016</b> |
|--|--------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| La Plata County  | mill   | 8.500       | 8.500       | 8.693       | 8.564       | 8.674       | 8.500       | 8.500       | 8.500       | 8.500       | 8.500       |
|  | tax \$ | 21,106,223  | 25,568,291  | 25,087,956  | 25,846,078  | 30,026,777  | 20,015,775  | 19,340,023  | 15,660,540  | 17,038,980  | 18,877,774  |
| <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 \$ | 949,080     | 972,396     | 1,248,819   | 1,279,024   | 1,347,238   | 1,344,677   | 1,219,564   | 1,178,797   | 1,202,738   | 1,294,677   |
| 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 \$ | 157,513     | 212,115     | 245,627     | 240,482     | 249,010     | 229,066     | 210,669     | 196,965     | 199,296     | 204,936     |
| Town of Ignacio  | mill   | 3.192       | 3.084       | 2.978       | 2.918       | 2.747       | 2.780       | 3.559       | 3.813       | 4.107       | 4.598       |
|  | tax \$ | 16,906      | 16,404      | 19,335      | 20,460      | 21,153      | 22,184      | 26,751      | 27,400      | 29,759      | 31,430      |
| <b><u>School Districts:</u></b>                          |        |             |             |             |             |             |             |             |             |             |             |
| Durango 9R   | mill   | 16.347      | 14.556      | 15.189      | 14.765      | 14.484      | 16.368      | 17.017      | 19.090      | 19.090      | 17.876      |
|  | tax \$ | 29,954,630  | 30,424,187  | 30,269,840  | 29,957,375  | 31,850,209  | 26,847,994  | 25,417,181  | 24,508,106  | 25,914,491  | 26,639,109  |
| Bayfield 10R   | mill   | 19.429      | 16.450      | 16.450      | 16.364      | 15.814      | 17.045      | 21.219      | 23.222      | 21.599      | 21.161      |
|  | tax \$ | 5,456,837   | 6,168,019   | 6,142,706   | 6,249,134   | 7,074,726   | 4,979,766   | 6,134,289   | 5,340,928   | 5,476,870   | 5,983,476   |
| Ignacio 11JT   | mill   | 6.217       | 4.246       | 4.463       | 4.032       | 3.574       | 7.761       | 10.671      | 13.173      | 11.470      | 12.436      |
|  | tax \$ | 2,299,053   | 2,305,286   | 2,319,418   | 2,448,082   | 2,914,008   | 2,010,902   | 5,256,193   | 4,328,688   | 4,513,733   | 5,570,564   |
| <b><u>Special Districts:</u></b>                         |        |             |             |             |             |             |             |             |             |             |             |
| Animas Fire Protection-<br>Bonded Indebtedness           | mill   | 0.631       | 0.526       | 0.486       | 0.480       | 0.454       | 0.373       | 0.524       | 0.000       | 0.000       | 0.000       |
|  | tax \$ | 506,154     | 491,804     | 451,821     | 452,671     | 482,698     | 300,908     | 387,106     | -           | -           | -           |
| Animas Fire Protection                                   | mill   | 5.069       | 5.207       | 5.232       | 5.119       | 5.069       | 5.069       | 5.069       | 0.000       | 0.000       | 0.000       |
|  | tax \$ | 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<br>Conservancy                     | mill   | 0.249       | 0.254       | 0.219       | 0.226       | 0.229       | 0.243       | 0.295       | 0.325       | 0.333       | 0.322       |
|  | tax \$ | 160,308     | 170,545     | 180,518     | 191,763     | 204,647     | 215,908     | 232,434     | 240,866     | 251,057     | 260,454     |
| 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 \$ | 508,366     | 521,894     | 646,004     | 655,768     | 686,670     | 678,815     | 611,458     | 582,696     | 592,932     | 638,930     |
| Aspen Trails Metro                                       | mill   | 14.224      | 13.989      | 11.777      | 10.659      | 10.391      | 5.000       | 5.000       | 5.000       | 5.000       | 5.000       |
|  | tax \$ | 24,835      | 25,083      | 28,178      | 31,144      | 31,065      | 14,909      | 13,570      | 12,915      | 12,947      | 13,422      |
| Aspen Trails Metro Bonds                                 | mill   | 0.000       | 0.000       | 0.000       | 0.000       | 0.000       | 5.405       | 5.842       | 6.240       | 6.240       | 6.160       |
|  | tax \$ | -           | -           | -           | -           | -           | 16,117      | 15,855      | 16,118      | 16,158      | 16,536      |
| Durango Conference Center<br>Business Improvement Center | mill   | 1.500       | 1.500       | 1.500       | 1.500       | 1.500       | 2.000       | 2.000       | 2.000       | 2.000       | 2.000       |
|  | tax \$ | 150,619     | 150,021     | 199,861     | 203,037     | 203,037     | 277,177     | 249,498     | 240,353     | 241,815     | 243,677     |

**La Plata County, Colorado  
Property Tax Rates**

**Fiscal Years 2007-2016**

**Table 9**

| <b>Collection Year:</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><u>2015</u></b> | <b><u>2016</u></b> |
|--------------------------------------|--------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Durango Fire Protection              | mill   | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 5.700              | 5.700              | 5.700              |
|                                      | tax \$ | -                  | -                  | -                  | -                  | -                  | -                  | -                  | 3,034,251          | 3,192,756          | 3,592,455          |
| Durango Hills Local Improvement      | mill   | 15.731             | 16.538             | 16.369             | 17.241             | 16.515             | 15.951             | 20.204             | 20.379             | 20.379             | 20.379             |
|                                      | tax \$ | 51,288             | 54,304             | 65,655             | 68,991             | 72,443             | 72,168             | 76,525             | 73,694             | 74,481             | 76,752             |
| Durango West Metropolitan I          | mill   | 38.800             | 22.400             | 17.960             | 17.960             | 17.540             | 17.430             | 18.450             | 20.200             | 20.300             | 19.460             |
|                                      | tax \$ | 136,218            | 79,322             | 79,703             | 79,921             | 79,319             | 79,628             | 79,700             | 79,716             | 79,530             | 85,321             |
| Durango West Metropolitan II         | mill   | 21.822             | 20.977             | 17.403             | 17.469             | 16.726             | 17.361             | 0.000              | 0.000              | 0.000              | 0.000              |
|                                      | tax \$ | 210,544            | 200,708            | 205,902            | 207,581            | 207,126            | 214,760            | -                  | -                  | -                  | -                  |
| Durango West Metropolitan II Bonds   | mill   | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 18.254             | 0.000              | 0.000              | 0.000              |
|                                      | tax \$ | -                  | -                  | -                  | -                  | -                  | -                  | 202,454            | -                  | -                  | -                  |
| Edgemont Ranch Metropolitan          | mill   | 14.402             | 12.963             | 10.892             | 10.469             | 10.605             | 7.874              | 7.874              | 7.874              | 7.876              | 7.875              |
|                                      | tax \$ | 128,260            | 148,516            | 210,138            | 234,836            | 226,086            | 170,386            | 135,211            | 133,819            | 137,657            | 171,324            |
| Edgemont Ranch Bonds                 | mill   | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 2.691              | 3.391              | 3.426              | 3.600              | 2.893              |
|                                      | tax \$ | -                  | -                  | -                  | -                  | -                  | 58,231             | 58,230             | 58,225             | 62,921             | 62,938             |
| El Rancho Florida Metropolitan Bonds | mill   | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 29.035             | 25.333             | 20.589             | 21.149             |
|                                      | tax \$ | -                  | -                  | -                  | -                  | -                  | -                  | 93,701             | 97,038             | 63,863             | 70,759             |
| Florida Mosquito Control             | mill   | 0.700              | 0.700              | 0.700              | 0.700              | 0.700              | 0.700              | 0.700              | 0.700              | 0.700              | 0.700              |
|                                      | tax \$ | 360,275            | 447,073            | 391,103            | 389,324            | 470,256            | 281,547            | 273,289            | 212,380            | 243,388            | 279,351            |
| Florida Water Conservancy            | mill   | 0.099              | 0.086              | 0.086              | 0.086              | 0.074              | 0.074              | 0.073              | 0.073              | 0.066              | 0.060              |
|                                      | tax \$ | 43,691             | 47,064             | 42,772             | 43,231             | 44,834             | 27,948             | 27,076             | 21,155             | 22,068             | 22,900             |
| Forest Lakes Metropolitan            | mill   | 35.524             | 35.524             | 35.524             | 35.524             | 35.524             | 35.524             | 35.524             | 35.524             | 35.524             | 35.524             |
|                                      | tax \$ | 583,157            | 606,152            | 827,775            | 835,635            | 842,619            | 845,208            | 668,649            | 549,179            | 549,343            | 578,055            |
| Fort Lewis Fire Protection           | mill   | 5.900              | 5.900              | 5.900              | 5.900              | 5.900              | 7.400              | 7.400              | 7.400              | 7.400              | 7.400              |
|                                      | tax \$ | 191,814            | 204,462            | 253,809            | 269,048            | 290,386            | 407,806            | 408,939            | 413,150            | 420,737            | 405,061            |
| Hermosa Cliffs Fire Protection       | mill   | 8.961              | 8.643              | 8.243              | 8.075              | 8.021              | 6.890              | 6.907              | 0.000              | 0.000              | 0.000              |
|                                      | tax \$ | 544,099            | 602,874            | 743,893            | 796,464            | 877,210            | 758,217            | 583,689            | -                  | -                  | -                  |
| Hermosa Cliffs Fire Bonds            | mill   | 0.000              | 0.000              | 0.000              | 0.000              | 0.000              | 1.029              | 1.312              | 0.000              | 0.000              | 0.000              |
|                                      | tax \$ | -                  | -                  | -                  | -                  | -                  | 113,237            | 110,873            | -                  | -                  | -                  |

**La Plata County, Colorado  
Property Tax Rates**

**Fiscal Years 2007-2016**

**Table 9**

| <b>Collection Year:</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>2015</b>        | <b>2016</b>        |
|---|-------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Ignacio-Allison-Oxford Cemetery                           | mill tax \$ | 0.244<br>60,738    | 0.244<br>91,782    | 0.244<br>88,517    | 0.244<br>104,681   | 0.244<br>143,426   | 0.244<br>72,928    | 0.244<br>89,647    | 0.244<br>58,435    | 0.244<br>70,611    | 0.244<br>80,285    |
| Ignacio Community Library                                 | mill tax \$ | 1.500<br>554,702   | 1.500<br>814,397   | 1.500<br>779,549   | 1.500<br>910,745   | 1.500<br>1,223,003 | 1.500<br>633,554   | 1.500<br>738,852   | 1.500<br>492,905   | 1.500<br>590,287   | 1.500<br>671,908   |
| La Plata County Palo Verde Public Improvement District #3 | mill tax \$ | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 8.448<br>5,000     | 4.840<br>5,000     | 4.559<br>5,675     |
| La Plata County Palo Verde Public Imp District #3 Bond    | mill tax \$ | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 62.934<br>37,246   | 16.860<br>17,419   | 13.567<br>16,888   |
| La Plata Archuleta Water                                  | mill tax \$ | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 5.000<br>2,589,468 | 5.000<br>2,748,969 | 5.000<br>1,964,008 | 5.000<br>2,238,777 | 5.000<br>2,563,619 |
| La Plata Water Conservancy                                | mill tax \$ | 0.295<br>8,245     | 0.295<br>8,817     | 0.295<br>10,848    | 0.295<br>11,477    | 0.295<br>12,008    | 0.295<br>13,802    | 0.295<br>13,327    | 0.295<br>13,549    | 0.295<br>14,094    | 0.295<br>13,334    |
| Los Pinos Fire Protection                                 | mill tax \$ | 3.520<br>1,962,154 | 3.520<br>2,738,232 | 3.520<br>2,493,126 | 3.520<br>2,732,576 | 3.520<br>3,560,534 | 3.520<br>1,800,840 | 3.520<br>2,068,496 | 3.520<br>1,369,200 | 3.520<br>1,627,641 | 3.520<br>1,850,280 |
| Los Pinos Fire/Mt. Allison                                | mill tax\$  | 1.500<br>35,061    | 1.500<br>56,885    | 1.500<br>65,239    | 1.500<br>68,657    | 1.500<br>107,897   | 1.500<br>71,325    | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         |
| Montezuma Dolores County Metropolitan Rec Dist.           | mill tax\$  | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 0.777<br>38,129    | 0.777<br>36,215    |
| Pine River Cemetery                                       | mill tax \$ | 0.112<br>31,456    | 0.091<br>34,121    | 0.091<br>33,981    | 0.091<br>34,751    | 0.079<br>35,342    | 0.079<br>23,080    | 0.075<br>21,682    | 0.150<br>34,499    | 0.150<br>38,036    | 0.150<br>42,414    |
| Pine River Library  | mill tax \$ | 2.500<br>702,151   | 2.500<br>937,389   | 2.500<br>933,542   | 2.500<br>954,708   | 2.500<br>1,118,428 | 2.500<br>730,385   | 2.500<br>722,735   | 2.500<br>574,986   | 2.504<br>634,940   | 2.501<br>707,182   |
| Purgatory Metropolitan                                    | mill tax \$ | 27.313<br>399,506  | 27.313<br>403,027  | 27.313<br>625,166  | 27.313<br>688,863  | 27.313<br>879,343  | 27.313<br>888,728  | 27.313<br>661,908  | 27.313<br>510,574  | 27.313<br>514,718  | 27.313<br>598,558  |
| Purgatory Metropolitan Subdistrict                        | mill tax \$ | 0.000<br>-         | 0.000<br>-         | 0.000<br>-         | 15.000<br>184,944  | 15.000<br>253,484  | 15.000<br>255,821  | 15.000<br>160,804  | 15.000<br>123,884  | 15.000<br>125,356  | 15.000<br>151,907  |
| SW Colorado TV Translator                                 | mill tax \$ | 0.777<br>22,445    | 0.777<br>23,944    | 0.777<br>29,427    | 0.777<br>31,079    | 0.777<br>32,865    | 0.777<br>37,682    | 0.777<br>36,102    | 0.777<br>36,680    | 0.000<br>-         | 0.000<br>-         |
| SW Water Conservancy                                      | mill tax \$ | 0.225<br>558,694   | 0.205<br>616,647   | 0.207<br>597,401   | 0.216<br>651,886   | 0.200<br>692,339   | 0.272<br>640,505   | 0.309<br>698,516   | 0.368<br>678,009   | 0.362<br>725,660   | 0.340<br>755,111   |

**La Plata County, Colorado**  
**Property Tax Rates**

**Fiscal Years 2007-2016**

**Table 9**

| Collection Year:                  |        | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          | <u>2010</u>          | <u>2011</u>          | <u>2012</u>          | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          |
|-----------------------------------|--------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Tamarron Metro                    | mill   | 40.000               | 50.000               | 50.000               | 50.000               | 50.079               | 37.000               | 13.239               | 13.239               | 13.000               | 13.000               |
|                                   | tax \$ | 339,136              | 694,766              | 717,886              | 892,058              | 960,989              | 710,535              | 166,878              | 140,748              | 139,094              | 148,320              |
| Tamarron Metro Bonds              | mill   | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 13.006               | 37.000               | 37.000               | 37.000               | 37.000               |
|                                   | tax \$ | -                    | -                    | -                    | -                    | -                    | 249,763              | 466,384              | 393,359              | 395,884              | 422,142              |
| Three Springs Metro #1            | mill   | 0.000                | 35.000               | 35.000               | 35.000               | 35.000               | 44.000               | 10.000               | 4.275                | 4.275                | 4.275                |
|                                   | tax \$ | -                    | 136,969              | 358,953              | 499,689              | 576,021              | 684,619              | 131,152              | 51,544               | 57,029               | 66,499               |
| Three Springs Metro #1 Bonds      | mill   | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 34.000               | 45.725               | 45.725               | 45.725               |
|                                   | tax \$ | -                    | -                    | -                    | -                    | -                    | -                    | 445,917              | 551,312              | 609,979              | 711,268              |
| Three Springs Metro #2            | mill   | 0.000                | 0.000                | 35.000               | 35.000               | 35.000               | 44.000               | 44.000               | 50.000               | 50.000               | 50.000               |
|                                   | tax \$ | -                    | -                    | 409                  | 436                  | 10,398               | 35,070               | 29,000               | 12,145               | 21,435               | 28,400               |
| Twin Buttes Metro Dist No 2       | mill   | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 20.000               |
|                                   | tax \$ | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 8,913                |
| Twin Buttes Metro Dist No 2 Bonds | mill   | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 50.000               |
|                                   | tax \$ | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 22,282               |
| Upper Pine River Fire Bonds       | mill   | 0.000                | 0.000                | 0.000                | 0.000                | 0.000                | 1.182                | 1.182                | 1.182                | 1.182                | 1.182                |
|                                   | tax \$ | -                    | -                    | -                    | -                    | -                    | 374,399              | 365,453              | 293,740              | 320,702              | 355,518              |
| Upper Pine River Fire Protection  | mill   | 6.507                | 6.132                | 6.132                | 6.132                | 6.132                | 4.950                | 4.950                | 10.900               | 10.900               | 10.900               |
|                                   | tax \$ | 2,035,186            | 2,524,470            | 2,511,689            | 2,543,406            | 2,958,796            | 1,567,915            | 1,530,452            | 2,708,767            | 2,957,403            | 3,278,465            |
| <b>Total tax to be collected</b>  |        | <u>\$ 73,699,246</u> | <u>\$ 82,694,484</u> | <u>\$ 82,885,097</u> | <u>\$ 84,723,901</u> | <u>\$ 95,238,172</u> | <u>\$ 74,492,191</u> | <u>\$ 75,802,153</u> | <u>\$ 67,057,569</u> | <u>\$ 71,479,714</u> | <u>\$ 77,655,084</u> |

**Source:** La Plata County Certification of Levies and Revenue

**La Plata County, Colorado**  
**Principal Property Taxpayers**

**Table 10**

| Taxpayer  | Type of Business | 2016                    |      |  | 2007                    |      |  |
|---|------------------|-------------------------|------|--|-------------------------|------|--|
|   |                  | 2015 Assessed Valuation | Rank | Percentage of Total Assessed Valuation | 2006 Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| BP America Production Co                          | Energy           | \$ 261,451,540          | 1    | 13.03%                                 | \$ 1,130,897,990        | 1    | 37.60%                                 |
| Williams Four Corners LLC                         | Energy           | 59,576,520              | 2    | 2.97%                                  | 129,508,690             | 3    | 4.31%                                  |
| Samson Resources Company                          | Energy           | 54,617,580              | 3    | 2.72%                                  |                         |      | 0.00%                                  |
| Red Cedar   | Energy           | 26,664,250              | 4    | 1.33%                                  | 108,434,670             | 5    | 3.60%                                  |
| XTO Energy Inc.                                   | Energy           | 25,864,990              | 5    | 1.29%                                  | 141,522,180             | 2    | 4.70%                                  |
| La Plata Electric Association                     | Energy           | 19,344,700              | 6    | 0.96%                                  | 87,973,530              | 6    | 2.92%                                  |
| Conoco Phillips Company                           | Energy           | 18,490,690              | 7    | 0.92%                                  |                         |      |  |
| Burlington Resources Oil & Gas                    | Energy           | 16,326,850              | 8    | 0.81%                                  | 82,788,580              | 7    | 2.75%                                  |
| Red Willow Production Company                     | Energy           | 12,848,400              | 9    | 0.64%                                  |                         |      |  |
| WPX Energy Production LLC                         | Utility          | 8,548,500               | 10   | 0.43%                                  |                         |      | 0.00%                                  |
| Chevron Texaco                                    | Energy           |                         |      |  | 124,907,140             | 4    | 4.15%                                  |
| Chevron Midcontinent LP                           | Energy           |                         |      |  | 49,548,490              | 8    | 1.65%                                  |
| Williams Production                               | Energy           |                         |      |  | 31,025,600              | 9    | 1.03%                                  |
| Williams Gas Processing                           | Energy           |                         |      |  | 20,819,770              | 10   | 0.69%                                  |
| Total Assessed Valuation for 10 largest taxpayers |                  | <u>\$ 503,734,020</u>   |      | <u>25.11%</u>                          | <u>\$ 1,907,426,640</u> |      | <u>63.41%</u>                          |
| Total Assessed Valuation for all taxpayers        |                  | <u>\$ 2,006,291,720</u> |      | <u>100.00%</u>                         | <u>\$ 3,008,034,270</u> |      | <u>100.00%</u>                         |

**Source:** La Plata County Assessor's Office



**La Plata County, Colorado**  
**Direct and Overlapping Sales Tax Rates**

**Table 11**

| <b>Fiscal Year</b> | <b>County Direct Rate</b> | <b>State of Colorado</b> |
|--------------------|---------------------------|--------------------------|
| 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%                     |
| 2015               | 2.0%                      | 2.9%                     |
| 2016               | 2.0%                      | 2.9%                     |

**Source:** La Plata County Finance Department

**La Plata County, Colorado  
Principal Sales Tax Remitters**

**Table 12**

| <b>Taxpayer - Type of Business</b>                   | <b>2016</b>                     |             |  | <b>2007</b>                     |             |  |
|--|---------------------------------|-------------|--|---------------------------------|-------------|--|
|  | <b>2016 Sales Tax Collected</b> | <b>Rank</b> | <b>Percentage of Total Taxes Collected</b> | <b>2007 Sales Tax Collected</b> | <b>Rank</b> | <b>Percentage of Total Taxes Collected</b> |
| Food & Beverage                                      | \$ 2,069,098                    | 1           | 12.92%                                     | \$ 1,161,900                    | 4           | 8.58%                                      |
| General Merchandise                                  | 1,653,692                       | 2           | 10.32%                                     | 1,741,903                       | 1           | 12.87%                                     |
| Food Services & Drinking Places                      | 1,425,501                       | 3           | 8.90%                                      | 1,219,554                       | 3           | 9.01%                                      |
| Bldg. Material & Garden Supplies/Equi                | 1,204,354                       | 4           | 7.52%                                      | 1,245,604                       | 2           | 9.20%                                      |
| Manufacturing  | 593,957                         | 9           | 3.71%                                      | 455,287                         | 10          | 3.36%                                      |
| Accommodation  | 963,070                         | 5           | 6.01%                                      | 987,887                         | 6           | 7.30%                                      |
| Auto Dealers   | 853,882                         | 6           | 5.33%                                      | 629,439                         | 7           | 4.65%                                      |
| Utilities  | 732,833                         | 7           | 4.57%                                      | 505,525                         | 9           | 3.73%                                      |
| Wholesale Trade                                      | 681,126                         | 8           | 4.25%                                      | 812,836                         | 5           | 6.00%                                      |
| Real Estate  | 524,244                         | 10          | 3.27%                                      | 401,140                         | 11          | 2.96%                                      |
| <hr/>  |                                 |             |  |                                 |             |  |
| Total Sales Taxes Collected by 10 Largest Businesses | <u>\$ 10,701,757</u>            |             | <u>66.81%</u>                              | <u>\$ 9,161,075</u>             |             | <u>67.68%</u>                              |
| Total Sales Taxes Collected by All Businesses        | <u>\$ 16,018,771</u>            |             | <u>100.00%</u>                             | <u>\$ 13,536,799</u>            |             | <u>100.00%</u>                             |

**Source:** Colorado State Department of Revenue

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

**Table 13**

| <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> |
|--------------------|---------------------------|--------------------------|--------------------------------------|--------------|-----------------------------------|-------------------|------------------------|--------------------------------------|---|
| 2007               | -                         | -                        | 2,925,000                            | 2,925,000    | 40,407                            | 49,343            | 59.28                  | 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               | -                         | -                        | -                                    | -            | 45,476                            | 52,401            | -                      | 0.00%                                | 0.00%   |
| 2013               | -                         | -                        | -                                    | -            | 46,492                            | 53,446            | -                      | 0.00%                                | 0.00%   |
| 2014               | -                         | -                        | -                                    | -            | 46,388                            | 54,629            | -                      | 0.00%                                | 0.00%   |
| 2015               | 265,843                   | -                        | -                                    | 265,843      | 50,206                            | 54,688            | 4.86                   | 0.01%                                | 0.00%   |
| 2016               | 254,215                   | -                        | -                                    | 254,215      | Not available                     | 55,623            | 4.57                   | Not available                        | 0.00%   |

**Sources:**

Region 9 Economic Development District of SW Colorado

United Census Bureau

La Plata County Assessor's Office

La Plata County Finance Department

**La Plata County, Colorado**  
**Computation of Legal Debt Margin**

**Table 14**

| <b>Assessment Year<br/>Fiscal/Budget Year</b>  | <b>2006<br/>2007</b> | <b>2007<br/>2008</b> | <b>2008<br/>2009</b> | <b>2009<br/>2010</b> | <b>2010<br/>2011</b> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Value                                 | \$ 3,008,045,050     | \$ 2,885,995,180     | \$ 3,017,991,395     | \$ 3,461,698,940     | \$ 2,354,797,050     |
| Actual Value                                   | \$ 9,779,128,089     | \$ 11,252,386,999    | \$ 11,996,568,139    | \$ 13,183,765,037    | \$ 11,703,822,835    |
| Legal Debt Margin:                             |                      |                      |                      |                      |                      |
| Debt limitation - 1.5% of total assessed value |                      |                      |                      |                      |                      |
| Debt limitation - 3% of total actual value     | 293,373,843          | 337,571,610          | 359,897,284          | 395,512,951          | 351,114,685          |
| Debt applicable to limitation:                 |                      |                      |                      |                      |                      |
| Total debt                                     | \$ 2,925,000         | \$ 2,550,000         | \$ 2,165,000         | \$ 1,765,000         | \$ 1,350,000         |
| Less: Certificates of participation            | 2,925,000            | 2,550,000            | 2,165,000            | 1,765,000            | 1,350,000            |
| Total debt applicable to debt limitation       | -                    | -                    | -                    | -                    | -                    |
| Legal debt margin                              | \$ 293,373,843       | \$ 337,571,610       | \$ 359,897,284       | \$ 395,512,951       | \$ 351,114,685       |

| <b>Assessment Year<br/>Fiscal/Budget Year</b>  | <b>2011<br/>2012</b> | <b>2012<br/>2013</b> | <b>2013<br/>2014</b> | <b>2014<br/>2015</b> | <b>2015<br/>2016</b> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Value                                 | \$ 2,394,149,370     | \$ 2,275,296,810     | \$ 1,842,416,460     | \$ 2,006,291,720     | \$ 2,224,369,230     |
| Actual Value                                   | \$ 10,306,419,000    | \$ 10,742,115,112    | \$ 9,760,081,610     | \$ 10,072,410,619    | \$ 11,128,335,337    |
| Legal Debt Margin:                             |                      |                      |                      |                      |                      |
| Debt limitation - 1.5% of total assessed value |                      |                      |                      |                      |                      |
| Debt limitation - 3% of total actual value     | 309,192,570          | 322,263,453          | 292,802,448          | 302,172,319          | 333,850,060          |
| Debt applicable to limitation:                 |                      |                      |                      |                      |                      |
| Total debt                                     | \$ -                 | \$ -                 | \$ -                 | \$ 265,843           | \$ 254,215           |
| Less: Certificates of participation            | -                    | -                    | -                    | -                    | -                    |
| Total debt applicable to debt limitation       | -                    | -                    | -                    | 265,843              | 254,215              |
| Legal debt margin                              | \$ 309,192,570       | \$ 322,263,453       | \$ 292,802,448       | \$ 301,906,476       | \$ 333,595,845       |

**Sources:** La Plata County Assessor's Office and La Plata County Department of Finance

**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**

**Table 15**

| <b>Fiscal<br/>Year</b> | <b>Gross Sales<br/>Tax Revenue</b> | <b>Revenue Available<br/>for Debt Service</b> <sup>1</sup> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> | <b>Coverage</b> |
|------------------------|------------------------------------|--|------------------|-----------------|--------------|-----------------|
| 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             |
| 2015                   | 15,734,279                         | N/A  | N/A              | N/A             | N/A          | N/A             |
| 2016                   | 16,018,771                         | N/A  | N/A              | N/A             | N/A          | N/A             |

**Source:** La Plata County Finance Department

**Notes:**

<sup>1</sup> Gross revenue less required transfers per bond indenture and intergovernmental agreements.

<sup>2</sup> 1992 Sales Tax revenue bonds fully paid off in 2006

**La Plata County, Colorado**  
**Demographic and Economic Statistics**

**Table 16**

| <b>Fiscal<br/>Year</b> | <b>Population</b> | <b>Personal<br/>Income <sup>1</sup></b> | <b>Per Capita<br/>Personal Income</b> | <b>Unemployment<br/>Rate</b> | <b>Median Age</b> | <b>K-12 School<br/>Enrollment <sup>2</sup></b> | <b>Higher Education<br/>Enrollment <sup>3</sup></b> |
|------------------------|-------------------|---|---------------------------------------|------------------------------|-------------------|--|---|
| 2007                   | 49,343            | 1,993,825                               | 40,407                                | 2.8                          | 38.0              | 6,602  | 3,935   |
| 2008                   | 50,291            | 2,221,658                               | 44,176                                | 3.6                          | 38.2              | 6,900  | 3,746   |
| 2009                   | 51,105            | 2,093,812                               | 40,971                                | 6.0                          | 38.8              | 7,031  | 3,685   |
| 2010                   | 51,495            | 2,164,463                               | 42,032                                | 7.1                          | 39.1              | 6,831  | 3,864   |
| 2011                   | 51,924            | 2,276,033                               | 43,834                                | 7.0                          | 38.5              | 6,658  | 3,853   |
| 2012                   | 52,401            | 2,382,999                               | 45,476                                | 6.5                          | 38.7              | 6,658  | 3,836   |
| 2013                   | 53,446            | 2,484,802                               | 46,492                                | 5.5                          | 38.7              | 6,383  | 4,065   |
| 2014                   | 54,629            | 2,534,109                               | 46,388                                | 4.2                          | 38.8              | 6,680  | 4,021   |
| 2015                   | 54,688            | 2,745,644                               | 50,206                                | 5.5                          | 38.4              | 6,911  | 4,065   |
| 2016                   | 55,623            | Not available                           | Not available                         | 2.4                          | 38.8              | 7,303  | 3,585   |

**Sources:**

United Census Bureau  
Region 9 Economic Development District of SW Colorado  
United States Department of Labor  
Colorado Department of Education  
Fort Lewis College

**Notes:**

- <sup>1</sup> In thousands of dollars  
<sup>2</sup> K-12 School enrollment includes Bayfield 10JTR, Durango 9R, and the Ignacio 11JT school districts.  
<sup>3</sup> Higher Education Enrollment is for Fort Lewis College

**La Plata County, Colorado  
Principal Employers**

**Table 17**

| <b><u>Employer</u></b>                     | <b><u>Type of Business</u></b> | <b>Estimate 2016</b>                    |   | <b>Estimate 2007</b>    |   |
|--|--------------------------------|---|---|-------------------------|---|
|  |                                | <b><u>Employees<br/>FT &amp; PT</u></b> | <b><u>Percentage<br/>of total County<br/>Employment</u></b> | <b><u>Employees</u></b> | <b><u>Percentage<br/>of total County<br/>Employment</u></b> |
| DSC Purgatory LLC                          | Recreation                     | 1,000                                   | 2.94%   | N/A                     | 0.00%   |
| Mercy Regional Medical Center              | Health                         | 860                                     | 2.53%   | 724                     | 2.32%   |
| Durango School District 9-R                | Education                      | 853                                     | 2.51%   | 795                     | 2.55%   |
| Southern Ute Indian Tribe - Administration | Government                     | 795                                     | 2.34%   | 744                     | 2.39%   |
| Crossfire LLC                              | Oil & Gas                      | 705                                     | 2.07%   | N/A                     | 0.00%   |
| Fort Lewis College                         | Education                      | 660                                     | 1.94%   | 645                     | 2.07%   |
| City of Durango                            | Government                     | 546                                     | 1.61%   | 458                     | 1.47%   |
| La Plata County                            | Government                     | 434                                     | 1.28%   | 388                     | 1.25%   |
| Sky Ute Lodge and Casino, Museum           | Recreation                     | 425                                     | 1.25%   | 301                     | 0.97%   |
| Mercury Payment Systems                    | Finance                        | 365                                     | 1.07%   | N/A                     | 0.00%   |
| <b>Total Principal Employers</b>           |                                | <b>6,643</b>                            | <b>2.32%</b>  | <b>4,055</b>            | <b>3.68%</b>  |
| <b>Total County Employment</b>             |                                | <b>33,981</b>                           | <b>100.00%</b>  | <b>31,162</b>           | <b>100.00%</b>  |

**Source:**

Region 9 Economic Development District of SW Colorado

**La Plata County, Colorado**  
**Full-time Equivalent County Employees by Function/Program**

**Table 18**

| Department                        | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | % Change<br>2016 over<br>2015 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------------------|
| Commissioners                     | 4.10          | 5.10          | 5.12          | 5.13          | 5.00          | 5.10          | 5.00          | 5.00          | 3.00          | 3.00          | 0.0%                          |
| Clerk/Elections                   | 16.63         | 18.80         | 16.88         | 14.10         | 16.16         | 18.50         | 16.00         | 16.00         | 16.00         | 16.00         | 0.0%                          |
| Treasurer/Trustee                 | 5.12          | 5.00          | 5.00          | 5.29          | 5.00          | 5.10          | 5.00          | 5.00          | 5.00          | 5.00          | 0.0%                          |
| Assessor                          | 20.45         | 20.45         | 20.20         | 18.94         | 18.80         | 19.00         | 19.00         | 17.00         | 17.00         | 17.00         | 0.0%                          |
| Administration                    | 4.19          | 5.18          | 5.16          | 5.01          | 5.03          | 6.20          | 5.00          | 5.00          | 7.00          | 6.00          | -14.3%                        |
| Attorney                          | 0.00          | 0.00          | 6.00          | 6.00          | 5.75          | 5.10          | 6.00          | 6.00          | 6.00          | 6.00          | 0.0%                          |
| Facilities & Grounds              | 10.01         | 10.01         | 10.01         | 10.00         | 10.00         | 10.00         | 11.00         | 11.00         | 12.00         | 15.00         | 25.0%                         |
| Finance                           | 4.02          | 4.00          | 5.00          | 5.00          | 3.75          | 3.80          | 4.50          | 5.00          | 5.00          | 5.00          | 0.0%                          |
| Information Services              | 10.00         | 10.00         | 10.00         | 10.00         | 9.02          | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 0.0%                          |
| Procurement                       | 3.79          | 3.79          | 4.02          | 4.02          | 4.00          | 4.00          | 2.75          | 2.50          | 2.50          | 2.50          | 0.0%                          |
| GIS                               | 8.00          | 8.00          | 7.00          | 7.00          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 0.0%                          |
| Human Resources/Risk Mgt          | 4.11          | 4.08          | 4.11          | 4.11          | 4.11          | 4.10          | 4.00          | 4.00          | 4.00          | 4.00          | 0.0%                          |
| County Surveyor                   | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 0.25          | -75.0%                        |
| Construction Management           | 1.17          | 1.27          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.0%                          |
| Sustainability Office             | 0.00          | 1.00          | 1.00          | 1.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.0%                          |
| <b>General Government Total</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>92.50</b>  | <b>93.75</b>  | <b>1.4%</b>                   |
| Building Inspection / OEM         | 11.75         | 14.00         | 14.00         | 11.00         | 8.00          | 7.75          | 8.00          | 8.00          | 8.00          | 9.00          | 12.5%                         |
| Criminal Investigations           | 9.90          | 10.90         | 10.68         | 10.79         | 10.40         | 11.00         | 10.00         | 11.00         | 11.00         | 9.00          | -18.2%                        |
| Special Investigations            | 5.80          | 5.76          | 5.57          | 5.53          | 5.50          | 5.50          | 6.00          | 5.00          | 5.00          | 5.00          | 0.0%                          |
| Special Services                  | 24.10         | 23.20         | 22.44         | 22.29         | 21.50         | 21.70         | 21.25         | 22.25         | 22.25         | 11.00         | -50.6%                        |
| Public Safety                     | 34.90         | 34.92         | 34.13         | 34.15         | 33.25         | 33.50         | 32.00         | 32.00         | 34.00         | 44.00         | 29.4%                         |
| Alternative to Incarceration      | 5.30          | 5.48          | 5.34          | 5.34          | 5.30          | 5.40          | 5.00          | 5.00          | 5.00          | 4.00          | -20.0%                        |
| Detentions                        | 49.60         | 60.60         | 62.16         | 62.14         | 62.50         | 62.60         | 59.00         | 59.00         | 59.00         | 62.00         | 5.1%                          |
| Coroner                           | 2.10          | 1.55          | 1.50          | 1.50          | 1.50          | 1.50          | 1.50          | 1.50          | 1.50          | 1.50          | 0.0%                          |
| District Attorney                 | 25.10         | 25.10         | 25.10         | 25.50         | 25.50         | 25.00         | 25.00         | 25.00         | 25.00         | 25.00         | 0.0%                          |
| <b>Public Safety Total</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>170.75</b> | <b>170.50</b> | <b>-0.1%</b>                  |
| Road & Bridge, Eng.               | 51.89         | 52.64         | 53.70         | 49.89         | 46.33         | 48.40         | 41.00         | 41.00         | 41.00         | 41.00         | 0.0%                          |
| <b>Public Works Total</b>         | <b>51.89</b>  | <b>52.64</b>  | <b>53.70</b>  | <b>49.89</b>  | <b>46.33</b>  | <b>48.40</b>  | <b>41.00</b>  | <b>41.00</b>  | <b>41.00</b>  | <b>41.00</b>  | <b>0.0%</b>                   |
| CERF                              | 10.07         | 9.10          | 9.10          | 9.10          | 9.04          | 9.10          | 9.00          | 9.00          | 9.00          | 9.00          | 0.0%                          |
| <b>Internal Service Funds</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>9.00</b>   | <b>9.00</b>   | <b>0.0%</b>                   |
| Human Services                    | 58.41         | 59.40         | 58.75         | 58.75         | 60.00         | 63.93         | 61.75         | 63.38         | 64.75         | 68.75         | 6.2%                          |
| <b>Health &amp; Welfare Total</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>64.75</b>  | <b>68.75</b>  | <b>6.2%</b>                   |
| Extension Office                  | 1.80          | 2.42          | 2.42          | 0.77          | 0.00          | 0.80          | 0.00          | 0.00          | 0.00          | 0.00          | 0.0%                          |
| Weed                              | 1.50          | 1.70          | 1.67          | 1.49          | 1.30          | 1.50          | 1.00          | 1.00          | 1.50          | 2.00          | 33.3%                         |
| Fairgrounds                       | 10.80         | 10.61         | 10.60         | 10.34         | 10.00         | 10.00         | 9.00          | 9.00          | 9.00          | 10.00         | 11.1%                         |
| Senior Center Ops & Act           | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.0%                          |
| Planning                          | 17.21         | 18.30         | 18.30         | 18.28         | 11.99         | 11.70         | 11.75         | 10.75         | 11.00         | 11.25         | 2.3%                          |
| Senior Services                   | 7.70          | 8.41          | 8.72          | 8.52          | 8.59          | 9.50          | 8.00          | 8.00          | 8.00          | 8.50          | 6.3%                          |
| Veterans' Services Office         | 1.00          | 1.00          | 1.09          | 1.08          | 1.00          | 1.10          | 1.00          | 1.00          | 1.00          | 1.00          | 0.0%                          |
| <b>Auxiliary Services</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>30.50</b>  | <b>32.75</b>  | <b>7.4%</b>                   |
| <b>Grand Total</b>                | <b>421.52</b> | <b>442.77</b> | <b>445.77</b> | <b>433.06</b> | <b>414.32</b> | <b>425.88</b> | <b>403.50</b> | <b>403.38</b> | <b>408.50</b> | <b>415.75</b> | <b>1.8%</b>                   |

**Source:** La Plata County Annual Budget

**Notes:** Numbers include regular and temporary employees.



**La Plata County, Colorado**  
**Operating Indicators by Function/Program**

**Table 19**

| <b><u>Function/Program</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><u>2015</u></b> | <b><u>2016</u></b> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>General Government</b>                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <u>Clerk &amp; Recorder</u>                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| # Vehicle Transactions Processed             | 98,829             | 98,951             | 89,672             | 91,592             | 100,468            | 92,650             | 93,865             | 95,504             | 95,863             | 96,742             |
| # Titles Issued (69% printed by staff)       | 23,230             | 19,083             | 14,472             | 13,624             | 14,955             | 15,853             | 17,553             | 18,679             | 17,795             | 17,804             |
| # documents recorded                         | 20,874             | 18,969             | 19,550             | 16,500             | 15,889             | 17,762             | 17,096             | 15,069             | 15,622             | 16,343             |
| # of registered voters                       | 33,658             | 37,615             | 37,185             | 37,243             | 38,590             | 41,516             | 41,785             | 40,154             | 41,677             | 44,828             |
| # of votes cast                              | 1,485              | 28,117             | 4,644              | 20,892             | 11,694             | 29,416             | 15,473             | 29,123             | 12,924             | 39,498             |
| # of marriage licenses issued                | 526                | 528                | 515                | 506                | 554                | 573                | 571                | 632                | 637                | 606                |
| <u>Treasurer</u>                             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Receipts processed                           | 36,913             | 37,980             | 37,740             | 37,954             | 37,995             | 59,790             | 26,366             | 25,934             | 29,540             | 36,025             |
| <u>Assessor</u>                              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| # of property accounts maintained/assessed   | Unavailable        | 46,293             | Unavailable        | 46,589             | 46,503             | 46,657             | 46,420             | 46,580             | 74,436             | 47,161             |
| Assessed value (in thousands)                | 2,885,995          | 3,017,991          | 3,461,699          | 2,354,797          | 2,394,149          | 2,275,296          | 1,842,416          | 2,004,585          | 2,220,914          | 1,815,518          |
| <u>Geographic Information Services</u>       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| # of recorded documents processed            | 5,429              | 4,024              | 1,196              | 325                | 5,440              | 7,039              | 1,486              | 226                | 128                | 123                |
| # of rural addresses assigned                | 481                | 314                | 191                | 182                | 565                | 281                | 527                | 338                | 147                | 313                |
| <b>Public Safety</b>                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <u>Building Inspection</u>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| # of permits issued                          | 951                | 781                | 601                | 577                | 535                | 544                | 580                | 655                | 815                | 675                |
| # of inspections completed                   | 4,662              | 4,651              | 3,553              | 2,632              | 2,414              | 2,435              | 2,536              | 3,369              | 3,604              | 3,284              |
| <u>Emergency Management</u>                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Search & Rescue Missions                     | 71                 | 37                 | 14                 | 23                 | 30                 | 34                 | 35                 | 37                 | 34                 | 56                 |
| <u>Sheriff - Public Safety</u>               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| # of incidents investigated                  | Unavailable        | 25,530             | 3,552              | 23,652             | 23,227             | 22,561             | 23,224             | 23,640             | 28,694             | 37,731             |
| # of arrests                                 | Unavailable        | 946                | Unavailable        | 594                | 705                | 586                | 678                | 804                | 1,224              | 1,597              |
| # of citations                               | Unavailable        | 223                | Unavailable        | 134                | 131                | 110                | 146                | 97                 | 199                | 163                |
| <u>Alternative to Incarceration</u>          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| # of inmates under Day Reporting Supervision | 88                 | 93                 | 89                 | 102                | 124                | 99                 | 45                 | 11                 | 0                  | 0                  |
| # of inmates in Community Custody program    | 178                | 185                | 145                | 298                | 55                 | 104                | 108                | 95                 | 39                 | 119                |
| Pretrial management                          | 245                | 255                | 222                | 270                | 371                | 333                | 299                | 304                | 337                | 615                |

**La Plata County, Colorado**  
**Operating Indicators by Function/Program**

**Table 19**

| <b><u>Function/Program</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><u>2015</u></b> | <b><u>2016</u></b> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <u>Detentions</u>                                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Total # of inmates booked into facility           | 3,087              | 2,900              | Unavailable        | 3,020              | 2,943              | 2,033              | 2,662              | 2,858              | 3,294              | 3,843              |
| average daily inmate population                   | 186                | 181                | 140                | 149                | 166                | 148                | 114                | 111                | 118                | 148                |
| <b>Public Works</b>                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <u>Maintenance Support</u>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| gallons of dust palliative applied                | 1,000,000          | 1,200,000          | 1,098,307          | 920,642            | 1,100,000          | 865,672            | 920,642            | 988,547            | 1,461,306          | 759,693            |
| tons of road base hauled and placed               | 120,000            | 120,000            | 101,608            | 105,297            | 106,676            | 79,197             | 110,568            | 64,708             | 33,335             | 43,711             |
| # of gallons of highway paint used                | 12,500             | 12,750             | 12,500             | 12,000             | 9,500              | 12,500             | 12,000             | 12,500             | 12,500             | 12,500             |
| <u>Convenience Center</u>                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Customers served - Bayfield                       | 2,841              | 2,506              | 2,116              | 2,159              | 2,117              | 2,154              | 1,493              | 2,091              | 2,010              | 2,203              |
| Customers served - Marvel                         | 713                | 699                | 550                | 421                | 543                | 523                | 340                | 498                | 475                | 483                |
| <b>Health &amp; Welfare</b>                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <u>Human Services</u>                             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Child Welfare - # of assessments opened           | 303                | 283                | 172                | 315                | 266                | 273                | 262                | 283                | 272                | 263                |
| Adult Protective Services - # of investigations   | 90                 | 89                 | 101                | 88                 | 99                 | 88                 | 87                 | 96                 | 141                | 131                |
| Child Support - \$ of payments collected          | \$3,044,044        | \$3,570,909        | \$3,147,432        | \$3,248,125        | \$3,302,905        | \$3,429,662        | \$3,828,881        | \$3,671,529        | \$3,775,730        | \$3,595,644        |
| <b>Community Programs</b>                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Conservation Trust Funds                          | \$204,000          | \$234,250          | \$150,000          | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Public Service Agency Funds                       | \$2,379,166        | \$3,113,539        | \$3,155,684        | \$2,894,774        | \$2,973,186        | \$3,200,905        | \$2,461,494        | \$2,375,306        | \$1,852,663        | \$2,415,471        |
| <b>Auxiliary Services</b>                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <u>Senior Services</u>                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| # of meals provided                               | 39,899             | 41,549             | 43,010             | 41,247             | 37,745             | 40,812             | 43,769             | 45,011             | 49,519             | 45,177             |
| # of transportation rides provided                | 6,474              | 5,571              | 6,114              | 6,226              | 5,584              | 5,955              | 5,788              | 6,549              | 6,951              | 7,763              |
| <u>Veterans Services</u>                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Compensation Claims                               | 168                | 57                 | 144                | 196                | 201                | 91                 | 192                | 140                | 202                | 222                |
| <u>Weed Management</u>                            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| # of miles treated for noxious weeds              | 1,309              | 680                | 675                | **                 |                    |                    | 672                | 675                | 435                | 326                |
| # of acres treated for noxious weeds              |                    |                    |                    | 505                | Unavailable        | 451                | 90                 | 105                | 273                | 183                |
| small group bookings (less than 500 participants) | Unavailable        | 2,548              | 3,347              | 2,562              | 1,633              | 1,053              | 131                | 125                | 76                 | 45                 |
| large bookings (more than 500 participants)       | Unavailable        | 74                 | 31                 | 12                 | 365                | 357                | 0                  | 0                  | 0                  | 0                  |

**La Plata County, Colorado**  
**Operating Indicators by Function/Program**

**Table 19**

| <b><u>Function/Program</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><u>2015</u></b> | <b><u>2016</u></b> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <u>Planning</u>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Major projects reviewed   | 119                | 91                 | 55                 | 28                 | 48                 | 35                 | 100                | 122                | 116                | 110                |
| Oil & Gas (Major & Minor)   | 232                | 230                | 82                 | 31                 | 35                 | 42                 | 25                 | 62                 | 56                 | 59                 |
| Minor/Administrative Projects reviewed                            | 106                | 134                | 80                 | 92                 | 62                 | 71                 | 108                | 126                | 159                | 109                |
| <b>Internal Service Funds</b>                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <u>Capital Equipment Replacement Fund</u>                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <i>(prior to 2005, vehicles were in R &amp; B Fleet division)</i> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Vehicles maintained (self propelled mobile units)                 | 233                | 237                | 243                | 246                | 305                | 301                | 307                | 311                | 317                | 326                |

**Source:** La Plata County - Various Departments

**La Plata County, Colorado**  
**Capital Asset Statistics by Function/Program**

**Table 20**

|                               |                                     | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------------|-------------------------------------|------|------|------|------|------|------|------|------|------|------|
| <b>General Government</b>     |                                     |      |      |      |      |      |      |      |      |      |      |
| Clerk                         | Number of business locations        | 3    | 3    | 3    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Facilities & Grounds          | Facilities maintained               | 17   | 17   | 17   | 17   | 17   | 17   | 17   | 17   | 20   | 20   |
|                               | Warehouses maintained               | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 1    |
| Procurement                   | Warehouses operated                 | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 0    |
| <b>Public Safety</b>          |                                     |      |      |      |      |      |      |      |      |      |      |
| Detentions                    | Jail bed capacity                   | 197  | 197  | 293  | 293  | 293  | 293  | 293  | 293  | 293  | 298  |
| <b>Public Works</b>           |                                     |      |      |      |      |      |      |      |      |      |      |
|                               | Miles of Roadways maintained        | 655  | 658  | 658  | 658  | 658  | 656  | 672  | 656  | 656  | 656  |
|                               | Bridges                             | 53   | 53   | 53   | 53   | 53   | 48   | 48   | 49   | 49   | 49   |
| <b>Internal Service Funds</b> |                                     |      |      |      |      |      |      |      |      |      |      |
| CERF                          | Number of fleet vehicles maintained | 233  | 237  | 243  | 246  | 305  | 301  | 307  | 311  | 317  | 326  |

**Source:** La Plata County - Various Departments

**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***

May 26, 2017

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 (the "County"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 26, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. 2016-001.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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*.

### **County's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Albuquerque, New Mexico  
May 26, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

May 26, 2017

To the Board of County Commissioners  
La Plata County, Colorado

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

We have audited La Plata County Colorado's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the County 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, 2016.

**Report on Internal Control over Compliance**

Management of the County 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 the 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.



A *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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Axiom".

Albuquerque, New Mexico  
May 26, 2017

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

| Federal Grantor/Pass-Through Grantor/Program<br>or Cluster Title                                    | Federal<br>CFDA<br>Number | Pass-Through<br>Entity ID<br>Number | Expenditures as of 12/31/16 | Amounts Passed-<br>Through to<br>Subrecipients |
|---|---------------------------|-------------------------------------|-----------------------------|--|
| Department of Agriculture   |                           |                                     |                             |  |
| <b>Passed through the Colorado Department of Human Services</b>                                     |                           |                                     |                             |  |
| State Administrative Matching Grants for the Supplemental<br>Nutrition Assistance Program           | 10.561                    |                                     | \$ 434,379                  |  |
| Direct  |                           |                                     |                             |  |
| Schools and Roads - Grants to States  | 10.665                    |                                     | 180,625                     |  |
| Total Department of Agriculture   |                           |                                     | 615,004                     |  |
| Department of Health and Human Services   |                           |                                     |                             |  |
| <b>Passed through the Area Agency on Aging</b>  |                           |                                     |                             |  |
| Special Programs for Aging-Title III, Part B - Grants for<br>Supportive Services and Senior Centers | 93.044                    |                                     | 10,560                      |  |
| Special Programs for Aging-Title III, Part C - Nutrition<br>Services                                | 93.045                    |                                     | 109,668                     |  |
| Nutrition Service Incentive Program   | 93.053                    |                                     | 44,306                      |  |
| Area Agency on Aging Cluster  |                           |                                     |                             | 164,534  |
| Special Programs for Aging - Title III, Part E -<br>National Family Caregiver Support               | 93.052                    |                                     | 23,476                      |  |
| <b>Passed through the Colorado Department of Human Services</b>                                     |                           |                                     |                             |  |
| Promoting Safe and Stable Families  | 93.556                    |                                     | 122,441                     |  |
| Temporary Assistance for Needy Families   | 93.558                    |                                     | 880,044                     | 86,288   |
| Child Support Enforcement   | 93.563                    |                                     | 356,613                     |  |
| Low-Income Home Energy Assistance   | 93.568                    |                                     | 187,343                     |  |
| Child Care and Development Block Grant  | 93.575                    |                                     | 177,290                     |  |
| Child Care Mandatory and Matching Funds of the Child<br>Care and Development Fund                   | 93.596                    |                                     | 145,021                     |  |
| Child Care and Development Block Grant Cluster  |                           |                                     |                             | 322,311  |
| Child Welfare Services - State Grants   | 93.645                    |                                     | 8,484                       |  |
| Foster Care Title IV-E  | 93.658                    |                                     | 607,824                     |  |
| Adoption Assistance   | 93.659                    |                                     | 85,874                      |  |
| Social Services Block Grant   | 93.667                    |                                     | 293,220                     |  |
| Chafee Foster Care Independence Program   | 93.674                    |                                     | 27,418                      |  |
| Medical Assistance Program  | 93.778                    |                                     | 342,566                     |  |
| Colorado Department of Regulatory Agencies  |                           |                                     |                             |  |
| <b>Passed through Division of Insurance</b>   |                           |                                     |                             |  |
| Special Programs for Aging-Title IV and Title II -<br>Discretionary Projects                        | 93.048                    |                                     | 4,783                       |  |
| Centers for Medicare and Medicaid Services (CMS)<br>Research Demonstrations, and Evaluations        | 93.779                    |                                     | 13,860                      |  |
| Total Department of Health and Human Services   |                           |                                     | 3,440,791                   | 86,288   |

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

| Federal Grantor/Pass-Through Grantor/Program<br>or Cluster Title | Federal<br>CFDA<br>Number | Pass-Through<br>Entity ID<br>Number | Expenditures as of 12/31/16 | Amounts Passed-<br>Through to<br>Subrecipients |
|--|---------------------------|-------------------------------------|-----------------------------|--|
| Department of Interior   |                           |                                     |                             |  |
| <b>Direct</b>  |                           |                                     |                             |  |
| Aid to Tribal Governments  | 15.020                    |                                     | 168,914                     |  |
| Payments in Lieu of Taxes  | 15.226                    |                                     | 627,520                     |  |
| Total Department of Interior                                     |                           |                                     | 796,434                     |  |
| Department of Homeland Security                                  |                           |                                     |                             |  |
| <b>Passed through the Colorado Department of Local Affairs</b>   |                           |                                     |                             |  |
| Emergency Management Performance Grants                          | 97.042                    | 14EM-15-34                          | 61,927                      |  |
| Total Department of Homeland Security                            |                           |                                     | 61,927                      |  |
| Department of Housing and Urban Development                      |                           |                                     |                             |  |
| <b>Passed through the Colorado Department of Local Affairs</b>   |                           |                                     |                             |  |
| Community Development Block Grants/State's program               | 14.228                    | F15CDB15-600                        | 832,345                     | 832,345  |
| Total Department of Housing and Urban Development                |                           |                                     | 832,345                     | 832,345  |
| Department of Justice  |                           |                                     |                             |  |
| <b>Direct</b>  |                           |                                     |                             |  |
| Office of Justice Programs                                       |                           |                                     |                             |  |
| Bulletproof Vest Partnership Program                             | 16.607                    |                                     | 5,060                       |  |
| State Criminal Alien Assistance Program                          | 16.606                    |                                     | 5,125                       |  |
| Department of Justice / Criminal Division                        |                           |                                     |                             |  |
| Equitable Sharing Program  | 16.922                    |                                     | 111,178                     |  |
| <b>Passed through the Colorado Department of Public Safety</b>   |                           |                                     |                             |  |
| Crime Victim Compensation (Sixth Judicial District)              | 16.576                    | 13-VC-6                             | 1                           |  |
| Crime Victim Compensation (Sixth Judicial District)              | 16.576                    | 14-VC-6                             | 26,500                      |  |
| Total Department of Justice                                      |                           |                                     | 147,864                     |  |
| Environmental Protection Agency                                  |                           |                                     |                             |  |
| Cooperative Agreement  |                           |                                     |                             |  |
| Office of Solid Waste and Emergency Response                     |                           |                                     |                             |  |
| Superfund State, Political Subdivision, and Indian               |                           |                                     |                             |  |
| Tribe Site-Specific Cooperative Agreements                       | 66.802                    |                                     | 208,709                     |  |
| Total Environmental Protection Agency                            |                           |                                     | 208,709                     |  |
| Other Federal Assistance   |                           |                                     |                             |  |
| <b>Direct</b>  |                           |                                     |                             |  |
| Office of National Drug Control Policy, Dept of Treasury,        |                           |                                     |                             |  |
| Dept of Justice High Intensity Drug Trafficking                  |                           |                                     |                             |  |
| Areas Program  | 95.001                    | G14RM0023A                          | 375,583                     |  |
| Total Office of National Drug Control Policy                     |                           |                                     | 375,583                     |  |
| Total Federal Assistance   |                           |                                     | \$ 6,478,657                | \$ 918,633                                     |

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

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 the Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). 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.

The County has declined to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Clusters of Programs**

| The following programs are reported as clusters:   | <u>CFDA #</u> | <u>Expenditures</u> |
|--|---------------|---------------------|
| Aging Cluster  |               |                     |
| Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044        | \$ 10,560           |
| Special Programs for Aging-Title III, Part C - Nutrition Services                                | 93.045        | 109,668             |
| Special Programs for Aging-Title III, Part E - National Family Caregiver Support Program         | 93.052        | 23,476              |
| Nutrition Service Incentive Program  | 93.053        | 44,306              |
| Total  |               | <u>\$ 188,010</u>   |
| CCDF Cluster   |               |                     |
| Child Care and Development Block Grant   | 93.575        | \$ 177,290          |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                   | 93.596        | 145,021             |
| Total  |               | <u>\$ 322,311</u>   |

**La Plata County, Colorado**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2016**

**A. SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?   X   Yes        No
- Significant deficiency identified that are not considered to be material weakness(es)?        Yes   X   None Reported

Non-compliance material to financial statements noted?        Yes   X   No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?        Yes   X   No
- Significant deficiency identified that are not considered to be material weakness(es)        Yes   X   None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?        Yes   X   No

**Identification of Major Program**

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 93.558             | Temporary Assistance for Needy Families   |
| 14.228             | Community Development Block Grant         |

Dollar threshold used to distinguish between type A and type B programs \$       750,000      

Auditee qualified as low-risk auditee?   X   Yes        No

**La Plata County, Colorado**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2016**

**B. FINANCIAL STATEMENT FINDINGS**

**2016-001: Segregation of Duties in the Treasurer's Office (Material Weakness)**

**CONDITION:**

During our review of the Treasurer's Office control environment we noted improper segregation of duties as the same individual has access to post journal entries into the accounting software without any review or approval, review daily cash collections, receive checks, reconcile bank statements, transfer money amongst bank accounts, post Treasurer's checks, and sign checks.

**CRITERIA:**

The Codification of Statements on Auditing Standards (AU-C) Section 200 paragraph .05 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

**EFFECT:**

The County's financial transactions are more susceptible to uncorrected errors and there is an increased risk of fraud going undetected.

**CAUSE:**

The Treasurer's Office lacks the internal control policies to ensure that all receipts and all disbursements are properly recorded in a timely manner.

**RECOMMENDATION:**

The Treasurer's Office should implement controls that restrict a person's access to or underlying capability to perform certain functions that are incompatible from a segregation of duties viewpoint with their current job duties. If necessary, due to the limited staff resources in the Treasurer's Office, the County might want to consider using an individual from outside of the Treasurer's Office or from the finance department for that purpose.

**MANAGEMENT RESPONSE:**

The La Plata County Treasurer's Office has 2.5 employees to collect property taxes and fees for various taxing authorities, distribute these assets and process disbursements to the same. In 2016, over 138,000 transactions were completed by these employees. The La Plata County Treasurer's Office has, and will continue, to analyze the financial operations and develop policies and procedures to mitigate risks associated with segregation of duties.

**La Plata County, Colorado**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2016**

**C. FINDINGS AND QUESTIONED COSTS UNDER 2 CFR 200.516(a)**

**None**

**La Plata County, Colorado**  
**Schedule of Prior Year Findings**  
**Year Ended December 31, 2016**

There were no prior year findings