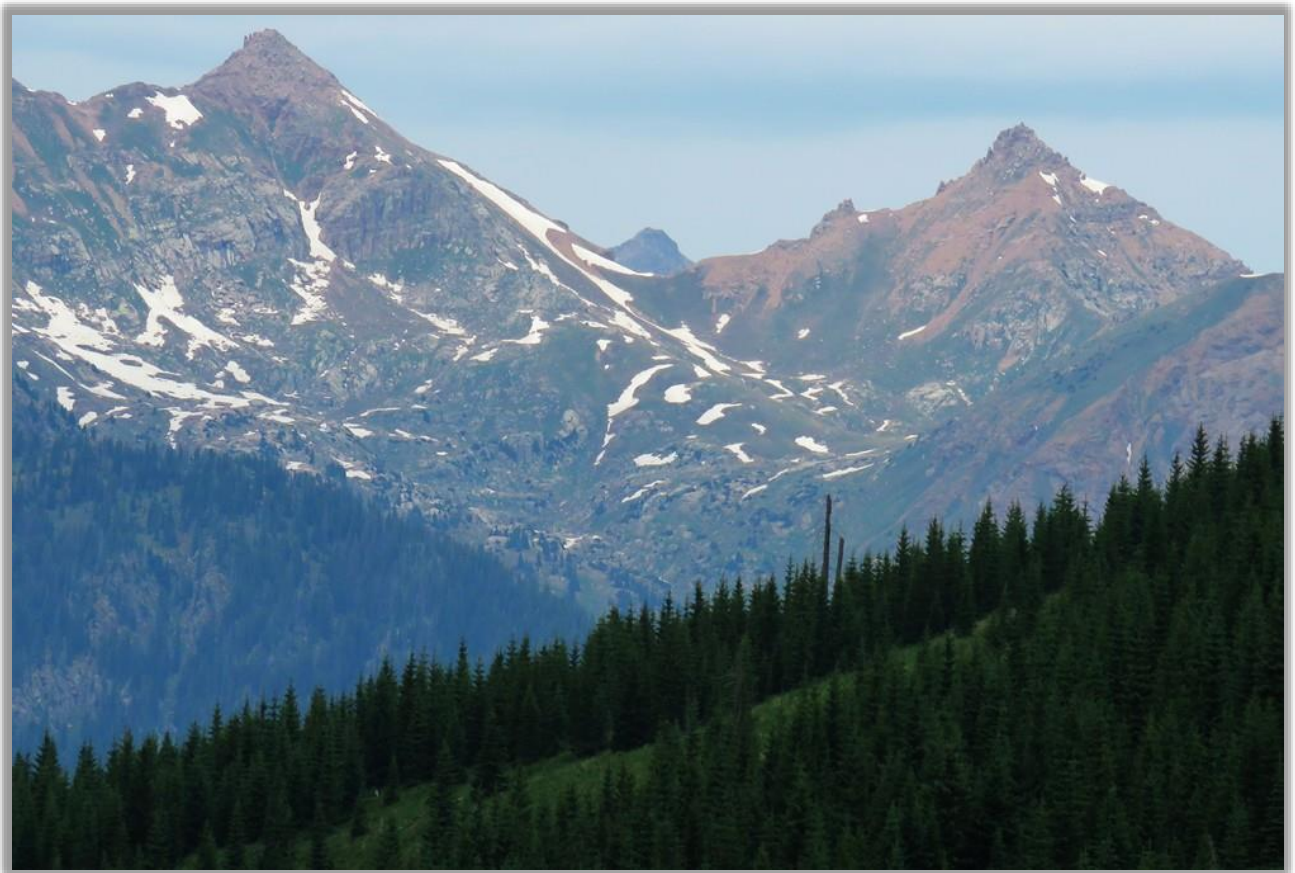




# **Comprehensive Annual Financial Report**



**For the Year Ending December 31, 2018**

Prepared by La Plata County Finance Department



## **INTRODUCTORY SECTION**

**La Plata County, Colorado**  
***Comprehensive Annual Financial Report***  
***For The Year Ended December 31, 2018***

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**(Unaudited)**

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June 30, 2019

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, 2018, 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 are produced without assistance from the external auditors.

The County's financial statements have been audited by the certified public accounting firm of RubinBrown, Certified Public Accountants and Business Consultants LLP. 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, 2018 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, 2018 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 was incorporated in 1874 and is located in southwestern Colorado. The County has land area of 1,692 square miles and a 2018 population of 56,310<sup>1</sup>. 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 Fort Lewis College, a four-year liberal arts state institution of approximately 3,356 students<sup>2</sup> as well as Southwest Community College.

Approximately 40.78% of La Plata County's land base is public land managed by federal, state and local agencies. These lands help significantly to support a robust tourism economy, providing a draw for recreation opportunities including hiking, hunting, skiing, mountain biking, fishing, horseback riding and many other natural resource-based activities. These features, as well as other historical and cultural resources help shape the local economy as being heavily tourism-based. 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 over Memorial Day weekend. For over 30 years, Music in the Mountains has produced an exceptional summer music festival with musicians of the highest caliber delighting audiences with the richness of classical music. Labor Day weekend has been a weekend of fun for motorcycle enthusiasts for over 25 years with events throughout the county including parades, concerts and other activities.

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

<sup>2</sup>Fort Lewis website at <https://www.fortlewis.edu/Portals/0/Docs/FLC-at-a-glance-1018.pdf>

La Plata County is the 14th most populous of Colorado's 64 counties<sup>3</sup>. The preliminary average annual wage for La Plata County in 2017 was \$861 a week or \$44,772 per year<sup>4</sup>. The total labor force for La Plata County in December 2018 was 31,317<sup>5</sup> of which 30,335 were employed and 982 were unemployed; the unemployment rate was 3.6%<sup>6</sup>.

The construction industry, which is another significant sector of the local economy in La Plata County, has shown steady recovery since 2014. Previously this industry had been the hardest-hit sector since an economic recession began in 2006, with County building permits declining more than 45% from 2006 to 2013. Construction Permits issued have decreased 15% from the previous year. The County issued 268 building permits in 2018 as compared to 308 in 2017<sup>6</sup>. Despite the reduction in 2018, overall permits have increased 21.27% since 2014<sup>7</sup>.

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

<b><u>Employer</u></b>	<b><u>Type of Business</u></b>	<b><u>Employees FT &amp; PT</u></b>	<b><u>Percentage of total County Employment</u></b>
Mercy Regional Medical Center	Health	1,321	4.22%
Durango School District 9-R	Education	1,011	3.23%
Southern Ute Indian Tribe - Administration	Government	980	3.13%
Fort Lewis College	Education	611	1.95%
City of Durango	Government	595	1.90%
Crossfire LLC	Oil & Gas	474	1.51%
Worldpay (Formerly Vantiv, Mercury)	Finance	460	1.47%
La Plata County	Government	418	1.33%
Sky Ute Lodge and Casino, Museum	Recreation	400	1.28%
Walmart	Retail	322	1.03%
<b>Total Principal Employers</b>		<b>6,592</b>	<b>21.05%</b>

*Source: Region 9 Economic Development District of SW Colorado*

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.

<sup>3</sup>State Demography Office at <https://demography.dola.colorado.gov/population/population-totals-counties/>

<sup>4</sup>Bureau of Labor Statistics at [data.bls.gov/timeseries/ENU0806740010](https://data.bls.gov/timeseries/ENU0806740010)

<sup>5</sup>BLS Data Viewer at <https://www.bls.gov/lau/>

<sup>6</sup>LPC Economic Development District <https://yeslpc.com/economic-dashboard-december-2018/>

<sup>7</sup>LPC Economic Development District <https://yeslpc.com/economic-dashboard-december-2014/>

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.

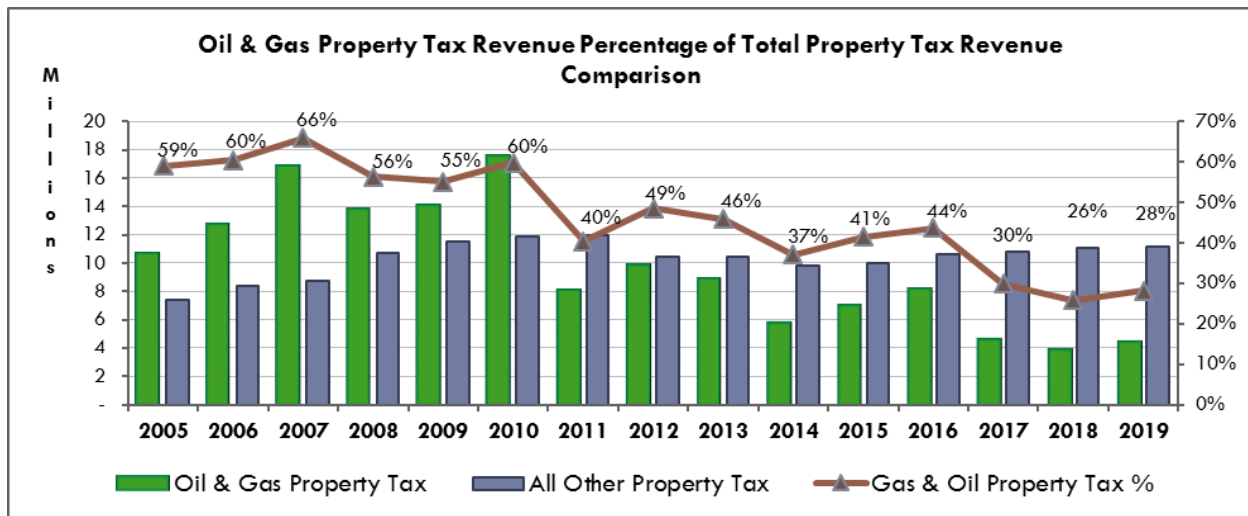
## **Budgetary Controls**

Colorado state law requires the adoption of budgets for all local governments. 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

Historically, much of the county's property tax base has derived from coalbed methane gas production. In recent years, natural gas prices and production have fluctuated, trending downward, while property tax rates have remained unchanged since the 1980s. This has had a deleterious effect on property tax revenue. In 2019 La Plata County's total property tax revenue is expected to be \$15.5 million as compared to \$29.4 million in 2010 – a decline of 47%. Of this total, natural gas property tax revenue represents \$4.39 million or 28% of the total property tax revenue of \$15.5 million in 2019.



With an 8.5 mill levy, La Plata County has the fourth-lowest property tax rate in the state. The 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. When oil and gas activity was strong, La Plata County's low mill levy rate was adequate to support the county's full service level. Now, the disproportionately low tax rate has become a financial vulnerability for the County. La Plata County ranks 41st in per capita property tax revenue among 52 like-sized counties in the state.

The County has historically set aside property tax revenue from natural gas production over a baseline fiscal year 2000 amount. This revenue is reserved for capital facility purchases and improvements. At the end of 2018, this amount was approximately \$8.0 million and is reserved in the General Fund as 'Assigned for Capital Projects'.

In 2018, these funds were used to remodel the lower level of the La Plata County Courthouse for lease to the U.S. Marshal along with the relocation of the County's data center and Information Technology staff. The County negotiated an amendment to the current 10-year lease agreement with the General Services Administration to pay for the tenant improvements and rent for the additional space that the U.S. Marshal would be occupying. The funds were also used to begin construction of a new building in Bodo Park area to consolidate the Assessor, Clerk, and Treasurer offices in a central location with ample parking for ease of public access. The building will move the Clerk & Recorder Office out of leased space, saving \$135,000 in annual rent payments. These projects 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.

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.

## **Budget**

With the continuing decline in the property tax revenues, current revenues are not adequate to support full service levels. The Board of County Commission's goals include developing both short term and long-term plans for La Plata County's financial sustainability. "Living within our means" has been a consistent and fundamental value for La Plata County, and with the decade-long downward revenue trend, it has become an overarching and urgent priority. In the short-term, we are meeting this challenge using a three-legged stool approach: budget reductions, revenue enhancements and organizational innovation.

- **Cost reductions**
  - 21 positions open
  - For positions that must be refilled, a 60-day hiring hiatus when possible
  - Health plan revision & employee clinic
  - Reduction of services
  - Reduced funding for public service agencies
  - Reductions in materials for road maintenance
- **Revenue enhancements**
  - Increased fees for services and facility usage
  - Leasing space
- **Innovate La Plata (Since 2016)**
  - 50% of staff trained in process improvement
  - \$1,090,920 savings in hard and soft costs, with 155 innovations

These short-term strategies position La Plata County to navigate 2019 revenue challenges but they do not provide a platform for long-term fiscal sustainability, particularly when many of the county's services are statutorily required. Engaging our constituents in a meaningful conversation about what La Plata County

must do – the mandatory services we provide – what the County does do – the discretionary services, and what we could do, shaped by our community’s vision for La Plata County and, importantly, how we invest in that vision, will be our highest priority task in the year ahead.

In 2019, we anticipate property tax revenue will increase approximately \$595,000. Residential market values have increased significantly statewide, particularly on the Front Range, but the corresponding assessment rate, upon which property taxes are based, has not increased proportionately. This is because Colorado’s Gallagher Amendment, passed by voters in 1982, dictates that no more than 45% of the total assessed property tax valuation in the state can come from residential property. When housing values soar, the amount that can be assessed for property taxation must fall. The result in 2017 was a decrease in the residential assessment rate from 7.96% to 7.2% (a 9.5% reduction). The assessment rate adjusts every two years and in 2019, we expect the residential assessment rate to decrease to 7.15%.

Total expenditures County-wide are proposed at \$91,146,073 in 2019. Operating expenditures are \$59.3 million and almost \$32 million in proposed one-time expenditures, which includes capital, transfers out, and contingencies. When compared to 2018 Budget, operating expenditures increased approximately \$1.1 million or 2.0%.

Staffing is the largest expenditure area in the county’s operating budget, and directly corresponds to the breadth and depth of service the county can provide. For 2019, personnel costs will make up approximately 52.2% of the operating budget. Those costs are projected to decrease 0.04% or \$11,600 from 2018. In 2018, the County’s personnel costs decreased \$1.2 million from the 2017 budget as a direct result of 19 positions that remained vacant through attrition. In 2019, vacancies will increase to 21. While this approach is more strategic than an involuntary reduction in force, it is nonetheless a difficult reality for the departments affected, as well as for citizens who rely on services that are diminished or delayed because of decreased staffing. Other operating expenditures are considered ongoing expenses and are projected to increase 2% or \$1.1 million in 2019. The increase in operating costs is related to repairs and maintenance on the county’s road system (\$830,000) and facilities (\$348,500). These expenses will address maintenance and repairs that were deferred over the past several years, when revenues were inadequate to support the projects. We anticipate this revenue increase to be a one-year reprieve.

Capital and one-time expenditures increased \$10.5 million as compared with 2018. The increase includes a number of significant capital projects totaling \$12.2 million and a Transfer Out of the General Fund into the Capital Improvement Fund in the amount of \$4.0 million. The transfer will move funds from the General Fund Balance ‘Restricted for Capital’ into the Capital Improvement Fund to help pay for capital projects. The budget also includes \$300,000 for costs associated with flooding and debris flow below the 416 Fire burn scar.

Through leveraging dollars from funding partners, the County’s capital projects in the 2019 budget are as follows:

- Armory Remodel: \$4.43 million total, with anticipated grant of \$1 million.
- Search and Rescue building: \$500,000 total, with anticipated donations and grant of \$265,000.
- Courthouse HVAC replacement: \$1.3 million total, with anticipated grant of \$650,000.
- CR 220 & CR 219 improvements: \$2.35 million total, with anticipated contributions and grant of \$2.1 million.
- CR 318 mill and overlay: \$800,000 total, with anticipated grant of \$400,000.
- CR 329 & CR 330 mill and overlay: \$400,000 total, with anticipated grant of \$200,000.

## 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 for future financial resource use of the tentative plans for capital outlays including the acquisition or construction of capital facilities and other capital assets.
- 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, 2018, the General Fund unassigned fund balance is \$31,687,139.

## 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, 2017. 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 28 consecutive fiscal years (1989-2016) ended December 31. We believe the 2018 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 RubinBrown, Certified Public Accountants and Business Consultants LLP 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





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, 2017**

*Christopher P. Morill*

Executive Director/CEO

## LIST OF COUNTY OFFICIALS

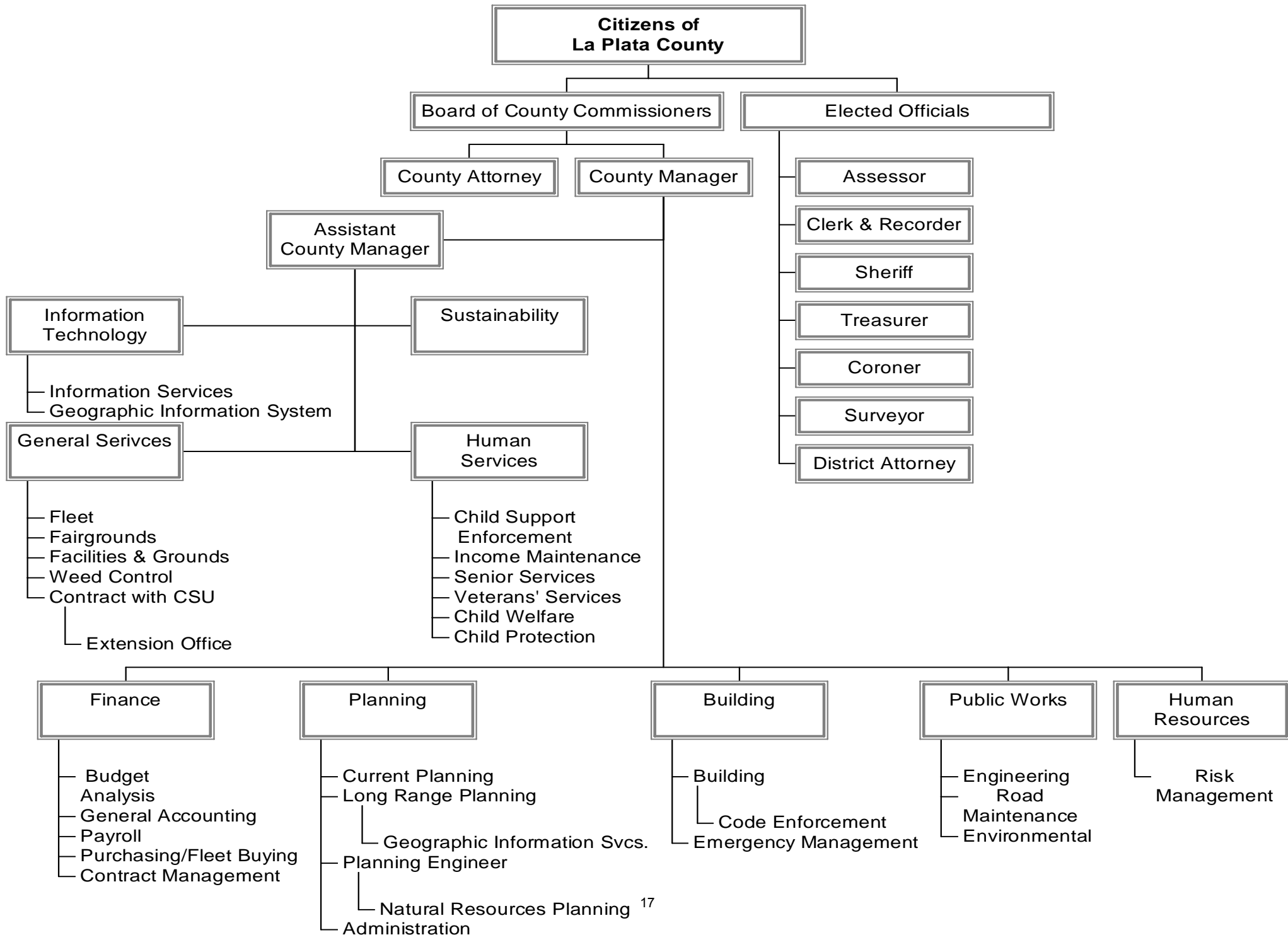
### ELECTED OFFICIALS

<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 Aichele

### APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>
County Attorney	Sheryl Rogers
County Manager	Joanne Spina
Assistant County Manager	Chuck Stevens
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	Martha Johnson
Director of Information Services	Alan Andrews
Director of Planning Services	Jason Meininger
Director of Public Works	Jim Davis

# La Plata County Organizational Chart



## **FINANCIAL SECTION**

## Independent Auditors' Report

Board of County Commissioners  
La Plata County  
Durango, Colorado

### Report On The Financial Statements

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, 2018, 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 the County as of December 31, 2018 and the respective changes in financial position and the respective budgetary comparison for the General Fund, Road and Bridge and Social Services Funds for the year then ended December 31, 2018, in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis Of Matters***

As discussed in Note 1-E, the County adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). Our opinions were not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 35, the schedule of the County's proportionate share of the net pension liability, schedule of the County's contributions and related ratios, schedule of the County's proportionate share of the net OPEB liability and schedule of County OPEB contributions on page 97, page 98, page 99 and page 100, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, which considers it 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.

### ***Supplementary 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 combining and individual fund financial statements and schedules; the schedule of EBT authorizations, warrant expenditures and total expenditures; the Local Highway Finance Report; the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules; the schedule of EBT authorizations, warrant expenditures and total expenditures; the Local Highway Finance Report 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 fund financial statements and schedules; the schedule of EBT authorizations, warrant expenditures and total expenditures; the Local Highway Finance Report and the schedule of expenditures of federal awards 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.

### ***Report On Summarized Comparative Information***

We have previously audited the County's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 22, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Reporting Required By Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2019 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.

*RubinBrown LLP*

June 30, 2019



## 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, 2018. 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 \$58,946,516 compared to \$60,767,477 in 2017, a decrease of \$1,820,961. The County's assets exceeded its liabilities and deferred inflows by \$220,538,038 (net position) for the calendar year reported. Increase in total net position in 2018 is \$6,586,658.
- Total net position is comprised of the following:
  - 1) Investment in capital assets of \$113,948,257 includes property and equipment, net of accumulated depreciation.
  - 2) Net position of \$16,906,872 are restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
  - 3) Net position of \$21,554,284 are unrestricted, but are invested in a joint venture.
  - 4) The balance of unrestricted net position of \$68,128,625 represents the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County had \$52,359,858 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$22,175,968 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 \$79,329,091 this year. This compares to the prior year ending fund balance of \$73,041,946, showing an increase of \$6,287,145 or 8.6% during the current year.
- Approximately 77% or \$61,074,914 of the total fund balance amount is assigned, committed and unassigned and are available for spending at the government's discretion.
- During the 2018 fiscal year, the County's governmental fund type revenues were \$57,601,582 compared to \$60,010,039 in the prior year.

- At the end of the current calendar year, unassigned fund balance for the General Fund was \$31,687,139 or 91% of 2019 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, recreation and culture and community programs.

The government-wide financial statements are presented on pages 37 & 38 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 39 through 45 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 46 through 48 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 49 of this report.

***Budgetary Comparisons*** – The County adopted the 2018 budget and appropriations were made for all of its funds on December 12<sup>th</sup>, 2017. A budgetary comparison schedule has been provided for all major funds on pages 105 through 110 and page 113 and 115 and 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 51 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 the general fund and non-major funds are presented in the supplementary section of this report beginning on page 104. 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 \$220,538,038. The following table provides a summary of the County's net position:

	<b>Governmental Activities 2018</b>	<b>Percentage of Total 2018</b>	<b>Governmental Activities 2017</b>	<b>Percentage Inc/(Dec) over 2017</b>
<b>Assets:</b>				
Current assets	\$ 110,838,819	45.0%	\$ 104,418,512	6.1%
Investment in joint venture	21,554,284	8.7%	20,408,381	5.6%
Capital assets	113,948,257	46.3%	115,606,263	-1.4%
<b>Total assets</b>	<b>246,341,360</b>	<b>100.0%</b>	<b>240,433,156</b>	<b>2.5%</b>
<b>Liabilities:</b>				
Current liabilities	5,779,784	56.8%	7,074,469	-18.3%
Long-term liabilities	4,401,392	43.2%	4,380,762	0.5%
<b>Total liabilities</b>	<b>10,181,176</b>	<b>100.0%</b>	<b>11,455,231</b>	<b>-11.1%</b>
Deferred Inflows	15,622,146	153.4%	15,026,545	4.0%
<b>Net position:</b>				
Net investment in capital assets	113,948,257	51.7%	115,606,263	-1.4%
Restricted	16,906,872	7.7%	15,074,533	12.2%
Unrestricted	89,682,909	40.7%	83,270,584	7.7%
<b>Total net position</b>	<b>\$ 220,538,038</b>	<b>100.0%</b>	<b>\$ 213,951,380</b>	<b>3.1%</b>

The largest portion of the County's net position (51.7%) reflects its net investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 5.18 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 2018 with an offsetting amount reported in deferred inflows. If you remove those amounts from the current ratio calculation, the adjusted ratio is 16.47 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 \$6,586,658 or 3.1%.

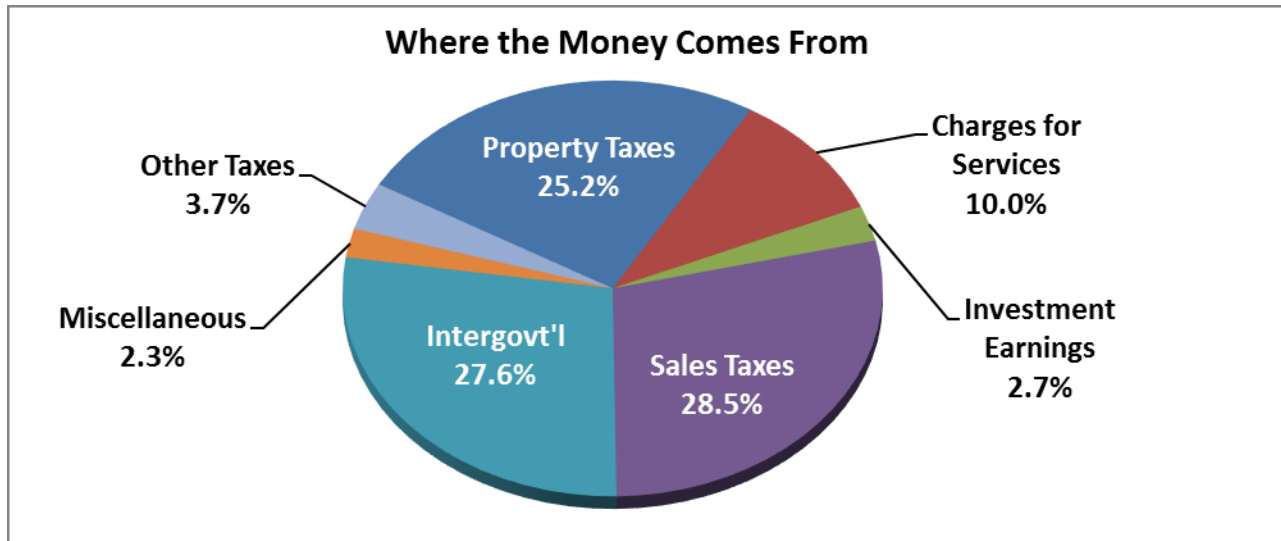
The Sixth Judicial District Attorney, a discretely presented component unit, net position is a negative \$585,112 at the fiscal year end 2018. This was attributable to the implementation of GASB Statements No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, requiring government employers to recognize the long-term obligation for state pension benefits and postemployment benefits other than pensions.

The following table provides a summary of the County's changes in net position for governmental activities in 2018 and 2017:

	<u>Governmental Activities 2018</u>	<u>Percentage of Total 2018</u>	<u>Governmental Activities 2017</u>	<u>(Decrease) Increase</u>
<b>Revenues:</b>				
<i>Program:</i>				
Charges for services	\$ 5,900,632	10.0%	\$ 5,401,851	\$ 498,781
Operating grants	15,470,779	26.2%	13,074,923	2,395,856
Capital grants	804,557	1.4%	5,153,159	(4,348,602)
Total Program Revenues	<u>22,175,968</u>	<u>37.6%</u>	<u>23,629,933</u>	<u>(1,453,965)</u>
<i>General:</i>				
Taxes	33,827,262	57.4%	34,458,479	(631,217)
Other	2,943,286	5.0%	2,679,065	264,221
Total General Revenues	<u>36,770,548</u>	<u>62.4%</u>	<u>37,137,544</u>	<u>(366,996)</u>
<b>TOTAL REVENUES</b>	<b><u>58,946,516</u></b>	<b><u>100%</u></b>	<b><u>60,767,477</u></b>	<b><u>(1,820,961)</u></b>
<b>Program Expenses:</b>				
General government	12,519,034	23.9%	12,422,292	96,741
Public safety	17,508,166	33.4%	17,345,794	162,372
Recreation and culture	2,899,909	5.5%	3,103,196	(203,287)
Public works	9,572,367	18.3%	10,412,561	(840,194)
Health and welfare	7,348,911	14.0%	7,452,036	(103,125)
Community programs	2,506,724	4.8%	2,844,203	(337,479)
Decrease in joint venture	-	0.0%	300,237	(300,237)
Interest and fiscal charges	4,747	0.0%	4,985	(238)
<b>TOTAL EXPENSES</b>	<b><u>52,359,858</u></b>	<b><u>100%</u></b>	<b><u>53,885,304</u></b>	<b><u>(1,525,447)</u></b>
Change in net position	<u>6,586,658</u>		<u>6,882,173</u>	<u>(295,514)</u>
Beginning net position	213,951,380		206,209,168	
Prior Period Adjustment - See Note 3 - M	-		860,039	
Net Position Beginning of Year (Restated)	<u>213,951,380</u>		<u>207,069,207</u>	
<b>Ending net position</b>	<b><u>\$220,538,038</u></b>		<b><u>\$ 213,951,380</u></b>	

### Government-wide Revenues

Governmental revenues for 2018 were \$58,946,516 compared to \$60,767,477 in 2017, a decrease of \$1,820,961. The following chart presents the various sources of revenues for the fiscal year ended December 31, 2018.



Program revenues provided 42.4% to support governmental operations. This means that the County's taxpayers and other general governmental revenues funded 57.6% of the governmental activities. Property and sales tax provide general support for the County's operations with property tax providing 25.2% and sales tax providing 28.5%.

### Government-wide Expenses by Function

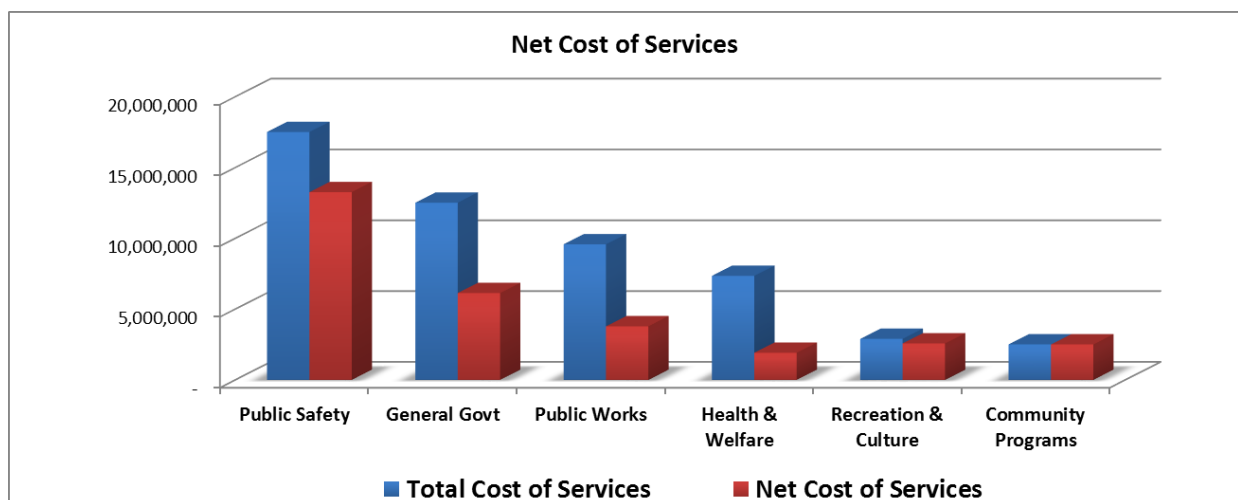
The public safety, general government, and public works functions make up approximately 75.6% of the total government activities expenses. Public safety totals 33.4% of total governmental expenses of which 27.7% was spent on the County Sheriff's Office services. The general government functions including Administration, Attorney, Assessor, Clerk & Recorder, Commissioners, Elections, Facilities & Grounds, Finance, GIS, Human Resources, IT, Planning, Procurement, Risk Management, Surveyor, and Treasurer totaled 23.9% of the total governmental expenses. Public works accounted for 18.3% of the total costs.

The following schedule presents a summary of the government-wide expenses for the fiscal year ended December 31, 2018 and the changes from the prior year.

Overall expenses for 2018 decreased \$1,525,446 or 2.8% from 2017. Public safety function is the County's largest cost at \$17.5 million or 33.4% of the total expenses. General government function costs were \$12.5 million or 23.9% of the total expenses. Public works function cost was approximately \$9.6 million or 18.3% of total expenses.

<b>Function</b>	<b>Governmental Activities 2018</b>	<b>% of Total 2018</b>	<b>Governmental Activities 2017</b>	<b>(Decrease) Increase</b>
General government	\$ 12,519,034	23.9%	\$ 12,422,292	\$ 96,742
Public safety	17,508,166	33.4%	17,345,794	162,372
Recreation & culture	2,899,909	5.5%	3,103,196	(203,287)
Public works	9,572,367	18.3%	10,412,561	(840,194)
Health and welfare	7,348,911	14.0%	7,452,036	(103,125)
Community programs	2,506,724	4.8%	2,844,203	(337,479)
Interest and fiscal charges	4,747	0.0%	4,985	(238)
Decrease in joint venture	-	0.0%	300,237	(300,237)
<b>Total Expenses</b>	<b>\$ 52,359,858</b>	<b>100.0%</b>	<b>\$ 53,885,304</b>	<b>\$ (1,525,446)</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 75.8%. The public safety function includes law enforcement, jail, investigations, coroner, building inspection, and emergency management services. General government is the largest function with 49.0% of the costs being supported by taxpayers. Public



works is the third largest function that requires taxpayer support at 39.5%. The function includes roads and bridges, weed control, and post closure costs of the landfills.

## **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 \$79,329,091. Of this year-end total, \$618,726 represents inventories held for future consumption and \$728,579 are prepaid, neither category represents available, spendable resources. A total of \$16,906,872 is legally restricted for specific purposes, including economic stabilization, law enforcement, capital improvements impact fees, and Tribal mitigation impact. Committed fund balance totals \$15,034,943 and reserved by the Board of County Commissioners to use in case of an emergency or a disaster and for capital improvements. A total of \$14,352,832 is assigned and includes \$5,125,643 for 2019 budget deficit expenditures in the general fund. Finally, \$31,687,139 is unassigned, representing availability for continuing County service requirements.

The total ending fund balances of governmental funds show an increase of \$6,287,145 or 8.6% more 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 increased by \$3.3 million. The increase is largely related to increases in revenues.

General Fund revenues increased \$1,417,285 over 2017. The majority of the increase is due to intergovernmental revenues increasing by \$836,879, investment earnings increased by \$711,680, and charges for services increased by \$629,029. Total tax revenues declined \$724,974 or 2.8% from 2017. The decrease is due to a decline in property tax revenues of \$398,128 as well as a decline in net sales tax revenues of \$325,963. The reduction of property tax revenue is largely the result of the declining natural gas property tax revenue due to the residential assessment rate adjustment that the state Gallagher Amendment triggered in 2017. The decrease in sales tax revenues is the result of the Board of County Commissioners allocating an additional \$250,000 of sales tax revenue to the Capital Improvement Fund to help fund Capital Projects in 2018.

Expenditures in the General Fund decreased \$218,272 or 0.7% from 2017. This decrease is directly related to the intentional reduction in personnel costs, as well as a reduction in the contributions to public service agencies in response to the declining property tax revenues. The general government function increased \$9,681, public safety function increased \$151,434, and recreation and culture function decreased \$3,658. The General Fund unassigned ending fund balance increased almost \$3.9 million to \$31,687,139 in 2018 and 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 2018, the Road and Bridge fund spent almost \$6.4 million in maintaining the 653 miles of County's roads. Fund balance increased \$1,760,958 to \$9,073,270 and is available for future road and bridge spending.

The Social Services Fund accounts for a variety of State mandated social services. In 2018, the Social Services fund spent more than \$5.7 million in providing services to clients, a decrease of \$130,620, or 2% from 2017. Fund balance increased \$8,752 to \$2,149,970 in 2018.

The Capital Improvement Plan fund balance increased \$724,769 to just over \$6.7 million in 2018, an increase of approximately 12%. The increase in the fund balance is due to a number of large budgeted capital projects not being completed in 2018. The remainder of these projects are expected to be completed in 2019. The largest of the projects is the Assessor, Clerk and Treasurer (ACT) Building, to be constructed in Bodo Industrial Park. This project is expected to be completed by the end of 2019 with a total cost of approximately \$4.6 million.

### **General Fund Budgetary Highlights**

The budget for the General Fund is prepared in compliance with all applicable Colorado State Statutes. On December 12, 2017, the Board of County Commissioners adopted and appropriated \$38,427,850 for the General Fund expenditures for the 2018 year. During the year, budget amendments were required due to unanticipated revenues. Most of the unanticipated revenues were the result of unexpected grant revenue or increases in grant revenue. Budget amendments increased revenues and expenditures by \$1,320,878.

	<u>Adopted Budget</u>	<u>Amendments</u>	<u>Final Budget</u>
Sources	\$ 34,640,162	\$ 1,320,878	\$ 35,961,040
Uses	38,427,850	1,320,878	39,748,728
Change in Fund Balance	<u>(3,787,688)</u>	<u>-</u>	<u>(3,787,688)</u>

Actual revenues collected exceeded budgetary estimates by \$3,085,745 or 8.3%. The General Fund expenditures were \$4.12 million or 10.4% less than budgetary estimates. Personnel expenditures were underspent by \$1,116,302 or 5.2%. 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, 2018, was \$113,948,257. Net capital assets have decreased by approximately 1.4% in

2018. See Note 3-D for additional information about changes in capital assets during the year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>
Non-depreciable assets:		
Land	\$ 9,452,945	\$ 9,452,945
Construction in Progress	3,067,281	3,962,981
Works of Art	90,000	90,000
Total non-depreciable	<u>12,610,226</u>	<u>13,505,926</u>
Depreciable Assets:		
Buildings	77,589,652	76,677,367
Improvements	9,432,091	9,432,091
Machinery and equipment	19,110,190	19,038,585
Intangibles	314,603	314,603
Infrastructure	<u>91,255,211</u>	<u>87,791,427</u>
Total depreciable assets	<u>197,701,747</u>	<u>193,254,073</u>
Less accumulated depreciation	<u>96,363,716</u>	<u>91,153,736</u>
Book value-depreciable assets	<u>101,338,031</u>	<u>102,100,337</u>
Percentage depreciated	48.7%	47.2%
Book value - all assets	<u><u>\$ 113,948,257</u></u>	<u><u>\$ 115,606,263</u></u>

### 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:

	<b>12/31/2018</b>	<b>12/31/2017</b>	<b>\$ Change</b>	<b>% Change</b>
Colorado Water debt	\$ 230,253	\$ 242,353	\$ (12,100)	-5.0%
Compensated Absences	1,680,005	1,812,505	(132,500)	-7.3%
Pollution remediation costs	2,556,920	2,561,612	(4,692)	-0.2%
Landfill postclosure costs	<u>416,032</u>	<u>448,976</u>	<u>(32,944)</u>	<u>-7.3%</u>
Total Governmental Activities	<u><u>\$ 4,883,210</u></u>	<u><u>\$ 5,065,446</u></u>	<u><u>\$ (182,236)</u></u>	<u><u>-3.6%</u></u>

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

La Plata County's unemployment continued to remain low at 3.1% during 2018. The total labor force for La Plata County in December 2018 was 31,317<sup>1</sup> of which 30,335 were employed and 982 were unemployed<sup>1</sup>.

The construction industry, which is a significant sector of the local economy in La Plata County, has shown steady recovery since 2014. This industry had been the hardest-hit sector when an economic recession began in 2006, with county building permits declining more than 45% from 2006 to 2013. Construction permits issued have decreased 15% from 2017. The County issued 268 building permits in 2018 as compared to 308 in 2017<sup>2</sup>. Despite the reduction in 2018, overall permits have increased 21.27% since 2014<sup>3</sup>.

Despite this growth, the county's property tax revenues have declined almost 50% since 2010 due to the decline in natural gas prices and production, as well as the ratcheting effect of the Gallagher Amendment and an inadequate mill levy rate. La Plata County's mill levy at 8.5 mills is the fourth-lowest of Colorado's 64 counties. This has had a detrimental effect on the county's overall fiscal landscape. In 2018, La Plata County's total property tax revenue is \$14.8 million. In 2010, the county collected \$29.9 million. That drop has the most impact on La Plata County's ability to serve its citizens, and factors heavily into our planning for 2019.

Property tax revenue will increase approximately \$595,000 in 2019 – a 4.0% increase from 2018. Residential market values have increased significantly statewide, particularly on the Front Range, but the corresponding assessment rate, upon which property taxes are based, has not increased proportionately. This is because Colorado's Gallagher Amendment, passed by voters in 1982, dictates that no more than 45% of the total property taxes collected in the state can come from residential property. To maintain this ratio, when housing values soar, the amount of each home that can be assessed for property taxation must fall. The result in 2017 was a decrease in the residential assessment rate from 7.96% to 7.2% (a 9.5% reduction). The assessment rate adjusts every two years and preliminary estimates indicate the 2019 residential assessment rate will decrease to 7.15%.

Due to the county's declining property tax revenues, the primary priority for 2019 will be to deploy a long-term plan to address La Plata County's fiscal sustainability and engage La Plata County citizens in understanding and supporting the county's essential services and commitment to community.

The other primary funding source of revenue is the County's 2% sales tax. La Plata County receives 63.5% of the total sales tax collected. The remainder is distributed to local municipalities and the joint sales tax fund.

Sales tax revenue retained by the county was almost \$16.8 million in 2018 – a decrease of 0.5% from 2017.

Grants and intergovernmental revenues are another cornerstone of the county's revenue base. In 2018, the county received \$498,000 in Energy Impact Assistance Fund grants to complete safety improvements on more than 20 intersections and to complete urban improvements on County Road 517. In addition, the county secured \$415,028 in gaming grants to contribute to the District Attorney's Office and Sheriff's Office jail and patrol operations.

For 2019, county revenues are projected to be almost \$73.7 million – a 6.7% increase from the 2018 budget. In total, the 2019 budget projects \$59 million in operating expenditures and almost \$31.9 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.

### **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>BLS Data Viewer at <https://www.bls.gov/lau/>

<sup>2</sup>LPC Economic Development District <https://yeslpc.com/economic-dashboard-december-2018/>

<sup>3</sup>LPC Economic Development District <https://yeslpc.com/economic-dashboard-december-2014/>

## **BASIC FINANCIAL STATEMENTS**

**La Plata County, Colorado**  
**Statement of Net Position**  
**December 31, 2018**

	<b>Primary Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
Current Assets:		
Cash	\$ 198,762	\$ 105,649
Equity in treasurer's cash and investments	87,424,374	89,053
Restricted cash and investments	85,636	-
Receivables:		
Accounts	120,079	160
Taxes	15,659,785	-
Deposits	2,000	-
Intergovernmental	5,852,599	171,825
Prepaid	742,485	3,734
Inventory	753,099	-
Investment in joint venture	21,554,284	-
Capital Assets:		
Nondepreciable capital assets	12,610,226	-
Depreciable capital assets, net	101,338,031	11,754
<b>Total Assets</b>	<b>246,341,360</b>	<b>382,175</b>
Deferred Outflows of Resources		
Pension (Note 3-L)	-	207,517
Deferred Outflows of Resources		
OPEB (Note 3-M)	-	1,760
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>209,277</b>
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	3,250,852	22,699
Accrued expenses	805,524	59,618
Intergovernmental payable	74,071	-
Accrued interest payable	767	-
Deposits payable	462,235	-
Unearned revenue	150,000	-
Liabilities payable from restricted assets	85,636	-
Claims payable	468,881	-
Current portion-debt service	12,343	-
Current portion-compensated absences payable	378,999	25,334
Current portion-pollution remediation obligations	25,000	-
Current portion-landfill closure and post-closure care costs payable	65,476	-
Long-Term Liabilities:		
Debt service (net of current portion)	217,910	-
Compensated absences payable (net of current portion)	1,301,006	87,539
Pollution remediation obligations (net of current portion)	2,531,920	-
Landfill closure/post-closure costs (net of current portion)	350,556	-
Pension Liability	-	924,451
OPEB Liability	-	21,691
<b>Total Liabilities</b>	<b>10,181,176</b>	<b>1,141,332</b>
<b>Deferred Inflows of Resources</b>		
Property Taxes	15,622,146	-
Pension (Note 3-L)	-	34,818
OPEB (Note 3-M)	-	414
<b>Total Deferred Inflows of Resources</b>	<b>15,622,146</b>	<b>35,232</b>
<b>Net Position</b>		
Net investment in capital assets	113,948,257	11,754
Restricted for:		
Required legal fund segregations	15,289,853	-
Economic stabilization (TABOR)	1,617,019	68,526
Unrestricted	89,682,909	(665,392)
<b>Total Net Position</b>	<b>\$ 220,538,038</b>	<b>\$ (585,112)</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2018**

Function/Program	Expenses	Program Revenues			Net (Expense)	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	
					Primary Government	
					Governmental Activities	
General government	\$ 12,519,034	\$ 2,837,162	\$ 3,547,566	\$ -	\$ (6,134,306)	\$ -
Public safety	17,508,166	2,768,712	1,343,535	132,794	(13,263,125)	-
Recreation and culture	2,899,909	-	324,624	-	(2,575,285)	-
Public works	9,572,367	273,214	4,845,082	671,763	(3,782,308)	-
Health and welfare	7,348,911	21,544	5,409,972	-	(1,917,395)	-
Community programs	2,506,724	-	-	-	(2,506,724)	-
Interest and fiscal charges	4,747	-	-	-	(4,747)	-
Total - Primary Government	\$ 52,359,858	\$ 5,900,632	\$ 15,470,779	\$ 804,557	(30,183,890)	-
Component Unit						
Office of the District Attorney	\$ 2,425,894	\$ -	\$ 770,766	\$ -		(1,655,128)
General Revenues						
Property taxes levied for general government purposes					14,862,828	-
Sales taxes					16,787,039	-
Other taxes					2,177,395	-
Cable franchise fees					115,415	-
Operational funding from primary government-unrestricted					-	1,450,601
Investment earnings					1,616,368	-
Miscellaneous					1,211,503	11,424
Total General Revenues					36,770,548	1,462,025
Change in Net Position					6,586,658	(193,103)
Beginning Net Position					213,951,380	(372,045)
Restatement-change in accounting principle					-	(19,964)
Net Position Beginning of Year (Restated)					213,951,380	(392,009)
Net Position End of Year					\$ 220,538,038	\$ (585,112)

See accompanying notes to the basic financial statements



**La Plata County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General	Road and Bridge	Social Services	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash	\$ 198,362	\$ -	\$ 400	\$ -	\$ -	\$ 198,762
Equity in cash and investments	54,565,781	7,791,093	2,011,903	7,402,427	4,727,649	76,498,853
Restricted cash and investments	41,840	-	43,796	-	-	85,636
Receivables:						-
Accounts	78,572	22,467	17,668	-	550	119,257
Taxes	13,425,825	1,297,269	807,596	-	91,456	15,622,146
Deposits	2,000	-	-	-	-	2,000
Intergovernmental	4,116,138	818,412	313,486	180,990	423,573	5,852,599
Prepays	570,453	125,952	32,171	-	-	728,576
Inventory	-	618,726	-	-	-	618,726
<b>Total Assets</b>	<b>72,998,971</b>	<b>10,673,919</b>	<b>3,227,020</b>	<b>7,583,417</b>	<b>5,243,228</b>	<b>99,726,555</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	1,917,128	214,236	98,796	662,792	322,793	3,215,745
Accrued salaries and wages	571,625	89,144	126,862	-	-	787,631
Intergovernmental payable	74,071	-	-	-	-	74,071
Deposits payable	462,235	-	-	-	-	462,235
Unearned revenues	-	-	-	150,000	-	150,000
Liabilities restricted assets	41,840	-	43,796	-	-	85,636
<b>Total Liabilities</b>	<b>3,066,899</b>	<b>303,380</b>	<b>269,454</b>	<b>812,792</b>	<b>322,793</b>	<b>4,775,318</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	13,425,825	1,297,269	807,596	-	91,456	15,622,146
<b>Total Deferred Inflows of Resources</b>	<b>13,425,825</b>	<b>1,297,269</b>	<b>807,596</b>	<b>-</b>	<b>91,456</b>	<b>15,622,146</b>
<b>Fund Balances</b>						
Nonspendable:						
Inventory	-	618,726	-	-	-	618,726
Prepays	570,456	125,952	32,171	-	-	728,579
Restricted:						
Economic stabilization (TABOR)	1,617,019	-	-	-	-	1,617,019
Law enforcement	229,999	-	-	-	-	229,999
Construction/maint of roads	-	7,429,584	-	-	-	7,429,584
Capital improv't impact fees	-	899,008	-	-	-	899,008
Public assistance and welfare	-	-	1,838,494	-	-	1,838,494
Child welfare	-	-	279,305	-	-	279,305
Recreation & parks	-	-	-	-	3,832,007	3,832,007
Joint County/City projects	-	-	-	-	710,907	710,907
Tribal mitigation impact	-	-	-	-	70,549	70,549
Committed:						
Emergency and disasters	8,264,318	-	-	-	-	8,264,318
General capital improvements	-	-	-	6,770,625	-	6,770,625
Assigned:						
Construction/maint of roads	-	-	-	-	177,782	177,782
Debt service	-	-	-	-	37,734	37,734
Next year's budget deficit	5,125,643	-	-	-	-	5,125,643
Capital projects	8,011,673	-	-	-	-	8,011,673
Partially self funded Insurance claim	1,000,000	-	-	-	-	1,000,000
Unassigned	31,687,139	-	-	-	-	31,687,139
<b>Total Fund Balances</b>	<b>\$ 56,506,247</b>	<b>\$ 9,073,270</b>	<b>\$ 2,149,970</b>	<b>\$ 6,770,625</b>	<b>\$ 4,828,979</b>	<b>\$ 79,329,091</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, 2018**

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<b>Total Governmental Fund Balances</b>	<b>\$ 79,329,091</b>
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**Amounts reported for governmental activities in the statement of net position are different because:**

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

Cost of capital assets	210,311,973	
Less accumulated depreciation	<u>(96,363,716)</u>	113,948,257

Revenues are recognized when they are both measureable and available in the fund financial statements, revenues are recognized when they are earned in the governmental wide statements.

37,639

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

21,554,284

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	11,074,625	
Current liabilities	<u>(521,881)</u>	10,552,744

Accrued interest on certificates of participation is not accrued at the fund level but is reported on the government-wide statement of net assets.

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 (including accrued interest)	(231,020)	
Compensated absences	(1,680,005)	
Pollution remediation obligations	(2,556,920)	
Landfill closure and post closure care costs	<u>(416,032)</u>	<u>(4,883,977)</u>

<b>Net Position Of Governmental Activities</b>	<b><u>\$ 220,538,038</u></b>
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See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2018**

	<b>General</b>	<b>Road and Bridge</b>	<b>Social Services</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Taxes	\$ 25,349,299	\$ 4,151,907	\$ 860,251	\$ 1,000,000	\$ 2,581,221	\$ 33,942,678
Intergovernmental	5,428,774	4,270,943	4,883,556	110,830	360,826	15,054,929
Licenses and permits	1,051,912	273,214	-	-	-	1,325,126
Charges for services	4,538,607	-	-	-	-	4,538,607
Investment earnings	1,425,590	23,011	-	-	80,139	1,528,740
Miscellaneous	833,284	322,800	-	52,393	3,025	1,211,502
<b>Total Revenues</b>	<b>38,627,466</b>	<b>9,041,875</b>	<b>5,743,807</b>	<b>1,163,223</b>	<b>3,025,211</b>	<b>57,601,582</b>
<b>Expenditures</b>						
General government	11,142,424	-	-	23,774	-	11,166,198
Public safety	17,188,921	-	-	31,051	-	17,219,972
Recreation & culture	435,185	-	-	-	2,112,060	2,547,245
Public works	194,847	6,382,042	-	-	107,595	6,684,484
Health and welfare	1,612,769	-	5,735,055	-	-	7,347,824
Community programs	2,506,724	-	-	-	-	2,506,724
Capital Outlay	42,599	898,875	-	2,883,629	-	3,825,103
Debt Service:						
Principal retirement	-	-	-	-	12,100	12,100
Interest and fiscal charges	-	-	-	-	4,787	4,787
<b>Total Expenditures</b>	<b>33,123,469</b>	<b>7,280,917</b>	<b>5,735,055</b>	<b>2,938,454</b>	<b>2,236,542</b>	<b>51,314,437</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>5,503,997</b>	<b>1,760,958</b>	<b>8,752</b>	<b>(1,775,231)</b>	<b>788,669</b>	<b>6,287,145</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	324,245	-	-	2,500,000	-	2,824,245
Transfers out	(2,500,000)	-	-	-	(324,245)	(2,824,245)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,175,755)</b>	<b>-</b>	<b>-</b>	<b>2,500,000</b>	<b>(324,245)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>3,328,242</b>	<b>1,760,958</b>	<b>8,752</b>	<b>724,769</b>	<b>464,424</b>	<b>6,287,145</b>
<b>Fund Balances Beginning of Year</b>	<b>53,178,005</b>	<b>7,312,312</b>	<b>2,141,218</b>	<b>6,045,856</b>	<b>4,364,555</b>	<b>73,041,946</b>
<b>Fund Balances End of Year</b>	<b>\$ 56,506,247</b>	<b>\$ 9,073,270</b>	<b>\$ 2,149,970</b>	<b>\$ 6,770,625</b>	<b>\$ 4,828,979</b>	<b>\$ 79,329,091</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, 2018**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		<b>\$ 6,287,145</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 revenues internal service funds	1,337,143	
Investment earnings	<u>87,628</u>	1,424,771
Internal service funds capital asset activity:		
Depreciation expense	(1,085,768)	
Assets disposed-net of accumulated depreciation	<u>(333,198)</u>	(1,418,966)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(25,493)
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)	(4,934,078)	
Capital outlay (excluding internal service funds)	<u>3,825,100</u>	(1,108,978)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets.		100,000
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities.		1,145,903
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities:		
Transfers in	2,824,245	
Transfers out	<u>(2,824,245)</u>	-
Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Liability @ 12/31/18	(767)	
Liability @ 12/31/17	<u>807</u>	40
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 @ 12/31/18	(2,556,920)	
Liability @ 12/31/17	<u>2,561,612</u>	4,692
The increase 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 @ 12/31/18	(416,032)	
Liability @ 12/31/17	<u>448,976</u>	32,944
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 @ 12/31/18	(230,253)	
Liability @ 12/31/17	<u>242,353</u>	12,100
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 @ 12/31/18	(1,680,005)	
Liability @ 12/31/17	<u>1,812,505</u>	132,500
<b>Change In Net Position of Governmental Activities</b>		<b><u>\$ 6,586,658</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, 2018*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 24,524,556	\$ 24,524,556	\$ 25,349,299	\$ 824,743
Intergovernmental	4,270,142	5,460,020	5,428,774	(31,246)
Licenses and permits	833,000	833,000	1,051,912	218,912
Charges for services	3,466,600	3,591,600	4,538,607	947,007
Investment earnings	600,000	600,000	1,425,590	825,590
Miscellaneous	526,545	532,545	833,284	300,739
<b>Total Revenues</b>	<b>34,220,843</b>	<b>35,541,721</b>	<b>38,627,466</b>	<b>3,085,745</b>
<b>Expenditures</b>				
General government	13,973,662	14,000,126	11,142,424	2,857,702
Public safety	17,827,333	18,201,298	17,188,921	1,012,377
Recreation & culture	474,942	475,652	435,185	40,467
Health & welfare	1,685,832	1,686,496	1,612,769	73,727
Public works	256,380	256,455	194,847	61,608
Community programs & pass thru grants	1,691,701	2,601,412	2,506,724	94,688
<b>Total Current</b>	<b>35,909,850</b>	<b>37,221,439</b>	<b>33,080,870</b>	<b>4,140,569</b>
<b>Capital Outlay</b>	<b>18,000</b>	<b>27,289</b>	<b>42,599</b>	<b>(15,310)</b>
<b>Total Expenditures</b>	<b>35,927,850</b>	<b>37,248,728</b>	<b>33,123,469</b>	<b>4,125,259</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,707,007)</b>	<b>(1,707,007)</b>	<b>5,503,997</b>	<b>7,211,004</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	419,319	419,319	324,245	(95,074)
Transfers out	(2,500,000)	(2,500,000)	(2,500,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,080,681)</b>	<b>(2,080,681)</b>	<b>(2,175,755)</b>	<b>(95,074)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,787,688)</b>	<b>\$ (3,787,688)</b>	<b>3,328,242</b>	<b>\$ 7,115,930</b>
<b>Fund Balances Beginning of Year</b>			<b>53,178,005</b>	
<b>Fund Balances End of Year</b>			<b>\$ 56,506,247</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, 2018*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 4,153,846	\$ 4,153,846	\$ 4,151,907	\$ (1,939)
Intergovernmental	6,804,555	6,816,573	4,270,943	(2,545,630)
Licenses and permits	230,000	230,000	273,214	43,214
Investment earnings	-	-	23,011	23,011
Miscellaneous	285,500	285,500	322,800	37,300
<b>Total Revenues</b>	<b>11,473,901</b>	<b>11,485,919</b>	<b>9,041,875</b>	<b>(2,444,044)</b>
<b>Expenditures</b>				
Public works	7,820,928	7,832,945	6,382,042	1,450,903
Capital outlay	5,230,000	5,230,000	898,875	4,331,125
<b>Total Expenditures</b>	<b>13,050,928</b>	<b>13,062,945</b>	<b>7,280,917</b>	<b>5,782,028</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,577,027)</b>	<b>\$ (1,577,026)</b>	<b>1,760,958</b>	<b>\$ 3,337,984</b>
<b>Fund Balances Beginning of Year</b>			<b>7,312,312</b>	
<b>Fund Balances End of Year</b>			<b>\$ 9,073,270</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, 2018*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 841,465	\$ 841,465	\$ 860,251	\$ 18,786
Intergovernmental	5,682,933	6,042,326	4,883,556	(1,158,770)
<b>Total Revenues</b>	<b><u>6,524,398</u></b>	<b><u>6,883,791</u></b>	<b><u>5,743,807</u></b>	<b><u>(1,139,984)</u></b>
<b>Expenditures</b>				
Health and welfare	6,349,200	6,708,593	5,735,055	973,538
<b>Total Expenditures</b>	<b><u>6,349,200</u></b>	<b><u>6,708,593</u></b>	<b><u>5,735,055</u></b>	<b><u>973,538</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ 175,198</u></b>	<b><u>\$ 175,198</u></b>	<b>8,752</b>	<b><u>\$ (166,446)</u></b>
<b>Fund Balances Beginning of Year</b>			<b><u>2,141,218</u></b>	
<b>Fund Balances End of Year</b>			<b><u>\$ 2,149,970</u></b>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2018**

	<b>Governmental Activities Internal Services Funds</b>
<b>Assets</b>	
Current Assets	
Equity in treasurer's cash and investments	\$ 10,925,521
Accounts receivable	460
Intergovernmental Receivable	362
Prepays	13,909
Inventory	134,373
Total Current Assets	<u>11,074,625</u>
Noncurrent Assets	
Capital Assets:	
Depreciable capital assets, net	<u>6,753,454</u>
<b>Total Assets</b>	<b><u>17,828,079</u></b>
<b>Liabilities</b>	
Accrued payroll	17,893
Accounts payable	35,107
Accrued claims payable	<u>468,881</u>
<b>Total Current Liabilities</b>	<b><u>521,881</u></b>
<b>Net Position</b>	
Net investment in capital assets	6,753,454
Unrestricted	<u>10,552,744</u>
<b>Total Net Position</b>	<b><u>\$ 17,306,198</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, 2018**

	<b>Governmental Activities Internal Services Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 2,152,635
Intergovernmental	362
Insurance deposits	4,527,662
Miscellaneous revenue	1,987
<b>Total Operating Revenues</b>	<b>6,682,646</b>
<b>Operating Expenses</b>	
Equipment maintenance	1,051,356
Depreciation	1,085,768
Medical claims	4,436,254
<b>Total Operating Expenses</b>	<b>6,573,378</b>
<b>Operating Income (Loss)</b>	<b>109,268</b>
<b>Non-Operating Revenues/(Expenses)</b>	
Loss on sale of capital assets	(5,729)
Investment earnings	87,628
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>81,899</b>
<b>Change in Net Position</b>	<b>191,167</b>
<b>Net Position Beginning of Year</b>	<b>17,115,031</b>
<b>Net Position End of Year</b>	<b>\$ 17,306,198</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, 2018**

	<b>Governmental Activities Internal Services Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	\$ 6,733,032
Cash payments for goods and services	(1,294,936)
Cash payments for claims	(4,196,677)
<b>Net Cash Provided by Operating Activities</b>	<b>1,241,419</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Cash sales of capital assets	142,107
Payments for capital acquisitions	(769,938)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(627,831)</b>
<b>Cash Flows from Investing Activities:</b>	
Investment earnings	87,628
<b>Net Increase in Cash and Cash Equivalents</b>	<b>701,216</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>10,224,305</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 10,925,521</b>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
<b>Operating Income</b>	<b>\$ 109,268</b>
<b>Adjustments:</b>	
Depreciation	1,085,768
<b>Change in Assets</b>	
Accounts receivable	(104)
Intergovernmental receivable	50,490
Prepays	(13,909)
Inventory	(16,754)
<b>Change in Liabilities</b>	
Accounts payable	(215,148)
Accrued incurred/unreported claims	239,577
Accrued wages	2,231
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,241,419</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
***Comparative Statement of Fiduciary Assets and Liabilities***  
***Fiduciary Funds***  
***December 31, 2018 and 2017***

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 1,998,652	\$ 3,134,276
<b>Liabilities</b>		
Accounts payable	\$ 1,281,196	\$ 1,269,724
Due to component unit	89,053	125,931
Deposits held for others	628,403	1,738,621
<b>Total Liabilities</b>	<b>\$ 1,998,652</b>	<b>\$ 3,134,276</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, 2018*

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*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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.

**Blended Component Units**

La Plata County is fiscally accountable and exercises operational responsibility for:

The ***Durango Hills Local Improvement 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 substantively the same governing body and operational responsibility. The La Plata County Board of Commissioners is the

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
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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 substantively the same governing body and operational responsibility. 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.

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.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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 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. The County has elected to show this as a major fund for comparability.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2018***

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.

***1-C. Measurement Focus and Basis of Accounting***

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

At the fund reporting level, the governmental funds use the modified accrual basis of accounting with a current financial resources measurement focus. The measurement focus concentrates on the availability of funds for spending in the near future. Only transactions and events affecting current financial resources during the period are reported. Revenues are recognized when they become both measureable and available. The County considers property tax revenues to be measureable and available if collected within 60 days after year-end and all other revenues excluding grants are considered to be measureable and available if collected within 90 days after year-end. Grants are considered measureable and available if they are collected within six months after year-end and all eligibility requirements have been met.

Expenditures are recorded when the related liability is incurred, with the exception of principal and interest on long-term debt and compensated absences, which are 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.



*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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, Deferred Outflows/Inflows of Resources, and Fund Equity***

***1-D-1 Cash, Cash Equivalents, and Investments***

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

**Equity in Treasurer's Cash and Investments** - The County maintains centralized bank accounts to maximize investment yields. With the exception of certain restricted funds, the County pools all cash on an entity-wide basis for management and investment purposes. Investment earnings are attributed, with few exceptions, to the general fund regardless of the source of the funds. Exceptions are determined by law, intergovernmental agreements, official board action or management recommendation.

For the purposes of cash flow statements, cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Equity in the pool has been treated the same as any other demand deposit or investment with a maturity of three months or less.

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

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.

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

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***Notes to the Basic Financial Statements***  
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*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 \$43,796 and La Plata County jail inmate commissary funds of \$41,840.

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

General capital assets are those assets not specifically related to business-type activities. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value. 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

***La Plata County, Colorado***  
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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, works of art 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 Activities</u>	<u>Discretely Presented Component Unit</u>
Buildings	60 years	-
Improvements	30 Years	-
Machinery and equipment	5 - 30 Years	5 - 15 Years
Infrastruture	20 - 60 Years	-
Intangibles	3 - 10 Years	-

At the inception of capital leases at the governmental fund reporting level, expenditures and any "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 a liability for annual leave that has been earned but not taken by County employees, as well as for 25% of sick leave that has been earned but not taken by County employees who either have 20 years of service with the County or are age 62 or older.

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, 2018, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

***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 Deferred outflow of resources or deferred inflow of resources***

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources or expense/expenditure until then. The deferred outflows related to PERA pension and OPEB is reported in the government wide statement of Net Position. A deferred outflow related to such pension and OPEB results from contributions made subsequent to the measurement date and which will be recognized as a reduction of the net pension liability and OPEB liability in the following year. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources, such as revenue, until that time. Property taxes are reported as a receivable and are deferred inflows of resources at December 31.

***1-D-10 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 a resolution or policy adopted 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

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and subsequent amendment of the annual budget. Assigned fund balances in special revenues funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are intended to be used for the purpose of that particular fund.

- Unassigned fund balance – the portion of fund balance that is not classified as non-spendable, restricted, committed or assigned. The County will only report a positive unassigned fund balance in the General Fund.

If only restricted and unrestricted amounts of fund balance are available for use when an expense 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 Position** - Net position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources. 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-11 Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are insurance deposits and internal charges for fleet maintenance and repair. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. 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-12 Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted). Transfers between funds reported in the governmental activities column are eliminated.

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***1-D-13 Estimates***

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

***1-D-14 Comparative Data***

Certain comparative data for the prior year have been presented to provide an understanding of the changes in the financial position and operations. This data is not included at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2017, 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***

GASB issued Statement No. 80, Certain External Investment Pools and Pool Participants. This statement amends the blending requirements of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This statement is effective for fiscal years beginning after June 15, 2016. The County adopted this statement for the fiscal year ending December 31, 2017; however there are no not-for-profit corporations in which La Plata County is the sole corporate member and the implementation of this statement had no effect on the County's financial statements.

GASB issued Statement No. 81, Irrevocable Split-Interest Agreements. This statement requires a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. This statement is effective for fiscal years beginning after December 15, 2016. The County adopted this statement for the fiscal year ending December 31, 2017; however, there are no split interest agreements and the implementation of this statement had no effect on the County's financial statements.

GASB issued Statement No. 82 Pension Issues- an amendment of GASB Statement No. 67, No. 68, and No. 73. The statement attempts to address issues regarding the presentation of payroll related measures, the selection of assumptions from the guidance in an Actuarial Standard of Practice, and the classification of payments made by employers to satisfy employee contribution requirements. The requirements of the statement were effective for periods beginning after June 15, 2016. The County adopted this statement for the fiscal year ending December 31, 2017.

GASB issued Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (OPEB), primarily retiree health insurance. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The requirements of the statement were effective for periods beginning after June 15, 2017. The County adopted this statement for the fiscal year ending December 31, 2018.

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GASB issued Statement No. 85 Omnibus 2017. The statement provides clarity to a variety of issues, including aligning OPEB reporting to similarly structured pension provisions contained in GASB Statement No. 82. Other issues includes guidance on blending requirements of component units of business-type activities, certain money market investments and goodwill. The requirements of the statement were effective for periods beginning after June 15, 2017. The County adopted this statement for the fiscal year ending December 31, 2018.

GASB issued Statement No. 86 Certain Debt Extinguishment Issues. The statement attempts to improve consistency in accounting and financial reporting for in-substance defeasance of debt by governments. The requirements of the statement were effective for periods beginning after June 15, 2017. The County adopted this statement for the fiscal year ending December 31, 2018; however there are no defeasance of debt 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-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 2018.

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**2-B. Stewardship**

Expenditures in the Employee Medical Self Insurance Fund, an Internal Service Fund of the County, exceeded appropriations during 2018. This may be a violation of Colorado State Statutes.

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

**3-A. Deposits and Investments**

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

As part of the Dodd-Frank Act, Congress permanently increased FDIC insurance from \$100,000 to \$250,000 per depositor. Additionally, the Colorado Public Deposit Protection Act (CPDPA) requires that all units of local government deposit cash in eligible public depositories. Colorado statutes require that any public depository which accepts and holds public funds maintain, as security for public deposits accepted and held by it that are not insured by federal depository insurance, eligible collateral having a market value, at all times, equal to at least one hundred two percent of the amount of public deposits. Banking institutions are monitored by the State of Colorado Banking Commission and must report monthly on all public deposits held. Pledged collateral must be held in joint custody of the bank and the State of Colorado Banking Commission in accordance with the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank.

The pledged collateral cannot be released unless approval is obtained by the banking commission. Savings and Loan institutions are monitored by the State of Colorado Commissioner of Savings and Loan Associations and must report quarterly on all public deposits held. The Colorado State Auditor has determined that there is no custodial credit risk for public deposits collateralized under the PDPA. The County’s formal investment policy provides that all banks and savings banks eligible to provide depository and other banking services must be a member of the FDIC and shall qualify as a depository of public funds as defined by Colorado State Statute.

At year-end, the carrying amount of the County's deposits was \$5,549,593 and the bank balance was \$6,347,583. Of the bank balance, \$585,812 was covered by federal depository insurance and \$5,761,771 was uninsured but collateralized with securities held by a third party in the name of the CPDPA. The carrying amount of deposits for the Sixth Judicial District Attorney, a discretely presented component unit was \$105,649 and the bank balance was \$105,649. Of the bank balance, \$105,649 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



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(rated at least AA- or equivalent by at least two NRSROs), 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, 2018, 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.

As of December 31, 2018, the County's investments were as follows:

	Weighted Avg Mkt Dur (Yrs)	S&P/ Moody Rating	% of Portfolio	Fair Value/ Carrying Amount
Local government investment pool-ColoTrust Plus	-	AAAm	46.32%	\$ 38,973,288
Federal Home Loan Banks (FHLB)	1.09	AA+/Aaa	2.36%	1,983,940
Federal National Mortgage Association	1.08	AA+/Aaa	7.05%	5,929,260
United States Treasury Note/Bond	0.85	AA+/Aaa	17.72%	14,913,318
Federal Farm Credit Banks (FFCB)	1.63	AA+/Aaa	2.33%	1,959,380
Corporate - Commonwealth Bank of Australia/NY	1.16	AA-/Aa3	1.18%	989,548
Corporate - Toronto-Dominion Bank	0.28	AA-/Aa1	2.37%	1,995,655
Corporate - Toyota Motor Credit Corp	0.89	AA-/Aa3	2.36%	1,982,200
Corporate - Wells Fargo Bank NA	0.65	A+/Aa2	2.36%	1,985,850
Corporate - Westpac Banking Corp	0.05	AA-/Aa3	1.19%	999,716
Corporate - Exxon Mobil Corp	0.16	AA+/Aaa	1.19%	998,219
Corporate - JP Morgan Chase Bank NA	0.71	A+/Aa2	1.18%	990,798
Corporate - Microsoft Corp 1.85%	1.07	AAA/Aaa	1.18%	992,743
Corporate - Berkshire Hathaway Inc	0.60	AA/Aa2	1.18%	995,172
Corporate - Apple Inc	0.70	AA+/Aa1	2.36%	1,989,137
Corporate - ING US FDG LLC	0.10	A-1/P-1	1.78%	1,495,987
Corporate - US Bank NA/Cincinnati OH	0.56	AA-/A1	2.36%	1,988,253
Corporate - Walmart Inc.	1.44	AA/Aa2	1.19%	1,001,619
Corporate - Australia & New Zealand Banking Group	0.44	AA-/Aa3	1.18%	996,602
Corporate - Royal Bank of Canada	1.76	AA-/Aa2	1.17%	984,900
		<b>Total</b>	<b>100%</b>	<b>\$ 84,145,585</b>

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At December 31, 2018, investments were measured at fair value using:

	Quoted Prices in Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Investments by Fair Value level</b>				
FHLB	-	\$ 1,983,940	-	\$ 1,983,940
FNMA	-	5,929,260	-	5,929,260
US Treasury Note/Bond	14,913,318	-	-	14,913,318
Federal Farm Credit Banks	-	1,959,380	-	1,959,380
Corporate Bonds	-	20,386,399	-	20,386,399
<b>Sub Total Investments by Fair Value</b>	<b>14,913,318</b>	<b>30,258,979</b>	<b>-</b>	<b>45,172,297</b>
<b>Items not reported in Leveling Table</b>				
LGIP - Colo Trust Plus	-	-	38,973,288	38,973,288
<b>Total Investments</b>	<b>\$ 14,913,318</b>	<b>\$ 30,258,979</b>	<b>\$ 38,973,288</b>	<b>\$ 84,145,585</b>

**Cash & Investment Reconciliation:**

	Carrying Amounts		Cash and Cash Equivalents
Cash on hand	\$ 12,246	From Statement of Net Position:	
Deposits	5,549,593	Cash & Cash Deposits	\$ 198,762
Investments	84,145,585	Equity in treasurer's cash and investments	87,424,374
		Restricted cash and investments	85,636
		Statement of Fiduciary Assets and Liabilities	1,998,652
<b>Total</b>	<b>\$ 89,707,424</b>	<b>Total</b>	<b>\$ 89,707,424</b>

**3-B. Receivables**

Receivables at December 31, 2018 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.

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**3-C. Property Taxes**

Property taxes attach as an enforceable lien on property as of December 31 and are levied on January 1 of the following year. Taxes are payable either in two installments due on 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. Collections for other districts are accounted for in the agency funds. Property taxes are reported as a receivable and are deferred inflows of resources at December 31.

**3-D. Capital Assets**

Capital assets activity for governmental activities (including internal service funds) for the year ended December 31, 2018, is as follows:

	Balance 12/31/2017	Reclass	Additions	Deletions	Balance 12/31/2018
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,452,945	\$ -	\$ -	\$ -	\$ 9,452,945
Construction in progress	3,962,981	(3,872,226)	3,161,886	185,360	3,067,281
Works of Art	90,000	-	-	-	90,000
Capital assets not being depreciated	<u>13,505,926</u>	<u>(3,872,226)</u>	<u>3,161,886</u>	<u>185,360</u>	<u>12,610,226</u>
Depreciable capital assets:					
Buildings	76,677,367	1,022,469	9,757	119,941	77,589,652
Improvements	9,432,091	-	-	-	9,432,091
Machinery and equipment	19,038,585	23,443	885,925	837,763	19,110,190
Intangibles	314,603	-	-	-	314,603
Infrastructure	87,791,427	2,826,314	637,470	-	91,255,211
Depreciable capital assets	<u>193,254,073</u>	<u>3,872,226</u>	<u>1,533,152</u>	<u>957,704</u>	<u>197,701,747</u>
Total capital assets	<u>206,759,999</u>	<u>-</u>	<u>4,695,038</u>	<u>1,143,064</u>	<u>210,311,973</u>
Accumulated depreciation:					
Buildings	16,101,918	-	1,449,015	119,941	17,430,992
Improvements	4,093,575	-	355,476	-	4,449,051
Machinery and equipment	11,010,848	-	1,255,774	689,925	11,576,697
Intangibles	58,202	-	44,943	-	103,145
Infrastructure	59,889,193	-	2,914,638	-	62,803,831
Total accumulated depreciation	<u>91,153,736</u>	<u>-</u>	<u>6,019,846</u>	<u>809,866</u>	<u>96,363,716</u>
Governmental activities capital	<u>\$ 115,606,263</u>	<u>\$ -</u>	<u>\$ (1,324,808)</u>	<u>\$ 333,198</u>	<u>\$ 113,948,257</u>

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Governmental activities depreciation expense:	Total
General government	\$ 1,113,165
Public safety	757,767
Recreation & Culture	357,655
Public works	3,702,206
Health and welfare	89,053
Total governmental activities depreciation expense	<u>\$ 6,019,846</u>

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2018:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Depreciable capital assets:				
Machinery and equipment	\$ 133,973	\$ -	\$ -	\$ 133,973
Less accumulated depreciation	118,070	4,149	-	122,219
Component unit capital assets, net	<u>\$ 15,903</u>	<u>\$ (4,149)</u>	<u>\$ -</u>	<u>\$ 11,754</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, 2018, consisted of the following:

	Transfers from:		
	General fund	Non-major govt'l fund	Total
<b>Transfers to:</b>			
General fund	\$ -	\$ 324,245	\$ 324,245
Capital improvement fund	2,500,000	-	2,500,000
<b>Total</b>	<u>\$ 2,500,000</u>	<u>\$ 324,245</u>	<u>\$ 2,824,245</u>

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During the 2018 year, the Joint Sales Tax fund transferred \$314,245 to the General Fund for Durango City Senior Services operations and \$10,000 to the General Fund for the Durango Landfill post closure costs. The General Fund transferred \$2,500,000 to the Capital Improvement Fund for 2018 Capital Projects.

***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, 2018:

	<b>Outstanding 12/31/2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Outstanding 12/31/2018</b>	<b>Amounts Due In One Year</b>
Governmental Activities:					
Colorado Water debt	\$ 242,353	\$ -	\$ 12,100	\$ 230,253	\$ 12,343
Compensated absences	1,812,505	2,670,365	2,802,865	1,680,005	378,999
Pollution remediation obligation	2,561,612	-	4,692	2,556,920	25,000
Landfill closure and postclosure care costs	448,976	-	32,944	416,032	65,476
Total Governmental Activities	<u>\$ 5,065,446</u>	<u>\$ 2,670,365</u>	<u>\$ 2,852,601</u>	<u>\$ 4,883,210</u>	<u>\$ 481,818</u>
Component Unit:					
Compensated absences	106,144	132,498	125,769	112,873	25,334
	<u>\$ 92,471</u>	<u>\$ 132,498</u>	<u>\$ 125,769</u>	<u>\$ 112,873</u>	<u>\$ 25,334</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-I 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:

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<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2019	\$ 12,343	\$ 4,544	\$ 16,887
2020	12,592	4,296	16,888
2021	12,845	4,042	16,887
2022	13,103	3,784	16,887
2023	13,366	3,521	16,887
2024-2028	70,971	13,465	84,436
2029-2033	78,396	6,040	84,436
2034	16,637	250	16,887
<b>Total</b>	<b>\$ 230,253</b>	<b>\$ 39,942</b>	<b>\$ 270,195</b>

### ***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 or termination, an employee is paid 25% of accumulated sick leave if they have 20+ years of service with the County or are age 62 or older. 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. Sick leave also carries over from one year to the next, although it may not exceed 720 hours for all employees.

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

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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 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 \$2,987,195, for a total of \$3,002,195. 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 \$2,556,920. 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, \$284,261.91 in cleanup activities, and \$42,400.40 in legal fees and costs. BG Retail has 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 \$42,299.52 of those expenses from its demand for reimbursement, and BG Retail disputes at least another \$23,346.32.

The estimated total current cost of cleanup/remediation activities of \$2,556,920 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, 2018. 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-I) 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.

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***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 \$416,032 as of December 31, 2018, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Post-closure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 1,000	100%	\$ 1,000
Marvel	2,722	100%	2,722
Durango	19,200	100%	19,200
Bayfield	393,110	100%	393,110
Totals	\$ 416,032		\$ 416,032

The estimated total current cost of the landfill closure and post-closure care of \$416,032 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, 2018. 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 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



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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 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 county extended the lease, upon the same terms, for an additional one-year period, from March 1, 2019 through February 29, 2020. The amount paid for the lease during 2018 totaled \$131,516.

### ***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 2018 was \$22,171,015. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$20,653,146. Both the employer and the covered employees made the required contributions, amounting to \$1,283,146 from the employer and \$1,283,146 from employees, or \$2,566,292 total.

### ***Defined Benefit Pension Plan***

#### **Summary of Significant Accounting Policies**

*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.

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During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the SDTF for financial reporting purposes be measured using the plan provisions in effect as of the SDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and December 31, 2018*.

***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 as of December 31, 2017.* 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.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance 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.

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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.

As of December 31, 2017, 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. State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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 provisions as of December 31, 2018:* 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. Eligible employees who are State Troopers are required to contribute 10 percent of their PERA-includable salary. The employer contribution requirements for all employees except State Troopers are summarized in the table below:

	<b>For the Year Ended December 31, 2018</b>
Employer contribution rate <sup>1</sup>	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount apportioned to the SDTF <sup>1</sup>	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	5.00%
Supplemental Amortization Equalization Disbursement	

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(SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	5.00%
<b>Total employer contribution rate to the SDTF<sup>1</sup></b>	<b>19.13%</b>

<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 is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Sixth Judicial District Attorney were \$26,195 for the year ended December 31, 2018.

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

At December 31, 2018, the Sixth Judicial District Attorney reported a liability of \$924,451 for its proportionate share of the net pension liability. The net pension liability for the SDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. 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 2017 relative to the total contributions of participating employers to the SDTF.

At December 31, 2017, the Sixth Judicial District Attorney proportion was 0.0046181053%, which was an increase of 0.0000551151% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Sixth Judicial District Attorney recognized pension expense of \$183,170. At December 31, 2018, 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 Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$14,414	-
Changes of assumptions or other inputs	160,520	-
Net difference between projected and actual earnings on pension plan investments	18,108	\$52,926
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,388	-
Contributions subsequent to the measurement date	26,195	-
<b>Total</b>	<b>\$225,625</b>	<b>\$52,926</b>

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\$26,195 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 ended December 31, 2019. 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, 2018:	
2019	141,360
2020	29,635
2021	(11,260)
2022	(13,231)

*Actuarial assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 %
Real wage growth	1.10 %
Wage inflation	3.50 %
Salary increases, including wage inflation	3.50 – 9.17 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 %
Discount rate	5.26 %
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 %
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

A discount rate of 4.72 percent was used in the roll-forward calculation of the total pension liability to the measurement date of December 31, 2017.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical data, estimates inherent in current market data, and 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.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset 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 Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income-Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	<u>1.00%</u>	0.20%
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 7.25%.

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*Discount rate.* The discount rate used to measure the total pension liability was 4.72 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 3.50%.
- 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 and effective as of the measurement date, 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.
- 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 assumptions and methods, the projection test indicates the SDTF's fiduciary net position was projected to be depleted in 2038 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2038 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer, was applied to periods on and after 2038 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.72 percent.

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As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.54 percent higher compared to the current 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 4.72 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 (3.72 percent) or 1-percentage-point higher (5.72 percent) than the current rate:

	1% Decrease (3.72%)	Current Discount Rate (4.72%)	1% Increase (5.72%)
Proportionate share of the net pension liability	\$1,150,084	\$924,451	\$739,221

*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).

### **Payables to the pension plan**

#### **Changes between the measurement date of the net pension liability and December 31, 2018.**

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees



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with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, who are classified college and university employees in the State Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the SDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At December 31, 2018, the Sixth Judicial District Attorney reported a liability of \$924,451 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.72%. For comparative purposes, the following schedule presents an estimate of what the Sixth Judicial District Attorney proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 438,369

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$412,530 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

### **3- M. Defined Benefit Other Post Employment Benefit (OPEB) Plan**

#### **Summary of Significant Accounting Policies**

*OPEB.* Sixth Judicial District Attorney participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and

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additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Sixth Judicial District Attorney are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 the premium subsidies. 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.* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

*PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with

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retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*DPS Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Sixth Judicial District Attorney is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Sixth Judicial District Attorney were \$1,466 for the year ended December 31, 2018.

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

At December 31, 2018, the Sixth Judicial District Attorney reported a liability of \$21,691 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Sixth Judicial District Attorney proportion of the net OPEB liability was based on Sixth Judicial District Attorney contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

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At December 31, 2017, the Sixth Judicial District Attorney proportion was 0.0016690344 percent, which was an increase of 0.0000226305 percent from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Sixth Judicial District Attorney recognized OPEB expense of \$464. At December 31, 2018, the Sixth Judicial District Attorney reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$103	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	\$363
Changes in proportion and differences between contributions recognized and proportionate share of contributions	191	51
Contributions subsequent to the measurement date	1,466	-
Total	1,760	414

\$1,466 reported as deferred outflows and deferred inflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended December 31, 2018:**

2019	\$ (52)
2020	(52)
2021	(52)
2022	(52)
2023	52
Thereafter	36

*Actuarial assumptions.* The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent

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Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%

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Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.

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- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and 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.

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As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset 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>30 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

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 7.25%.

*Sensitivity of the Sixth Judicial District Attorney proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$21,094	\$21,691	\$22,410

*Discount rate.* The discount rate used to measure the total OPEB liability was 7.25 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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.



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- 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 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- 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.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits 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 assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

*Sensitivity of the Sixth Judicial District Attorney proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 24,387	\$ 21,691	\$ 19,389

*OPEB plan fiduciary net position.* Detailed information about the HCTF'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).

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**3- N. Fund Balances**

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

***Nonspendable fund balance:***

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

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.

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,

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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.

***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.

General capital improvements – Pursuant to the terms of the voter approval for the County’s sales tax and Resolution 1984-142, the fund was established for the deposit of all or any part of the revenue from the County sales taxes and to be used solely to provide capital improvements for the County. Expenditures are limited to continuing capital improvements as determined by the Board of County Commissioners.

***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.

Next year’s budget deficit – As part of the 2019 budget adoption process, the 2019 general fund revenues and transfers in were estimated at \$35,415,471 and expenditures and transfers out were estimated at \$40,541,114, demonstrating a projected deficit of \$5,125,643. 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

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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 balance components at December 31, 2018:

**General Fund - Fund Balance**

Nonspendable:

Prepays	\$ 570,456
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Restricted:

Economic stabilization (TABOR)	1,617,019
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Law enforcement	229,999
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Committed:

Emergency and disasters	8,264,318
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Assigned:

Next year's budget deficit	5,125,643
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Capital projects	8,011,673
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Partially self funded Insurance claims	1,000,000
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Unassigned	31,687,139
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<b>Total General Fund Balance</b>	<b><u><u>\$ 56,506,247</u></u></b>
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***Restatement Due to Accounting Change***

Effective January 1, 2018, the County and its component unit adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local government for postemployment benefits other than pensions (other postemployment benefits or OPEB). As a result of implementing this statement, the County recognized its proportionate share of a net OPEB liability and the related deferred inflows and outflows (refer to note 3 M).

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As a result, the component unit restated net position is as follows:

Net position, December 31, 2017		\$(372,045)
Adjustment for OPEB		
Net OPEB liability	\$(21,346)	
Deferred Outflow	1,382	(19,964)
Net position, restated January 1, 2018		<u><u>\$(392,009)</u></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 \$468,881 reported in the employee medical self-insurance fund represents the amount due to the County's third party administrators at December 31, 2018 for the 2018 claims year and an estimate for incurred but not reported claims.

Changes in the funds claims liability amount in calendar 2018 and 2017 were:

	<u>2018</u>	<u>2017</u>
Liability at January 1	\$ 229,304	\$ 375,231
Add: Current year claims & changes in estimates	4,675,831	4,046,737
Less: Claim Payments	<u>(4,436,254)</u>	<u>(4,192,664)</u>
<b>Balance at December 31</b>	<u><b>\$ 468,881</b></u>	<u><b>\$ 229,304</b></u>

**County Workers' Compensation Pool** - The County is exposed to various risks of loss related to injuries of employees while on the job. In 1985, the County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

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**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.

In 2016 La Plata County entered into an agreement 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 2018 while having CAPP continue to provide claims adjudication and management services and loss control and prevention programs for the County.

**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 2018, 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.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2018***

***Energy Impact Assistance 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 #8534	03/07/18 - 12/31/18	500,000	500,000	La Plata County Intersection Safety Improvements
EIAF #8628	05/03/18 - 6/30/19	197,500	197,500	La Plata County Culvert Replacement
EIAF #7614	03/02/15 - 10/31/18	1,000,000	1,989,875	La Plata County CR 517 Urban Improvements
<b>Totals</b>		<b>\$ 1,697,500</b>	<b>\$ 2,687,375</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 2018, the amount of funding provided pursuant to the agreement was \$177,030.

***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*** – In March 2015, La Plata County entered into a lease agreement with the U.S. General Services Administration (GSA) for the remodel and lease of 6,655 square feet of the County Courthouse to the GSA for use by the U.S. District Court, U.S. Marshal's Service (USMS) 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. Under the terms of the lease agreement which began February 2017, the GSA paid rent of \$171,721 for 2018.

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2018***

***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 \$21,554,284 at December 31, 2018. Complete financial statements for the airport operations can be found in the joint ventures separately issued financial statements for the year ended December 31, 2018, and may be obtained by contacting the management of the Durango-La Plata County Airport at 1000 Airport Road, Durango, Colorado, 81303 or via telephone at 970-247-8143.

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

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

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



## **REQUIRED SUPPLEMENTARY INFORMATION**

## **NET PENSION AND OPEB LIABILITY**

**La Plata County, Colorado**  
*Schedule of Sixth Judicial District Attorney's Proportionate Share  
of the Net Pension Liability  
PERA SCHDTF Pension Plan  
For the Year Ended December 31, 2018*

	<b>Measurement Date</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Sixth Judicial District Attorney's proportion of the net pension liability	0.0046181053%	0.0045629902%	0.0044966108%	0.0048281650%
Sixth Judicial District Attorney's proportionate share of the net pension liability (asset)	924,451	838,136	473,540	454,162
Sixth Judicial District Attorney's covered payroll	135,500	130,000	130,000	130,000
Sixth Judicial District Attorney's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	682.25%	644.72%	364.26%	349.36%
Plan fiduciary net position as a percentage of the total pension liability covered payroll	43.2%	42.6%	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 Sixth Judicial District Attorney's Contributions**  
**PERA SCHDTF Pension Plan**  
**For the Year Ended December 31, 2018**

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Contractually required contribution	\$ 26,195	\$ 26,195	\$ 25,025	\$ 23,855	\$ 22,685
Contributions in relation to the contractually required contribution	<u>(26,195)</u>	<u>(27,258)</u>	<u>(25,025)</u>	<u>(23,855)</u>	<u>(22,685)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1,063)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Sixth Judicial District Attorney's covered payroll	\$ 130,000	\$ 135,000	\$ 130,000	\$ 130,000	\$ 130,000
Contributions as a percentage of covered payroll	20.15%	20.19%	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.

**La Plata County, Colorado**  
***Schedule of Sixth Judicial District Attorney's Proportionate Share Of The Net OPEB Liability***  
***Health Care Trust Fund***  
***For the Year Ended December 31, 2018***

Last 10 Fiscal Years\*

	<b>Measurement Date</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>
Sixth Judicial District Attorney's proportion of the net OPEB liability	0.0016690344%	0.0016464039%
Sixth Judicial District Attorney's proportionate share of the net OPEB liability (asset)	<u>\$ 21,691</u>	<u>\$ 21,346</u>
Sixth Judicial District Attorney's covered payroll	<u>\$ 135,500</u>	<u>\$ 130,000</u>
Sixth Judicial District Attorney's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%

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.

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**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 Sixth Judicial District Attorney Contributions**  
**Health Care Trust Fund**  
**For the Year Ended December 31, 2018**

Last 10 Fiscal Years\*

	December 31, 2018	December 31, 2017	December 31, 2016
Contractually required contribution	\$ 1,466	\$ 1,382	1,326
Contributions in relation to the contractually required contribution	<u>(1,466)</u>	<u>(1,382)</u>	<u>(1,326)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
Sixth Judicial District Attorney's covered payroll	130,000	135,500	130,000
Contributions as a percentage of covered payroll	1.13%	1.02%	1.02%

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

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**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, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Cash and cash deposits	\$ 198,362	\$ 240,123
Equity in treasurer's cash and investments	54,565,781	52,169,231
Restricted cash and investments	41,840	38,505
Receivables:		
Accounts	78,572	42,995
Property taxes	13,425,825	12,911,370
Deposits	2,000	2,000
Intergovernmental	4,116,138	3,574,168
Prepays	570,453	268,530
<b>Total Assets</b>	<b>72,998,971</b>	<b>69,246,922</b>
<b>Liabilities</b>		
Accounts payable	1,917,128	2,095,742
Accrued salaries and benefits	571,625	488,146
Intergovernmental payable	74,071	74,071
Deposits payable	462,235	461,083
Liabilities payable from restricted assets	41,840	38,505
<b>Total Liabilities</b>	<b>3,066,899</b>	<b>3,157,547</b>
<b>Deferred Inflows of Resources</b>		
Property taxes	13,425,825	12,911,370
<b>Total Deferred Inflows of Resources</b>	<b>13,425,825</b>	<b>12,911,370</b>
<b>Fund Balances</b>		
Nonspendable:		
Prepays	570,456	268,530
Restricted:		
Economic stabilization (TABOR)	1,617,019	1,726,225
Law enforcement	229,999	268,475
Committed:		
Emergency and disasters	8,264,318	7,814,000
Assigned:		
Next year's budget deficit	5,125,643	3,787,689
Capital projects	8,011,673	10,511,673
Partially self funded Insurance claims	1,000,000	1,000,000
Unassigned	31,687,139	27,801,413
<b>Total Fund Balances</b>	<b>\$ 56,506,247</b>	<b>\$ 53,178,005</b>

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2018**  
*(With Comparative Actual Amounts for Year Ended December 31, 2017)*

	<b>2018</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2017 Actual</b>
<b>Revenues</b>					
<b>Taxes:</b>					
General property & delinquent taxes	\$ 13,031,801	\$ 13,031,801	\$ 12,900,230	\$ (131,571)	\$ 13,298,358
Specific ownership	1,400,000	1,400,000	1,402,218	2,218	1,448,318
Sales tax (net)	9,653,171	9,653,171	10,536,751	883,580	10,862,714
Cable franchise fees	109,584	109,584	115,415	5,831	114,133
Lodger's tax	330,000	330,000	374,526	44,526	350,750
Retail marijuana tax	-	-	20,159	20,159	-
<b>Total Taxes</b>	<b>24,524,556</b>	<b>24,524,556</b>	<b>25,349,299</b>	<b>824,743</b>	<b>26,074,273</b>
<b>Intergovernmental Revenue:</b>					
Federal Revenue:					
Bulletproof Vest Grant	6,400	6,400	8,072	1,672	18,408
Community Development Block Grant	500,000	1,387,629	1,252,886	(134,743)	1,345,986
CSB Grant-for Sr. Svcs	5,000	5,000	5,000	-	5,331
HIDTA Grant	420,237	560,221	519,649	(40,572)	372,151
Indirect cost allocation reimbursement	286,086	286,086	212,521	(73,565)	269,225
Office of Emergency Management	63,300	63,300	68,713	5,413	67,000
Other Miscellaneous Federal Grants	29,299	29,299	45,138	15,839	13,760
Payment In Lieu of Taxes	395,000	395,000	837,892	442,892	394,614
Senior Services-NSIP/SMP/SHIP	38,240	38,240	53,920	15,680	40,350
Senior Services-Older American Act	194,516	194,516	172,286	(22,230)	125,804
Southern Ute Payment in Lieu of Taxes	472,000	472,000	181,985	(290,015)	220,549
State Criminal Alien Assistance	1,000	1,000	15,287	14,287	-
State Revenues:					
Local Government Revenue	35,000	35,000	34,768	(232)	6,181
Cigarette taxes	23,000	23,000	20,675	(2,325)	20,366
DOW Impact assistance (net)	1,000	1,000	1,085	85	1,031
Election grants	-	-	-	-	19,150
GOCO grant	-	22,082	22,082	-	-
Jail Behavior Health Contract	365,000	365,000	325,523	(39,477)	378,471
Limited Gaming grants	278,476	278,476	278,476	-	171,901
Mineral leasing	426,426	426,426	360,036	(66,390)	315,417
Mineral severance tax	400,000	400,000	469,804	69,804	334,169
Miscellaneous State Grants	41,500	181,683	206,464	24,781	87,352
Predator Control Reimbursement	1,500	1,500	3,962	2,462	2,678
Pre-Trial service testing grant	10,000	10,000	7,673	(2,327)	2,358
Search and rescue monies	-	-	3,266	3,266	806
Senior Services-State Funding	253,762	253,762	295,211	41,449	358,821
Veteran's Services	23,400	23,400	26,400	3,000	20,016
<b>Total Intergovernmental Revenue</b>	<b>4,270,142</b>	<b>5,460,020</b>	<b>5,428,774</b>	<b>(31,246)</b>	<b>4,591,895</b>
<b>Licenses and Permits:</b>					
Building permits	775,000	775,000	976,732	201,732	1,088,423
Liquor licenses	6,000	6,000	11,680	5,680	8,215
Medical Marijuana licenses	17,000	17,000	9,000	(8,000)	16,000
Recreational Marijuana licenses	35,000	35,000	54,500	19,500	47,525
<b>Total Licenses and Permits</b>	<b>833,000</b>	<b>833,000</b>	<b>1,051,912</b>	<b>218,912</b>	<b>1,160,163</b>

**Charges for Services:**

Alternatives to incarceration	77,000	77,000	79,779	2,779	68,293
Assessor's fees	31,500	31,500	19,772	(11,728)	38,664
Booking fees	55,600	55,600	49,686	(5,914)	57,123
Charges for services to DHS	220,000	220,000	216,977	(3,023)	224,971
Clerk and recorder's fees	1,114,500	1,114,500	1,474,560	360,060	1,209,420
Drug Offender's Fees	18,000	18,000	17,375	(625)	16,740
Election Reimbursements	45,000	45,000	81,824	36,824	71,300
Inmate medical/phone reimbursements	50,000	50,000	50,363	363	53,877
Jail bond fees	10,000	10,000	13,130	3,130	11,437
Jail room & board	730,000	855,000	1,246,448	391,448	835,440
Law enforcement assistance fund	6,500	6,500	7,612	1,112	6,074
Miscellaneous charges	15,700	15,700	13,722	(19,462)	11,789
Oil and gas fees	24,500	24,500	29,650	5,150	36,150
Other security services	35,000	35,000	80,380	45,380	148,290
Parking/Traffic fines	11,500	11,500	14,512	3,012	11,607
Planning fees	42,000	42,000	71,059	29,059	53,804
Prisoner transportation	40,000	40,000	46,792	6,792	40,084
Public trustee's fees	40,000	40,000	72,616	32,616	80,455
Senior center activities	15,000	15,000	15,623	623	16,434
Sheriff's fees	91,500	91,500	125,093	33,593	84,946
Surveyor's fees	9,500	9,500	18,225	8,725	10,655
Treasurer's fees	663,800	663,800	720,231	56,431	671,366
Useful public service program	50,000	50,000	49,221	(779)	55,902
Utility allocation	-	-	15,907	15,907	14,667
Vehicle inspection fees	60,000	60,000	-	(60,000)	71,570
Victim impact panel fees	10,000	10,000	8,050	(1,950)	8,520
<b>Total Charges for Services</b>	<b>3,466,600</b>	<b>3,591,600</b>	<b>4,538,607</b>	<b>947,007</b>	<b>3,909,578</b>

**Investment earnings**

<b>600,000</b>	<b>600,000</b>	<b>1,425,590</b>	<b>825,590</b>	<b>713,910</b>
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**Miscellaneous Revenue:**

Bayfield Landfill Remediation Reimb.	-	-	7,194	7,194	16,987
Building rentals	286,845	286,845	302,720	15,875	274,516
Fairgrounds rentals	115,200	115,200	140,192	24,992	84,384
Forfeitures	5,000	5,000	48,490	43,490	71,017
Insurance refunds	-	-	48,775	48,775	59,682
Other Miscellaneous Revenues	5,000	11,000	156,181	145,181	135,787
Prisoner commissary collections	30,000	30,000	42,925	12,925	32,827
Senior meal donations-Bayfield	10,000	10,000	9,392	(608)	9,842
Senior meal donations-Durango	66,000	66,000	67,421	1,421	66,080
Senior services-other	8,500	8,500	9,762	1,262	9,044
Vending machine commissions	-	-	232	232	196
<b>Total Miscellaneous Revenue</b>	<b>526,545</b>	<b>532,545</b>	<b>833,284</b>	<b>300,739</b>	<b>760,362</b>

**Total Revenue**

<b>34,220,843</b>	<b>35,541,721</b>	<b>38,627,466</b>	<b>3,085,745</b>	<b>37,210,181</b>
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**Expenditures:**

## General Government

## Board of County Commissioners

Personnel Expenditures	320,463	320,463	324,687	(4,224)	321,404
Operating Expenditures	85,981	91,981	82,588	9,393	84,469
	<b>406,444</b>	<b>412,444</b>	<b>407,275</b>	<b>5,169</b>	<b>405,873</b>

County Clerk and Recorder-Operations					
Personnel Expenditures	943,202	943,269	886,135	57,134	846,095
Operating Expenditures	206,725	206,725	210,002	(3,277)	239,900
	<u>1,149,927</u>	<u>1,149,994</u>	<u>1,096,137</u>	<u>53,857</u>	<u>1,085,995</u>
County Clerk and Recorder-Elections					
Personnel Expenditures	92,293	92,293	79,336	12,957	76,670
Operating Expenditures	273,100	273,100	259,371	13,729	160,172
	<u>365,393</u>	<u>365,393</u>	<u>338,707</u>	<u>26,686</u>	<u>236,842</u>
County Treasurer					
Personnel Expenditures	324,990	324,990	321,422	3,568	330,211
Operating Expenditures	219,970	219,970	162,701	57,269	183,288
	<u>544,960</u>	<u>544,960</u>	<u>484,123</u>	<u>60,837</u>	<u>513,499</u>
Public Trustee's Office					
Personnel Expenditures	67,867	67,867	68,090	(223)	33,723
Operating Expenditures	6,530	6,530	4,362	2,168	5,805
	<u>74,397</u>	<u>74,397</u>	<u>72,452</u>	<u>1,945</u>	<u>39,528</u>
County Assessor					
Personnel Expenditures	1,035,250	1,035,914	972,330	63,584	1,061,863
Operating Expenditures	157,356	157,356	138,116	19,240	149,589
	<u>1,192,606</u>	<u>1,193,270</u>	<u>1,110,446</u>	<u>82,824</u>	<u>1,211,452</u>
County Surveyor					
Personnel Expenditures	20,139	20,139	20,144	(5)	20,260
Operating Expenditures	1,500	1,500	1,700	(200)	1,560
	<u>21,639</u>	<u>21,639</u>	<u>21,844</u>	<u>(205)</u>	<u>21,820</u>
Administrative Offices					
Personnel Expenditures	704,915	718,150	706,091	12,059	699,880
Operating Expenditures	88,069	88,069	53,526	34,543	55,219
	<u>792,984</u>	<u>806,219</u>	<u>759,617</u>	<u>46,602</u>	<u>755,099</u>
County Attorney's Office					
Personnel Expenditures	833,579	835,924	802,268	33,656	761,507
Operating Expenditures	207,200	207,200	136,228	70,972	137,104
	<u>1,040,779</u>	<u>1,043,124</u>	<u>938,496</u>	<u>104,628</u>	<u>898,611</u>
Finance					
Personnel Expenditures	429,189	430,079	435,478	(5,399)	418,455
Operating Expenditures	143,035	143,035	123,142	19,893	131,049
	<u>572,224</u>	<u>573,114</u>	<u>558,620</u>	<u>14,494</u>	<u>549,504</u>
Information Services					
Personnel Expenditures	1,213,988	1,216,375	1,134,069	82,306	1,186,923
Operating Expenditures	471,194	471,194	415,576	55,618	434,687
	<u>1,685,182</u>	<u>1,687,569</u>	<u>1,549,645</u>	<u>137,924</u>	<u>1,621,610</u>
Procurement/Warehouse					
Personnel Expenditures	145,870	146,507	146,641	(134)	151,954
Operating Expenditures	10,505	10,505	5,473	5,032	7,698
	<u>156,375</u>	<u>157,012</u>	<u>152,114</u>	<u>4,898</u>	<u>159,652</u>
Building Maintenance					
Personnel Expenditures	1,250,453	1,250,692	1,215,021	35,671	1,175,392
Operating Expenditures	999,613	999,613	477,164	522,449	555,732
	<u>2,250,066</u>	<u>2,250,305</u>	<u>1,692,185</u>	<u>558,120</u>	<u>1,731,124</u>
Building Maintenance-OMPO					
Operating Expenditures	30,650	30,650	40,387	(9,737)	44,164
	<u>30,650</u>	<u>30,650</u>	<u>40,387</u>	<u>(9,737)</u>	<u>44,164</u>
Human Resources					
Personnel Expenditures	347,704	347,704	325,674	22,030	337,339
Operating Expenditures	308,909	308,909	232,686	76,223	249,107
	<u>656,613</u>	<u>656,613</u>	<u>558,360</u>	<u>98,253</u>	<u>586,446</u>
Planning Department					
Personnel Expenditures	949,964	949,964	876,825	73,139	810,513
Operating Expenditures	108,960	108,960	107,252	1,708	121,127
	<u>1,058,924</u>	<u>1,058,924</u>	<u>984,077</u>	<u>74,847</u>	<u>931,640</u>

Risk Management					
Personnel Expenditures	104,936	104,936	117,523	(12,587)	100,660
Operating Expenditures	369,563	369,563	260,416	109,147	239,224
	<u>474,499</u>	<u>474,499</u>	<u>377,939</u>	<u>96,560</u>	<u>339,884</u>
Budget Contingency/Reserves	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
<b>Total General Government</b>	<b><u>13,973,662</u></b>	<b><u>14,000,126</u></b>	<b><u>11,142,424</u></b>	<b><u>2,857,702</u></b>	<b><u>11,132,743</u></b>
<b>Public Safety</b>					
Sheriff-Patrol					
Personnel Expenditures	2,753,533	2,775,823	2,589,444	186,379	2,710,560
Operating Expenditures	1,167,564	1,174,064	1,175,945	(1,881)	1,098,665
	<u>3,921,097</u>	<u>3,949,887</u>	<u>3,765,389</u>	<u>184,498</u>	<u>3,809,225</u>
Sheriff-Detentions					
Personnel Expenditures	4,183,735	4,189,517	3,898,336	291,181	4,030,620
Operating Expenditures	2,165,769	2,281,480	2,184,808	96,672	2,038,369
	<u>6,349,504</u>	<u>6,470,997</u>	<u>6,083,144</u>	<u>387,853</u>	<u>6,068,989</u>
Sheriff-Admin					
Personnel Expenditures	925,134	933,410	925,841	7,569	1,054,119
Operating Expenditures	242,013	242,013	319,622	(77,609)	217,879
	<u>1,167,147</u>	<u>1,175,423</u>	<u>1,245,463</u>	<u>(70,040)</u>	<u>1,271,998</u>
Sheriff-Special Investigations					
Personnel Expenditures	371,334	371,334	427,630	(56,296)	357,212
Operating Expenditures	374,862	524,846	542,198	(17,352)	308,621
	<u>746,196</u>	<u>896,180</u>	<u>969,828</u>	<u>(73,648)</u>	<u>665,833</u>
Sheriff-Criminal Investigations					
Personnel Expenditures	777,303	781,384	650,387	130,997	732,139
Operating Expenditures	131,029	121,029	83,456	37,573	107,874
	<u>908,332</u>	<u>902,413</u>	<u>733,843</u>	<u>168,570</u>	<u>840,013</u>
Sheriff-Special Operations					
Personnel Expenditures	1,226,101	1,248,927	1,193,390	55,537	1,146,371
Operating Expenditures	174,918	168,418	150,175	18,243	121,039
	<u>1,401,019</u>	<u>1,417,345</u>	<u>1,343,565</u>	<u>73,780</u>	<u>1,267,410</u>
Alternatives to Incarceration					
Personnel Expenditures	357,682	357,682	337,121	20,561	345,197
Operating Expenditures	68,288	68,288	47,312	20,976	49,550
	<u>425,970</u>	<u>425,970</u>	<u>384,433</u>	<u>41,537</u>	<u>394,747</u>
County Coroner					
Personnel Expenditures	97,808	97,808	99,568	(1,760)	98,276
Operating Expenditures	186,550	186,550	141,332	45,218	163,215
	<u>284,358</u>	<u>284,358</u>	<u>240,900</u>	<u>43,458</u>	<u>261,491</u>
Building Inspection Department					
Personnel Expenditures	579,690	592,525	595,249	(2,724)	568,440
Operating Expenditures	103,922	103,922	91,432	12,490	93,672
	<u>683,612</u>	<u>696,447</u>	<u>686,681</u>	<u>9,766</u>	<u>662,112</u>
Emergency Management Office					
Personnel Expenditures	136,595	144,912	147,826	(2,914)	133,780
Operating Expenditures	167,962	201,825	137,248	64,577	133,760
	<u>304,557</u>	<u>346,737</u>	<u>285,074</u>	<u>61,663</u>	<u>267,540</u>
Pmt to Component Unit - District Attorney	<u>1,635,541</u>	<u>1,635,541</u>	<u>1,450,601</u>	<u>184,940</u>	<u>1,528,129</u>
<b>Total Public Safety</b>	<b><u>17,827,333</u></b>	<b><u>18,201,298</u></b>	<b><u>17,188,921</u></b>	<b><u>1,012,377</u></b>	<b><u>17,037,487</u></b>

**Recreation & Culture**

Fairgrounds					
Personnel Expenditures	136,649	137,359	131,716	5,643	137,809
Operating Expenditures	252,273	252,273	219,295	32,978	216,993
	<u>388,922</u>	<u>389,632</u>	<u>351,011</u>	<u>38,621</u>	<u>354,802</u>
Extension Office					
Operating Expenditures	86,020	86,020	84,174	1,846	84,041
	<u>86,020</u>	<u>86,020</u>	<u>84,174</u>	<u>1,846</u>	<u>84,041</u>
<b>Total Recreation &amp; Culture</b>	<b><u>474,942</u></b>	<b><u>475,652</u></b>	<b><u>435,185</u></b>	<b><u>40,467</u></b>	<b><u>438,843</u></b>

**Health & Welfare**

Senior Services					
Personnel Expenditures	676,442	676,901	592,703	84,198	643,305
Operating Expenditures	256,480	256,480	272,734	(16,254)	241,517
	<u>932,922</u>	<u>933,381</u>	<u>865,437</u>	<u>67,944</u>	<u>884,822</u>
Senior Services - non Joint Sales Tax					
Personnel Expenditures	40,560	40,579	38,041	2,538	37,681
Operating Expenditures	109,429	109,429	108,321	1,108	115,074
	<u>149,989</u>	<u>150,008</u>	<u>146,362</u>	<u>3,646</u>	<u>152,755</u>
Veterans Services					
Personnel Expenditures	69,392	69,578	69,665	(87)	68,933
Operating Expenditures	11,455	11,455	9,231	2,224	8,973
	<u>80,847</u>	<u>81,033</u>	<u>78,896</u>	<u>2,137</u>	<u>77,906</u>
San Juan Basin Health	522,074	522,074	522,074	-	522,074
	<u>522,074</u>	<u>522,074</u>	<u>522,074</u>	<u>-</u>	<u>522,074</u>
<b>Total Health &amp; Welfare</b>	<b><u>1,685,832</u></b>	<b><u>1,686,496</u></b>	<b><u>1,612,769</u></b>	<b><u>73,727</u></b>	<b><u>1,637,557</u></b>

**Public Works**

Landfill Closure and Waste Management					
Operating Expenditures	182,300	182,300	145,302	36,998	175,407
	<u>182,300</u>	<u>182,300</u>	<u>145,302</u>	<u>36,998</u>	<u>175,407</u>
Weed Control					
Personnel Expenditures	42,297	42,372	20,424	21,948	43,638
Operating Expenditures	31,783	31,783	29,121	2,662	20,233
	<u>74,080</u>	<u>74,155</u>	<u>49,545</u>	<u>24,610</u>	<u>63,871</u>
<b>Total Public Works</b>	<b><u>256,380</u></b>	<b><u>256,455</u></b>	<b><u>194,847</u></b>	<b><u>61,608</u></b>	<b><u>239,278</u></b>

**Community Programs**

Public Service Agencies	861,701	861,701	857,230	4,471	1,147,467
Lodger's tax to DATO	330,000	330,000	374,526	(44,526)	350,750
	<u>330,000</u>	<u>330,000</u>	<u>374,526</u>	<u>(44,526)</u>	<u>350,750</u>
<b>Total Community Programs</b>	<b><u>1,191,701</u></b>	<b><u>1,191,701</u></b>	<b><u>1,231,756</u></b>	<b><u>(40,055)</u></b>	<b><u>1,498,217</u></b>

Pass through of grants received  
of CDBG funds

500,000	1,387,629	1,252,886	134,743	1,345,986
-	22,082	22,082	-	-
<u>-</u>	<u>22,082</u>	<u>22,082</u>	<u>-</u>	<u>-</u>

**Total Pass through of grants**

<b><u>500,000</u></b>	<b><u>1,409,711</u></b>	<b><u>1,274,968</u></b>	<b><u>134,743</u></b>	<b><u>1,345,986</u></b>
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**Capital Outlay**

<b><u>18,000</u></b>	<b><u>27,289</u></b>	<b><u>42,599</u></b>	<b><u>(15,310)</u></b>	<b><u>11,630</u></b>
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**Total Expenditures**

<b><u>35,927,850</u></b>	<b><u>37,248,728</u></b>	<b><u>33,123,469</u></b>	<b><u>4,125,259</u></b>	<b><u>33,341,741</u></b>
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<b>Excess of Revenues Over Expenditures</b>	<b><u>(1,707,007)</u></b>	<b><u>(1,707,007)</u></b>	<b><u>5,503,997</u></b>	<b><u>7,211,004</u></b>	<b><u>3,868,440</u></b>
Other Financing Sources (Uses)					
Transfers in-Joint Sales Tax fund	419,319	419,319	324,245	(95,074)	336,226
Transfers out-Capital Improvement	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(2,080,681)</u></b>	<b><u>(2,080,681)</u></b>	<b><u>(2,175,755)</u></b>	<b><u>(95,074)</u></b>	<b><u>336,226</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ (3,787,688)</u></b>	<b><u>\$ (3,787,688)</u></b>	3,328,242	<b><u>\$ 7,115,930</u></b>	4,204,666
<b>Fund Balance Beginning of Year</b>			<b><u>53,178,005</u></b>		<b><u>48,973,339</u></b>
<b>Fund Balances End of Year</b>			<b><u>\$ 56,506,247</u></b>		<b><u>\$ 53,178,005</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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 7,791,093	\$ 6,009,219
Receivables:		
Accounts	22,467	24,690
Property taxes	1,297,269	1,247,560
Intergovernmental	818,412	2,524,596
Prepays	125,952	292
Inventory	618,726	501,920
<b>Total Assets</b>	<b><u>10,673,919</u></b>	<b><u>10,308,277</u></b>
<b>Liabilities</b>		
Accounts payable	214,236	1,677,759
Accrued salaries and wages	89,144	70,646
<b>Total Liabilities</b>	<b><u>303,380</u></b>	<b><u>1,748,405</u></b>
<b>Deferred Inflows of Resources</b>		
Property taxes	1,297,269	1,247,560
<b>Total Deferred Inflows of Resources</b>	<b><u>1,297,269</u></b>	<b><u>1,247,560</u></b>
<b>Fund Balances</b>		
Nonspendable:		
Inventory	618,726	501,920
Prepays	125,952	292
Restricted:		
Capital improvements impact fees	899,008	1,164,512
Construction/maintenance of roads	7,429,584	5,645,588
<b>Total Fund Balances</b>	<b><u>\$ 9,073,270</u></b>	<b><u>\$ 7,312,312</u></b>

**La Plata County, Colorado**  
**Road and Bridge Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2018*  
*(With Comparative Actual Amounts for Year Ended December 31, 2017)*

	<b>2018</b>				<b>2017</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Taxes	\$ 4,153,846	\$ 4,153,846	\$ 4,151,907	\$ (1,939)	\$ 4,195,135
Intergovernmental	6,804,555	6,816,573	4,270,943	(2,545,630)	6,118,742
Licenses and permits	230,000	230,000	273,214	43,214	233,726
Investment earnings	-	-	23,011	23,011	14,627
Miscellaneous	285,500	285,500	322,800	37,300	841,287
<b>Total Revenues</b>	<b>11,473,901</b>	<b>11,485,919</b>	<b>9,041,875</b>	<b>(2,444,044)</b>	<b>11,403,517</b>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Public Works</b>					
Maintenance	6,259,565	6,271,582	5,758,655	512,927	6,080,756
Engineering	836,363	836,363	623,387	212,976	883,281
Road projects	-	-	-	-	30,955
Contingency	725,000	725,000	-	725,000	-
Capital Outlay	5,230,000	5,230,000	898,875	4,331,125	4,381,728
<b>Total Expenditures</b>	<b>13,050,928</b>	<b>13,062,945</b>	<b>7,280,917</b>	<b>5,782,028</b>	<b>11,376,720</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>(1,577,027)</b>	<b>(1,577,026)</b>	<b>1,760,958</b>	<b>3,337,984</b>	<b>26,797</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,577,027)</b>	<b>\$ (1,577,026)</b>	<b>1,760,958</b>	<b>\$ 3,337,984</b>	<b>26,797</b>
<b>Fund Balances Beginning of Year</b>			<b>7,312,312</b>		<b>7,285,515</b>
<b>Fund Balances End of Year</b>			<b>\$ 9,073,270</b>		<b>\$ 7,312,312</b>

**La Plata County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	2,011,903	2,194,396
Restricted cash	43,796	48,841
Receivables:		
Accounts	17,668	-
Property taxes	807,596	776,650
Intergovernmental	313,486	178,369
Prepays	32,171	-
<b>Total Assets</b>	<u><b>3,227,020</b></u>	<u><b>3,198,656</b></u>
<b>Liabilities</b>		
Accounts payable	98,796	125,333
Liabilities payable from restricted assets	43,796	48,841
Accrued salaries and wages	126,862	106,614
<b>Total Liabilities</b>	<u><b>269,454</b></u>	<u><b>280,788</b></u>
<b>Deferred Inflows of Resources</b>		
Property taxes	807,596	776,650
<b>Total Deferred Inflows of Resources</b>	<u><b>807,596</b></u>	<u><b>776,650</b></u>
<b>Fund Balances</b>		
Restricted:		
Nonspendable inventory	32,171	-
Child welfare	279,305	656,305
Public assistance and welfare	1,838,494	1,484,913
<b>Total Fund Balances</b>	<u><b>\$ 2,149,970</b></u>	<u><b>\$ 2,141,218</b></u>

**La Plata County, Colorado**  
**Social Services Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended December 31, 2018*  
*(With Comparative Actual Amounts for Year Ended December 31, 2017)*

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Taxes	\$ 841,465	\$ 841,465	\$ 860,251	\$ 18,786	\$ 888,274
Intergovernmental	5,682,933	6,042,326	4,883,556	(1,158,770)	4,940,165
<b>Total Revenues</b>	<b>6,524,398</b>	<b>6,883,791</b>	<b>5,743,807</b>	<b>(1,139,984)</b>	<b>5,828,439</b>
<b>Expenditures</b>					
Health and welfare	6,349,200	6,708,593	5,735,055	973,538	5,865,675
<b>Total Expenditures</b>	<b>6,349,200</b>	<b>6,708,593</b>	<b>5,735,055</b>	<b>973,538</b>	<b>5,865,675</b>
Revenues Over/(Under) Expenditures	175,198	175,198	8,752	(166,446)	(37,236)
<b>Net Change in Fund Balances</b>	<b>\$ 175,198</b>	<b>\$ 175,198</b>	<b>8,752</b>	<b>\$ (166,446)</b>	<b>(37,236)</b>
<b>Fund Balances Beginning of Year</b>			<b>2,141,218</b>		<b>2,178,454</b>
<b>Fund Balances End of Year</b>			<b>\$ 2,149,970</b>		<b>\$ 2,141,218</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, 2018**

	<b>Joint Sales Tax</b>	<b>Durango Hills Road Improvement District</b>	<b>Palo Verde Public Improvement District</b>	<b>Conservation Trust Fund</b>	<b>Tribal Impact Mitigation</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets</b>						
Equity in treasurer's cash and investments	\$ 601,718	\$ 185,648	\$ 37,727	\$ 3,832,007	\$ 70,549	\$ 4,727,649
Receivables:						
Property taxes receivable	-	74,475	16,981	-	-	91,456
Accounts receivable	-	550	-	-	-	550
Intergovernmental receivable	423,539	27	7	-	-	423,573
<b>Total Assets</b>	<b>1,025,257</b>	<b>260,700</b>	<b>54,715</b>	<b>3,832,007</b>	<b>70,549</b>	<b>5,243,228</b>
<b>Liabilities</b>						
Accounts payable	314,350	8,443	-	-	-	322,793
<b>Total Liabilities</b>	<b>314,350</b>	<b>8,443</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322,793</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	-	74,475	16,981	-	-	91,456
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>74,475</b>	<b>16,981</b>	<b>-</b>	<b>-</b>	<b>91,456</b>
<b>Fund Balances</b>						
Restricted:						
Tribal mitigation impact	-	-	-	-	70,549	70,549
Joint County/City projects	710,907	-	-	-	-	710,907
Recreation & parks	-	-	-	3,832,007	-	3,832,007
Assigned:						
Construction/maintenance of roads	-	177,782	-	-	-	177,782
Debt service	-	-	37,734	-	-	37,734
<b>Total Fund Balances</b>	<b>\$ 710,907</b>	<b>\$ 177,782</b>	<b>\$ 37,734</b>	<b>\$ 3,832,007</b>	<b>\$ 70,549</b>	<b>\$ 4,828,979</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, 2018**

	<b>Joint Sales Tax</b>	<b>Durango Hills Road Improvement District</b>	<b>Palo Verde Public Improvement District</b>	<b>Conservation Trust Fund</b>	<b>Tribal Impact Mitigation</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>						
Property taxes	\$ -	\$ 71,783	\$ 16,380	\$ -	\$ -	\$ 88,163
Sales taxes	2,480,288	-	-	-	-	2,480,288
Other taxes	-	10,295	2,475	-	-	12,770
Intergovernmental	-	-	-	324,624	36,202	360,826
Investment earnings	7,400	-	-	72,739	-	80,139
Miscellaneous	-	3,025	-	-	-	3,025
<b>Total Revenues</b>	<b>2,487,688</b>	<b>85,103</b>	<b>18,855</b>	<b>397,363</b>	<b>36,202</b>	<b>3,025,211</b>
<b>Expenditures</b>						
Public works	-	106,609	986	-	-	107,595
Recreation & Culture	2,112,060	-	-	-	-	2,112,060
<b>Debt Service</b>						
Principal retirement	-	-	12,100	-	-	12,100
Interest and fiscal charges	-	-	4,787	-	-	4,787
<b>Total Expenditures</b>	<b>2,112,060</b>	<b>106,609</b>	<b>17,873</b>	<b>-</b>	<b>-</b>	<b>2,236,542</b>
<b>Revenues Over Expenditures</b>	<b>375,628</b>	<b>(21,506)</b>	<b>982</b>	<b>397,363</b>	<b>36,202</b>	<b>788,669</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in/(out)	(324,245)	-	-	-	-	(324,245)
<b>Total Other Financing Sources (Uses)</b>	<b>(324,245)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(324,245)</b>
<b>Net Change in Fund Balances</b>	<b>51,383</b>	<b>(21,506)</b>	<b>982</b>	<b>397,363</b>	<b>36,202</b>	<b>464,424</b>
<b>Fund Balances Beginning of Year</b>	<b>659,524</b>	<b>199,288</b>	<b>36,752</b>	<b>3,434,644</b>	<b>34,347</b>	<b>4,364,555</b>
<b>Fund Balances End of Year</b>	<b>\$ 710,907</b>	<b>\$ 177,782</b>	<b>\$ 37,734</b>	<b>\$ 3,832,007</b>	<b>\$ 70,549</b>	<b>\$ 4,828,979</b>

**La Plata County, Colorado**  
**Joint Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 601,718	\$ 534,548
Intergovernmental receivable	423,539	405,203
<b>Total Assets</b>	<u><b>1,025,257</b></u>	<u><b>939,751</b></u>
<b>Liabilities</b>		
Intergovernmental payable	314,350	280,227
<b>Total Liabilities</b>	<u><b>314,350</b></u>	<u><b>280,227</b></u>
<b>Fund Balances</b>		
Restricted:		
Joint County/City projects	710,907	659,524
<b>Total Fund Balances</b>	<u><b>\$ 710,907</b></u>	<u><b>\$ 659,524</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, 2018**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2017)*

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Sales taxes	\$ 2,364,178	\$ 2,364,178	\$ 2,480,288	\$ 116,110	\$ 2,493,457
Investment income	300	300	7,400	7,100	4,130
<b>Total Revenues</b>	<b>2,364,478</b>	<b>2,364,478</b>	<b>2,487,688</b>	<b>123,210</b>	<b>2,497,587</b>
<b>Expenditures</b>					
Telecommunication Infrastructure	169,920	169,920	-	169,920	-
Durango Public Library	1,994,859	1,994,859	2,097,137	(102,278)	2,063,007
SW Council of Govt (SWCOG)	-	-	14,923	(14,923)	-
Misc Expenditures	70,925	70,925	-	70,925	-
<b>Total Expenditures</b>	<b>2,235,704</b>	<b>2,235,704</b>	<b>2,112,060</b>	<b>123,644</b>	<b>2,063,007</b>
<b>Revenues Over Expenditures</b>	<b>128,774</b>	<b>128,774</b>	<b>375,628</b>	<b>246,854</b>	<b>434,580</b>
<b>Other Financing Sources (Uses)</b>					
Transfers out	(419,319)	(419,319)	(324,245)	95,074	(336,226)
<b>Total Other Financing Sources (Uses)</b>	<b>(419,319)</b>	<b>(419,319)</b>	<b>(324,245)</b>	<b>95,074</b>	<b>(336,226)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (290,545)</b>	<b>\$ (290,545)</b>	<b>51,383</b>	<b>\$ 341,928</b>	<b>98,354</b>
<b>Fund Balances Beginning of Year</b>			<b>659,524</b>		<b>561,170</b>
<b>Fund Balances End of Year</b>			<b>\$ 710,907</b>		<b>\$ 659,524</b>

**La Plata County, Colorado**  
***Durango Hills Road Improvement District***  
***Comparative Balance Sheet***  
***December 31, 2018 and 2017***

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 185,648	\$ 207,535
Receivable:		
Accounts receivable	550	-
Property taxes receivable	74,475	73,984
Intergovernment receivable	27	33
<b>Total Assets</b>	<u><b>260,700</b></u>	<u><b>281,552</b></u>
<b>Liabilities</b>		
Accounts payable	8,443	8,280
<b>Total Liabilities</b>	<u><b>8,443</b></u>	<u><b>8,280</b></u>
<b>Deferred Inflows of Resources</b>		
Property taxes	74,475	73,984
<b>Total Deferred Inflows of Resources</b>	<u><b>74,475</b></u>	<u><b>73,984</b></u>
<b>Fund Balances</b>		
Assigned:		
Construction/maintenance of roads	177,782	199,288
<b>Total Fund Balances</b>	<u><b>\$ 177,782</b></u>	<u><b>\$ 199,288</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, 2018**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2017)**

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Property Taxes	\$ 73,984	\$ 73,984	\$ 71,783	\$ (2,201)	\$ 74,698
Other Taxes	5,955	5,955	10,295	4,340	8,611
Miscellaneous	2,475	2,475	3,025	550	2,750
<b>Total Revenues</b>	<b>82,414</b>	<b>82,414</b>	<b>85,103</b>	<b>2,689</b>	<b>86,059</b>
<b>Expenditures</b>					
Public works	161,000	161,000	106,609	54,391	83,743
<b>Total Expenditures</b>	<b>161,000</b>	<b>161,000</b>	<b>106,609</b>	<b>54,391</b>	<b>83,743</b>
<b>Net Change in Fund Balances</b>	<b>\$ (78,586)</b>	<b>\$ (78,586)</b>	<b>(21,506)</b>	<b>\$ 57,080</b>	<b>2,316</b>
<b>Fund Balances Beginning of Year</b>			<b>199,288</b>		<b>196,972</b>
<b>Fund Balances End of Year</b>			<b>\$ 177,782</b>		<b>\$ 199,288</b>

**La Plata County, Colorado**  
**Palo Verde Public Improvement District #3**  
**Comparative Balance Sheet**  
**December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 37,727	\$ 36,744
Receivable:		
Property taxes receivable	16,981	16,981
Intergovernmental receivable	<u>7</u>	<u>8</u>
<b>Total Assets</b>	<u><b>54,715</b></u>	<u><b>53,733</b></u>
 <b>Deferred Inflows of Resources</b>		
Property taxes	<u>16,981</u>	<u>16,981</u>
<b>Total Deferred Inflows of Resources</b>	<u><b>16,981</b></u>	<u><b>16,981</b></u>
 <b>Fund Balances</b>		
Assigned:		
Debt service	<u>37,734</u>	<u>36,752</u>
<b>Total Fund Balances</b>	<u><b>\$ 37,734</b></u>	<u><b>\$ 36,752</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, 2018**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2017)**

	2018				2017
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Property Taxes	\$ 16,981	\$ 16,981	\$ 16,380	\$ (601)	\$ 22,034
Other Taxes	1,130	1,130	2,475	1,345	2,998
<b>Total Revenues</b>	<b>18,111</b>	<b>18,111</b>	<b>18,855</b>	<b>744</b>	<b>25,032</b>
<b>Expenditures</b>					
Public works	14,470	14,470	986	13,484	1,128
<b>Debt Service</b>					
Principal retirement	12,100	12,100	12,100	-	11,862
Interest and fiscal charges	4,787	4,787	4,787	-	5,025
<b>Total Expenditures</b>	<b>31,357</b>	<b>31,357</b>	<b>17,873</b>	<b>13,484</b>	<b>18,015</b>
<b>Net Change in Fund Balances</b>	<b>\$ (13,246)</b>	<b>\$ (13,246)</b>	<b>982</b>	<b>\$ 14,228</b>	<b>7,017</b>
<b>Fund Balances Beginning of Year</b>			<b>36,752</b>		<b>29,735</b>
<b>Fund Balances End of Year</b>			<b>\$ 37,734</b>		<b>\$ 36,752</b>

**La Plata County, Colorado**  
***Tribal Impact Mitigation Fund***  
***Comparative Balance Sheet***  
***December 31, 2018 and 2017***

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 70,549	\$ 34,347
<b>Total Assets</b>	<u>70,549</u>	<u>34,347</u>
<b>Fund Balances</b>		
Restricted:		
Tribal mitigation impact	70,549	34,347
<b>Total Fund Balances</b>	<u>\$ 70,549</u>	<u>\$ 34,347</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, 2018**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2017)*

	2018			Variance with Final Budget	2017 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Intergovernmental:					
Southern Ute Indian tribe payment	\$ -	\$ -	\$ 36,202	\$ 36,202	\$ 12,276
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>36,202</b>	<b>36,202</b>	<b>12,276</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>36,202</b>	<b>36,202</b>	<b>12,276</b>
<b>Fund Balances Beginning of Year</b>			<b>34,347</b>		<b>22,071</b>
<b>Fund Balances End of Year</b>			<b>\$ 70,549</b>		<b>\$ 34,347</b>

**La Plata County, Colorado**  
**Conservation Trust Fund**  
**Comparative Balance Sheet**  
**December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 3,832,007	\$ 3,434,644
<b>Total Assets</b>	<u>3,832,007</u>	<u>3,434,644</u>
 <b>Fund Balances</b>		
Restricted:		
Recreation & parks	3,832,007	3,434,644
<b>Total Fund Balances</b>	<u>\$ 3,832,007</u>	<u>\$ 3,434,644</u>



**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, 2018**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2017)*

	<b>2018</b>				<b>2017</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Lottery funds	\$ 338,000	\$ 338,000	\$ 324,624	\$ (13,376)	\$ 314,218
Investment earnings	20,000	20,000	72,739	52,739	37,750
<b>Total Revenues</b>	<b>358,000</b>	<b>358,000</b>	<b>397,363</b>	<b>39,363</b>	<b>351,968</b>
<b>Expenditures</b>					
Parks & recreational sites	762,000	762,000	-	762,000	245,000
<b>Total Expenditures</b>	<b>762,000</b>	<b>762,000</b>	<b>-</b>	<b>762,000</b>	<b>245,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ (404,000)</b>	<b>\$ (404,000)</b>	<b>397,363</b>	<b>\$ 801,363</b>	<b>106,968</b>
<b>Fund Balances Beginning of Year</b>			<b>3,434,644</b>		<b>3,327,676</b>
<b>Fund Balances End of Year</b>			<b>\$ 3,832,007</b>		<b>\$ 3,434,644</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. The fund was established for the deposit of all or any part of the revenue from the County sales taxes and to be used solely to provide capital improvements for the County. Expenditures are limited to continuing capital improvements as determined by the Board of County Commissioners.

**La Plata County, Colorado**  
**Capital Improvement Plan Fund**  
**Comparative Balance Sheet**  
**December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 7,402,427	\$ 6,175,149
Receivables:		
Intergovernmental	180,990	289,217
<b>Total Assets</b>	<u><b>7,583,417</b></u>	<u><b>6,464,366</b></u>
<b>Liabilities</b>		
Accounts payable	662,792	268,510
Unearned revenue	150,000	150,000
<b>Total Liabilities</b>	<u><b>812,792</b></u>	<u><b>418,510</b></u>
<b>Fund Balances</b>		
Committed:		
General capital improvements	6,770,625	6,045,856
<b>Total Fund Balance</b>	<u><b>\$ 6,770,625</b></u>	<u><b>\$ 6,045,856</b></u>

**La Plata County, Colorado**  
**Capital Improvement Plan Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2018**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2017)*

	2018				2017
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Sales Tax	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 750,000
Intergovernmental	722,599	722,599	110,830	(611,769)	1,688,285
Miscellaneous	246,183	246,183	52,393	(193,790)	156,695
<b>Total Revenues</b>	<b>1,968,782</b>	<b>1,968,782</b>	<b>1,163,223</b>	<b>(805,559)</b>	<b>2,594,980</b>
<b>Expenditures</b>					
General government	-	-	23,774	(23,774)	209,249
Public safety	-	-	31,051	(31,051)	140,241
Health & Welfare	-	-	-	-	33,011
Capital Outlay:					
General government	8,248,107	8,203,107	2,286,340	5,916,767	220,751
Public safety	875,451	920,451	597,289	323,162	2,655,036
<b>Total Expenditures</b>	<b>9,123,558</b>	<b>9,123,558</b>	<b>2,938,454</b>	<b>6,185,104</b>	<b>3,258,288</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>(7,154,776)</b>	<b>(7,154,776)</b>	<b>(1,775,231)</b>	<b>5,379,545</b>	<b>(663,308)</b>
<b>Other Financing Sources</b>					
Transfers in from General Fund	2,500,000	2,500,000	2,500,000	-	-
<b>Total Other Financing Sources</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (4,654,776)</b>	<b>\$ (4,654,776)</b>	<b>\$ 724,769</b>	<b>\$ 5,379,545</b>	<b>\$ (663,308)</b>
<b>Fund Balances Beginning of Year</b>			<b>6,045,856</b>		<b>6,709,164</b>
<b>Fund Balances End of Year</b>			<b>\$ 6,770,625</b>		<b>\$ 6,045,856</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, 2018**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Assets</b>			
Current Assets:			
Equity in treasurer's cash and investments	\$ 6,829,469	\$ 4,096,052	\$ 10,925,521
Accounts receivable	120	340	460
Intergovernmental Receivable	362	-	362
Prepays	13,909	-	13,909
Inventory	134,373	-	134,373
<b>Total Current Assets</b>	<b>6,978,233</b>	<b>4,096,392</b>	<b>11,074,625</b>
Noncurrent Assets:			
Capital Assets:			
Depreciable capital assets, net	6,753,454	-	6,753,454
<b>Total Assets</b>	<b>13,731,687</b>	<b>4,096,392</b>	<b>17,828,079</b>
<b>Liabilities</b>			
Accrued payroll	17,893	-	17,893
Accounts payable	35,107	-	35,107
Accrued claims payable	-	468,881	468,881
<b>Total Current Liabilities</b>	<b>53,000</b>	<b>468,881</b>	<b>521,881</b>
<b>Net Position</b>			
Net investment in capital assets	6,753,454	-	6,753,454
Unrestricted	6,925,233	3,627,511	10,552,744
<b>Total Net Position</b>	<b>\$ 13,678,687</b>	<b>\$ 3,627,511</b>	<b>\$ 17,306,198</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, 2018**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 2,152,635	\$ -	\$ 2,152,635
Intergovernmental	362	-	362
Insurance deposits	-	4,527,662	4,527,662
Miscellaneous revenue	1,987	-	1,987
<b>Total Operating Revenues</b>	<b>2,154,984</b>	<b>4,527,662</b>	<b>6,682,646</b>
<b>Operating Expenses</b>			
Equipment maintenance	1,051,356	-	1,051,356
Depreciation	1,085,768	-	1,085,768
Medical claims	-	4,436,254	4,436,254
<b>Total Operating Expenses</b>	<b>2,137,124</b>	<b>4,436,254</b>	<b>6,573,378</b>
<b>Operating Income (Loss)</b>	<b>17,860</b>	<b>91,408</b>	<b>109,268</b>
<b>Non-Operating Revenues</b>			
Gain (loss) on sale of capital assets	(5,729)	-	(5,729)
Investment earnings	-	87,628	87,628
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(5,729)</b>	<b>87,628</b>	<b>81,899</b>
<b>Change in Net Position</b>	<b>12,131</b>	<b>179,036</b>	<b>191,167</b>
<b>Net Position Beginning of Year</b>	<b>13,666,556</b>	<b>3,448,475</b>	<b>17,115,031</b>
<b>Net Position End of Year</b>	<b>\$ 13,678,687</b>	<b>\$ 3,627,511</b>	<b>\$ 17,306,198</b>

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2018**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 2,205,354	\$ 4,527,678	\$ 6,733,032
Cash payments for goods and services	(1,294,936)	-	(1,294,936)
Cash payments for claims	-	(4,196,677)	(4,196,677)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>910,418</b>	<b>331,001</b>	<b>1,241,419</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Cash sales of capital assets	142,107	-	142,107
Payments for capital acquisitions	(769,938)	-	(769,938)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(627,831)</b>	<b>-</b>	<b>(627,831)</b>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	-	87,628	87,628
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>282,587</b>	<b>418,629</b>	<b>701,216</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>6,546,882</b>	<b>3,677,423</b>	<b>10,224,305</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 6,829,469</b>	<b>\$ 4,096,052</b>	<b>\$ 10,925,521</b>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
<b>Operating Income (Loss)</b>	<b>\$ 17,860</b>	<b>\$ 91,408</b>	<b>\$ 109,268</b>
<b>Adjustments:</b>			
Depreciation	1,085,768	-	1,085,768
<b>(Increase) Decrease in Assets:</b>			
Accounts receivable	(120)	16	(104)
Intergovernmental receivable	50,490	-	50,490
Prepays	(13,909)	-	(13,909)
Inventory	(16,754)	-	(16,754)
<b>Increase (Decrease) in Liabilities:</b>			
Accounts payable	(215,148)	-	(215,148)
Accrued incurred/unreported claims/deferred revenues	-	239,577	239,577
Accrued wages	2,231	-	2,231
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 910,418</b>	<b>\$ 331,001</b>	<b>\$ 1,241,419</b>



**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Net Position**  
**December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 6,829,469	\$ 6,546,882
Accounts receivable	120	-
Intergovernmental	362	50,852
Prepays	13,909	-
Inventory	134,373	117,619
<b>Total Current Assets</b>	<b>6,978,233</b>	<b>6,715,353</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
Depreciable capital assets, net	6,753,454	7,217,120
<b>Total Assets</b>	<b>13,731,687</b>	<b>13,932,473</b>
<b>Liabilities</b>		
Accrued payroll	17,893	15,662
Accounts payable	35,107	250,255
<b>Total Current Liabilities</b>	<b>53,000</b>	<b>265,917</b>
<b>Net Position</b>		
Investment in capital assets	6,753,454	7,217,120
Unrestricted	6,925,233	6,449,436
<b>Total Net Position</b>	<b>\$ 13,678,687</b>	<b>\$ 13,666,556</b>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Operating Revenues</b>		
Charges for services	\$ 2,152,635	\$ 2,170,072
Intergovernmental	362	-
Miscellaneous revenue	1,987	6,680
<b>Total Operating Revenues</b>	<u><b>2,154,984</b></u>	<u><b>\$ 2,176,752</b></u>
<b>Operating Expenses</b>		
Equipment maintenance	1,051,356	992,694
Depreciation	1,085,768	971,948
<b>Total Operating Expenses</b>	<u><b>2,137,124</b></u>	<u><b>1,964,642</b></u>
<b>Operating (Loss)</b>	<u><b>17,860</b></u>	<u><b>212,110</b></u>
<b>Non-Operating Revenues</b>		
Capital grant	-	50,714
Loss on sale of capital assets	(5,729)	(173,550)
<b>Total Non-Operating Revenues</b>	<u><b>(5,729)</b></u>	<u><b>(122,836)</b></u>
<b>Change in Net Position</b>	<b>12,131</b>	<b>89,274</b>
<b>Net Position Beginning of Year</b>	<u><b>13,666,556</b></u>	<u><b>13,577,282</b></u>
<b>Net Position End of Year</b>	<u><u><b>\$ 13,678,687</b></u></u>	<u><u><b>\$ 13,666,556</b></u></u>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 2,127,695	\$ 2,127,695	\$ 2,152,635	\$ 24,940
Intergovernmental	-	-	362	
Sales of capital assets	144,500	144,500	142,107	(2,393)
Miscellaneous	-	-	1,987	1,987
<b>Total Revenues</b>	<b>2,272,195</b>	<b>2,272,195</b>	<b>2,297,091</b>	<b>24,896</b>
<b>Expenditures</b>				
Personnel costs	630,631	630,994	618,850	12,144
Equipment maintenance	862,459	862,459	512,506	349,953
Capital outlay	718,448	718,448	689,938	28,510
<b>Total Expenditures</b>	<b>2,211,538</b>	<b>2,211,901</b>	<b>1,821,294</b>	<b>390,607</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>60,657</b>	<b>60,294</b>	<b>475,797</b>	<b>415,503</b>
<b>Net change in Fund Balances</b>	<b>\$ 60,657</b>	<b>\$ 60,294</b>	<b>475,797</b>	<b>\$ 415,503</b>
<b>Reconciliation to GAAP Net Income:</b>				
Less: Capital assets, disposed net of accumulated depreciation			(147,836)	
Capitalization of asset purchases			769,938	
Depreciation			(1,085,768)	
<b>Change in Net Position</b>			<b>\$ 12,131</b>	

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Position**  
**December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 4,096,052	\$ 3,677,423
Accounts receivable	<u>340</u>	<u>356</u>
<b>Total Current Assets</b>	<u><b>4,096,392</b></u>	<u><b>3,677,779</b></u>
 <b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued claims payable	<u>468,881</u>	<u>229,304</u>
<b>Total Current Liabilities</b>	<u><b>468,881</b></u>	<u><b>229,304</b></u>
 <b>Net Position</b>		
Unrestricted	<u><u><b>\$ 3,627,511</b></u></u>	<u><u><b>\$ 3,448,475</b></u></u>

**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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Operating Revenues</b>		
Insurance deposits	\$ 4,527,662	\$ 4,919,245
<b>Operating Expenses</b>		
Medical claims	<u>4,436,254</u>	<u>4,192,664</u>
<b>Operating Income</b>	<u>91,408</u>	<u>726,581</u>
<b>Non-Operating Revenues</b>		
Investment earnings	<u>87,628</u>	<u>33,422</u>
<b>Change in Net Position</b>	<b>179,036</b>	<b>760,003</b>
<b>Net Position Beginning of Year</b>	<u>3,448,475</u>	<u>2,688,472</u>
<b>Net Position End of Year</b>	<u><u>\$ 3,627,511</u></u>	<u><u>\$ 3,448,475</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Operating Revenues</b>				
Insurance deposits	\$ 4,519,807	\$ 4,519,807	\$ 4,527,662	\$ 7,855
<b>Operating Expenses</b>				
Medical claims	4,253,566	4,253,566	4,436,254	(182,688)
<b>Operating Income (Loss)</b>	<u>266,241</u>	<u>266,241</u>	<u>91,408</u>	<u>(174,833)</u>
<b>Non-Operating Revenues</b>				
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>87,628</u>	<u>86,628</u>
<b>Change in Net Position</b>	<u><u>\$ 267,241</u></u>	<u><u>\$ 267,241</u></u>	<u>179,036</u>	<u><u>\$ (88,205)</u></u>
<b>Net Position Beginning of Year</b>			<u>3,448,475</u>	
<b>Net Position End of Year</b>			<u><u>\$ 3,627,511</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, 2018*

	<u>Balance December 31, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2018</u>
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 3,134,276	\$ 67,283,890	\$ 68,419,514	\$ 1,998,652
<b>Liabilities</b>				
Accounts payable	1,269,724	29,355,879	29,344,407	1,281,196
Due to component unit	125,931	2,147,146	2,184,024	89,053
Deposits held for others	1,738,621	35,780,865	36,891,083	628,403
<b>Total Liabilities</b>	<u><u>\$ 3,134,276</u></u>	<u><u>\$ 67,283,890</u></u>	<u><u>\$ 68,419,514</u></u>	<u><u>\$ 1,998,652</u></u>



## **DISCRETELY PRESENTED COMPONENT UNITS**

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

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

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

**Sixth Judicial District Attorney**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

<b>Assets</b>	<b>2018</b>	<b>2017</b>
Cash deposits	\$ 105,649	\$ 106,495
Equity in Treasurer's cash and investments	89,053	125,933
Receivables:		
Accounts receivable	160	36,332
Intergovernmental receivable	171,825	77,067
Prepays	3,734	-
<b>Total Assets</b>	<b>370,421</b>	<b>345,827</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	22,699	6,437
Accrued salaries and benefits	59,618	51,286
<b>Total Liabilities</b>	<b>82,317</b>	<b>57,723</b>
<b>Fund Balances</b>		
<b>Restricted for:</b>		
Law enforcement	219,578	214,325
Economic stabilization (TABOR)	68,526	73,779
<b>Total Fund Balances</b>	<b>\$ 288,104</b>	<b>\$ 288,104</b>
Governmental Fund Balance	\$ 288,104	
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	11,754	
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.	207,517	
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.	(34,818)	
Net pension liabilities are not due and payable in the current period and not reported in the funds.	(924,451)	
Deferred results and contributions to OPEB plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.	1,760	
Certain amounts related to the net OPEB liability are deferred and amortized over time. These are not reported in the funds.	(414)	
Net OPEB liabilities are not due and payable in the current period and not reported in the funds.	(21,691)	
Compensated absences are not due and payable in the current period and therefore not reported in the governmental funds	(112,873)	
Net position of governmental activities	<u>\$ (585,112)</u>	

**Sixth Judicial District Attorney**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2018**

	<u>2018</u>
<b>Revenues</b>	
Intergovernmental	\$ 770,766
Intragovernmental - County	1,450,601
Miscellaneous	11,424
<b>Total Revenues</b>	<u><b>2,232,791</b></u>
<b>Expenditures</b>	
Public safety	2,232,791
<b>Total Expenditures</b>	<u><b>2,232,791</b></u>
<b>Net Change in Fund Balances</b>	-
<b>Fund Balances Beginning of Year</b>	<u><b>288,104</b></u>
<b>Fund Balances End of Year</b>	<u><u><b>\$ 288,104</b></u></u>

Net change in fund balances -

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures but they are capitalized at the government-wide financial reporting level:

Depreciation expense	(4,149)	
Capital outlay	<u>-</u>	(4,149)

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 @ 12/31/18	(112,873)	
Liability @ 12/31/17	<u>106,144</u>	(6,729)

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 item consists of the change in pension expenditures	(181,844)	
This item consists of the change in OPEB expenditures	<u>(380)</u>	(182,224)

Change in net position at the government-wide financial reporting level	<u><u><b>\$ (193,103)</b></u></u>
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**Sixth Judicial District Attorney**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 802,021	\$ 802,021	\$ 770,766	\$ (31,255)
Intergovernmental - County	1,635,541	1,635,541	1,450,601	(184,940)
Miscellaneous	250	250	11,424	11,174
<b>Total Revenues</b>	<b>2,437,812</b>	<b>2,437,812</b>	<b>2,232,791</b>	<b>(205,021)</b>
<b>Expenditures</b>				
Public safety	2,437,812	2,437,812	2,232,791	205,021
<b>Total Expenditures</b>	<b>2,437,812</b>	<b>2,437,812</b>	<b>2,232,791</b>	<b>205,021</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ (410,042)</b>
<b>Fund Balances Beginning of Year</b>			<b>288,104</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, 2018**

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	Total	
				Authorizations & Expenditures By County Warrant	Total Expenditures
Colorado Works	\$681,204	\$158,943	\$403,047	\$1,084,251	\$561,990
Child Care	373,554	52,361	130,839	504,393	183,200
Child Welfare	659,215	131,902	1,642,257	2,301,472	1,774,159
County Administrative	1,500	-	1,136,840	1,138,340	1,136,840
Core Services	432,000	83,081	615,909	1,047,909	698,990
Child Support Administrative	-	-	495,495	495,495	495,495
LEAP	349,772	-	709	350,481	709
AND	189,842	37,968	-	189,842	37,968
Old Age Pension	552,282	-	31,320	583,601	31,320
Food Assistance	5,260,996	-	-	5,260,997	-
Food Assistance Job Search	-	-	60,456	60,456	60,456
Employment First 100%	-	-	14,572	14,572	14,572
Title XX	-	-	8,029	8,029	8,029
CHAFFEE	-	-	10,052	10,052	10,052
General Assistance	-	-	14,139	14,139	14,139
Adult Protective Services	-	-	305,372	305,372	305,372
Child Welfare IV-E waiver	-	-	94,378	94,378	94,378
Child Welfare Discretionary Grant	-	-	46,451	46,451	46,451
Foster Care/Adoption Recruitment	-	-	5,356	5,356	5,356
<b>Totals</b>	<b>\$ 8,500,365</b>	<b>\$ 464,255</b>	<b>\$ 5,015,221</b>	<b>\$ 13,515,586</b>	<b>\$ 5,479,476</b>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: La Plata County
	YEAR ENDING : December 2018
This Information From The Records Of: County of La Plata, Colorado	Prepared By: Diane K. Sorensen Phone: (970)382-6306

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	895,839
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,816,471
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	405,432
2. General fund appropriations	0	b. Snow and ice removal	989,028
3. Other local imposts (from page 2)	4,434,013	c. Other	0
4. Miscellaneous local receipts (from page 2)	154,456	d. Total (a. through c.)	1,394,460
5. Transfers from toll facilities	0	4. General administration & miscellaneous	174,147
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)	7,280,917
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)	4,588,469	b. Redemption	0
<b>B. Private Contributions</b>	0	c. Total (a. + b.)	0
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	3,942,799	a. Interest	0
<b>D. Receipts from Federal Government</b>		b. Redemption	0
(from page 2)	510,607	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	9,041,875	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>	7,280,917

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
7,312,312	9,041,875	7,280,917	9,073,270	0

**Notes and Comments:**

Maintenance and snow removal costs are consolidated into a single cost center in our system--we estimate 20% for snow removal





## **STATISTICAL SECTION**

This part of the La Plata County's comprehensive annual financial report presents detailes 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 with 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, 2009	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282	\$ 101,877,845	\$ 98,126,731
Restricted for:					
Capital projects	4,652,468	5,434,327	6,283,012	5,218,448	7,057,030
Emergencies	2,000,000	2,000,000	1,541,536	1,504,732	1,519,735
Debt Service	452,735	452,735	450,985	-	-
Specific projects and programs	3,667,978	3,801,100	14,349,826	12,579,204	14,195,240
Unrestricted	57,321,536	70,682,038	66,206,346	70,758,262	72,631,281
<b>Subtotal Governmental Activities Net Position</b>	<b>\$ 172,880,328</b>	<b>\$ 185,427,549</b>	<b>\$ 188,908,987</b>	<b>\$ 191,938,491</b>	<b>\$ 193,530,017</b>
<b>Business-type Activities</b>					
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	-	-	-	-	-
<b>Subtotal Business-type Activities Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Primary Government</b>					
Net investment in capital assets	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282	\$ 101,877,845	\$ 98,126,731
Restricted	10,773,181	11,688,162	22,625,359	19,302,384	22,772,005
Unrestricted	57,321,536	70,682,038	66,206,346	70,758,262	72,631,281
<b>Total Primary Government Net Position</b>	<b>\$ 172,880,328</b>	<b>\$ 185,427,549</b>	<b>\$ 188,908,987</b>	<b>\$ 191,938,491</b>	<b>\$ 193,530,017</b>

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 96,745,229	\$ 98,551,468	\$ 112,662,507	\$ 115,606,263	\$ 113,948,257
Restricted for:					
Capital projects	-	-	-	-	-
Economic stabilization (TABOR)	1,563,138	1,600,510	1,733,899	1,726,225	1,617,019
Debt Service	-	-	-	-	-
Required legal fund segregations	6,552,331	22,379,012	19,901,793	13,348,308	15,289,853
Unrestricted	92,389,464	76,019,786	71,910,969	83,270,584	89,682,909
<b>Subtotal Governmental Activities Net Position</b>	<b>\$ 197,250,162</b>	<b>\$ 198,550,776</b>	<b>\$ 206,209,168</b>	<b>\$ 213,951,380</b>	<b>\$ 220,538,038</b>
<b>Primary Government</b>					
Net investment in capital assets	\$ 96,745,229	\$ 98,551,468	\$ 112,662,507	\$ 115,606,263	\$ 113,948,257
Restricted	8,115,469	23,979,522	21,635,692	15,074,533	16,906,872
Unrestricted	92,389,464	76,019,786	71,910,969	83,270,584	89,682,909
<b>Total Primary Government Net Position</b>	<b>\$ 197,250,162</b>	<b>\$ 198,550,776</b>	<b>\$ 206,209,168</b>	<b>\$ 213,951,380</b>	<b>\$ 220,538,038</b>

**Source:** La Plata County Finance Department

**La Plata County, Colorado**  
**Government-wide Changes in Net Position**  
**Fiscal Years 2009-2018**

**Table 2**

	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 11,324,542	\$ 12,590,925	\$ 10,570,951	\$ 10,374,610	\$ 10,514,636	\$ 10,328,052	\$ 12,919,783	\$ 13,427,182	\$ 12,422,292	\$ 12,519,034
Public safety	14,921,662	15,228,090	15,426,187	16,332,272	16,401,170	15,939,033	17,381,499	17,466,390	17,345,794	17,508,166
Recreation and culture	3,925,467	3,609,635	3,382,410	3,193,425	3,085,940	3,097,514	2,960,931	2,946,427	3,103,196	2,899,909
Public works	13,329,071	9,946,369	10,572,032	10,929,759	12,686,719	12,936,627	11,875,658	10,436,141	10,412,561	9,572,367
Decrease in joint venture	-	-	-	-	360,978	-	-	-	300,237	-
Health and welfare	5,551,746	5,653,873	5,581,089	5,615,860	5,607,927	5,757,071	7,701,357	8,125,198	7,452,036	7,348,911
Community programs	5,191,522	4,693,722	4,296,657	4,527,441	4,221,545	4,276,928	1,931,976	2,415,471	2,844,203	2,506,724
Interest on long-term debt	81,935	70,139	57,270	20,458	-	3,170	3,170	2,936	4,985	4,747
<b>Total Primary Government Expenses</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>53,885,304</b>	<b>52,359,858</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
General government	2,820,023	2,753,843	2,689,737	2,867,637	3,016,390	3,287,481	2,493,802	2,640,097	2,656,984	2,837,162
Public safety	813,731	860,444	930,281	897,042	835,799	660,284	1,595,067	1,919,582	2,489,648	2,768,712
Recreation and culture	264,190	239,027	243,891	244,614	205,462	168,745	-	-	-	-
Public works	86,341	60,110	52,926	46,413	241,454	844,705	328,787	295,332	233,726	273,214
Health and welfare	-	-	-	-	-	-	51,837	38,943	21,493	21,544
Community programs	-	-	-	-	-	-	-	-	-	-
Total Charges for Services	3,984,285	3,913,424	3,916,835	4,055,706	4,299,105	4,961,215	4,469,493	4,893,954	5,401,851	5,900,632
Operating Grants and Contributions	18,162,203	12,765,925	12,753,984	12,572,836	11,961,803	13,230,028	13,977,048	16,589,822	13,074,923	15,470,779
Capital Grants and Contributions	2,828,191	662,256	308,532	109,228	562,211	4,019,552	1,330,453	2,728,346	5,153,159	804,557
<b>Total Primary Government Program Revenues</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>23,629,933</b>	<b>22,175,968</b>
<b>Net (Expense) Revenue</b>										
<b>Total Primary Government</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>(30,255,371)</b>	<b>(30,183,890)</b>
<b>General revenues and other changes in net position</b>										
<b>Governmental Activities:</b>										
Taxes										
Property taxes levied for general purposes	27,822,967	31,654,239	21,357,288	21,714,072	21,022,611	15,639,563	17,141,607	18,827,957	15,415,694	14,862,828
Sales taxes	12,264,867	13,528,774	12,363,979	13,596,356	14,080,460	14,870,392	15,734,279	16,018,771	16,876,171	16,787,039
Other taxes	168,180	283,895	299,419	336,697	316,293	2,077,512	2,099,038	2,241,637	2,280,747	2,292,810
Investment earnings	514,724	435,688	420,128	347,657	43,207	489,296	411,103	489,863	803,839	1,616,368
Gain (loss) on disposition of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,810,220	1,095,772	1,947,870	1,290,777	888,647	770,982	911,966	687,787	1,761,093	1,211,503
<b>Total Primary Government</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>37,137,544</b>	<b>36,770,548</b>
<b>Changes in Net Position</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>	<b>\$ 6,882,173</b>	<b>\$ 6,586,658</b>

Source: La Plata County Finance Department

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

**Table 3**

<b>Source</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>	<b>2017</b>	<b>2018</b>
Taxes	\$ 40,256,015	\$ 45,466,908	\$ 34,020,684	\$ 35,647,126	\$ 35,419,368	\$ 32,589,122	\$ 35,086,641	\$ 37,437,530	\$ 34,509,480	\$ 33,942,678
Intergovernmental	16,538,111	12,935,455	12,255,999	12,280,676	12,524,014	17,130,157	14,672,893	16,380,927	17,665,581	15,054,929
Licenses and permits	520,400	449,677	388,800	660,372	765,742	1,013,603	1,050,803	1,174,392	1,393,889	1,325,126
Charges for services	3,302,681	3,313,725	3,350,386	3,473,616	3,324,857	3,107,431	3,288,273	3,865,133	3,909,578	4,538,607
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,317,105	1,529,148	2,399,722	1,666,008	931,170	1,821,358	1,296,096	1,183,090	2,531,511	2,740,242
Total revenues	<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>	<u>\$ 60,010,039</u>	<u>\$ 57,601,582</u>
% change from prior year	<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>	<u>-0.1%</u>	<u>-4.0%</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Current:</b>										
General government	\$ 10,629,669	\$ 11,636,438	\$ 9,766,049	\$ 9,551,895	\$ 9,829,705	\$ 9,776,629	\$ 11,419,621	\$ 12,107,012	\$ 11,341,992	\$ 11,166,198
Public safety	14,623,385	14,844,053	14,901,413	15,515,104	16,230,442	15,767,639	16,831,509	17,135,405	17,177,728	17,219,972
Public works	8,005,211	7,942,046	7,831,786	8,339,156	10,017,083	9,720,482	8,925,096	7,375,810	7,319,141	6,684,484
Health and welfare	5,532,693	5,558,455	5,508,421	5,509,934	5,602,540	5,774,076	7,591,961	8,134,343	7,536,243	7,347,824
Recreation and culture	3,593,406	3,246,466	3,068,201	2,837,282	2,759,382	2,784,783	2,688,775	2,600,165	2,746,850	2,547,245
Community Programs	5,191,522	4,693,722	4,296,657	4,527,441	4,221,545	4,276,928	1,931,976	2,415,471	2,844,203	2,506,724
<b>Total Current</b>	<u>47,575,886</u>	<u>47,921,180</u>	<u>45,372,527</u>	<u>46,280,812</u>	<u>48,660,697</u>	<u>48,100,537</u>	<u>49,388,938</u>	<u>49,768,206</u>	<u>48,966,157</u>	<u>47,472,447</u>
<b>% Change From Prior Year</b>	<u>5.8%</u>	<u>0.7%</u>	<u>-5.3%</u>	<u>2.0%</u>	<u>5.1%</u>	<u>-1.2%</u>	<u>2.7%</u>	<u>0.8%</u>	<u>-1.6%</u>	<u>-3.1%</u>
<b>Capital Outlay</b>	<u>7,615,183</u>	<u>3,162,105</u>	<u>2,198,728</u>	<u>5,239,527</u>	<u>1,041,869</u>	<u>3,273,781</u>	<u>6,806,584</u>	<u>19,039,611</u>	<u>7,269,145</u>	<u>3,825,103</u>
<b>% Change From Prior Year</b>	<u>-61.1%</u>	<u>-58.5%</u>	<u>-30.5%</u>	<u>138.3%</u>	<u>-80.1%</u>	<u>214.2%</u>	<u>107.9%</u>	<u>179.7%</u>	<u>-61.8%</u>	<u>-47.4%</u>
<b>Debt Service</b>										
Principal	385,000	400,000	415,000	1,350,000	-	-	6,657	11,628	11,862	12,100
Interest	83,431	71,256	57,853	24,550	-	-	3,170	5,259	5,025	4,787
<b>Total Debt Service</b>	<u>468,431</u>	<u>471,256</u>	<u>472,853</u>	<u>1,374,550</u>	<u>-</u>	<u>-</u>	<u>9,827</u>	<u>16,887</u>	<u>16,887</u>	<u>16,887</u>
<b>% Change From Prior Year</b>	<u>-0.2%</u>	<u>0.6%</u>	<u>0.3%</u>	<u>190.7%</u>	<u>-100.0%</u>	<u>0.0%</u>	<u>100.0%</u>	<u>71.8%</u>	<u>0.0%</u>	<u>0.0%</u>
<b>Total Expenditures</b>	<u>\$ 55,659,500</u>	<u>\$ 51,554,541</u>	<u>\$ 48,044,108</u>	<u>\$ 52,894,889</u>	<u>\$ 49,702,566</u>	<u>\$ 51,374,318</u>	<u>\$ 56,205,349</u>	<u>\$ 68,824,704</u>	<u>\$ 56,252,189</u>	<u>\$ 51,314,437</u>
<b>% Change From Prior Year</b>	<u>-14.4%</u>	<u>-7.4%</u>	<u>-6.8%</u>	<u>10.1%</u>	<u>-6.0%</u>	<u>3.4%</u>	<u>9.4%</u>	<u>22.5%</u>	<u>-18.3%</u>	<u>-8.8%</u>
<b>Debt Service as a Percentage of Total Non-capital Expenditures</b>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>2.9%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.03%</u>	<u>0.03%</u>	<u>0.04%</u>

Source: La Plata County Finance Department

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

**Table 5**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 1,536,887	\$ 1,747,996								
Unreserved	28,285,373	40,111,898								
Nonspendable			360,411	303,429	27,638	129,028	196,375	168,218	268,530	570,456
Restricted			3,483,597	3,752,426	4,637,690	4,972,923	1,876,016	1,956,764	1,994,700	1,847,018
Committed			-	-	-	15,541,790	6,764,859	7,158,458	7,814,000	8,264,318
Assigned			1,331,567	597,676	2,750,002	33,858,785	30,868,211	11,919,476	15,299,362	14,137,316
Unassigned			43,188,909	48,220,847	50,303,760	5,162,801	14,091,995	26,910,384	27,801,413	31,687,139
<b>Subtotal General Fund</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>53,178,005</b>	<b>56,506,247</b>
<b>General Fund Percentage Change</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>10.53%</b>	<b>6.26%</b>
<b>All Other Governmental Funds Combined</b>										
Reserved	9,623,971	10,371,282	-	-	-	-	-	-	-	-
Unreserved	12,108,796	11,464,223	-	-	-	-	-	-	-	-
Nonspendable			560,636	475,455	355,077	316,647	256,684	405,122	502,212	776,849
Restricted			19,141,762	15,549,958	15,384,313	15,041,735	22,103,506	19,678,928	13,079,833	15,059,854
Committed			-	-	-	1,957,328	-	-	6,045,856	6,770,625
Assigned			-	-	-	1,037,322	1,050,043	226,707	236,040	215,516
Unassigned			-	-	-	-	-	-	-	-
<b>Subtotal All Other Governmental Funds Combined</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>19,863,941</b>	<b>22,822,844</b>
<b>Total Governmental Funds</b>										
Reserved	11,160,858	12,119,278	-	-	-	-	-	-	-	-
Unreserved	40,394,169	51,576,121	-	-	-	-	-	-	-	-
Nonspendable			921,047	778,884	382,715	445,675	453,059	573,340	770,742	1,347,305
Restricted			22,625,359	19,302,384	20,022,003	20,014,658	23,979,522	21,635,692	15,074,533	16,906,872
Committed			-	-	-	17,499,118	6,764,859	7,158,458	13,859,856	15,034,943
Assigned			1,331,567	597,676	2,750,002	34,896,080	31,918,254	12,146,183	15,535,402	14,352,832
Unassigned			43,188,909	48,220,847	50,303,760	5,162,801	14,091,995	26,910,384	27,801,413	31,687,139
<b>Total Governmental Funds</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>\$ 73,041,946</b>	<b>\$ 79,329,091</b>
<b>All Governmental Funds Percentage Change</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>	<b>6.7%</b>	<b>8.6%</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 Year</b>	<b>Property</b>	<b>Specific Ownership</b>	<b>Sales</b>	<b>Cable Franchise</b>	<b>Lodging</b>	<b>Total</b>
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	114,133	350,750	36,951,095
2017	15,415,694	1,686,509	16,876,171	114,133	350,750	34,443,257
2018	14,862,828	1,631,806	16,787,039	115,415	374,526	33,771,614

**Source:** La Plata County Finance Department



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

**Table 7**

<b>Fiscal Year Collected</b>	<b>Current Tax Levy</b> <sup>1</sup>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Delinquent Tax Collections</b>	<b>Total Collections to Date</b>	
		<b>Amount Collected</b>	<b>Percentage of Levy</b>		<b>Total Tax Collections</b>	<b>Percentage of Levy</b>
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%
2017	15,532,214	15,469,081	99.59%	4,238	15,473,319	99.62%
2018	15,026,546	14,988,907	99.75%	4,985	14,993,892	99.78%

<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/ Fiscal Year</b>	<b>Vacant Property</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Agricultural Property</b>	<b>Natural Resources</b>	<b>Oil &amp; Gas</b>	<b>Other</b>
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
2016/2017	139,980	633,797	375,845	21,557	13,929	10,462	542,301	79,635
2017/2018	141,577	632,017	405,146	23,081	17,702	7,561	454,298	81,397
2018/2019	132,426	643,866	407,494	26,286	18,306	6,728	517,222	80,245

<b>Assessment/ Fiscal Year</b>	<b>Total Assessed</b>	<b>Estimated Actual Value</b>	<b>Ratio of Assessed Value to Total Est. Actual Value</b>	<b>Oil and Gas As % of Total</b>	<b>La Plata County only Mill Levy</b>
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
2016/2017	1,817,507	10,793,803	16.8%	29.8%	8.500
2017/2018	1,762,779	11,629,844	15.2%	25.8%	8.500
2018/2019	1,832,574	11,849,159	15.5%	28.2%	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 2009-2018**

**Table 9**

<b>Collection Year:</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><u>2017</u></b>	<b><u>2018</u></b>
La Plata County	mill	8.693	8.564	8.674	8.500	8.500	8.500	8.500	8.500	8.500	8.500
	tax \$	25,087,956	25,846,078	30,026,777	20,015,775	19,340,023	15,660,540	17,038,980	18,877,774	15,431,908	14,935,580
<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 \$	1,248,819	1,279,024	1,347,238	1,344,677	1,219,564	1,178,797	1,202,738	1,294,677	1,320,477	2,750,927
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 \$	245,627	240,482	249,010	229,066	210,669	196,965	199,296	204,936	198,329	209,827
Town of Ignacio	mill	2.978	2.918	2.747	2.780	3.559	3.813	4.107	4.598	3.788	3.788
	tax \$	19,335	20,460	21,153	22,184	26,751	27,400	29,759	31,430	30,034	31,769
<b><u>School Districts:</u></b>											
Durango 9R	mill	15.189	14.765	14.484	16.368	17.017	19.090	19.090	17.876	19.874	20.281
	tax \$	30,269,840	29,957,375	31,850,209	26,847,994	25,417,181	24,508,106	25,914,491	26,639,109	26,366,052	26,810,507
Bayfield 10R	mill	16.450	16.364	15.814	17.045	21.219	23.222	21.599	21.161	32.478	31.905
	tax \$	6,142,706	6,249,134	7,074,726	4,979,766	6,134,289	5,340,928	5,476,870	5,983,476	7,169,202	6,899,884
Ignacio 11JT	mill	4.463	4.032	3.574	7.761	10.671	13.173	11.470	12.436	15.535	18.350
	tax \$	2,319,418	2,448,082	2,914,008	2,010,902	5,256,193	4,328,688	4,513,733	5,570,564	4,165,585	4,017,031
<b><u>Special Districts:</u></b>											
Animas Fire Protection- Bonded Indebtedness	mill	0.486	0.480	0.454	0.373	0.524	0.000	0.000	0.000	0.000	0.000
	tax \$	451,821	452,671	482,698	300,908	387,106	-	-	-	-	-
Animas Fire Protection	mill	5.232	5.119	5.069	5.069	5.069	0.000	0.000	0.000	0.000	0.000
	tax \$	3,978,531	3,913,896	4,471,782	3,128,438	2,872,952	-	-	-	-	-
Animas La Plata Water Conservancy	mill	0.219	0.226	0.229	0.243	0.295	0.325	0.333	0.322	0.328	0.332
	tax \$	180,518	191,763	204,647	215,908	232,434	240,866	251,057	260,454	267,084	277,588
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 \$	646,004	655,768	686,670	678,815	611,458	582,696	592,932	638,930	650,639	675,130
Aspen Trails Metro	mill	11.777	10.659	10.391	5.000	5.000	5.000	5.000	5.000	5.000	5.000
	tax \$	28,178	31,144	31,065	14,909	13,570	12,915	12,947	13,422	13,212	29,044

**La Plata County, Colorado**  
**Property Tax Rates**  
**Fiscal Years 2009-2018**

**Table 9**

<b>Collection Year:</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><u>2017</u></b>	<b><u>2018</u></b>
Aspen Trails Metro Bonds	mill	0.000	0.000	0.000	5.405	5.842	6.240	6.240	6.160	6.112	0.000
	tax \$	-	-	-	16,117	15,855	16,118	16,158	16,536	16,150	-
Durango Conference Center	mill	1.500	1.500	1.500	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Business Improvement Center	tax \$	199,861	203,037	203,037	277,177	249,498	240,353	241,815	243,677	243,778	256,058
Durango Fire Protection	mill	0.000	0.000	0.000	0.000	0.000	5.700	5.700	5.700	5.700	8.200
	tax \$	-	-	-	-	-	3,034,251	3,192,756	3,592,455	3,126,583	4,454,559
Durango Hills Local Improvement	mill	16.369	17.241	16.515	15.951	20.204	20.379	20.379	20.379	20.379	20.379
	tax \$	65,655	68,991	72,443	72,168	76,525	73,694	74,481	76,752	77,742	73,984
Durango West Metropolitan I	mill	17.960	17.960	17.540	17.430	18.450	20.200	20.300	19.460	0.000	0.000
	tax \$	79,703	79,921	79,319	79,628	79,700	79,716	79,530	85,321	-	-
Durango West Metropolitan II	mill	17.403	17.469	16.726	17.361	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	205,902	207,581	207,126	214,760	-	-	-	-	-	-
Durango West Metropolitan II Bonds	mill	0.000	0.000	0.000	0.000	18.254	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	202,454	-	-	-	-	-
Edgemont Ranch Metropolitan	mill	10.892	10.469	10.605	7.874	7.874	7.874	7.876	7.875	10.688	10.619
	tax \$	210,138	234,836	226,086	170,386	135,211	133,819	137,657	171,324	239,461	245,281
Edgemont Ranch Bonds	mill	0.000	0.000	0.000	2.691	3.391	3.426	3.600	2.893	0.000	0.000
	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	29.035	25.333	20.589	21.149	26.110	21.573
	tax \$	-	-	-	-	93,701	97,038	63,863	70,759	90,759	73,624
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 \$	391,103	389,324	470,256	281,547	273,289	212,380	243,388	279,351	213,317	204,917
Florida Water Conservancy	mill	0.086	0.086	0.074	0.074	0.073	0.073	0.066	0.060	0.060	0.060
	tax \$	42,772	43,231	44,834	27,948	27,076	21,155	22,068	22,900	18,239	17,864

**La Plata County, Colorado**  
**Property Tax Rates**  
**Fiscal Years 2009-2018**

**Table 9**

<b>Collection Year:</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><u>2017</u></b>	<b><u>2018</u></b>
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 \$	827,775	835,635	842,619	845,208	668,649	549,179	549,343	578,055	584,580	620,636
Fort Lewis Fire Protection	mill	5.900	5.900	5.900	7.400	7.400	7.400	7.400	7.400	7.400	7.400
	tax \$	253,809	269,048	290,386	407,806	408,939	413,150	420,737	405,061	387,690	357,283
Hermosa Cliffs Fire Protection	mill	8.243	8.075	8.021	6.890	6.907	0.000	0.000	0.000	0.000	0.000
	tax \$	743,893	796,464	877,210	758,217	583,689	-	-	-	-	-
Hermosa Cliffs Fire Bonds	mill	0.000	0.000	0.000	1.029	1.312	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	113,237	110,873	-	-	-	-	-
Ignacio-Allison-Oxford Cemetery	mill	0.244	0.244	0.244	0.244	0.244	0.244	0.244	0.244	0.244	0.244
	tax \$	88,517	104,681	143,426	72,928	89,647	58,435	70,611	80,285	47,316	38,435
Ignacio Community Library	mill	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
	tax \$	779,549	910,745	1,223,003	633,554	738,852	492,905	590,287	671,908	402,213	328,368
La Plata County Palo Verde Public Improvement District #3	mill	0.000	0.000	0.000	0.000	0.000	8.448	4.840	4.559	8.359	0.154
	tax \$	-	-	-	-	-	5,000	5,000	5,675	5,675	94
La Plata County Palo Verde Public Imp District #3 Bond	mill	0.000	0.000	0.000	0.000	0.000	62.934	16.860	13.567	24.876	27.666
	tax \$	-	-	-	-	-	37,246	17,419	16,888	16,888	16,887
La Plata Archuleta Water	mill	0.000	0.000	0.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
	tax \$	-	-	-	2,589,468	2,748,969	1,964,008	2,238,777	2,563,619	1,690,620	1,621,851
La Plata Water Conservancy	mill	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.295
	tax \$	10,848	11,477	12,008	13,802	13,327	13,549	14,094	13,334	12,802	11,589
Los Pinos Fire Protection	mill	3.520	3.520	3.520	3.520	3.520	3.520	3.520	3.520	3.520	3.520
	tax \$	2,493,126	2,732,576	3,560,534	1,800,840	2,068,496	1,369,200	1,627,641	1,850,280	1,097,819	934,327
Los Pinos Fire/Mt. Allison	mill	1.500	1.500	1.500	1.500	0.000	0.000	0.000	0.000	0.000	0.000
	tax\$	65,239	68,657	107,897	71,325	-	-	-	-	-	-

**La Plata County, Colorado**  
**Property Tax Rates**  
**Fiscal Years 2009-2018**

**Table 9**

<b>Collection Year:</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><u>2017</u></b>	<b><u>2018</u></b>
Montezuma Dolores County	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.777	0.777	0.777	0.777
Metropolitan Rec Dist.	tax \$	-	-	-	-	-	-	38,129	36,215	34,815	31,691
Pine River Cemetery	mill	0.091	0.091	0.079	0.079	0.075	0.150	0.150	0.150	0.150	0.150
	tax \$	33,981	34,751	35,342	23,080	21,682	34,499	38,036	42,414	33,111	32,440
Pine River Library	mill	2.500	2.500	2.500	2.500	2.500	2.500	2.504	2.501	2.500	2.500
	tax \$	933,542	954,708	1,118,428	730,385	722,735	574,986	634,940	707,182	551,851	540,659
Purgatory Metropolitan	mill	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313
	tax \$	625,166	688,863	879,343	888,728	661,908	510,574	514,718	598,558	589,288	637,442
Purgatory Metropolitan Subdistrict	mill	0.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000
	tax \$	-	184,944	253,484	255,821	160,804	123,884	125,356	151,907	156,305	182,726
Sundance/Farraday Subdistrict No.1 of the La Plata Archuleta Water District	mill	0.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	23.798
	tax \$	-	184,944	253,484	255,821	160,804	123,884	125,356	151,907	156,305	28,372
SW Colorado TV Translator	mill	0.777	0.777	0.777	0.777	0.777	0.777	0.000	0.000	0.000	0.000
	tax \$	29,427	31,079	32,865	37,682	36,102	36,680	-	-	-	-
SW Water Conservancy	mill	0.207	0.216	0.200	0.272	0.309	0.368	0.362	0.340	0.395	0.407
	tax \$	597,401	651,886	692,339	640,505	698,516	678,009	725,660	755,111	717,130	715,151
Tamarron Metro	mill	50.000	50.000	50.079	37.000	13.239	13.239	13.000	13.000	13.000	13.000
	tax \$	717,886	892,058	960,989	710,535	166,878	140,748	139,094	148,320	151,677	169,988
Tamarron Metro Bonds	mill	0.000	0.000	0.000	13.006	37.000	37.000	37.000	37.000	37.000	37.000
	tax \$	-	-	-	249,763	466,384	393,359	395,884	422,142	431,695	483,813
Three Springs Metro #1	mill	35.000	35.000	35.000	44.000	10.000	4.275	4.275	4.275	4.275	4.478
	tax \$	358,953	499,689	576,021	684,619	131,152	51,544	57,029	66,499	67,754	73,456
Three Springs Metro #1 Bonds	mill	0.000	0.000	0.000	0.000	34.000	45.725	45.725	45.725	45.725	47.896
	tax \$	-	-	-	-	445,917	551,312	609,979	711,268	724,695	785,676
Three Springs Metro #2	mill	35.000	35.000	35.000	44.000	44.000	50.000	50.000	50.000	50.000	50.000
	tax \$	409	436	10,398	35,070	29,000	12,145	21,435	28,400	15,800	7,342
Three Springs Metro #4	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	50.000	50.000
	tax \$	-	-	-	-	-	-	-	-	5,367	49,478
Twin Buttes Metro Dist No 2	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000	20.000
	tax \$	-	-	-	-	-	-	-	8,913	83,988	41,085

**La Plata County, Colorado**  
**Property Tax Rates**  
**Fiscal Years 2009-2018**

**Table 9**

<b>Collection Year:</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><u>2017</u></b>	<b><u>2018</u></b>
Twin Buttes Metro Dist No 2	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	50.000	20.000	50.000
Bonds	tax \$	-	-	-	-	-	-	-	22,282	83,988	102,713
Twin Buttes Metro Dist No 3	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000
	tax \$	-	-	-	-	-	-	-	-	573	2,370
Twin Buttes Metro Dist No 3 Bond	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.000	50.000
	tax \$	-	-	-	-	-	-	-	-	573	5,924
Twin Buttes Metro Dist No 4	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.000	10.000
	tax \$	-	-	-	-	-	-	-	-	12,048	10,704
Twin Buttes Metro Dist No 4 Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	50.000	50.000
	tax \$	-	-	-	-	-	-	-	-	60,242	63,629
Upper Pine River Fire Bonds	mill	0.000	0.000	0.000	1.182	1.182	1.182	1.182	1.182	1.182	1.542
	tax \$	-	-	-	374,399	365,453	293,740	320,702	355,518	281,974	360,184
Upper Pine River Fire Protection	mill	6.132	6.132	6.132	4.950	4.950	10.900	10.900	10.900	10.900	10.900
	tax \$	2,511,689	2,543,406	2,958,796	1,567,915	1,530,452	2,708,767	2,957,403	3,278,465	2,600,267	2,546,049
<b>Total tax to be collected</b>		<b><u>\$ 82,885,097</u></b>	<b><u>\$ 84,723,901</u></b>	<b><u>\$ 95,238,172</u></b>	<b><u>\$ 74,492,191</u></b>	<b><u>\$ 75,802,153</u></b>	<b><u>\$ 67,057,569</u></b>	<b><u>\$ 71,479,714</u></b>	<b><u>\$ 77,655,084</u></b>	<b><u>\$ 70,486,722</u></b>	<b><u>\$ 72,763,936</u></b>

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

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

**Table 10**

Taxpayer	Type of Business	2018			2009		
		2017 Valuation	Rank	Percentage of Total Assessed Valuation	2007 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BP America Production Co	Energy	\$ 249,104,390	1	14.13%	\$ 922,686,750	1	30.57%
Williams Four Corners LLC	Energy	54,513,430	2	3.09%			0.00%
Red Willow Production Company	Energy	26,328,610	3	1.49%	62,089,020	8	2.06%
XTO Energy Inc.	Energy	25,149,320	4	1.43%	91,615,790	3	3.04%
Red Cedar	Energy	23,328,940	5	1.32%	88,351,250	5	2.93%
La Plata Electric Association	Energy	22,205,500	6	1.26%			0.00%
Conoco Phillips Company	Energy	16,546,880	7	0.94%	89,950,250	4	
Burlington Resources Oil & Gas	Energy	12,819,270	8	0.73%	65,989,360	7	2.19%
Public Service CO of Colorado (XCEL)	Energy	7,288,400	9	0.41%			
GRVP LLC	Energy	4,289,380	10	0.24%			
Samson Resources Company	Energy				197,217,200	2	6.53%
Chevron Texaco	Energy				34,389,170	9	1.14%
Williams Gas Processing	Energy				28,010,820	10	0.93%
Four Star Oil	Energy				67,154,930	6	2.23%
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 441,574,120</u>		<u>25.05%</u>	<u>\$ 1,647,454,540</u>		<u>51.61%</u>
Total Assessed Valuation for all taxpayers		<u>\$ 1,762,779,180</u>		<u>100.00%</u>	<u>\$ 3,017,991,395</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>
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%
2017	2.0%	2.9%
2018	2.0%	2.9%

**Source:** La Plata County Finance Department

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

**Table 12**

Taxpayer - Type of Business	2018			2009		
	2018 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2008 Sales Tax Collected	Rank	Percentage of Total Taxes Collected
Food & Beverage	\$ 2,153,105	1	12.83%	\$ 1,709,693	1	13.94%
General Merchandise	1,645,398	2	9.80%	1,502,128	2	12.25%
Food Services & Drinking Places	1,487,216	3	8.86%	1,192,501	3	9.72%
Bldg. Material & Garden Supplies/Equip.	1,409,770	4	8.40%	838,953	4	6.84%
Accommodation	990,695	5	5.90%	617,652	5	5.04%
Auto Dealers	809,505	6	4.82%	391,936	9	3.20%
Wholesale Trade	800,190	7	4.77%	587,220	7	4.79%
Utilities	766,454	8	4.57%	559,451	8	4.56%
Real Estate	591,799	9	3.53%			
Manufacturing	587,568	10	3.50%	384,148	10	3.13%
Information				609,024	6	4.97%
<hr/>						
Total Sales Taxes Collected by 10 Largest Businesses	\$ 11,241,700		66.97%	\$ 8,392,706		68.43%
Total Sales Taxes Collected by All Businesses	\$ 16,787,039		100.00%	\$ 12,264,868		100.00%

**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>
2009	-	-	2,165,000	2,165,000	40,971	51,105	42.36	0.10%	0.018%
2010	-	-	1,765,000	1,765,000	42,032	51,495	34.28	0.08%	0.013%
2011	-	-	1,350,000	1,350,000	43,834	51,924	26.00	0.06%	0.012%
2012	-	-	-	-	45,476	52,401	-	0.00%	0.000%
2013	-	-	-	-	46,492	53,446	-	0.00%	0.000%
2014	-	-	-	-	46,388	54,629	-	0.00%	0.000%
2015	265,843	-	-	265,843	50,206	54,688	4.86	0.01%	0.003%
2016	254,215	-	-	254,215	52,588	55,623	4.57	0.01%	0.002%
2017	242,353	-	-	242,353	52,759	55,589	4.36	0.01%	0.002%
2018	230,253	-	-	230,253	not available	56,310	4.09	not available	not available

**Sources:**

Region 9 Economic Development District of SW Colorado  
United Census Bureau  
La Plata County Assessor's Office  
La Plata County Finance Department  
Bureau of Economic Analysis

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

**Table 14**

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

<b>Assessment Year Fiscal/Budget Year</b>	<b><u>2013</u> <u>2014</u></b>	<b><u>2014</u> <u>2015</u></b>	<b><u>2015</u> <u>2016</u></b>	<b><u>2016</u> <u>2017</u></b>
Assessed Value	\$ 1,842,416,460	\$ 2,006,291,720	\$ 2,224,369,230	\$ 1,817,507,020
Actual Value	\$ 9,760,081,610	\$ 10,072,410,619	\$ 11,128,335,337	\$ 10,793,803,469
Legal Debt Margin:				
Debt limitation - 1.5% of total assessed value				
Debt limitation - 3% of total actual value	292,802,448	302,172,319	333,850,060	323,814,104
Debt applicable to limitation:				
Total debt	\$ -	\$ 265,843	\$ 254,215	\$ 242,353
Total debt applicable to debt limitation	-	265,843	254,215	242,353
Legal debt margin	\$ 292,802,448	\$ 301,906,476	\$ 333,595,845	\$ 323,571,751

**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 Year</b>	<b>Gross Sales Tax Revenue</b>	<b>Revenue Available for Debt Service</b> <sup>1</sup>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage</b>
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
2017	16,876,171	N/A	N/A	N/A	N/A	N/A
2018	16,787,039	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.

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

**Table 16**

<b>Fiscal</b>		<b>Personal</b>	<b>Per Capita</b>	<b>Unemployment</b>		<b>K-12 School</b>	<b>Higher Education</b>
<b>Year</b>	<b>Population</b>	<b>Income <sup>1</sup></b>	<b>Personal Income</b>	<b>Rate</b>	<b>Median Age</b>	<b>Enrollment <sup>2</sup></b>	<b>Enrollment <sup>3</sup></b>
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	2,925,107	52,588	2.4	38.8	7,303	3,585
2017	55,589	2,932,803	52,759	2.6	39.0	7,414	3,598
2018	56,310	Not available	Not available	3.1	40.0	7,184	3,356

**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**

<u>Employer</u>	<u>Type of Business</u>	<u>2018</u>		<u>2009</u>	
		<u>Employees FT &amp; PT</u>	<u>Percentage of total County Employment</u>	<u>Employees</u>	<u>Percentage of total County Employment</u>
Mercy Regional Medical Center	Health	1,321	4.22%	719	2.31%
Durango School District 9-R	Education	1,011	3.23%	824	2.64%
Southern Ute Indian Tribe - Administration	Government	980	3.13%	854	2.74%
Fort Lewis College	Education	611	1.95%	687	2.20%
City of Durango	Government	595	1.90%	501	1.61%
Crossfire LLC	Oil & Gas	474	1.51%	N/A	0.00%
Worldpay (Formerly Vantiv, Mercury)	Finance	460	1.47%	222	0.00%
La Plata County	Government	418	1.33%	406	1.30%
Sky Ute Lodge and Casino, Museum	Recreation	400	1.28%	N/A	0.00%
Walmart	Retail	322	1.03%	395	1.27%
<b>Total Principal Employers</b>		<b>6,592</b>	<b>21.05%</b>	<b>4,608</b>	<b>14.07%</b>
<b>Total County Employment*</b>		<b>31,317</b>	<b>100.00%</b>	<b>31,162</b>	<b>100.00%</b>

**Source:**

Region 9 Economic Development District of SW Colorado

\*Based on most recent 2015 data

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

**Table 18**

Department	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	% Change 2018 over 2017
Commissioners	5.12	5.13	5.00	5.10	5.00	5.00	3.00	3.00	3.00	3.00	0%
Clerk/Elections	16.88	14.10	16.16	18.50	16.00	16.00	16.00	16.00	16.00	16.00	0%
Treasurer/Trustee	5.00	5.29	5.00	5.10	5.00	5.00	5.00	5.00	5.00	5.00	0%
Assessor	20.20	18.94	18.80	19.00	19.00	17.00	17.00	17.00	17.00	17.00	0%
Administration	5.16	5.01	5.03	6.20	5.00	5.00	7.00	6.00	7.00	7.00	0%
Attorney	6.00	6.00	5.75	5.10	6.00	6.00	6.00	6.00	7.50	7.50	0%
Facilities & Grounds	10.01	10.00	10.00	10.00	11.00	11.00	12.00	15.00	21.00	22.00	5%
Finance	5.00	5.00	3.75	3.80	4.50	5.00	5.00	5.00	5.00	5.00	0%
Information Services	10.00	10.00	9.02	9.00	9.00	9.00	9.00	9.00	9.00	9.00	0%
Procurement	4.02	4.02	4.00	4.00	2.75	2.50	2.50	2.50	2.00	2.00	0%
GIS	7.00	7.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0%
Human Resources/Risk Mgt	4.11	4.11	4.11	4.10	4.00	4.00	4.00	4.00	4.50	4.50	0%
County Surveyor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.25	0.25	0.25	0%
Construction Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
Sustainability Office	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
<b>General Government Total</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>102.25</b>	<b>103.25</b>	<b>1%</b>
Building Inspection / OEM	14.00	11.00	8.00	7.75	8.00	8.00	8.00	9.00	10.00	9.00	-10%
Criminal Investigations	10.68	10.79	10.40	11.00	10.00	11.00	11.00	9.00	7.75	7.00	-10%
Special Investigations	5.57	5.53	5.50	5.50	6.00	5.00	5.00	5.00	4.00	5.00	25%
Special Services	22.44	22.29	21.50	21.70	21.25	22.25	22.25	11.00	11.50	14.00	22%
Public Safety	34.13	34.15	33.25	33.50	32.00	32.00	34.00	44.00	46.00	42.50	-8%
Alternative to Incarceration	5.34	5.34	5.30	5.40	5.00	5.00	5.00	4.00	4.00	4.00	0%
Detentions	62.16	62.14	62.50	62.60	59.00	59.00	59.00	62.00	58.00	55.00	-5%
Coroner	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0%
District Attorney	25.10	25.50	25.50	25.00	25.00	25.00	25.00	25.00	25.00	25.00	0%
<b>Public Safety Total</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>167.75</b>	<b>163.00</b>	<b>-3%</b>
Road & Bridge, Eng.	53.70	49.89	46.33	48.40	41.00	41.00	41.00	41.00	41.00	37.00	-10%
<b>Public Works Total</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>41.00</b>	<b>37.00</b>	<b>-10%</b>
CERF	9.10	9.10	9.04	9.10	9.00	9.00	9.00	9.00	9.00	8.50	-6%
<b>Internal Service Funds</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>9.00</b>	<b>8.50</b>	<b>-6%</b>
Human Services	58.75	58.75	60.00	63.93	61.75	63.38	64.75	68.75	70.00	65.50	-6%
<b>Health &amp; Welfare Total</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>70.00</b>	<b>65.50</b>	<b>-6%</b>
Extension Office	2.42	0.77	0.00	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0%
Weed	1.67	1.49	1.30	1.50	1.00	1.00	1.50	2.00	1.00	0.00	-100%
Fairgrounds	10.60	10.34	10.00	10.00	9.00	9.00	9.00	10.00	3.00	2.00	-33%
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%
Planning	18.30	18.28	11.99	11.70	11.75	10.75	11.00	11.25	11.25	10.50	-7%
Senior Services	8.72	8.52	8.59	9.50	8.00	8.00	8.00	8.50	9.00	9.00	0%
Veterans' Services Office	1.09	1.08	1.00	1.10	1.00	1.00	1.00	1.00	1.00	1.00	0%
<b>Auxiliary Services</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>25.25</b>	<b>22.50</b>	<b>-11%</b>
<b>Grand Total</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>415.25</b>	<b>399.75</b>	<b>-3.73%</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>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><u>2017</u></b>	<b><u>2018</u></b>
<b>General Government</b>										
<u>Clerk &amp; Recorder</u>										
# Vehicle Transactions Processed	89,672	91,592	100,468	92,650	93,865	95,504	95,863	96,742	99,008	95,867
# Titles Issued (69% printed by staff)	14,472	13,624	14,955	15,853	17,553	18,679	17,795	17,804	18,721	18,234
# documents recorded	19,550	16,500	15,889	17,762	17,096	15,069	15,622	16,343	16,082	14,295
# of registered voters	37,185	37,243	38,590	41,516	41,785	40,154	41,677	44,828	43,870	43,811
# of votes cast	4,644	20,892	11,694	29,416	15,473	29,123	12,924	39,498	10,498	36,691
# of marriage licenses issued	515	506	554	573	571	632	637	606	660	606
<u>Treasurer</u>										
Receipts processed	37,740	37,954	37,995	59,790	26,366	25,934	29,540	36,025	39,095	38,188
<u>Assessor</u>										
# of property accounts maintained/assessed	Unavailable	46,589	46,503	46,657	46,420	46,580	74,436	47,161	46,539	47,680
Assessed value (in thousands)	3,461,699	2,354,797	2,394,149	2,275,296	1,842,416	2,004,585	2,220,914	1,815,518	1,757,127	1,827,140
<u>Geographic Information Services</u>										
# of recorded documents processed	1,196	325	5,440	7,039	1,486	226	128	123	148	204
# of rural addresses assigned	191	182	565	281	527	338	147	313	255	352
<b>Public Safety</b>										
<u>Building Inspection</u>										
# of permits issued	601	577	535	544	580	655	815	675	712	705
# of inspections completed	3,553	2,632	2,414	2,435	2,536	3,369	3,604	3,284	4,118	4,539
<u>Emergency Management</u>										
Search & Rescue Missions	14	23	30	34	35	37	34	56	47	60
<u>Sheriff - Public Safety</u>										
# of incidents investigated	3,552	23,652	23,227	22,561	23,224	23,640	28,694	37,731	29,488	26,276
# of arrests	Unavailable	594	705	586	678	804	1,224	1,597	1,207	1,170
# of citations	Unavailable	134	131	110	146	97	199	163	147	125
<u>Alternative to Incarceration</u>										
# of inmates under Day Reporting Supervision	89	102	124	99	45	11	0	0	0	0
# of inmates in Community Custody program	145	298	55	104	108	95	39	119	105	74
Pretrial management	222	270	371	333	299	304	337	615	633	522

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

**Table 19**

<b><u>Function/Program</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><u>2017</u></b>	<b><u>2018</u></b>
<u>Detentions</u>										
Total # of inmates booked into facility	Unavailable	3,020	2,943	2,033	2,662	2,858	3,294	3,843	3,567	3,293
average daily inmate population	140	149	166	148	114	111	118	148	167	190
<b>Public Works</b>										
<u>Maintenance Support</u>										
gallons of dust palliative applied	1,098,307	920,642	1,100,000	865,672	920,642	988,547	1,461,306	759,693	823,998	659,140
tons of road base hauled and placed	101,608	105,297	106,676	79,197	110,568	64,708	33,335	43,711	59,916	42,401
# of gallons of highway paint used	12,500	12,000	9,500	12,500	12,000	12,500	12,500	12,500	12,000	12,000
<u>Convenience Center</u>										
Customers served - Bayfield	2,116	2,159	2,117	2,154	1,493	2,091	2,010	2,203	2,092	2,753
Customers served - Marvel	550	421	543	523	340	498	475	483	502	632
<b>Health &amp; Welfare</b>										
<u>Human Services</u>										
Child Welfare - # of assessments opened	172	315	266	273	262	283	272	263	211	252
Adult Protective Services - # of investigations	101	88	99	88	87	96	141	131	127	123
Child Support - \$ of payments collected	\$3,147,432	\$3,248,125	\$3,302,905	\$3,429,662	\$3,828,881	\$3,671,529	\$3,775,730	\$3,595,644	\$3,488,386	\$3,244,173
<b>Community Programs</b>										
Conservation Trust Funds	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Service Agency Funds	\$3,155,684	\$2,894,774	\$2,973,186	\$3,200,905	\$2,461,494	\$2,375,306	\$1,852,663	\$2,415,471	\$2,844,203	\$2,506,724
<b>Auxiliary Services</b>										
<u>Senior Services</u>										
# of meals provided	43,010	41,247	37,745	40,812	43,769	45,011	49,519	45,177	48,314	50,625
# of transportation rides provided	6,114	6,226	5,584	5,955	5,788	6,549	6,951	7,763	6,859	7,635
<u>Veterans Services</u>										
Compensation Claims	144	196	201	91	192	140	202	222	191	205
<u>Weed Management</u>										
# of miles treated for noxious weeds	675	**			672	675	435	326	33	175
# of acres treated for noxious weeds		505	Unavailable	451	90	105	273	183	795	148
small group bookings (less than 500 participants)	3,347	2,562	1,633	1,053	131	125	76	45	58	41
large bookings (more than 500 participants)	31	12	365	357	0	0	0	0	0	0

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

**Table 19**

<b><u>Function/Program</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><u>2017</u></b>	<b><u>2018</u></b>
Planning										
Major projects reviewed	55	28	48	35	100	122	116	110	165	126
Oil & Gas (Major & Minor)	82	31	35	42	25	62	56	59	33	24
Minor/Administrative Projects reviewed	80	92	62	71	108	126	159	109	105	140
<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)	243	246	305	301	307	311	317	326	326	330

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

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

**Table 20**

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>											
Clerk	Number of business locations	3	2	2	2	2	2	2	2	2	2
Facilities & Grounds	Facilities maintained	17	17	17	17	17	17	20	20	22	22
	Warehouses maintained	0	0	0	0	0	0	0	1	1	1
Procurement	Warehouses operated	1	1	1	1	1	1	1	0	0	0
<b>Public Safety</b>											
Detentions	Jail bed capacity	293	293	293	293	293	293	293	298	298	293
<b>Public Works</b>											
	Miles of Roadways maintained	658	658	658	656	672	656	656	656	643	653
	Bridges	53	53	53	48	48	49	49	49	49	49
<b>Internal Service Funds</b>											
CERF	Number of fleet vehicles maintained	243	246	305	301	307	311	317	326	326	330

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

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

## **SINGLE AUDIT SECTION**

**Independent Auditors' 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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of La Plata County, Colorado (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2019.

### **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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether 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*.

### **The County's Response To The Findings**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Management's detailed responses are also included in separately issued corrective action plans. 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RubinBrown LLP*

June 30, 2019

**Independent Auditors' Report On Compliance  
For Each Major Federal Program, Report  
On Internal Control Over Compliance  
And Report On The Schedule Of Expenditures  
Of Federal Awards Required By The Uniform Guidance**

Board of County Commissioners  
La Plata County, Colorado  
Durango, 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 Office of Management and Budget's *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, 2018. The County's major federal programs are identified in the summary of auditors' 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.

***Auditors' 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, Costs Principles, and Audit Requirements for Federal Awards* (the 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, 2018.

### **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 a 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.

*RubinBrown LLP*

June 30, 2019

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Period Ended December 31, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Estimated Expenditures for 12/31/18	Amounts Passed- Through to Subrecipients
Department of Agriculture				
<b>Passed through the Colorado Department of Human Services</b>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561		394,723	75,477
<b>Direct</b>				
Schools and Roads - Grants to States (Forest Service Schools and Roads Cluster)	10.665		170,629	
Total Department of Agriculture			<u>565,352</u>	<u>75,477</u>
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 Supportive Services and Senior Centers	93.044		32,922	
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045		110,347	
Nutrition Service Incentive Program Aging Cluster	93.053		<u>30,370</u>	173,639
Special Programs for Aging - Title III, Part E - National Family Caregiver Support	93.052		29,017	
<b>Passed through the Colorado Department of Human Services</b>				
Guardianship Assistance	93.090		19,108	
Promoting Safe and Stable Families	93.556		11,678	
Temporary Assistance for Needy Families (TANF Cluster)	93.558		918,069	86,249
Child Support Enforcement	93.563		368,261	
Low-Income Home Energy Assistance	93.568		709	
Community Services Block Grant (477 Cluster)	93.569		5,000	
Child Care and Development Block Grant	93.575		215,983	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>120,196</u>	
Child Care and Development Fund (CCDF) Cluster			336,179	
Adopt and Legal Guardianship	93.603		1,287	
Stephanie Tubbs Jones Child Welfare Services Program	93.645		13,363	
Foster Care Title IV-E	93.658		567,015	
Adoption Assistance	93.659		87,771	
Social Services Block Grant	93.667		183,996	61,000
Chafee Foster Care Independence Program	93.674		10,052	
<b>Passed through the Department of Health Care Policy and Financing</b>				
Medical Assistance Program (Medicaid Cluster)	93.778		425,310	
Colorado Department of Regulatory Agencies				
<b>Passed through Division of Insurance</b>				
Special Programs for Aging-Title IV and Title II - Discretionary Projects	93.048		12,000	
Centers for Medicare and Medicaid Services (CMS) Research Demonstrations, and Evaluations	93.779		<u>11,550</u>	
Total Department of Health and Human Services			<u>3,174,004</u>	<u>147,249</u>

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Period Ended December 31, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Estimated Expenditures for 12/31/18	Amounts Passed- Through to Subrecipients
Department of Transportation				
Passed through the Colorado Department of Transportation				
Highway Planning and Construction	20.205		73,136	
National Priority Safety Programs	20.616		17,100	
National Priority Safety Programs	20.616		3,090	
Highway Safety Cluster			20,190	
Total Department of Transportation			93,326	
Department of Homeland Security				
<b>Direct</b>				
Hazard Mitigation Grant Program	97.039		24,948	
<b>Passed through the Colorado Department of Local Affairs</b>				
Emergency Management Performance Grant	97.042	18-EM-19-29	68,713	
Total Department of Homeland Security			93,661	
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	F15CDB17-010	807,629	807,629
Community Development Block Grants/State's program	14.228	F15CDB15-600	445,257	445,257
Total Department of Housing and Urban Development			1,252,886	1,252,886
Department of Justice				
<b>Direct</b>				
Office of Justice Programs				
Bulletproof Vest Partnership Program	16.607		8,072	
State Criminal Alien Assistance Program	16.606		15,287	
Department of Justice / Criminal Division				
Equitable Sharing Program	16.922		90,149	
Total Department of Justice			113,508	
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	G18RM0023A	519,649	
Total Office of National Drug Control Policy			519,649	
Total Federal Assistance			\$ 5,812,386	\$ 1,475,612

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**Federal Grantor/Pass-Through Grantor/Program**

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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.

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## LA PLATA COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended December 31, 2018

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#### Section I - Summary Of Auditors' Results

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Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

\_\_\_ yes    x    no  
\_\_\_ yes    x    none reported  
\_\_\_ yes    x    no

Noncompliance material to financial statements noted?

#### Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

\_\_\_ yes    x    no  
\_\_\_ yes    x    none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_ yes    x    no

Identification of major federal programs:

CFDA Number	Name Of Federal Program Or Cluster
14.228	Community Development Block Grant
93.658	Title IV-E Foster Care
93.778	Medical Assistance Program (Medicaid; Title XIX)
10.561	Supplemental Nutrition Assistance Program Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_ yes    x    no

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**LA PLATA COUNTY, COLORADO**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)**  
**For The Year Ended December 31, 2018**

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**Section II - Financial Statement Findings**

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None

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**Section III - Federal Award Findings And Questioned Costs**

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None

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For The Year Ended December 31, 2018**

**Finding 2017-001 Material Weakness, Segregation of Duties (Treasurer's Office)**

**Summary of Prior Audit Finding:** Treasurer's office accounting policies and internal controls did not achieve adequate segregation of duties.

**Initial Finding Reporting Year:** 2016

**Status:** Correction Action Taken

**Finding 2017-002 Material Weakness, Treasurer's Clearing Account**

**Summary of Prior Audit Finding:** The County discovered Clerk's cash held in the Agency Fund as accounts payable to external parties that could not be reconciled to County records.

**Initial Finding Reporting Year:** 2017

**Status:** Correction Action Taken

**Finding 2017-003 Material Weakness in Internal Control over Title IV-E (Foster Care) Eligibility**

**CFDA# 93.658 - Title IV-E**

**Federal Agency:** U.S. Department of Human Services (DHS)

**Pass-Through Entity:** Colorado Department of Human Services

**Summary of Prior Audit Finding:** The County did not have effective internal controls over Foster Care eligibility and rate determinations.

**Initial Finding Reporting Year:** 2017

**Status:** Correction Action Taken



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For The Year Ended December 31, 2018 (Continued)**

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**Finding 2017-004 Significant Deficiency, Inaccurate Schedule of Expenditures of Federal Awards (the SEFA)**

***Summary of Prior Audit Finding:*** The information used to prepare the SEFA was incomplete and inaccurate, which led to an error in reporting federal awards.

**Initial Finding Reporting Year:** 2017

***Status:*** Correction Action Taken

**Finding 2017-005 Significant Deficiency, Internal Control Over Suspension and Debarment Compliance**

**CFDA# 14.225 - Community Development Block Grant**

**Federal Agency: U.S. Department of Housing and Urban Development**

**Pass-Through Entity: Colorado Department of Local Affairs**

***Summary of Prior Audit Finding:*** The County did not have a control in place to verify that the County does not enter into a covered transaction via a subaward arrangements with subrecipients.

**Initial Finding Reporting Year:** 2017

***Status:*** Correction Action Taken