



# **Comprehensive Annual Financial Report**



**For the Year Ending December 31, 2017**

Prepared by La Plata County Finance Department

## **INTRODUCTORY SECTION**

**La Plata County, Colorado**  
***Comprehensive Annual Financial Report***  
***For The Year Ended December 31, 2017***

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**(Unaudited)**

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June 22, 2018

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, 2017, is hereby submitted. State law requires that all general-purpose local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations County management has implemented internal controls that are designed to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material aspects and reported in a manner which fairly represents the financial position and results of County operations as measured by the financial activity of its various funds. Further, we believe all disclosures have been included that are necessary to enable the reader to gain the maximum understanding of the County's financial activities.

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

The County's financial statements have been audited by the certified public accounting firm of 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, 2017 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, 2017 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The independent auditor's report is presented as the first component of the financial section of the CAFR.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies (Single Audit Act Amendments of 1996 and related Office of Management and Budget (OMB) Circular A-133). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the "Single Audit Section" of the CAFR.

GAAP requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## **La Plata County Profile**

La Plata County incorporated in 1874 and is located in southwestern Colorado. The County has land area of 1,692 square miles and a 2017 population of 55,589<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 3,598 students<sup>2</sup> as well as Southwest Community College.

Approximately 42.4% 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. This year is the 46<sup>th</sup> Annual event, making the Iron Horse Bicycle Classic one of the largest and longest continuously run cycling events in the United States with over 3,600 participants, coming from every state and many foreign countries. 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 [www.fortlewis.edu/Home/About/AboutFortLewisCollege.aspx](http://www.fortlewis.edu/Home/About/AboutFortLewisCollege.aspx)

La Plata County is the 14th most populous of Colorado's 64 counties<sup>4</sup>. The preliminary average annual wage for La Plata County in 2016 was \$860 a week or \$44,720 per year<sup>5</sup>. The total labor force for La Plata County in December 2017 was 31,148<sup>7</sup> of which 30,369 were employed and 779 were unemployed; the unemployment rate was 2.5%<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. However, permits issued in 2017 increased 23% from the previous year: The County issued 308 building permits in 2017 as compared to 251 in 2016<sup>7</sup>.

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

La Plata County, Colorado Principal Employers			
<u>Employer</u>	<u>Type of Business</u>	<u>Employees FT &amp; PT</u>	<u>Percentage of total County Employment</u>
DSC Purgatory LLC	Recreation	1,000	3.21%
Mercy Regional Medical Center	Health	860	2.76%
Durango School District 9-R	Education	853	2.74%
Southern Ute Indian Tribe - Administration	Government	795	2.55%
Crossfire LLC	Oil & Gas	705	2.26%
Fort Lewis College	Education	660	2.12%
City of Durango	Government	546	1.75%
Vantiv Integrated Payments	Finance	460	1.48%
La Plata County	Government	434	1.39%
Sky Ute Lodge and Casino, Museum	Recreation	425	1.36%
<b>Total Principal Employers</b>		<b>6,738</b>	<b>21.63%</b>

Source: Region 9 Economic Development District Snap shot 2017<sup>9</sup>

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

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

<sup>6</sup>BLS Data Viewer at <https://www.bls.gov/lau/#tables>

<sup>7</sup>LPC Economic Development District <https://yeslpc.com/economic-dashboard-december-2017/>

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

- General government
- Public safety: Sheriff, Jail, Coroner, District Attorney, Emergency Management and Building Inspection
- Road and Bridge operations
- Public Health and Welfare, including Human Services
- Recreation and Culture

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

The Board of County Commissioners' responsibilities for financial matters include adopting financial policies, adopting the budget and amendments, hiring the County Manager and the County Attorney, and selecting the external auditor. The County Manager is responsible for carrying out the policies and resolutions of the Board and for overseeing the day-to-day operations of the non-elected departments. Appointed officials manage the remainder of the County's functions including Public Works, Human Services, Planning, Building Inspection, Emergency Management, Administration, Technology, General Services, Human Resources and Finance.

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

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

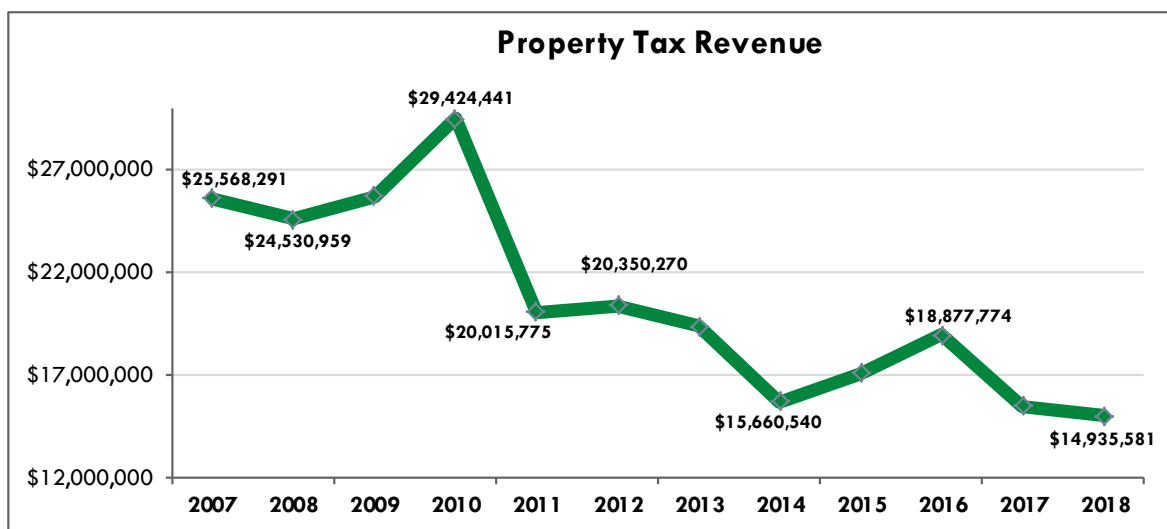
## **Budgetary Controls**

Colorado state law requires the adoption of budgets for all local governments, adopted by fund. Accordingly, each summer La Plata County begins the annual budget preparation process. Every elected official and department head submits a requested budget to the County Manager who serves as the County's budget officer. The Finance Department prepares an estimate of the subsequent year's projected revenues, and the requests for expenditures are balanced against the projected revenues. The annual budget is adopted in December of the prior year, and the property tax mill levy is set. Once the budget is adopted, La Plata County maintains budgetary controls to ensure compliance with the annual budget.

The level of budgetary control (the level at which expenditures and transfers cannot legally exceed the appropriated amount) is at the fund level. However, the County further monitors expenditures at the spending authority level, elected official or department head, within individual funds. The Finance Department monitors revenues and expenditures and informs department heads, the County Manager and the BOCC of budgetary concerns. The statements and schedules included in the financial section of this report demonstrate that the County remains successful in meeting its responsibility for sound financial management.

### Factors Affecting Financial Condition

Much of the County's property tax base has historically derived from coal bed methane gas production. In recent years, natural gas prices have plummeted nationwide and production in La Plata County has correspondingly decreased. This, coupled with a disproportionately low property tax rate of 8.5 mills, has had a detrimental effect on property tax revenues. In 2018 La Plata County's total property tax revenue is expected to be \$14.9 million as compared to \$29.4 million in 2010 – a decline of 49%. Property tax revenue from natural gas production has fallen 78% during the same period: from \$17.6 million in 2010 to \$3.8 million in 2018.



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

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 2017, this amount was approximately \$10.5 million and is reserved in the General Fund as 'Assigned for Capital Projects'.

These funds, leveraged with a Department of Local Affairs grant were used to remodel the La Plata County Courthouse to accommodate its statutorily mandated responsibilities to the Sixth Judicial District, as well as to provide courtroom and office space for the U.S. District Court, U.S. Probation and U.S. Marshal's Office. This consolidated justice facility will promote economic vitality and increase access to justice for victims, witnesses and all those involved in federal proceedings. It will also assist the Southern Ute and Ute Mountain Ute tribes which use Federal Court proceedings to adjudicate a variety of tribal matters. The County negotiated a 10-year lease agreement with the federal courts to pay for the tenant improvements and rent for \$170,610 per year. In early 2018, per the agreement, the rent was adjusted to \$171,899 per year to cover an increase in operating costs.

This project and many others resulted from a 2012 Facilities Master Plan that identified a strategic approach to addressing the County's space needs over the long term. In accordance with this approach, the County completed a remodel in the basement of the Courthouse relocating the Sixth Judicial District Attorney's office and the County Attorney's office. This move supports the BOCC's goal of increasing operational efficiency.

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 steadily falling revenue trend we have experienced over the last ten years, it has become an overarching and urgent priority.

We are meeting this challenge using a three-legged stool approach: budget reductions, revenue enhancements and organizational innovation. These strategies will enable La Plata County to weather the fiscal storm in 2018 but they do not provide a platform for long-term fiscal sustainability. 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 2018, we anticipate property tax revenue will decrease another \$505,667 – a 3.3% reduction from 2017. While residential market values have increased significantly (10.4%), the assessed values have not increased proportionately because the Gallagher Amendment forced a decrease in the residential assessed ratio, from 7.96 to 7.2% (a 9.5% reduction).

In total, the 2018 budget has \$58 million in proposed operating expenditures and almost \$21.4 million in proposed one-time expenditures which includes capital, transfers out, and contingencies. Total expenditures

County-wide are proposed at \$79,463,832. When compared to 2017 Budget, operating expenditures decreased about \$1.99 million or -2.6% and the capital and one-time expenditures increased \$3.8 million. The majority of the increase is directly related to the Transfer Out of the General Fund into the Capital Improvement Fund in the amount of \$2.5 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.

Through leveraging dollars from funding partners, the County has included a number of significant projects in the 2018 budget. The Road and Bridge Fund have budgeted for seven projects totaling \$5,230,000, with grants and contributions paying \$3,790,000 of the total investment. The county, with investments from DOLA, the Southern Ute Indian Tribe, and the City of Durango will oversee a \$2,000,000 project for the 550 & 160 Grandview Interchange project. The county, with grants and contributions from DOLA and the Southern Ute Indian Tribe will make improvements to County Road 517, which bisects the Southern Ute Tribal Campus. The road is located in the heart of the energy development area and has a high level of pedestrian traffic.

Also of note for road and bridge improvements is \$1,000,000 in numerous county road intersections where gravel roads meet paved roads. Funding in the amount of \$500,000 will be requested from DOLA and \$500,000 from MOU Fees collected in these areas.

## **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, 2017, the General Fund unassigned fund balance is \$27,801,413.

## **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, 2016. 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 2017 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,

A handwritten signature in black ink, reading "Diane Sorensen". The signature is fluid and cursive, with the first name "Diane" and last name "Sorensen" clearly distinguishable.

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, 2016**

*Christopher P. Morill*

Executive Director/CEO



## LIST OF COUNTY OFFICIALS

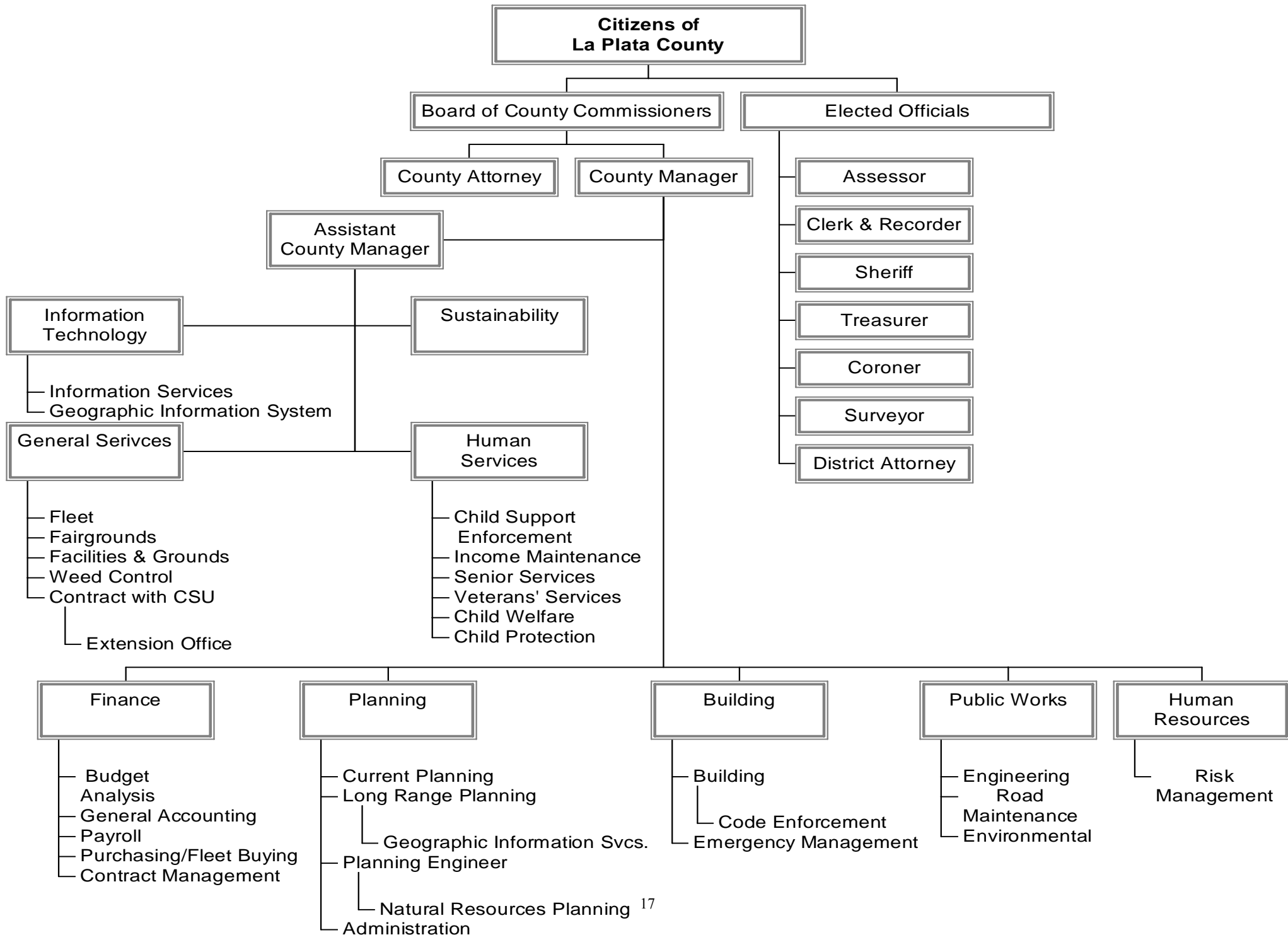
### ELECTED OFFICIALS

<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, 2017, 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, based on our audit and the reports of other auditors, 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, 2017 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, 2017, in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis Of Matter***

As discussed in Note 3-M, the County restated net position, general fund balance and agency fund due to other governments and accounts payable to correct an error in the December 31, 2016 financial statements. Our opinion was not modified with respect to this matter.

## ***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 25, the schedule of the County's proportionate share of the net pension liability and the schedule of the County's contributions and related ratios on pages 90 and 91, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules; the schedule of EBT authorizations, warrant expenditures and total expenditures; 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*; the Local Highway Finance Report 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.

#### *2016 Financial Statements*

The financial statements of the County as of and for the year ended December 31, 2016 were audit by other auditors whose report dated May 26, 2017 expressed an unmodified opinion on those statements.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018 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 22, 2018

## 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, 2017. 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 \$60,767,477 compared to \$62,478,137 in 2016, a decrease of \$1,710,660. The County's assets exceeded its liabilities and deferred inflows by \$213,951,380 (net position) for the calendar year reported. Increase in total net position in 2017 is \$7,742,212.
- Total net position is comprised of the following:
  - 1) Investment in capital assets of \$115,606,263 includes property and equipment, net of accumulated depreciation.
  - 2) Net position of \$15,074,533 are restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
  - 3) Net position of \$20,408,381 are unrestricted, but are invested in a joint venture.
  - 4) The balance of unrestricted net position of \$83,270,584 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County had \$53,885,304 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$23,629,933 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 \$73,041,946 this year. This compares to the prior year ending fund balance of \$68,424,057, showing an increase of \$4,617,889 or 6.7% during the current year. The increase in fund balance includes a prior period adjustment totaling \$860,039 in the General Fund (as reported on page 83 Note 3 – M. Prior Period Adjustment and Restatement).
- Approximately 78% or \$57,196,671 of the total fund balance amount is assigned, committed and unassigned and are available for spending at the government's discretion.



- During the 2017 fiscal year, the County's governmental fund type revenues were \$60,010,039 compared to \$60,041,072 in the prior year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$27,801,413 or 81% of 2018 budgeted General Fund operating expenditures.

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

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

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

This Management Discussion and Analysis document is intended to serve as an introduction to the County's basic financial statements. The basic financial statements include:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

### **Government-wide Financial Statements**

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities plus deferred inflows and deferred outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current calendar year. All current year revenues and expenses are included

regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

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

The government-wide financial statements are presented on pages 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 2017 budget and appropriations were made for all of its funds on December 13<sup>th</sup>, 2016. A budgetary comparison schedule has been provided for all major funds on pages 94 through 100 and page 103 and 105 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 50 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 94. 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 \$213,951,380. The following table provides a summary of the County's net position:

	Governmental Activities 2017	Percentage of Total 2017	Governmental Activities 2016	Percentage Inc/(Dec) over 2016
<b>Assets:</b>				
Current assets	\$ 108,385,330	44.3%	\$ 102,698,010	5.5%
Investment in joint venture	20,408,381	8.4%	20,708,618	-1.4%
Capital assets	115,606,263	47.3%	112,662,507	2.6%
<b>Total assets</b>	<b>244,399,974</b>	<b>100.0%</b>	<b>236,069,135</b>	<b>3.5%</b>
<b>Liabilities:</b>				
Current liabilities	11,041,287	71.6%	10,269,573	7.5%
Long-term liabilities	4,380,762	28.4%	4,040,106	8.4%
<b>Total liabilities</b>	<b>15,422,049</b>	<b>100.0%</b>	<b>14,309,679</b>	<b>7.8%</b>
Deferred Inflows	15,026,545	97.4%	15,550,288	-3.4%
<b>Net position:</b>				
Net investment in capital assets	115,606,263	54.0%	112,662,507	2.6%
Restricted	21,120,389	9.9%	21,635,692	-2.4%
Unrestricted	77,224,728	36.1%	71,910,969	7.4%
<b>Total net position</b>	<b>\$ 213,951,380</b>	<b>100.0%</b>	<b>\$ 206,209,168</b>	<b>3.8%</b>

The largest portion of the County's net position (54.0%) reflects its net investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 4.16 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 2017 with an offsetting amount reported in deferred inflows. If you remove those amounts from the current ratio calculation, the adjusted ratio is 8.45 to 1, which demonstrates the real liquid position of the County.

The County reported positive balances in Governmental activities net position. Net position increased by \$7,742,212 or 3.8%. The increase includes a prior period adjustment totaling \$860,039 (as reported on page 83 Note 3 – M Prior Period Adjustment and Restatement).

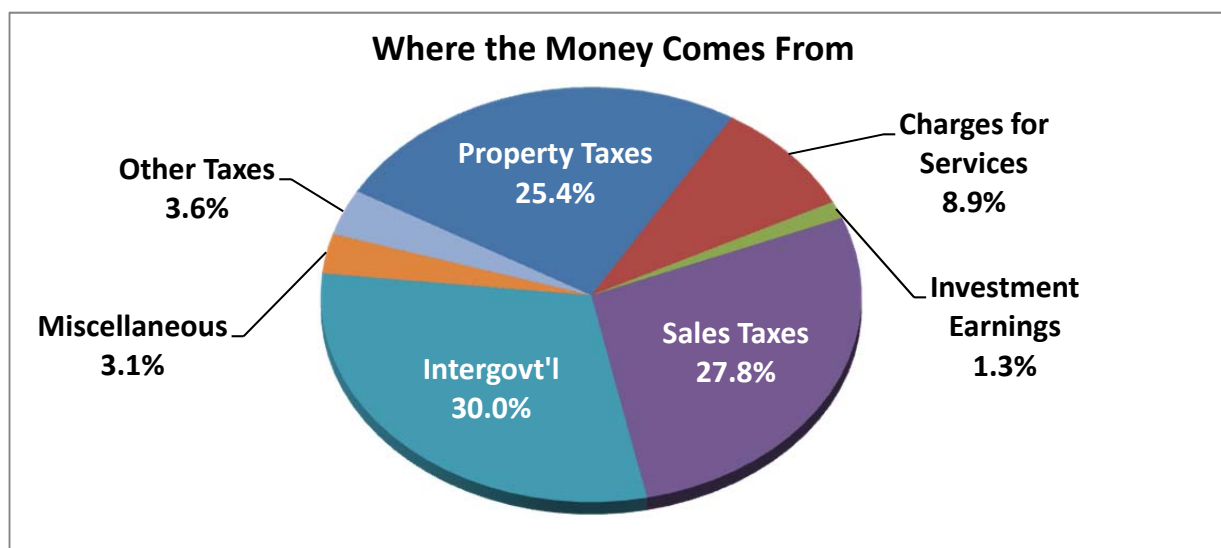
The Sixth Judicial District Attorney, a discretely presented component unit, net position is a negative \$372,045 at the fiscal year end 2017. This was attributable to the implementation of GASB Statements No. 68, Accounting and Financial Reporting for Pensions, requiring government employers to recognize the long-term obligation for state pension benefits.

The following table provides a summary of the County's changes in net position for governmental activities in 2017 and 2016:

	<u>Governmental Activities 2017</u>	<u>Percentage of Total 2017</u>	<u>Governmental Activities 2016</u>	<u>(Decrease) Increase</u>
<b>Revenues:</b>				
<i>Program:</i>				
Charges for services	\$ 5,401,851	8.9%	\$ 4,893,954	\$ 507,897
Operating grants	13,074,923	21.5%	16,589,822	(3,514,899)
Capital grants	5,153,159	8.5%	2,728,346	2,424,813
Total Program Revenues	<u>23,629,933</u>	<u>38.9%</u>	<u>24,212,122</u>	<u>(582,189)</u>
<i>General:</i>				
Taxes	34,458,479	56.7%	36,977,382	(2,518,903)
Other	2,679,065	4.4%	1,288,633	1,390,432
Total General Revenues	<u>37,137,544</u>	<u>61.1%</u>	<u>38,266,015</u>	<u>(1,128,471)</u>
<b>TOTAL REVENUES</b>	<b><u>60,767,477</u></b>	<b><u>100%</u></b>	<b><u>62,478,137</u></b>	<b><u>(1,710,660)</u></b>
<b>Program Expenses:</b>				
General government	12,422,292	23.1%	13,427,182	(1,004,890)
Public safety	17,345,794	32.2%	17,466,390	(120,596)
Recreation and culture	3,103,196	5.8%	2,946,427	156,769
Public works	10,412,561	19.3%	10,436,141	(23,580)
Health and welfare	7,452,036	13.8%	8,125,198	(673,162)
Community programs	2,844,203	5.3%	2,415,471	428,732
Decrease in joint venture	300,237	0.6%	-	300,237
Interest and fiscal charges	4,985	0.0%	2,936	2,049
<b>TOTAL EXPENSES</b>	<b><u>53,885,304</u></b>	<b><u>100%</u></b>	<b><u>54,819,745</u></b>	<b><u>(934,441)</u></b>
Change in net position	<u>6,882,173</u>		<u>7,658,392</u>	<u>(776,219)</u>
Beginning net position	206,209,168		198,550,776	
Prior Period Adjustment - See Note 3 - M	860,039		-	
Net Position Beginning of Year (Restated)	<u>207,069,207</u>		<u>198,550,776</u>	
<b>Ending net position</b>	<b><u>\$213,951,380</u></b>		<b><u>\$ 206,209,168</u></b>	

### Government-wide Revenues

Governmental revenues for 2017 were \$60,767,477 compared to \$62,478,137 in 2016, a decrease of \$1,710,660. The following chart presents the various sources of revenues for the fiscal year ended December 31, 2017.



Program revenues provided 38.9% to support governmental operations. This means that the County's taxpayers and other general governmental revenues funded 61.1% of the governmental activities. Property and sales tax provide general support for the County's operations with property tax providing 25.4% and sales tax providing 27.8%.

### Government-wide Expenses by Function

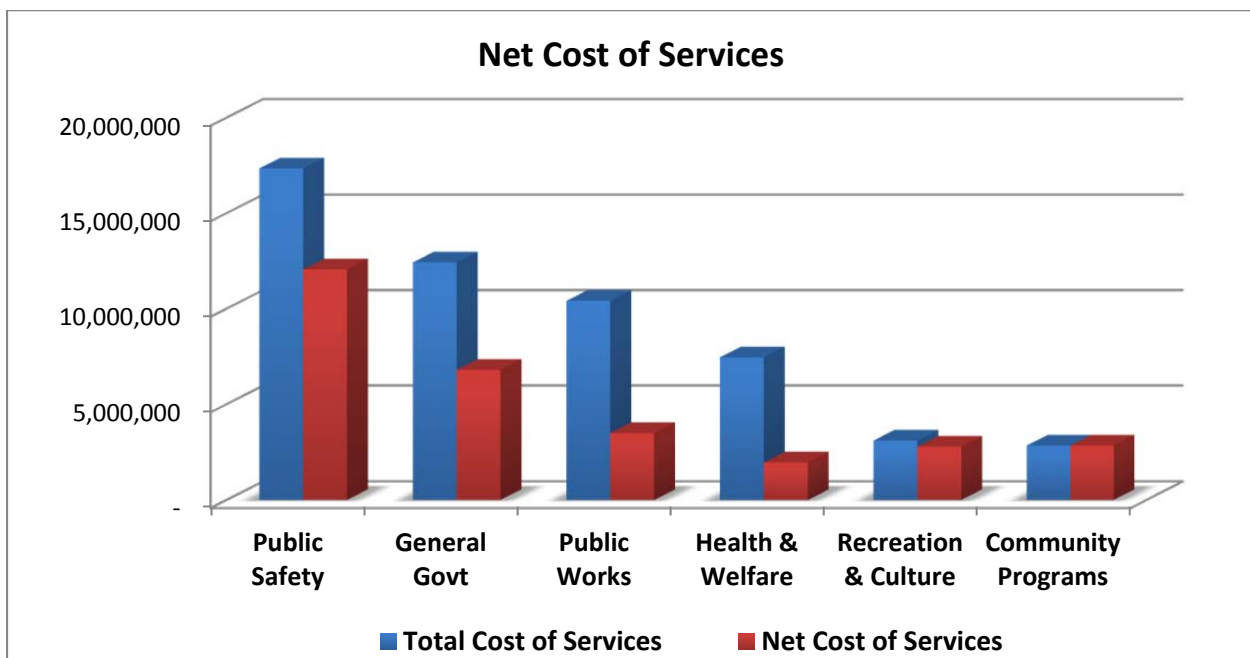
The public safety, general government, and public works functions make up approximately 75% of the total government activities expenses. Public safety totals 32.4% of total governmental expenses of which 26.7% was spent on the County Sheriff's Office services. The general government functions including Administration, Attorney, Assessor, Clerk & Recorder, Commissioners, Elections, Facilities & Grounds, Finance, GIS, Human Resources, IT, Planning, Procurement, Risk Management, Surveyor, and Treasurer totaled 23.2% of the total governmental expenses. Public works accounted for approximately 19.4% of the total costs.

The following schedule presents a summary of the government-wide expenses for the fiscal year ended December 31, 2017 and the changes from the prior year.

Overall expenses for 2017 decreased \$934,441 or 1.7% from 2016. Public safety function is the County's largest cost at \$17.3 million or 32.4% of the total expenses. General government function costs were \$12.4 million or 23.2% of the total expenses. Public works function cost was \$10.4 million or 19.4% of total expenses.

Function	Governmental Activities 2017	% of Total 2017	Governmental Activities 2016	(Decrease) Increase
General government	\$ 12,422,292	23.1%	\$ 13,427,182	\$ (1,004,890)
Public safety	17,345,794	32.2%	17,466,390	(120,596)
Recreation & culture	3,103,196	5.8%	2,946,427	156,769
Public works	10,412,561	19.3%	10,436,141	(23,580)
Health and welfare	7,452,036	13.8%	8,125,198	(673,162)
Community programs	2,844,203	5.3%	2,415,471	428,732
Interest and fiscal charges	4,985	0.0%	2,936	2,049
Decrease in joint venture	300,237	0.6%	-	300,237
<b>Total Expenses</b>	<b>\$ 53,885,304</b>	<b>100.0%</b>	<b>\$ 54,819,745</b>	<b>\$ (934,441)</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 69.5%. The public safety function includes law enforcement, jail, investigations, coroner, building inspection, and emergency management services. General government is the second largest function with 54.8% of the costs being supported by taxpayers. Public works is the third largest function that requires taxpayer support at 33.6%. 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 \$73,041,946. Of this year-end total, \$501,920 represents inventories held for future consumption and \$268,822 are prepaid, neither category represents available, spendable resources. A total of \$15,074,533 is legally restricted for specific purposes, including economic stabilization, law enforcement, capital improvements impact fees, and Tribal mitigation impact. Committed fund balance totals \$13,859,856 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 \$15,535,402 is assigned and includes \$3,787,689 for 2018 budget deficit expenditures in the general fund. Finally, \$27,801,413 is unassigned, representing availability for continuing County service requirements.

The total ending fund balances of governmental funds show an increase of \$4,617,889 or 6.7% more than the prior year. The increase in fund balance includes a prior period adjustment totaling \$860,039 in the General Fund (as reported on page 83 Note 3 – M. Prior Period Adjustment and Restatement).

### ***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 \$5 million. The increase is mostly related to the decrease in operating expenditures.

General Fund revenues decreased almost \$628,193 from 2016. The majority of the decrease is due to declining property tax revenues of approximately \$3.1 million or 19.2%. The reduction of property tax revenue is largely the result of the declining natural gas property tax revenue, which has declined \$3.6 million or 44% from 2016. Sales tax revenues increased \$1.9 million in 2017 over 2016 and are due to the increase in retail sales. Charges for Services in the General Fund increased in 2017 by \$510,845 or 11.2% from 2016.

Expenditures in the General Fund decreased \$542,027 or 1.6% from 2016. This decrease is directly related to the intentional reduction in personnel costs, in response to the declining property tax revenues. The general government function decreased \$660,646, public safety function decrease \$60,684, and recreation and culture function decreased \$205,921. The General Fund unassigned ending fund balance increased \$1.6 million to \$27,801,413 in 2017 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 2017, the Road and Bridge fund spent almost \$7 million in maintaining the 653 miles of County's roads. Fund balance increase \$26,797 to \$7,312,312 and is available for future road and bridge spending.

The Social Services Fund accounts for a variety of State mandated social services. In 2017, the Social Services fund spent more than \$5.8 million in providing services to clients, a decrease of \$654,926, or 10% from 2016. Fund balance decreased \$37,236 to \$2,141,218 in 2017.

The Capital Improvement Plan fund balance decreased \$663,308 to \$6 million in 2017, a decrease of approximately 9.9%. The decrease in the fund balance is related to the completion of several large capital projects in 2017 including the Courthouse remodel.

### General Fund Budgetary Highlights

The budget for the General Fund is prepared in compliance with all applicable Colorado State Statutes. On December 13, 2016, the Board of County Commissioners adopted and appropriated \$36,672,832 for the General Fund expenditures for the 2017 year. During the year, budget amendments were required due to of unanticipated revenues. Most of the unanticipated revenues were the result of unexpected grant revenue or increases in grant revenue. Budget amendments increase revenues and expenditures \$928,848.

	<u>Adopted Budget</u>	<u>Amendments</u>	<u>Final Budget</u>
Sources	\$ 35,265,029	\$ 928,848	\$ 36,193,877
Uses	36,672,832	928,848	37,601,680
Change in Fund Balance	<u>\$ (1,407,803)</u>	<u>\$ -</u>	<u>\$ (1,407,803)</u>

Actual revenues collected exceeded budgetary estimates by \$1,352,530 or 3.7%. The General Fund expenditures were \$4.26 million or 11.3% less than budgetary estimates. Personnel expenditures were underspent by \$1,256,427 or 6%. 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, 2017, was \$115,606,263. Net capital assets have increased by approximately 2.6% in 2017. 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>2017</b>	<b>2016</b>
Non-depreciable assets:			
Land	\$	9,452,945	\$ 9,452,945
Construction in Progress		3,962,981	7,370,512
Works of Art		90,000	-
Total non-depreciable		<u>13,505,926</u>	<u>16,823,457</u>
Depreciable Assets:			
Buildings		76,677,367	67,622,482
Improvements		9,432,091	9,102,342
Machinery and equipment		19,038,585	18,446,858
Intangibles		314,603	216,448
Infrastructure		87,791,427	86,136,721
Total depreciable assets		<u>193,254,073</u>	<u>181,524,851</u>
Less accumulated depreciation		<u>91,153,736</u>	<u>85,685,801</u>
Book value-depreciable assets		<u>102,100,337</u>	<u>95,839,050</u>
Percentage depreciated		47.2%	47.2%
Book value - all assets		<u><u>\$ 115,606,263</u></u>	<u><u>\$ 112,662,507</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>12/31/2017</b>	<b>12/31/2016</b>	<b>\$ Change</b>	<b>% Change</b>
Colorado Water debt	\$ 242,353	\$ 254,215	\$ (11,862)	-4.7%
Compensated Absences	1,812,505	1,614,677	197,828	12.3%
Pollution remediation costs	2,561,612	2,568,931	(7,319)	-0.3%
Landfill postclosure costs	<u>448,976</u>	<u>348,666</u>	<u>100,310</u>	<u>28.8%</u>
Total Governmental Activities	<u><u>\$ 5,065,446</u></u>	<u><u>\$ 4,786,489</u></u>	<u><u>\$ 278,957</u></u>	<u><u>5.8%</u></u>

## Economic Factors and Next Year's Budget

La Plata County economic activity continued to expand in 2017. With overall improvements in the regional economy, employment growth and construction activity increased in 2017. Housing permits recovered, growing by 29.8 percent. The construction industry is booming in La Plata County and there are not enough workers to meet demand. The region's employment growth increased 4.5 percent in 2017 compared with 2016, and over the same period unemployment rate decreased from 3.5 percent to 2.7 percent.<sup>1</sup>

Despite this growth, the County's property tax revenues are in decline because much of the County's property tax base has historically derived from coal bed methane gas production, which has dropped nationwide because of falling prices. Because La Plata County's mill levy at 8.5 mills – the fourth lowest of Colorado's 64 counties – residential and commercial property tax has been unable to offset the decline in oil and gas-related property tax revenue. This has had a detrimental effect on the county's overall fiscal landscape. In 2017, La Plata County's total property tax revenue is \$15.4 million. In 2016, the county collected nearly \$19 million. That drop has the most impact on La Plata County's ability to serve its citizens, and factors heavily into our planning for 2018.

In 2018, property tax revenue is expected to drop an additional \$500,000 resulting from lagging natural gas production and low prices, according to County Assessor Craig Larson. Additionally, the state levies a severance tax on oil and gas production and distributes that money back to the counties where the minerals originate. The severance tax revenues given to the county fell from \$1.3 million in 2015 to \$400,000 in 2017. We do not expect that revenue to increase in 2018.

Since 2003, the assessment rate set by the state of Colorado for residential properties had been unchanged, at 7.96% of the market value. In 2018, the residential assessment rate dropped to 7.2%, resulting in a decrease in property tax revenues for the county of approximately \$500,000.

Due to the County's declining property tax revenues the primary priority for 2018 is to address the anticipated decline in revenues and to ensure the county's long-term financial stability. We see this as a comprehensive effort, including new revenue strategies, service-level reductions, and employee-related cost reductions.

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 as follows:

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

Sales tax revenue retained by the County was \$16.8 million in 2017, an increase of 5.4% over 2016.

Grants and intergovernmental revenues are another cornerstone of the County's revenue base. In 2017, we received \$1.85 million in energy impact grants to complete the remodel of the County Courthouse and two large road projects as well as the remodel of the Road and Bridge facilities to house the County's

Engineering Department. In addition, we secured \$318,945 in gaming grants to contribute to the District Attorney's office and Sheriff's Office jail and patrol operations.

For 2018, County revenues are projected to be \$69 million – a .8% increase from the 2017 budget. In total, the 2018 budget projects \$58 million in operating expenditures and almost \$21.4 million in proposed one-time expenditures that include capital and contingencies. The County is using its fund balance for one-time expenditures and contingencies – the purpose for which such reserves are intended.

The County's 2018 budget was prepared with consideration of these and other economic factors. The County is developing and implementing strategies to ensure long-term financial stability.

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

This financial report is intended to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Director at 1101 E. 2<sup>nd</sup> Avenue, Durango, CO 81301, or via email at [diane.sorensen@co.laplata.co.us](mailto:diane.sorensen@co.laplata.co.us).

<sup>1</sup> March 2018 Focus Colorado: Economic and Revenue Forecast.

## **BASIC FINANCIAL STATEMENTS**

**La Plata County, Colorado**  
**Statement of Net Position**  
**December 31, 2017**

	<b>Primary Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
Current Assets:		
Cash	\$ 240,523	\$ 106,495
Equity in treasurer's cash and investments	81,020,118	125,933
Restricted cash and investments	87,346	-
Receivables:		
Accounts	118,893	36,332
Taxes	15,089,677	-
Deposits	2,000	-
Intergovernmental	6,971,594	77,067
Prepaid	268,822	-
Inventory	619,539	-
Investment in joint venture	20,408,381	-
Capital Assets:		
Nondepreciable capital assets	13,505,926	-
Depreciable capital assets, net	102,100,337	15,903
<b>Total Assets</b>	<b>240,433,156</b>	<b>361,730</b>
Deferred Outflows of Resources		
Pension (Note 3-M)	-	275,275
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable	4,706,106	6,437
Accrued expenses	681,068	51,286
Intergovernmental payable	74,071	-
Accrued interest payable	807	-
Deposits payable	461,083	-
Unearned revenue	150,000	-
Liabilities payable from restricted assets	87,346	-
Claims payable	229,304	-
Current portion-debt service	12,100	-
Current portion-compensated absences payable	415,108	24,276
Current portion-pollution remediation obligations	192,000	-
Current portion-landfill closure and post-closure care costs payable	65,476	-
Long-Term Liabilities:		
Debt service (net of current portion)	230,253	-
Compensated absences payable (net of current portion)	1,397,397	81,868
Pollution remediation obligations (net of current portion)	2,369,612	-
Landfill closure/post-closure costs (net of current portion)	383,500	-
Pension Liability	-	838,136
<b>Total Liabilities</b>	<b>11,455,231</b>	<b>1,002,003</b>
<b>Deferred Inflows of Resources</b>		
Property Taxes	15,026,545	-
Pension (Note 3-M)	-	7,047
<b>Total Deferred Inflows of Resources</b>	<b>15,026,545</b>	<b>7,047</b>
<b>Net Position</b>		
Net investment in capital assets	115,606,263	15,903
Restricted for:		
Required legal fund segregations	13,348,308	-
Economic stabilization (TABOR)	1,726,225	73,779
Unrestricted	83,270,584	(461,727)
<b>Total Net Position</b>	<b>\$ 213,951,380</b>	<b>\$ (372,045)</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

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	
<b>Primary Government</b>						
<b>Governmental Activities</b>						
General government	\$ 12,422,292	\$ 2,656,984	\$ 2,961,657	\$ -	\$ (6,803,651)	\$ -
Public safety	17,345,794	2,489,648	1,101,453	1,695,731	(12,058,962)	-
Recreation and culture	3,103,196	-	314,219	-	(2,788,977)	-
Public works	10,412,561	233,726	3,223,763	3,457,428	(3,497,644)	-
Decrease in joint venture	300,237	-	-	-	(300,237)	-
Health and welfare	7,452,036	21,493	5,473,831	-	(1,956,712)	-
Community programs	2,844,203	-	-	-	(2,844,203)	-
Interest and fiscal charges	4,985	-	-	-	(4,985)	-
<b>Total - Primary Government</b>	<b>\$ 53,885,304</b>	<b>\$ 5,401,851</b>	<b>\$ 13,074,923</b>	<b>\$ 5,153,159</b>	<b>(30,255,371)</b>	<b>-</b>
<b>Component Unit</b>						
Office of the District Attorney	\$ 2,472,684	\$ 21,013	\$ 713,610	\$ -		(1,738,061)
<b>General Revenues</b>						
					15,415,694	-
					16,876,171	-
					2,166,614	-
					114,133	-
					-	1,528,129
					803,839	-
					1,761,093	44,962
<b>Total General Revenues</b>					<b>37,137,544</b>	<b>1,573,091</b>
<b>Change in Net Position</b>					<b>6,882,173</b>	<b>(164,970)</b>
<b>Beginning Net Position</b>					<b>206,209,168</b>	<b>(207,075)</b>
<b>Prior Period Adjustment - See Note 3 - M</b>					860,039	-
<b>Net Position Beginning of Year (Restated)</b>					<b>207,069,207</b>	<b>-</b>
<b>Net Position End of Year</b>					<b>\$ 213,951,380</b>	<b>\$ (372,045)</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	General	Road and Bridge	Social Services	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash	\$ 240,123	\$ -	\$ 400	\$ -	\$ -	\$ 240,523
Equity in cash and investments	52,169,231	6,009,219	2,194,396	6,175,149	4,247,818	70,795,813
Restricted cash and investments	38,505	-	48,841	-	-	87,346
Receivables:						-
Accounts	42,995	24,690	-	-	-	67,685
Taxes	12,911,370	1,247,560	776,650	-	90,965	15,026,545
Deposits	2,000	-	-	-	-	2,000
Intergovernmental	3,574,168	2,524,596	178,369	289,217	405,244	6,971,594
Prepays	268,530	292	-	-	-	268,822
Inventory	-	501,920	-	-	-	501,920
<b>Total Assets</b>	<b>69,246,922</b>	<b>10,308,277</b>	<b>3,198,656</b>	<b>6,464,366</b>	<b>4,744,027</b>	<b>93,962,248</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	2,095,742	1,677,759	125,333	268,510	288,507	4,455,851
Accrued salaries and wages	488,146	70,646	106,614	-	-	665,406
Intergovernmental payable	74,071	-	-	-	-	74,071
Deposits payable	461,083	-	-	-	-	461,083
Unearned revenues	-	-	-	150,000	-	150,000
Liabilities restricted assets	38,505	-	48,841	-	-	87,346
<b>Total Liabilities</b>	<b>3,157,547</b>	<b>1,748,405</b>	<b>280,788</b>	<b>418,510</b>	<b>288,507</b>	<b>5,893,757</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	12,911,370	1,247,560	776,650	-	90,965	15,026,545
<b>Total Deferred Inflows of Resources</b>	<b>12,911,370</b>	<b>1,247,560</b>	<b>776,650</b>	<b>-</b>	<b>90,965</b>	<b>15,026,545</b>
<b>Fund Balances</b>						
Nonspendable:						
Inventory	-	501,920	-	-	-	501,920
Prepays	268,530	292	-	-	-	268,822
Restricted:						
Economic stabilization (TABOR)	1,726,225	-	-	-	-	1,726,225
Law enforcement	268,475	-	-	-	-	268,475
Construction/maint of roads	-	5,645,588	-	-	-	5,645,588
Capital improv't impact fees	-	1,164,512	-	-	-	1,164,512
Public assistance and welfare	-	-	1,484,913	-	-	1,484,913
Child welfare	-	-	656,305	-	-	656,305
Recreation & parks	-	-	-	-	3,434,644	3,434,644
Joint County/City projects	-	-	-	-	659,524	659,524
Tribal mitigation impact	-	-	-	-	34,347	34,347
Committed:						
Emergency and disasters	7,814,000	-	-	-	-	7,814,000
General capital improvements	-	-	-	6,045,856	-	6,045,856
Assigned:						
Construction/maint of roads	-	-	-	-	199,288	199,288
Debt service	-	-	-	-	36,752	36,752
Next year's budget deficit	3,787,689	-	-	-	-	3,787,689
Capital projects	10,511,673	-	-	-	-	10,511,673
Partially self funded Insurance claim	1,000,000	-	-	-	-	1,000,000
Unassigned	27,801,413	-	-	-	-	27,801,413
<b>Total Fund Balances</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>

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, 2017**

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<b>Total Governmental Fund Balances</b>	<b>\$ 73,041,946</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	206,759,999	
Less accumulated depreciation	<u>(91,153,736)</u>	115,606,263

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.

63,132

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

20,408,381

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	10,393,132	
Current liabilities	<u>(495,221)</u>	9,897,911

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)	(243,160)	
Compensated absences	(1,812,505)	
Pollution remediation obligations	(2,561,612)	
Landfill closure and post closure care costs	<u>(448,976)</u>	<u>(5,066,253)</u>

<b>Net Position Of Governmental Activities</b>	<b><u>\$ 213,951,380</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, 2017**

	<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	\$ 26,074,273	\$ 4,195,135	\$ 888,274	\$ 750,000	\$ 2,601,798	\$ 34,509,480
Intergovernmental	4,591,895	6,118,742	4,940,165	1,688,285	326,494	17,665,581
Licenses and permits	1,160,163	233,726	-	-	-	1,393,889
Charges for services	3,909,578	-	-	-	-	3,909,578
Investment earnings	713,910	14,627	-	-	41,880	770,417
Miscellaneous	760,362	841,287	-	156,695	2,750	1,761,094
<b>Total Revenues</b>	<b>37,210,181</b>	<b>11,403,517</b>	<b>5,828,439</b>	<b>2,594,980</b>	<b>2,972,922</b>	<b>60,010,039</b>
<b>Expenditures</b>						
General government	11,132,743	-	-	209,249	-	11,341,992
Public safety	17,037,487	-	-	140,241	-	17,177,728
Recreation & culture	438,843	-	-	-	2,308,007	2,746,850
Public works	239,278	6,994,992	-	-	84,871	7,319,141
Health and welfare	1,637,557	-	5,865,675	33,011	-	7,536,243
Community programs	2,844,203	-	-	-	-	2,844,203
Capital Outlay	11,630	4,381,728	-	2,875,787	-	7,269,145
Debt Service:						
Principal retirement	-	-	-	-	11,862	11,862
Interest and fiscal charges	-	-	-	-	5,025	5,025
<b>Total Expenditures</b>	<b>33,341,741</b>	<b>11,376,720</b>	<b>5,865,675</b>	<b>3,258,288</b>	<b>2,409,765</b>	<b>56,252,189</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>3,868,440</b>	<b>26,797</b>	<b>(37,236)</b>	<b>(663,308)</b>	<b>563,157</b>	<b>3,757,850</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	336,226	-	-	-	-	336,226
Transfers out	-	-	-	-	(336,226)	(336,226)
<b>Total Other Financing Sources (Uses)</b>	<b>336,226</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(336,226)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>4,204,666</b>	<b>26,797</b>	<b>(37,236)</b>	<b>(663,308)</b>	<b>226,931</b>	<b>3,757,850</b>
<b>Fund Balances Beginning of Year</b>	<b>48,113,300</b>	<b>7,285,515</b>	<b>2,178,454</b>	<b>6,709,164</b>	<b>4,137,624</b>	<b>68,424,057</b>
<b>Prior Period Adjustment - See Note 3 - M</b>	<b>860,039</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>860,039</b>
<b>Fund Balance Beginning of Year (Restated)</b>	<b>48,973,339</b>	<b>7,285,515</b>	<b>2,178,454</b>	<b>6,709,164</b>	<b>4,137,624</b>	<b>69,284,096</b>
<b>Fund Balances End 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>

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, 2017**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		<b>\$ 3,757,850</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	1,995,903	
Investment earnings	<u>33,422</u>	2,029,325
Internal service funds capital asset activity:		
Depreciation expense	(971,948)	
Assets disposed-net of accumulated depreciation	<u>(208,100)</u>	(1,180,048)
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)	(5,040,526)	
Capital outlay (excluding internal service funds)	<u>7,269,145</u>	2,228,619
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets.		562,449
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities.		(300,237)
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities:		
Transfers in	336,226	
Transfers out	<u>(336,226)</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 @ 12/31/17	(807)	
Liability @ 12/31/16	<u>847</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 @ 12/31/17	(2,561,612)	
Liability @ 12/31/16	<u>2,568,931</u>	7,319
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 @ 12/31/17	(448,976)	
Liability @ 12/31/16	<u>348,666</u>	(100,310)
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 @ 12/31/17	(242,353)	
Liability @ 12/31/16	<u>254,215</u>	11,862
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 @ 12/31/17	(1,812,505)	
Liability @ 12/31/16	<u>1,614,677</u>	(197,828)
<b>Change In Net Position of Governmental Activities</b>		<b><u>\$ 6,882,173</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, 2017*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 25,177,133	\$ 25,177,133	\$ 26,074,273	\$ 897,140
Intergovernmental	4,287,330	5,112,178	4,591,895	(520,283)
Licenses and permits	833,000	833,000	1,160,163	327,163
Charges for services	3,562,618	3,662,618	3,909,578	246,960
Investment earnings	347,000	347,000	713,910	366,910
Miscellaneous	638,945	642,945	760,362	117,417
<b>Total Revenues</b>	<b>34,846,026</b>	<b>35,774,874</b>	<b>37,210,181</b>	<b>1,435,307</b>
<b>Expenditures</b>				
General government	14,166,783	14,170,783	11,132,743	3,038,040
Public safety	17,938,685	18,164,491	17,037,487	1,127,004
Recreation & culture	535,426	535,426	438,843	96,583
Health & welfare	1,715,575	1,715,575	1,637,557	78,018
Public works	417,269	417,269	239,278	177,991
Community programs & pass thru grants	1,899,094	2,598,136	2,844,203	(246,067)
<b>Total Current</b>	<b>36,672,832</b>	<b>37,601,680</b>	<b>33,330,111</b>	<b>4,271,569</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>11,630</b>	<b>(11,630)</b>
<b>Total Expenditures</b>	<b>36,672,832</b>	<b>37,601,680</b>	<b>33,341,741</b>	<b>4,259,939</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,826,806)</b>	<b>(1,826,806)</b>	<b>3,868,440</b>	<b>5,695,246</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	419,003	419,003	336,226	(82,777)
<b>Total Other Financing Sources (Uses)</b>	<b>419,003</b>	<b>419,003</b>	<b>336,226</b>	<b>(82,777)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,407,803)</b>	<b>\$ (1,407,803)</b>	<b>4,204,666</b>	<b>\$ 5,612,469</b>
<b>Fund Balances Beginning of Year</b>			<b>48,113,300</b>	
<b>Prior Period Adjustment - See Note 3-M</b>			860,039	
<b>Fund Balances Beginning of Year (Restated)</b>			48,973,339	
<b>Fund Balances End of Year</b>			<b>\$ 53,178,005</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, 2017*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 4,192,838	\$ 4,192,838	\$ 4,195,135	\$ 2,297
Intergovernmental	7,187,619	7,832,597	6,118,742	(1,713,855)
Licenses and permits	230,000	230,000	233,726	3,726
Investment earnings	-	-	14,627	14,627
Miscellaneous	1,735,000	1,805,652	841,287	(964,365)
<b>Total Revenues</b>	<b>13,345,457</b>	<b>14,061,087</b>	<b>11,403,517</b>	<b>(2,657,570)</b>
<b>Expenditures</b>				
Public works	11,537,150	11,607,802	6,994,992	4,612,810
Capital outlay	4,275,000	4,919,978	4,381,728	538,250
<b>Total Expenditures</b>	<b>15,812,150</b>	<b>16,527,780</b>	<b>11,376,720</b>	<b>5,151,060</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,466,693)</b>	<b>\$ (2,466,693)</b>	<b>26,797</b>	<b>\$ 2,493,490</b>
<b>Fund Balances Beginning of Year</b>			<b>7,285,515</b>	
<b>Fund Balances End of Year</b>			<b>\$ 7,312,312</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 867,850	\$ 867,850	\$ 888,274	\$ 20,424
Intergovernmental	4,653,944	5,186,682	4,940,165	(246,517)
<b>Total Revenues</b>	<u><b>5,521,794</b></u>	<u><b>6,054,532</b></u>	<u><b>5,828,439</b></u>	<u><b>(226,093)</b></u>
<b>Expenditures</b>				
Health and welfare	6,283,535	6,816,273	5,865,675	950,598
<b>Total Expenditures</b>	<u><b>6,283,535</b></u>	<u><b>6,816,273</b></u>	<u><b>5,865,675</b></u>	<u><b>950,598</b></u>
<b>Net Change in Fund Balances</b>	<u><b>\$ (761,741)</b></u>	<u><b>\$ (761,741)</b></u>	<b>(37,236)</b>	<u><b>\$ 724,505</b></u>
<b>Fund Balances Beginning of Year</b>			<u><b>2,178,454</b></u>	
<b>Fund Balances End of Year</b>			<u><u><b>\$ 2,141,218</b></u></u>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2017**

	<b>Governmental Activities Internal Services Funds</b>
<b>Assets</b>	
Current Assets	
Equity in treasurer's cash and investments	\$ 10,224,305
Accounts receivable	356
Intergovernmental Receivable	50,852
Inventory	117,619
Total Current Assets	<u>10,393,132</u>
Noncurrent Assets	
Capital Assets:	
Depreciable capital assets, net	<u>7,217,120</u>
<b>Total Assets</b>	<b><u>17,610,252</u></b>
<b>Liabilities</b>	
Accrued payroll	15,662
Accounts payable	250,255
Accrued claims payable	<u>229,304</u>
<b>Total Current Liabilities</b>	<b><u>495,221</u></b>
<b>Net Position</b>	
Net investment in capital assets	7,217,120
Unrestricted	<u>9,897,911</u>
<b>Total Net Position</b>	<b><u>\$ 17,115,031</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, 2017**

	<b>Governmental Activities Internal Services Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 2,170,072
Insurance deposits	4,919,245
Miscellaneous revenue	6,680
<b>Total Operating Revenues</b>	<b>7,095,997</b>
<b>Operating Expenses</b>	
Equipment maintenance	992,694
Depreciation	971,948
Medical claims	4,192,664
<b>Total Operating Expenses</b>	<b>6,157,306</b>
<b>Operating Income (Loss)</b>	<b>938,691</b>
<b>Non-Operating Revenues/(Expenses)</b>	
Capital grant	50,714
Loss on sale of capital assets	(173,550)
Investment earnings	33,422
<b>Total Non-Operating Revenues/(Expenses)</b>	<b>(89,414)</b>
<b>Change in Net Position</b>	<b>849,277</b>
<b>Net Position Beginning of Year</b>	<b>16,265,754</b>
<b>Net Position End of Year</b>	<b>\$ 17,115,031</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, 2017**

	<b>Governmental Activities Internal Services Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	\$ 7,126,667
Cash payments for goods and services	(982,972)
Cash payments for claims	(4,338,591)
	<u>1,805,104</u>
<b>Net Cash Provided by Operating Activities</b>	<b>1,805,104</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Cash from capital grant	50,714
Cash sales of capital assets	34,550
Payments for capital acquisitions	(1,332,736)
	<u>(1,247,472)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(1,247,472)</b>
<b>Cash Flows from Investing Activities:</b>	
Investment earnings	33,422
	<u>33,422</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>591,054</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>9,633,251</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 10,224,305</b>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
<b>Operating Income</b>	\$ 938,691
<b>Adjustments:</b>	
Depreciation	971,948
<b>Change in Assets</b>	
Accounts receivable	1,252
Intergovernmental receivable	29,418
Inventory	(4,235)
<b>Change in Liabilities</b>	
Accounts payable	11,332
Accrued incurred/unreported claims	(145,927)
Accrued wages	2,625
	<u>11,030</u>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,805,104</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
***Comparative Statement of Fiduciary Assets and Liabilities***  
***Fiduciary Funds***  
***December 31, 2017 and 2016***

	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 3,134,276</u>	<u>\$ 3,177,591</u>
<b>Liabilities</b>		
Accounts payable	\$ 1,269,724	\$ 1,334,044
Due to component unit	125,931	37,612
Deposits held for others	<u>1,738,621</u>	<u>1,805,935</u>
<b>Total Liabilities</b>	<u><b>\$ 3,134,276</b></u>	<u><b>\$ 3,177,591</b></u>

See accompanying notes to the basic financial statements

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

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***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2017***

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:

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
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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 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

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

***Fund Financial Statements*** - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, deferred inflows, deferred outflows, fund balance, revenues and expenditures. During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

The following are the County's four major governmental funds:

***The General Fund*** - The General Fund accounts for all financial resources except those required to be accounted for in another fund. Primary sources of revenue for this fund are property taxes, sales taxes, intergovernmental assistance and charges for services. The General Fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Colorado.

***Road and Bridge Fund*** - State law requires Colorado counties to maintain this individual fund. This fund records costs related to County road and bridge construction and maintenance. Primary sources of revenue for this fund are property taxes, shared intergovernmental revenues such as highway use taxes, and capital 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.

*La Plata County, Colorado*  
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*For the Year Ended December 31, 2017*

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

In addition, the County reports the following fund types:

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

**Internal Service Funds** – the County’s internal service funds are used to accumulate and account for the County’s self-insurance program and vehicle/equipment maintenance and replacement. The two internal service funds are the *Employee Medical Self-Insurance Fund* and the *Capital Equipment Replacement Fund*.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position. The County’s fiduciary fund is an agency fund and is used by the La Plata County Treasurer to account for taxes collected for and remitted to other taxing entities.

**Discretely Presented Component Unit** – the Office of the District Attorney maintains a general fund that accounts for all financial resources of the District Attorney’s office.

***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*  
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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.



***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2017***

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.

*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 \$48,841 and La Plata County jail inmate commissary funds of \$38,505.

***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

***La Plata County, Colorado***  
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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 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
Infrastructure	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

***La Plata County, Colorado***  
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***For the Year Ended December 31, 2017***

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, 2017, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. Landfill closure and post-closure care costs and pollution remediation costs are recognized as a liability in the governmental fund financial statements when due.

***1-D-9 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 is reported in the government wide statement of Net Position. A deferred outflow related to such pension results from contributions made subsequent to the measurement date and which will be recognized as a reduction of the net pension 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.

*La Plata County, Colorado*  
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- Restricted fund balance – the portion of fund balance constrained to being used for a specific purpose (such as grantors or bondholders), constitutional provisions or enabling legislation.
- Committed fund balance – the portion of fund balance constrained through adopted resolution or policy by the Board of County Commissioners, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action.
- Assigned fund balance – the portion of fund balance that reflects a government’s intended use of resources. Assignments are set aside by the Board of County Commissioners through the adoption and subsequent amendment of the annual budget. Assigned fund balances in special revenues funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are intended to be used for the purpose of that particular fund.
- 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.

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***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.

***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, 2016, 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.

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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.

***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 2017.

***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.

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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 \$8,630,744 and the bank balance was \$8,903,665. Of the bank balance, \$668,851 was covered by federal depository insurance and \$8,234,814 was uninsured but collateralized with securities held by a third party in the name of the CPDPA. The carrying amount of deposits for the Office of the District Attorney of the Sixth Judicial District, a discretely presented component unit was \$106,495 and the bank balance was \$106,542. Of the bank balance, \$106,542 was covered by federal depository insurance.

**Credit Risk** – The County's investment policy is to apply the 'prudent investor rule' where investments are made as a prudent person would be expected to act. The County's investment policy limits investments in fixed income securities to U.S. Treasury obligations; Federal instrumentality securities, limited to the following: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC); Corporate bonds (rated at least AA-), Prime Commercial Paper (rated at least A-1); eligible bankers acceptances; general obligations and revenue obligations; repurchase agreements; local government investment pools authorized under C.R.S. 24-75-701 and C.R.S. 24-75-702, money market mutual funds registered under the Investment Company Act of 1940; and non-negotiable certificates of deposit.

As of December 31, 2017, 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).

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**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, 2017, 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	40.25%	\$ 30,525,967
Federal Home Loan Banks (FHLB)	1.13	AA+/Aaa	5.93%	4,498,449
Federal National Mortgage Association	1.93	AA+/Aaa	7.82%	5,928,785
Federal Home Loan Mortgage Corporation (FHLMC)	0.11	AA+/Aaa	1.32%	1,000,000
United States Treasury Note/Bond	1.47	AA+/Aaa	14.45%	10,958,832
Federal Farm Credit Banks (FFCB)	1.83	AA+/Aaa	3.90%	2,955,210
Corporate - Commonwealth Bank of Australia/NY	1.41	AA-/Aa3	2.64%	2,003,965
Corporate - Toronto-Dominion Bank	0.83	AA-/Aa2	2.64%	1,999,656
Corporate - Toyota Motor Credit Corp	0.04	AA-/Aa3	2.64%	1,999,830
Corporate - Wells Fargo Bank NA	0.71	AA-/Aa2	2.63%	1,994,244
Corporate - Westpac Banking Corp	1.02	AA-/Aa3	1.32%	1,002,978
Corporate - Exxon Mobil Corp	1.14	AA+/Aaa	1.32%	997,662
Corporate - JP Morgan Chase Bank NA	1.68	A+/Aa3	1.31%	991,555
Corporate - Microsoft Corp 1.3%	1.44	AAA/Aaa	2.63%	1,993,479
Corporate - Berkshire Hathaway Inc	1.58	AA/Aa2	1.32%	1,000,476
Corporate - Apple Inc	1.67	AA+/Aa1	2.64%	1,999,288
Corporate - ING US FDG LLC	0.10	A-1/P-1	2.63%	1,996,607
Corporate - US Bank NA/Cincinnati OH	1.53	AA-/A1	2.63%	1,992,530
		<i>Total</i>	<u>100.00%</u>	<u>\$ 75,839,512</u>

At December 31, 2017, investments were measured at fair value using:



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	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	-	\$ 4,498,449	-	\$ 4,498,449
FNMA	-	5,928,785	-	5,928,785
FHLMC	-	1,000,000	-	1,000,000
US Treasury Note/Bond	10,958,832	-	-	10,958,832
Federal Farm Credit Banks	-	2,955,210	-	2,955,210
Corporate Bonds	-	19,972,270	-	19,972,270
<b>Sub Total Investments by Fair Value</b>	<b>10,958,832</b>	<b>34,354,713</b>	<b>-</b>	<b>45,313,545</b>
<b>Items not reported in Leveling Table</b>				
LGIP - Colo Trust Plus	-	-	30,525,967	30,525,967
<b>Total Investments</b>	<b>\$ 10,958,832</b>	<b>\$ 34,354,713</b>	<b>\$ 30,525,967</b>	<b>\$ 75,839,512</b>

**Cash & Investment Reconciliation:**

Description	Carrying Amounts		Cash and Cash Equivalents
Cash on hand	\$ 12,007	From Statement of Net Position:	
Deposits	8,630,744	Cash & Cash Deposits	\$ 240,523
Investments	75,839,512	Equity in treasurer's cash and investments	81,020,118
		Restricted cash and investments	87,346
		Statement of Fiduciary Assets and Liabilities	3,134,276
<b>Total</b>	<b>\$ 84,482,263</b>	<b>Total</b>	<b>\$ 84,482,263</b>

**3-B. Receivables**

Receivables at December 31, 2017 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, 2017, is as follows:

	Balance 12/31/2016	Reclass	Additions	Deletions	Balance 12/31/2017
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,452,945	\$ -	\$ -	\$ -	\$ 9,452,945
Construction in progress	7,370,512	(7,665,820)	4,258,289	-	3,962,981
Works of Art	-	-	90,000	-	90,000
Capital assets not being depreciated	16,823,457	(7,665,820)	4,348,289	-	13,505,926
Depreciable capital assets:					
Buildings	67,622,482	7,567,665	1,487,220	-	76,677,367
Improvements	9,102,342	-	329,749	-	9,432,091
Machinery and equipment	18,446,858	-	1,344,366	752,639	19,038,585
Intangibles	216,448	98,155	-	-	314,603
Infrastructure	86,136,721	-	1,654,706	-	87,791,427
Depreciable capital assets	181,524,851	7,665,820	4,816,041	752,639	193,254,073
Total capital assets	198,348,308	-	9,164,330	752,639	206,759,999
Accumulated depreciation:					
Buildings	14,659,755	-	1,442,163	-	16,101,918
Improvements	3,757,768	-	335,807	-	4,093,575
Machinery and equipment	10,365,448	-	1,189,939	544,539	11,010,848
Intangibles	23,775	-	34,427	-	58,202
Infrastructure	56,879,055	-	3,010,138	-	59,889,193
Total accumulated depreciation	85,685,801	-	6,012,474	544,539	91,153,736
Governmental activities capital	\$ 112,662,507	\$ -	\$ 3,151,856	\$ 208,100	\$ 115,606,263

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Governmental activities depreciation expense:	Total
General government	\$ 1,110,751
Public safety	729,842
Recreation & Culture	364,081
Public works	3,777,553
Health and welfare	30,247
Total governmental activities depreciation expense	<u>\$ 6,012,474</u>

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2017:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Depreciable capital assets:				
Improvements	\$ 23,334	\$ -	\$ 23,334	\$ -
Machinery and equipment	112,150	30,823	9,000	133,973
Less accumulated depreciation	105,140	39,077	26,147	118,070
Component unit capital assets, net	<u>\$ 30,344</u>	<u>\$ (8,254)</u>	<u>\$ 6,187</u>	<u>\$ 15,903</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, 2017, consisted of the following:

	Transfers from: Non-major govt'l fund	Total
Transfers to:		
General fund	\$ 336,226	\$ 336,226
Total	<u>\$ 336,226</u>	<u>\$ 336,226</u>

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During the 2017 year, the Joint Sales Tax fund transferred \$326,226 to the General Fund for Durango City Senior Services operations and \$10,000 to the General Fund for the Durango Landfill post closure costs.

**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, 2017:

	<b>Outstanding 1/1/2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Outstanding 12/31/2017</b>	<b>Amounts Due In One Year</b>
Governmental Activities:					
Colorado Water debt	\$ 254,215	\$ -	\$ 11,862	\$ 242,353	\$ 12,100
Compensated absences	1,614,677	2,249,275	2,051,447	1,812,505	415,108
Pollution remediation obligation	2,568,931	-	7,319	2,561,612	192,000
Landfill closure and postclosure care costs	348,666	100,310		448,976	65,476
Total Governmental Activities	<u>\$ 4,786,489</u>	<u>\$ 2,349,585</u>	<u>\$ 2,070,628</u>	<u>\$ 5,065,446</u>	<u>\$ 684,684</u>
Component Unit:					
Compensated absences	92,471	90,432	76,759	106,144	24,276
	<u>\$ 92,471</u>	<u>\$ 90,432</u>	<u>\$ 76,759</u>	<u>\$ 106,144</u>	<u>\$ 24,276</u>

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

**3-G. Colorado Water Resources and Power Development Authority** - The La Plata County Palo Verde Public Improvement District #3 entered into a loan agreement with the Colorado Water Resources and Power Development Authority to finance the water line extension project and service connections to the City of Durango's water. The loan was in the amount of \$272,500 with a 2% interest and a term of 20 years. The principal and interest shall be payable out direct annual taxes on all taxable property in the District. A schedule of future debt services requirements is as follows:

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			<b>Total Debt</b>
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Service</b>
2018	12,100	4,787	16,887
2019	12,343	4,544	16,887
2020	12,592	4,295	16,887
2021	12,845	4,042	16,887
2022-2026	68,201	16,234	84,435
2027-2031	75,337	9,099	84,436
2032-2034	48,935	1,727	50,662
Total	<u>\$ 242,353</u>	<u>\$ 44,728</u>	<u>\$ 287,081</u>

### ***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.

In 2008, the County filed a lawsuit (US District Court, District of Colorado, civil action #08-cv-00855-LTB-

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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 (i.e. \$521,090) 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 \$2,991,887, for a total of \$3,006,887. 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 \$2,561,612. 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, \$279,570 in cleanup activities, and \$42,400 in legal fees and costs. BG Retail has disputed that certain expenses fall outside the scope of remediation expenses allowed by the court's order. Following negotiations with BG Retail, the County agreed to withdraw \$42,300 of those expenses from its demand for reimbursement and BG Retail disputes at least another \$19,751.

The estimated total current cost of cleanup/remediation activities of \$2,561,612 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, 2017. 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.

***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

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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 \$448,976 as of December 31, 2017, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Post-closure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 1,722	100%	\$ 1,722
Marvel	3,722	100%	3,722
Durango	28,800	100%	28,800
Bayfield	414,732	100%	414,732
Totals	\$ 448,976		\$ 448,976

The estimated total current cost of the landfill closure and post-closure care of \$448,976 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, 2017. 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 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

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terms through February 28, 2019. The lease amendment also secured approximately 750 square feet of additional space. The amount paid for the lease during 2017 totaled \$127,896.

### ***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 2017 was \$22,576,118. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$21,175,877. Both the employer and the covered employees made the required contributions, amounting to \$1,320,136 from the employer and \$1,320,136 from employees, or \$2,640,273 total.

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

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

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



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

*Plan description.* The Sixth Judicial District Attorney is provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA.

Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$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.

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and

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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:* Eligible employees and the Sixth Judicial District Attorney are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-

401, *et seq.* Eligible employees with the exception of State Troopers are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements for all employees except State Troopers are summarized in the table below:

	<b>For the Year Ended December 31, 2016</b>	<b>After December 31, 2016</b>
Employer contribution rate <sup>1</sup>	10.15%	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)%	(1.02)%
Amount apportioned to the SDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.60%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	5.00%
<b>Total employer contribution rate to the SDTF<sup>1</sup></b>	<b>18.23%</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 Office is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Sixth Judicial District Attorney's Office were \$25,932 for the year ended December 31, 2017.

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

At December 31, 2017, the Sixth Judicial District Attorney reported a liability of \$838,136 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016.

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 2016 relative to the total contributions of participating employers to the SDTF.

At December 31, 2016, the Sixth Judicial District Attorney proportion was 0.0045629902%, which was an increase of 0.0000663794% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Sixth Judicial District Attorney recognized a credit to the pension expense of \$136,856. At December 31, 2017, 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	\$8,331	\$ 0
Changes of assumptions or other inputs	213,227	2,580
Net difference between projected and actual earnings on pension plan investments	27,785	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	4,467
Contributions subsequent to the measurement date	25,932	-
Total	<u>\$275,275</u>	<u>\$7,047</u>

\$25,932 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, 2018.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

December 31	
2018	234,297
2019	7,705
2020	294
Thereafter	-

*Actuarial assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 %
Real wage growth	1.10 %
Wage inflation	3.90 %
Salary increases, including wage inflation	3.90 – 9.57 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50 %
Discount rate	7.50 %
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

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

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 %

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PERA benefit structure hired after 12/31/06  
(ad hoc, substantively automatic)

Financed by the  
Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

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.
- **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 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

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analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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 by the investment consultant 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 November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric 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%	

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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%.

**Discount rate.** The discount rate used to measure the total pension liability was 5.26 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 economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- 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.

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- 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 2039 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 2039 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2039 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 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 5.26 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 (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	\$1,038,083	\$838,136	\$673,864

*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).

## **Other Post-Employment Benefits**

### **Health Care Trust Fund**

*Plan Description* – The Sixth Judicial District Attorney contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the



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administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Sixth Judicial District Attorney is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Sixth Judicial District Attorney are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2017, 2016, 2015, the Sixth Judicial District Attorney contributions to the HCTF were \$1,326, \$1,326 and \$1,326, respectively, equal to their required contributions for each year.

### ***3- M. Fund Balances***

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

#### ***Nonspendable fund balance:***

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

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

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

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

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

***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 2018 budget adoption process, the 2018 general fund revenues and transfers in were estimated at \$34,640,162 and expenditures and transfers out were estimated at \$38,427,850, demonstrating a projected deficit of \$3,787,689. 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.

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***Fund Balance Reserve Policy:***

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

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

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

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

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

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

The calculated amount of the General Fund balance components at December 31, 2017.

**General Fund - Fund Balance**

Nonspendable:	
Prepays	\$ 268,530
Restricted:	
Economic stabilization (TABOR)	1,726,225
Law enforcement	268,475
Committed:	
Emergency and disasters	7,814,000
Assigned:	
Next year's budget deficit	3,787,689
Capital projects	10,511,673
Partially self funded Insurance claims	1,000,000
Unassigned	27,801,413
<b>Total General Fund Balance</b>	<b><u>\$ 53,178,005</u></b>

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***Prior Period Adjustment and Restatement***

The County discovered that funds related to the County Clerk were reported in the Agency Fund as deposits held for others in error. It was determined that these funds should have been reported as part of the Governmental Activities and General Fund. The effect on Governmental Activities change in Net Position and General Fund change in Fund Balance for the year ending December 31, 2016 was \$18,502.

**Governmental Activities:**

Net Position December 31, 2016 as previously reported	\$ 206,209,168
Prior Activity related to Clerk	860,039
Net Position December 31, 2016 as Restated	<u><u>\$ 207,069,207</u></u>

**General Fund:**

Fund Balance December 31, 2015 as previously reported	\$ 53,797,456
Prior Activity related to Clerk	841,537
Fund Balance December 31, 2015 as Restated	<u><u>\$ 54,638,993</u></u>

Clerk and Recorder's Fees December 31, 2016 as previously reported	\$ 1,187,864
Activity Related to Clerk	18,502
Clerk and Recorder's Fees December 31, 2016 as Restated	<u><u>\$ 1,206,366</u></u>

Fund Balance December 31, 2016 as previously reported	\$ 48,113,300
Prior Activity related to Clerk	860,039
Fund Balance December 31, 2016 as Restated	<u><u>\$ 48,973,339</u></u>

**Agency Fund**

Accounts Payable December 31, 2016 as previously reported	\$ 474,005
Prior Activity related to Clerk	860,039
Accounts Payable December 31, 2016 as Restated	<u><u>\$ 1,334,044</u></u>

Deposits held for others December 31, 2016 as previously reported	\$ 2,665,974
Prior Activity related to Clerk	(860,039)
Deposits held for others December 31, 2016 as Restated	<u><u>\$ 1,805,935</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

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2017***

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 \$229,304 reported in the employee medical self-insurance fund represents the amount due to the County's third party administrators at December 31, 2017 for the 2017 claims year and an estimate for incurred but not reported claims.

Changes in the funds claims liability amount in calendar 2017 and 2016 were:

	2017	2016
Liability at January 1	\$ 375,231	\$ 251,394
Add: Current year claims & changes in estimates	4,046,737	3,573,052
Less: Claim Payments	(4,192,664)	(3,449,215)
Balance at December 31	<u>\$ 229,304</u>	<u>\$ 375,231</u>

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

***Colorado Counties Casualty and Property Pool*** - The County is exposed to various risks of loss related to liability, property and casualty losses. In 1986 the County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its liability, property and casualty insurance coverage.

The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

For both the CWCP and CAPP pools, losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. Both pools have indicated the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2017***

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 2017 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 2017, 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.

***Colorado Department of Transport Funds/Energy Impact Assistance Funds/Limited Gaming Funds –***

The County has entered into contracts with the Colorado Department of Transport (CDOT), and the Colorado Department of Local Affairs for the expenditure of Energy and Mineral Impact Assistance grant funds (EIAF) and Limited Gaming grant funds (LGGF). A summary of these commitments is presented below:

*La Plata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*

<b>Grant</b>	<b>Period</b>	<b>Grant Funds</b>	<b>Matching Funds</b>	<b>Description</b>
CDOT 17-HA	05/04/17 - 10/31/	332,100	-	Signalization Project SH 172 / CR 517 Intersection
CDOT 17-HT	03/03/17 - 12/31/	64,000	16,000	Purchase of Senior Services Body on Chassis (BOC)
EIAF #7614	03/02/15 - 10/31/	1,000,000	1,989,875	La Plata County Road 517 Urban Improvements
EIAF #8194	10/11/16 - 04/30/	700,000	700,000	La Plata County CR 302 Improvements
EIAF #8292	03/02/17 - 03/31/	150,000	141,025	La Plata County Emergency Power for Evac. Site
LGGF 16-952	01/01/17 - 12/31/	147,044	-	La Plata County 6th Judicial DA Impacts
LGGF 16-953	01/01/17 - 12/31/	147,763	-	La Plata County Sheriff Public Safety Services
LGGF 16-954	01/01/17 - 12/31/	24,138	-	La Plata County Detention Services
<b>Totals</b>		<b>\$ 2,565,045</b>	<b>\$ 2,846,900</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 2017, 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*** – As of March 2015, La Plata County completed its negotiations with the U.S. General Services Administration (GSA) for the remodel and lease of a portion of the County Courthouse to the GSA for use by the U.S. District Court, U.S. Marshal's Office and the U.S. Probation Dept. The County believes that locating the U.S. District Court offices in the County Courthouse will increase access for local citizens, help to address social justice concerns, and contribute to the economic vitality of the community. La Plata County and the GSA entered into a lease agreement signed by the County on March 10, 2015 and by the GSA on April 3, 2015. Under the terms of the lease agreement which began February 2017, the GSA paid rent of \$148,268 for 2017.

***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

***La Plata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2017***

agreement, fiscal administration of the airport was delegated to the City.

The County's equity interest in the Durango-La Plata County Airport was \$20,408,381 at December 31, 2017. Complete financial statements for the airport operations can be found in the joint ventures separately issued financial statements for the year ended December 31, 2017, 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 LIABILITY**

**La Plata County, Colorado**  
*Schedule of County's Proportionate Share  
of the Net Pension Liability  
PERA SCHDTF Pension Plan  
For the Year Ended December 31, 2017*

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

	<b>December 31, 2017</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Contractually required contribution	\$ 26,195	\$ 25,025	\$ 23,855	\$ 22,685
Contributions in relation to the contractually required contribution	<u>(27,258)</u>	<u>(25,025)</u>	<u>(23,855)</u>	<u>(22,685)</u>
Contribution deficiency (excess)	<u>\$ (1,063)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
Contributions as a percentage of covered payroll	20.97%	19.25%	18.35%	17.45%

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

**Notes to Required Supplement Information**

There have not been any changes to benefit terms.

There have not been any changes in assumptions.

## **SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

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

**La Plata County, Colorado**  
**General Fund**  
**Comparative Balance Sheet**  
**December 31, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Cash and cash deposits	\$ 240,123	\$ 203,729
Equity in treasurer's cash and investments	52,169,231	47,408,650
Restricted cash and investments	38,505	27,689
Receivables:		
Accounts	42,995	135,720
Property taxes	12,911,370	13,355,280
Deposits	2,000	2,000
Intergovernmental	3,574,168	3,480,506
Prepays	268,530	168,218
<b>Total Assets</b>	<b>69,246,922</b>	<b>64,781,792</b>
<b>Liabilities</b>		
Accounts payable	2,095,742	2,343,341
Accrued salaries and benefits	488,146	407,191
Intergovernmental payable	74,071	75,008
Deposits payable	461,083	459,983
Liabilities payable from restricted assets	38,505	27,689
<b>Total Liabilities</b>	<b>3,157,547</b>	<b>3,313,212</b>
<b>Deferred Inflows of Resources</b>		
Property taxes	12,911,370	13,355,280
<b>Total Deferred Inflows of Resources</b>	<b>12,911,370</b>	<b>13,355,280</b>
<b>Fund Balances</b>		
Nonspendable:		
Prepays	268,530	168,218
Restricted:		
Economic stabilization (TABOR)	1,726,225	1,733,899
Law enforcement	268,475	222,865
Committed:		
Emergency and disasters	7,814,000	7,158,458
Assigned:		
Next year's budget deficit	3,787,689	1,407,803
Capital projects	10,511,673	10,511,673
Partially self funded Insurance claims	1,000,000	750,000
Unassigned	27,801,413	26,160,384
<b>Total Fund Balances</b>	<b>\$ 53,178,005</b>	<b>\$ 48,113,300</b>

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
**For the Year Ended December 31, 2017**  
*(With Comparative Actual Amounts for Year Ended December 31, 2016)*

	2017				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2016 Actual
<b>Revenues</b>					
<b>Taxes:</b>					
General property & delinquent taxes	\$ 13,484,378	\$ 13,484,378	\$ 13,298,358	\$ (186,020)	\$ 16,452,255
Specific ownership	1,400,000	1,400,000	1,448,318	48,318	1,421,765
Sales tax (net)	9,903,171	9,903,171	10,862,714	959,543	8,881,995
Cable franchise fees	109,584	109,584	114,133	4,549	110,983
Lodger's tax	280,000	280,000	350,750	70,750	325,245
<b>Total Taxes</b>	<b>25,177,133</b>	<b>25,177,133</b>	<b>26,074,273</b>	<b>897,140</b>	<b>27,192,243</b>
<b>Intergovernmental Revenue:</b>					
Federal Revenue:					
Bulletproof Vest Grant	7,000	12,470	18,408	5,938	5,060
Community Development Block Grant	500,000	1,199,042	1,345,986	146,944	832,345
CSB Grant-for Sr. Svcs	5,000	5,000	5,331	331	10,857
HIDTA Grant	397,764	397,764	372,151	(25,613)	375,583
Indirect cost allocation reimbursement	263,850	263,850	269,225	5,375	211,273
Office of Emergency Management	63,300	63,300	67,000	3,700	61,927
Other Miscellaneous Federal Grants	-	13,760	13,760	-	-
Payment In Lieu of Taxes	630,000	630,000	394,614	(235,386)	627,520
Senior Services-NSIP/SMP/SHIP	38,240	38,240	40,350	2,110	62,949
Senior Services-Older American Act	131,026	131,026	125,804	(5,222)	143,645
Southern Ute Payment in Lieu of Taxes	472,000	472,000	220,549	(251,451)	389,322
State Criminal Alien Assistance	1,000	1,000	-	(1,000)	5,125
State Revenues:					
Local Government Revenue	10,000	10,000	6,181	(3,819)	6,844
Gold King/Animas River Funding	-	-	-	-	208,709
Cigarette taxes	23,000	23,000	20,366	(2,634)	22,133
DNR Wildfire Risk Reduction	-	-	-	-	45,000
DOW Impact assistance (net)	941	941	1,031	90	1,003
Election grants	16,500	16,500	19,150	2,650	-
GOCO grant	-	-	-	-	22,082
Jail Behavior Health Contract	360,000	360,000	378,471	18,471	303,127
Limited Gaming grants	157,605	157,605	171,901	14,296	299,595
Mineral leasing	426,426	426,426	315,417	(111,009)	734,731
Mineral severance tax	400,000	400,000	334,169	(65,831)	407,825
Miscellaneous State Grants	18,000	124,576	87,352	(37,224)	18,092
Predator Control Reimbursement	1,500	1,500	2,678	1,178	1,130
Pre-Trial service testing grant	5,000	5,000	2,358	(2,642)	1,853
Search and rescue monies	-	-	806	806	-
Senior Services-State Funding	342,538	342,538	358,821	16,283	320,859
Veteran's Services	16,640	16,640	20,016	3,376	16,632
<b>Total Intergovernmental Revenue</b>	<b>4,287,330</b>	<b>5,112,178</b>	<b>4,591,895</b>	<b>(520,283)</b>	<b>5,135,221</b>
<b>Licenses and Permits:</b>					
Building permits	775,000	775,000	1,088,423	313,423	857,582
Liquor licenses	6,000	6,000	8,215	2,215	8,082
Medical Marijuana licenses	17,000	17,000	16,000	(1,000)	30,000
Recreational Marijuana licenses	35,000	35,000	47,525	12,525	49,000
<b>Total Licenses and Permits</b>	<b>833,000</b>	<b>833,000</b>	<b>1,160,163</b>	<b>327,163</b>	<b>944,664</b>



**Charges for Services:**

Alternatives to incarceration	91,000	91,000	68,293	(22,707)	72,896
Assessor's fees	30,500	30,500	38,664	8,164	41,289
Booking fees	47,518	47,518	57,123	9,605	56,153
Charges for services to DHS	220,000	220,000	224,971	4,971	176,532
Clerk and recorder's fees	1,114,000	1,114,000	1,209,420	95,420	1,206,366
Drug Offender's Fees	18,000	18,000	16,740	(1,260)	22,096
Election Reimbursements	35,000	35,000	71,300	36,300	81,811
Inmate medical/phone reimbursements	57,000	57,000	53,877	(3,123)	69,444
Jail bond fees	10,000	10,000	11,437	1,437	12,746
Jail room & board	850,000	850,000	835,440	(14,560)	636,791
Law enforcement assistance fund	6,500	6,500	6,074	(426)	5,714
Miscellaneous charges	17,200	17,200	11,789	(19,462)	55,219
Oil and gas fees	35,000	35,000	36,150	1,150	48,925
Other security services	35,000	135,000	148,290	13,290	6,369
Parking/Traffic fines	11,500	11,500	11,607	107	10,704
Planning fees	50,000	50,000	53,804	3,804	57,555
Prisoner transportation	35,000	35,000	40,084	5,084	36,790
Public trustee's fees	50,000	50,000	80,455	30,455	39,232
Senior center activities	12,000	12,000	16,434	4,434	16,867
Sheriff's fees	89,500	89,500	84,946	(4,554)	97,025
Surveyor's fees	8,500	8,500	10,655	2,155	12,920
Treasurer's fees	640,400	640,400	671,366	30,966	770,727
Useful public service program	31,000	31,000	55,902	24,902	20,718
Utility allocation	16,000	16,000	14,667	(1,333)	30,000
Vehicle inspection fees	42,000	42,000	71,570	29,570	43,340
Victim impact panel fees	10,000	10,000	8,520	(1,480)	4,505
<b>Total Charges for Services</b>	<b>3,562,618</b>	<b>3,662,618</b>	<b>3,909,578</b>	<b>246,960</b>	<b>3,632,734</b>

**Investment earnings**

<b>347,000</b>	<b>347,000</b>	<b>713,910</b>	<b>366,910</b>	<b>458,797</b>
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**Miscellaneous Revenue:**

Bayfield Landfill Remediation Reimb.	-	-	16,987	16,987	21,791
Building rentals	341,645	341,645	274,516	(67,129)	129,179
Fairgrounds rentals	75,800	75,800	84,384	8,584	78,899
Forfeitures	5,000	5,000	71,017	66,017	30,646
Insurance refunds	5,000	5,000	59,682	54,682	12,072
Other Miscellaneous Revenues	92,500	96,500	135,787	39,287	90,611
Prisoner commissary collections	25,000	25,000	32,827	7,827	23,081
Senior meal donations-Bayfield	12,000	12,000	9,842	(2,158)	11,826
Senior meal donations-Durango	70,000	70,000	66,080	(3,920)	69,612
Senior services-other	12,000	12,000	9,044	(2,956)	6,663
Vending machine commissions	-	-	196	196	335
<b>Total Miscellaneous Revenue</b>	<b>638,945</b>	<b>642,945</b>	<b>760,362</b>	<b>117,417</b>	<b>474,715</b>

**Total Revenue**

<b>34,846,026</b>	<b>35,774,874</b>	<b>37,210,181</b>	<b>1,435,307</b>	<b>37,838,374</b>
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**Expenditures:**

## General Government

## Board of County Commissioners

Personnel Expenditures	320,150	320,150	321,404	(1,254)	269,938
Operating Expenditures	82,925	92,865	84,469	8,396	113,072
	<b>403,075</b>	<b>413,015</b>	<b>405,873</b>	<b>7,142</b>	<b>383,010</b>

County Clerk and Recorder-Operations					
Personnel Expenditures	882,051	882,051	846,095	35,956	882,328
Operating Expenditures	257,342	257,342	239,900	17,442	255,474
	<u>1,139,393</u>	<u>1,139,393</u>	<u>1,085,995</u>	<u>53,398</u>	<u>1,137,802</u>
County Clerk and Recorder-Elections					
Personnel Expenditures	76,865	76,865	76,670	195	81,662
Operating Expenditures	210,433	210,433	160,172	50,261	210,258
	<u>287,298</u>	<u>287,298</u>	<u>236,842</u>	<u>50,456</u>	<u>291,920</u>
County Treasurer					
Personnel Expenditures	358,687	358,687	330,211	28,476	340,202
Operating Expenditures	237,670	246,420	183,288	63,132	206,021
	<u>596,357</u>	<u>605,107</u>	<u>513,499</u>	<u>91,608</u>	<u>546,223</u>
Public Trustee's Office					
Personnel Expenditures	15,250	15,250	33,723	(18,473)	15,256
Operating Expenditures	9,280	9,280	5,805	3,475	7,354
	<u>24,530</u>	<u>24,530</u>	<u>39,528</u>	<u>(14,998)</u>	<u>22,610</u>
County Assessor					
Personnel Expenditures	1,080,087	1,080,087	1,061,863	18,224	1,018,184
Operating Expenditures	164,992	164,992	149,589	15,403	141,551
	<u>1,245,079</u>	<u>1,245,079</u>	<u>1,211,452</u>	<u>33,627</u>	<u>1,159,735</u>
County Surveyor					
Personnel Expenditures	20,333	20,333	20,260	73	14,309
Operating Expenditures	1,500	1,500	1,560	(60)	1,250
	<u>21,833</u>	<u>21,833</u>	<u>21,820</u>	<u>13</u>	<u>15,559</u>
Administrative Offices					
Personnel Expenditures	744,822	744,822	699,880	44,942	701,022
Operating Expenditures	145,478	145,478	55,219	90,259	86,671
	<u>890,300</u>	<u>890,300</u>	<u>755,099</u>	<u>135,201</u>	<u>787,693</u>
County Attorney's Office					
Personnel Expenditures	857,249	857,249	761,507	95,742	723,703
Operating Expenditures	254,190	254,190	137,104	117,086	367,743
	<u>1,111,439</u>	<u>1,111,439</u>	<u>898,611</u>	<u>212,828</u>	<u>1,091,446</u>
Finance					
Personnel Expenditures	428,810	428,810	418,455	10,355	395,046
Operating Expenditures	156,770	164,270	131,049	33,221	98,503
	<u>585,580</u>	<u>593,080</u>	<u>549,504</u>	<u>43,576</u>	<u>493,549</u>
Information Services					
Personnel Expenditures	1,290,735	1,290,735	1,186,923	103,812	1,186,644
Operating Expenditures	486,676	486,676	434,687	51,989	471,380
	<u>1,777,411</u>	<u>1,777,411</u>	<u>1,621,610</u>	<u>155,801</u>	<u>1,658,024</u>
Procurement/Warehouse					
Personnel Expenditures	160,257	160,257	151,954	8,303	166,433
Operating Expenditures	13,605	13,605	7,698	5,907	9,058
	<u>173,862</u>	<u>173,862</u>	<u>159,652</u>	<u>14,210</u>	<u>175,491</u>
Building Maintenance					
Personnel Expenditures	1,145,972	1,145,972	1,175,392	(29,420)	959,992
Operating Expenditures	912,269	912,269	555,732	356,537	1,028,705
	<u>2,058,241</u>	<u>2,058,241</u>	<u>1,731,124</u>	<u>327,117</u>	<u>1,988,697</u>
Building Maintenance-OMPO					
Operating Expenditures	59,165	59,165	44,164	15,001	51,293
	<u>59,165</u>	<u>59,165</u>	<u>44,164</u>	<u>15,001</u>	<u>51,293</u>
Human Resources					
Personnel Expenditures	353,391	353,391	337,339	16,052	432,655
Operating Expenditures	348,255	348,255	249,107	99,148	175,234
	<u>701,646</u>	<u>701,646</u>	<u>586,446</u>	<u>115,200</u>	<u>607,889</u>
Planning Department					
Personnel Expenditures	922,899	933,399	810,513	122,886	939,931
Operating Expenditures	109,676	109,676	121,127	(11,451)	131,684
	<u>1,032,575</u>	<u>1,043,075</u>	<u>931,640</u>	<u>111,435</u>	<u>1,071,615</u>

Risk Management					
Personnel Expenditures	100,106	100,106	100,660	(554)	100,282
Operating Expenditures	392,893	392,893	239,224	153,669	210,551
	<u>492,999</u>	<u>492,999</u>	<u>339,884</u>	<u>153,115</u>	<u>310,833</u>
Budget Contingency/Reserves	<u>1,566,000</u>	<u>1,533,310</u>	<u>-</u>	<u>1,533,310</u>	<u>-</u>
<b>Total General Government</b>	<b><u>14,166,783</u></b>	<b><u>14,170,783</u></b>	<b><u>11,132,743</u></b>	<b><u>3,038,040</u></b>	<b><u>11,793,389</u></b>
<b>Public Safety</b>					
Sheriff-Patrol					
Personnel Expenditures	2,866,990	2,966,990	2,710,560	256,430	3,162,242
Operating Expenditures	1,048,867	1,063,867	1,098,665	(34,798)	1,053,967
	<u>3,915,857</u>	<u>4,030,857</u>	<u>3,809,225</u>	<u>221,632</u>	<u>4,216,209</u>
Sheriff-Detentions					
Personnel Expenditures	4,257,540	4,257,540	4,030,620	226,920	4,429,351
Operating Expenditures	2,142,999	2,127,999	2,038,369	89,630	1,904,921
	<u>6,400,539</u>	<u>6,385,539</u>	<u>6,068,989</u>	<u>316,550</u>	<u>6,334,272</u>
Sheriff-Admin					
Personnel Expenditures	1,057,569	1,057,569	1,054,119	3,450	1,037,940
Operating Expenditures	277,600	277,600	217,879	59,721	126,114
	<u>1,335,169</u>	<u>1,335,169</u>	<u>1,271,998</u>	<u>63,171</u>	<u>1,164,054</u>
Sheriff-Special Investigations					
Personnel Expenditures	387,816	387,816	357,212	30,604	414,863
Operating Expenditures	327,824	327,824	308,621	19,203	377,418
	<u>715,640</u>	<u>715,640</u>	<u>665,833</u>	<u>49,807</u>	<u>792,281</u>
Sheriff-Criminal Investigations					
Personnel Expenditures	766,882	766,882	732,139	34,743	785,296
Operating Expenditures	118,357	118,357	107,874	10,483	113,328
	<u>885,239</u>	<u>885,239</u>	<u>840,013</u>	<u>45,226</u>	<u>898,624</u>
Sheriff-Special Operations					
Personnel Expenditures	1,084,807	1,113,907	1,146,371	(32,464)	554,894
Operating Expenditures	171,515	184,431	121,039	63,392	118,719
	<u>1,256,322</u>	<u>1,298,338</u>	<u>1,267,410</u>	<u>30,928</u>	<u>673,613</u>
Alternatives to Incarceration					
Personnel Expenditures	366,855	366,855	345,197	21,658	342,632
Operating Expenditures	93,909	93,909	49,550	44,359	51,573
	<u>460,764</u>	<u>460,764</u>	<u>394,747</u>	<u>66,017</u>	<u>394,205</u>
County Coroner					
Personnel Expenditures	105,712	105,712	98,276	7,436	91,103
Operating Expenditures	147,385	147,385	163,215	(15,830)	131,851
	<u>253,097</u>	<u>253,097</u>	<u>261,491</u>	<u>(8,394)</u>	<u>222,954</u>
Building Inspection Department					
Personnel Expenditures	655,742	655,742	568,440	87,302	622,246
Operating Expenditures	116,935	116,935	93,672	23,263	85,275
	<u>772,677</u>	<u>772,677</u>	<u>662,112</u>	<u>110,565</u>	<u>707,521</u>
Emergency Management Office					
Personnel Expenditures	120,316	120,316	133,780	(13,464)	124,788
Operating Expenditures	158,600	242,390	133,760	108,630	36,849
	<u>278,916</u>	<u>362,706</u>	<u>267,540</u>	<u>95,166</u>	<u>161,637</u>
Pmt to Component Unit - District Attorney	<u>1,664,465</u>	<u>1,664,465</u>	<u>1,528,129</u>	<u>136,336</u>	<u>1,532,801</u>
<b>Total Public Safety</b>	<b><u>17,938,685</u></b>	<b><u>18,164,491</u></b>	<b><u>17,037,487</u></b>	<b><u>1,127,004</u></b>	<b><u>17,098,171</u></b>

**Recreation & Culture**

## Fairgrounds

Personnel Expenditures	215,736	215,736	137,809	77,927	316,817
Operating Expenditures	233,332	233,332	216,993	16,339	244,388
	<u>449,068</u>	<u>449,068</u>	<u>354,802</u>	<u>94,266</u>	<u>561,205</u>

## Extension Office

Operating Expenditures	86,358	86,358	84,041	2,317	83,559
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**Total Recreation & Culture**

	<u>535,426</u>	<u>535,426</u>	<u>438,843</u>	<u>96,583</u>	<u>644,764</u>
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**Health & Welfare**

## Senior Services

Personnel Expenditures	675,190	675,190	643,305	31,885	617,467
Operating Expenditures	252,306	252,306	241,517	10,789	243,841
	<u>927,496</u>	<u>927,496</u>	<u>884,822</u>	<u>42,674</u>	<u>861,308</u>

## Senior Services - non Joint Sales Tax

Personnel Expenditures	49,350	49,350	37,681	11,669	39,743
Operating Expenditures	130,203	130,203	115,074	15,129	109,552
	<u>179,553</u>	<u>179,553</u>	<u>152,755</u>	<u>26,798</u>	<u>149,295</u>

## Veterans Services

Personnel Expenditures	72,862	72,862	68,933	3,929	71,150
Operating Expenditures	13,590	13,590	8,973	4,617	9,915
	<u>86,452</u>	<u>86,452</u>	<u>77,906</u>	<u>8,546</u>	<u>81,065</u>

## San Juan Basin Health

	<u>522,074</u>	<u>522,074</u>	<u>522,074</u>	<u>-</u>	<u>522,074</u>
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**Total Health & Welfare**

	<u>1,715,575</u>	<u>1,715,575</u>	<u>1,637,557</u>	<u>78,018</u>	<u>1,613,742</u>
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**Public Works**

## Landfill Closure and Waste Management

Operating Expenditures	255,000	255,000	175,407	79,593	148,241
	<u>255,000</u>	<u>255,000</u>	<u>175,407</u>	<u>79,593</u>	<u>148,241</u>

## Weed Control

Personnel Expenditures	116,725	116,725	43,638	73,087	96,776
Operating Expenditures	45,544	45,544	20,233	25,311	29,275
	<u>162,269</u>	<u>162,269</u>	<u>63,871</u>	<u>98,398</u>	<u>126,051</u>

**Total Public Works**

	<u>417,269</u>	<u>417,269</u>	<u>239,278</u>	<u>177,991</u>	<u>274,292</u>
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**Community Programs**

## Public Service Agencies

## Lodger's tax to DATO

	1,169,094	1,169,094	1,147,467	21,627	1,240,597
	<u>230,000</u>	<u>230,000</u>	<u>350,750</u>	<u>(120,750)</u>	<u>325,245</u>

**Total Community Programs**

	<u>1,399,094</u>	<u>1,399,094</u>	<u>1,498,217</u>	<u>(99,123)</u>	<u>1,565,842</u>
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Pass through of grants received  
of CDBG funds

	<u>500,000</u>	<u>1,199,042</u>	<u>1,345,986</u>	<u>(146,944)</u>	<u>849,629</u>
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**Total Pass through of grants**

	<u>500,000</u>	<u>1,199,042</u>	<u>1,345,986</u>	<u>(146,944)</u>	<u>849,629</u>
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**Capital Outlay**

	<u>-</u>	<u>-</u>	<u>11,630</u>	<u>(11,630)</u>	<u>43,939</u>
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**Total Expenditures**

	<u>36,672,832</u>	<u>37,601,680</u>	<u>33,341,741</u>	<u>4,259,939</u>	<u>33,883,768</u>
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<b>Excess of Revenues Over Expenditures</b>	<b><u>(1,826,806)</u></b>	<b><u>(1,826,806)</u></b>	<b><u>3,868,440</u></b>	<b><u>5,695,246</u></b>	<b><u>3,954,606</u></b>
Other Financing Sources (Uses)					
Transfers in-Joint Sales Tax fund	419,003	419,003	336,226	(82,777)	379,740
Transfers out-Capital Improvement	-	-	-	-	(10,000,000)
<b>Total Other Financing Sources (Uses)</b>	<b><u>419,003</u></b>	<b><u>419,003</u></b>	<b><u>336,226</u></b>	<b><u>(82,777)</u></b>	<b><u>(9,620,260)</u></b>
<b>Net Change in Fund Balances</b>	<b><u>\$ (1,407,803)</u></b>	<b><u>\$ (1,407,803)</u></b>	4,204,666	<b><u>\$ 5,612,469</u></b>	(5,665,654)
<b>Fund Balance Beginning of Year</b>			<b><u>-</u></b>		<b><u>53,797,456</u></b>
<b>Prior Period Adjustment - See Note 3-M</b>			<b><u>-</u></b>		<b><u>841,537</u></b>
<b>Fund Balances Beginning of Year (Restated)</b>			<b><u>48,973,339</u></b>		<b><u>54,638,993</u></b>
<b>Fund Balances End of Year</b>			<b><u>\$ 53,178,005</u></b>		<b><u>\$ 48,973,339</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash	\$       -	\$       150
Equity in treasurer's cash and investments	6,009,219	5,508,110
Receivables:		
Accounts	24,690	32,503
Property taxes	1,247,560	1,290,528
Intergovernmental	2,524,596	1,557,424
Prepays	292	-
Inventory	501,920	401,651
<b>Total Assets</b>	<b><u>10,308,277</u></b>	<b><u>8,790,366</u></b>
<b>Liabilities</b>		
Accounts payable	1,677,759	142,784
Accrued salaries and wages	70,646	71,539
<b>Total Liabilities</b>	<b><u>1,748,405</u></b>	<b><u>214,323</u></b>
<b>Deferred Inflows of Resources</b>		
Property taxes	1,247,560	1,290,528
<b>Total Deferred Inflows of Resources</b>	<b><u>1,247,560</u></b>	<b><u>1,290,528</u></b>
<b>Fund Balances</b>		
Nonspendable:		
Inventory	501,920	401,651
Prepays	292	
Restricted:		
Capital improvements impact fees	1,164,512	1,316,149
Construction/maintenance of roads	5,645,588	5,567,715
<b>Total Fund Balances</b>	<b><u>\$ 7,312,312</u></b>	<b><u>\$ 7,285,515</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, 2017*  
*(With Comparative Actual Amounts for Year Ended December 31, 2016)*

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 4,192,838	\$ 4,192,838	\$ 4,195,135	\$ 2,297	\$ 4,482,619
Intergovernmental	7,187,619	7,832,597	6,118,742	(1,713,855)	4,233,307
Licenses and permits	230,000	230,000	233,726	3,726	229,728
Investment earnings	-	-	14,627	14,627	-
Miscellaneous	1,735,000	1,805,652	841,287	(964,365)	187,714
<b>Total Revenues</b>	<b>13,345,457</b>	<b>14,061,087</b>	<b>11,403,517</b>	<b>(2,657,570)</b>	<b>9,133,368</b>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Public Works</b>					
Maintenance	6,814,234	6,814,234	6,080,756	733,478	5,980,931
Engineering	1,453,459	1,524,111	883,281	640,830	871,330
Road projects	2,544,457	2,544,457	30,955	2,513,502	168,005
Contingency	725,000	725,000	-	725,000	-
Capital Outlay	4,275,000	4,919,978	4,381,728	538,250	2,232,842
<b>Total Expenditures</b>	<b>15,812,150</b>	<b>16,527,780</b>	<b>11,376,720</b>	<b>5,151,060</b>	<b>9,253,108</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>(2,466,693)</b>	<b>(2,466,693)</b>	<b>26,797</b>	<b>2,493,490</b>	<b>(119,740)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,466,693)</b>	<b>\$ (2,466,693)</b>	<b>26,797</b>	<b>\$ 2,493,490</b>	<b>(119,740)</b>
<b>Fund Balances Beginning of Year</b>			<b>7,285,515</b>		<b>7,405,255</b>
<b>Fund Balances End of Year</b>			<b>\$ 7,312,312</b>		<b>\$ 7,285,515</b>



**La Plata County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	2,194,396	2,114,742
Restricted cash	48,841	52,161
Receivables:		
Accounts	-	3,829,520
Property taxes	776,650	804,175
Intergovernmental	178,369	357,915
<b>Total Assets</b>	<u><b>3,198,656</b></u>	<u><b>7,158,913</b></u>
<b>Liabilities</b>		
Accounts payable	125,333	129,453
Liabilities payable from restricted assets	48,841	52,161
Accrued salaries and wages	106,614	95,147
Intergovernmental payable	-	3,899,523
<b>Total Liabilities</b>	<u><b>280,788</b></u>	<u><b>4,176,284</b></u>
<b>Deferred Inflows of Resources</b>		
Property taxes	776,650	804,175
<b>Total Deferred Inflows of Resources</b>	<u><b>776,650</b></u>	<u><b>804,175</b></u>
<b>Fund Balances</b>		
Restricted:		
Child welfare	656,305	1,179,275
Public assistance and welfare	1,484,913	999,179
<b>Total Fund Balances</b>	<u><b>\$ 2,141,218</b></u>	<u><b>\$ 2,178,454</b></u>

**La Plata County, Colorado**  
**Social Services Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended December 31, 2017*  
*(With Comparative Actual Amounts for Year Ended December 31, 2016)*

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Taxes	\$ 867,850	\$ 867,850	\$ 888,274	\$ 20,424	\$ 916,613
Intergovernmental	4,653,944	5,186,682	4,940,165	(246,517)	5,522,595
<b>Total Revenues</b>	<b>5,521,794</b>	<b>6,054,532</b>	<b>5,828,439</b>	<b>(226,093)</b>	<b>6,439,208</b>
<b>Expenditures</b>					
Health and welfare	6,283,535	6,816,273	5,865,675	950,598	6,520,601
<b>Total Expenditures</b>	<b>6,283,535</b>	<b>6,816,273</b>	<b>5,865,675</b>	<b>950,598</b>	<b>6,520,601</b>
Revenues Over/(Under) Expenditures	(761,741)	(761,741)	(37,236)	724,505	(81,393)
<b>Net Change in Fund Balances</b>	<b>\$ (761,741)</b>	<b>\$ (761,741)</b>	<b>(37,236)</b>	<b>\$ 724,505</b>	<b>(81,393)</b>
<b>Fund Balances Beginning of Year</b>			<b>2,178,454</b>		<b>2,259,847</b>
<b>Fund Balances End of Year</b>			<b>\$ 2,141,218</b>		<b>\$ 2,178,454</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, 2017**

	<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	\$ 534,548	\$ 207,535	\$ 36,744	\$ 3,434,644	\$ 34,347	\$ 4,247,818
Receivables:						
Property taxes receivable	-	73,984	16,981	-	-	90,965
Intergovernmental receivable	405,203	33	8	-	-	405,244
<b>Total Assets</b>	<b>939,751</b>	<b>281,552</b>	<b>53,733</b>	<b>3,434,644</b>	<b>34,347</b>	<b>4,744,027</b>
<b>Liabilities</b>						
Accounts payable	280,227	8,280	-	-	-	288,507
<b>Total Liabilities</b>	<b>280,227</b>	<b>8,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>288,507</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	-	73,984	16,981	-	-	90,965
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>73,984</b>	<b>16,981</b>	<b>-</b>	<b>-</b>	<b>90,965</b>
<b>Fund Balances</b>						
Restricted:						
Tribal mitigation impact	-	-	-	-	34,347	34,347
Joint County/City projects	659,524	-	-	-	-	659,524
Recreation & parks	-	-	-	3,434,644	-	3,434,644
Assigned:						
Construction/maintenance of roads	-	199,288	-	-	-	199,288
Debt service	-	-	36,752	-	-	36,752
<b>Total Fund Balances</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>

**La Plata County, Colorado**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2017**

	<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	\$ -	\$ 74,698	\$ 22,034	\$ -	\$ -	\$ 96,732
Sales taxes	2,493,457	-	-	-	-	2,493,457
Other taxes	-	8,611	2,998	-	-	11,609
Intergovernmental	-	-	-	314,218	12,276	326,494
Investment earnings	4,130	-	-	37,750	-	41,880
Miscellaneous	-	2,750	-	-	-	2,750
<b>Total Revenues</b>	<b>2,497,587</b>	<b>86,059</b>	<b>25,032</b>	<b>351,968</b>	<b>12,276</b>	<b>2,972,922</b>
<b>Expenditures</b>						
Public works	-	83,743	1,128	-	-	84,871
Recreation & Culture	2,063,007	-	-	245,000	-	2,308,007
<b>Debt Service</b>						
Principal retirement	-	-	11,862	-	-	11,862
Interest and fiscal charges	-	-	5,025	-	-	5,025
<b>Total Expenditures</b>	<b>2,063,007</b>	<b>83,743</b>	<b>18,015</b>	<b>245,000</b>	<b>-</b>	<b>2,409,765</b>
<b>Revenues Over Expenditures</b>	<b>434,580</b>	<b>2,316</b>	<b>7,017</b>	<b>106,968</b>	<b>12,276</b>	<b>563,157</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in/(out)	(336,226)	-	-	-	-	(336,226)
<b>Total Other Financing Sources (Uses)</b>	<b>(336,226)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(336,226)</b>
<b>Net Change in Fund Balances</b>	<b>98,354</b>	<b>2,316</b>	<b>7,017</b>	<b>106,968</b>	<b>12,276</b>	<b>226,931</b>
<b>Fund Balances Beginning of Year</b>	<b>561,170</b>	<b>196,972</b>	<b>29,735</b>	<b>3,327,676</b>	<b>22,071</b>	<b>4,137,624</b>
<b>Fund Balances End 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>

**La Plata County, Colorado**  
**Joint Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 534,548	\$ 360,171
Intergovernmental receivable	405,203	401,195
<b>Total Assets</b>	<u><b>939,751</b></u>	<u><b>761,366</b></u>
<b>Liabilities</b>		
Accounts payable	-	40,632
Intergovernmental payable	280,227	159,564
<b>Total Liabilities</b>	<u><b>280,227</b></u>	<u><b>200,196</b></u>
<b>Fund Balances</b>		
Restricted:		
Joint County/City projects	659,524	561,170
<b>Total Fund Balances</b>	<u><b>\$ 659,524</b></u>	<u><b>\$ 561,170</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, 2017**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2016)*

	2017				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2016 Actual
<b>Revenues</b>					
Sales taxes	\$ 2,364,178	\$ 2,364,178	\$ 2,493,457	\$ 129,279	\$ 2,366,776
Investment income	300	300	4,130	3,830	877
<b>Total Revenues</b>	<b>2,364,478</b>	<b>2,364,478</b>	<b>2,497,587</b>	<b>133,109</b>	<b>2,367,653</b>
<b>Expenditures</b>					
Telecommunication Infrastructure	248,033	248,033	-	248,033	-
Durango Public Library	1,944,851	1,944,851	2,063,007	(118,156)	1,955,401
Misc Expenditures	70,925	70,925	-	70,925	-
<b>Total Expenditures</b>	<b>2,263,809</b>	<b>2,263,809</b>	<b>2,063,007</b>	<b>200,802</b>	<b>1,955,401</b>
<b>Revenues Over Expenditures</b>	<b>100,669</b>	<b>100,669</b>	<b>434,580</b>	<b>333,911</b>	<b>412,252</b>
<b>Other Financing Sources (Uses)</b>					
Transfers out	(419,327)	(419,327)	(336,226)	83,101	(379,740)
<b>Total Other Financing Sources (Uses)</b>	<b>(419,327)</b>	<b>(419,327)</b>	<b>(336,226)</b>	<b>83,101</b>	<b>(379,740)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (318,658)</b>	<b>\$ (318,658)</b>	<b>98,354</b>	<b>\$ 417,012</b>	<b>32,512</b>
<b>Fund Balances Beginning of Year</b>			<b>561,170</b>		<b>528,658</b>
<b>Fund Balances End of Year</b>			<b>\$ 659,524</b>		<b>\$ 561,170</b>

**La Plata County, Colorado**  
***Durango Hills Road Improvement District***  
***Comparative Balance Sheet***  
***December 31, 2017 and 2016***

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 207,535	\$ 199,638
Receivable:		
Property taxes receivable	73,984	77,742
Intergovernment receivable	<u>33</u>	<u>612</u>
<b>Total Assets</b>	<u><b>281,552</b></u>	<u><b>277,992</b></u>
<b>Liabilities</b>		
Accounts payable	<u>8,280</u>	<u>3,278</u>
<b>Total Liabilities</b>	<u><b>8,280</b></u>	<u><b>3,278</b></u>
<b>Deferred Inflows of Resources</b>		
Property taxes	<u>73,984</u>	<u>77,742</u>
<b>Total Deferred Inflows of Resources</b>	<u><b>73,984</b></u>	<u><b>77,742</b></u>
<b>Fund Balances</b>		
Assigned:		
Construction/maintenance of roads	<u>199,288</u>	<u>196,972</u>
<b>Total Fund Balances</b>	<u><b>\$ 199,288</b></u>	<u><b>\$ 196,972</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, 2017**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2016)*

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Property Taxes	\$ 77,742	\$ 77,742	\$ 74,698	\$ (3,044)	\$ 76,827
Other Taxes	7,502	7,502	8,611	1,109	6,631
Miscellaneous	2,475	2,475	2,750	275	2,750
<b>Total Revenues</b>	<b>87,719</b>	<b>87,719</b>	<b>86,059</b>	<b>(1,660)</b>	<b>86,208</b>
<b>Expenditures</b>					
Public works	136,000	136,000	83,743	52,257	79,961
<b>Total Expenditures</b>	<b>136,000</b>	<b>136,000</b>	<b>83,743</b>	<b>52,257</b>	<b>79,961</b>
<b>Net Change in Fund Balances</b>	<b>\$ (48,281)</b>	<b>\$ (48,281)</b>	<b>2,316</b>	<b>\$ 50,597</b>	<b>6,247</b>
<b>Fund Balances Beginning of Year</b>			<b>196,972</b>		<b>190,725</b>
<b>Fund Balances End of Year</b>			<b>\$ 199,288</b>		<b>\$ 196,972</b>

**La Plata County, Colorado**  
**Palo Verde Public Improvement District #3**  
**Comparative Balance Sheet**  
**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 36,744	\$ 29,555
Receivable:		
Property taxes receivable	16,981	22,563
Intergovernmental receivable	<u>8</u>	<u>180</u>
<b>Total Assets</b>	<u><b>53,733</b></u>	<u><b>52,298</b></u>
 <b>Deferred Inflows of Resources</b>		
Property taxes	<u>16,981</u>	<u>22,563</u>
<b>Total Deferred Inflows of Resources</b>	<u><b>16,981</b></u>	<u><b>22,563</b></u>
 <b>Fund Balances</b>		
Assigned:		
Debt service	<u>36,752</u>	<u>29,735</u>
<b>Total Fund Balances</b>	<u><b>\$ 36,752</b></u>	<u><b>\$ 29,735</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, 2017**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2016)**

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Property Taxes	\$ 22,563	\$ 22,563	\$ 22,034	\$ (529)	\$ 22,276
Other Taxes	1,381	1,381	2,998	1,617	2,249
<b>Total Revenues</b>	<b>23,944</b>	<b>23,944</b>	<b>25,032</b>	<b>1,088</b>	<b>24,525</b>
<b>Expenditures</b>					
Public works	5,675	5,675	1,128	4,547	1,291
<b>Debt Service</b>					
Principal retirement	11,862	11,862	11,862	-	11,628
Interest and fiscal charges	5,026	5,026	5,025	1	5,259
<b>Total Expenditures</b>	<b>22,563</b>	<b>22,563</b>	<b>18,015</b>	<b>4,548</b>	<b>18,178</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,381</b>	<b>\$ 1,381</b>	<b>7,017</b>	<b>\$ 5,636</b>	<b>6,347</b>
<b>Fund Balances Beginning of Year</b>			<b>29,735</b>		<b>23,388</b>
<b>Fund Balances End of Year</b>			<b>\$ 36,752</b>		<b>\$ 29,735</b>

**La Plata County, Colorado**  
***Tribal Impact Mitigation Fund***  
***Comparative Balance Sheet***  
***December 31, 2017 and 2016***

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 34,347</u>	<u>\$ 22,071</u>
 <b>Fund Balances</b>		
Restricted:		
Tribal mitigation impact	<u>34,347</u>	<u>22,071</u>
<b>Total Fund Balances</b>	<u><u>\$ 34,347</u></u>	<u><u>\$ 22,071</u></u>

**La Plata County, Colorado**  
**Tribal Impact Mitigation Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2017**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2016)*

	2017			Variance with Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Intergovernmental:					
Southern Ute Indian tribe payment	\$ -	\$ -	\$ 12,276	\$ 12,276	\$ 21,140
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>12,276</b>	<b>12,276</b>	<b>21,140</b>
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>12,276</b>	<b>12,276</b>	<b>21,140</b>
<b>Fund Balances Beginning of Year</b>			<b>22,071</b>		<b>931</b>
<b>Fund Balances End of Year</b>			<b>\$ 34,347</b>		<b>\$ 22,071</b>

**La Plata County, Colorado**  
**Conservation Trust Fund**  
**Comparative Balance Sheet**  
**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 3,434,644	\$ 3,327,676
<b>Total Assets</b>	<u><b>3,434,644</b></u>	<u><b>3,327,676</b></u>
 <b>Fund Balances</b>		
Restricted:		
Recreation & parks	3,434,644	3,327,676
<b>Total Fund Balances</b>	<u><b>\$ 3,434,644</b></u>	<u><b>\$ 3,327,676</b></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, 2017**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2016)**

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Lottery funds	\$ 338,000	\$ 338,000	\$ 314,218	\$ (23,782)	\$ 350,156
Investment earnings	5,200	5,200	37,750	32,550	21,264
<b>Total Revenues</b>	<b>343,200</b>	<b>343,200</b>	<b>351,968</b>	<b>8,768</b>	<b>371,420</b>
<b>Expenditures</b>					
Parks & recreational sites	270,000	270,000	245,000	25,000	-
<b>Total Expenditures</b>	<b>270,000</b>	<b>270,000</b>	<b>245,000</b>	<b>25,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 73,200</b>	<b>\$ 73,200</b>	<b>106,968</b>	<b>\$ 33,768</b>	<b>371,420</b>
<b>Fund Balances Beginning of Year</b>			<b>3,327,676</b>		<b>2,956,256</b>
<b>Fund Balances End of Year</b>			<b>\$ 3,434,644</b>		<b>\$ 3,327,676</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 6,175,149	\$ 6,854,860
Receivables:		
Accounts	-	1,340
Intergovernmental	289,217	837,352
Deposits receivable	-	3,471
<b>Total Assets</b>	<u><b>6,464,366</b></u>	<u><b>7,697,023</b></u>
<b>Liabilities</b>		
Accounts payable	268,510	837,859
Unearned revenue	150,000	150,000
<b>Total Liabilities</b>	<u><b>418,510</b></u>	<u><b>987,859</b></u>
<b>Fund Balances</b>		
Committed:		
General capital improvements	6,045,856	6,709,164
<b>Total Fund Balance</b>	<u><b>\$ 6,045,856</b></u>	<u><b>\$ 6,709,164</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, 2017**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2016)*

	2017				2016
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>Revenues</b>					
Sales Tax	\$ 750,000	\$ 750,000	\$ 750,000	\$ -	\$ 2,000,000
Intergovernmental	1,131,168	1,131,168	1,688,285	557,117	1,708,544
Miscellaneous	246,183	246,183	156,695	(89,488)	69,134
<b>Total Revenues</b>	<b>2,127,351</b>	<b>2,127,351</b>	<b>2,594,980</b>	<b>467,629</b>	<b>3,777,678</b>
<b>Expenditures</b>					
General government	618,312	368,312	209,249	159,063	443,064
Public safety	81,000	130,000	140,241	(10,241)	103,781
Health & Welfare	150,631	150,631	33,011	117,620	-
Capital Outlay:					
General government	2,361,280	2,280,330	220,751	2,059,579	944,366
Public safety	2,876,235	3,158,185	2,655,036	503,149	5,690,505
Health & Welfare	-	-	-	-	9,931,971
<b>Total Expenditures</b>	<b>6,087,458</b>	<b>6,087,458</b>	<b>3,258,288</b>	<b>2,829,170</b>	<b>17,113,687</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>(3,960,107)</b>	<b>(3,960,107)</b>	<b>(663,308)</b>	<b>3,296,799</b>	<b>(13,336,009)</b>
<b>Other Financing Sources</b>					
Transfers in from General Fund	-	-	-	-	10,000,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,960,107)</b>	<b>\$ (3,960,107)</b>	<b>\$ (663,308)</b>	<b>\$ 3,296,799</b>	<b>\$ (3,336,009)</b>
<b>Fund Balances Beginning of Year</b>			<b>6,709,164</b>		<b>10,045,173</b>
<b>Fund Balances End of Year</b>			<b>\$ 6,045,856</b>		<b>\$ 6,709,164</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, 2017**

	<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	\$ 6,546,882	\$ 3,677,423	\$ 10,224,305
Accounts receivable	-	356	356
Intergovernmental Receivable	50,852	-	50,852
Inventory	117,619	-	117,619
<b>Total Current Assets</b>	<b>6,715,353</b>	<b>3,677,779</b>	<b>10,393,132</b>
Noncurrent Assets:			
Capital Assets:			
Depreciable capital assets, net	7,217,120	-	7,217,120
<b>Total Assets</b>	<b>13,932,473</b>	<b>3,677,779</b>	<b>17,610,252</b>
<b>Liabilities</b>			
Accrued payroll	15,662	-	15,662
Accounts payable	250,255	-	250,255
Accrued claims payable	-	229,304	229,304
<b>Total Current Liabilities</b>	<b>265,917</b>	<b>229,304</b>	<b>495,221</b>
<b>Net Position</b>			
Net investment in capital assets	7,217,120	-	7,217,120
Unrestricted	6,449,436	3,448,475	9,897,911
<b>Total Net Position</b>	<b>\$ 13,666,556</b>	<b>\$ 3,448,475</b>	<b>\$ 17,115,031</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, 2017**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 2,170,072	\$ -	\$ 2,170,072
Insurance deposits	-	4,919,245	4,919,245
Miscellaneous revenue	6,680	-	6,680
<b>Total Operating Revenues</b>	<b>2,176,752</b>	<b>4,919,245</b>	<b>7,095,997</b>
<b>Operating Expenses</b>			
Equipment maintenance	992,694	-	992,694
Depreciation	971,948	-	971,948
Medical claims	-	4,192,664	4,192,664
<b>Total Operating Expenses</b>	<b>1,964,642</b>	<b>4,192,664</b>	<b>6,157,306</b>
<b>Operating Income (Loss)</b>	<b>212,110</b>	<b>726,581</b>	<b>938,691</b>
<b>Non-Operating Revenues</b>			
Capital grant	50,714	-	50,714
Gain (loss) on sale of capital assets	(173,550)	-	(173,550)
Investment earnings	-	33,422	33,422
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(122,836)</b>	<b>33,422</b>	<b>(89,414)</b>
<b>Change in Net Position</b>	<b>89,274</b>	<b>760,003</b>	<b>849,277</b>
<b>Net Position Beginning of Year</b>	<b>13,577,282</b>	<b>2,688,472</b>	<b>16,265,754</b>
<b>Net Position End of Year</b>	<b>\$ 13,666,556</b>	<b>\$ 3,448,475</b>	<b>\$ 17,115,031</b>

La Plata County, Colorado  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended December 31, 2017

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 2,206,170	\$ 4,920,497	\$ 7,126,667
Cash payments for goods and services	(982,972)	-	(982,972)
Cash payments for claims	-	(4,338,591)	(4,338,591)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>1,223,198</b>	<b>581,906</b>	<b>1,805,104</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Cash from capital grant	50,714	-	50,714
Cash sales of capital assets	34,550	-	34,550
Payments for capital acquisitions	(1,332,736)	-	(1,332,736)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(1,247,472)</b>	<b>-</b>	<b>(1,298,186)</b>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	-	33,422	33,422
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(24,274)</b>	<b>615,328</b>	<b>540,340</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>6,571,156</b>	<b>3,062,095</b>	<b>9,633,251</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 6,546,882</b>	<b>\$ 3,677,423</b>	<b>\$ 10,224,305</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
<b>Operating Income (Loss)</b>	<b>\$ 212,110</b>	<b>\$ 726,581</b>	<b>\$ 938,691</b>
<b>Adjustments:</b>			
Depreciation	971,948	-	971,948
<b>(Increase) Decrease in Assets:</b>			
Accounts receivable	-	1,252	1,252
Intergovernmental receivable	29,418	-	29,418
Inventory	(4,235)	-	(4,235)
<b>Increase (Decrease) in Liabilities:</b>			
Accounts payable	11,332	-	11,332
Accrued incurred/unreported claims/deferred revenues	-	(145,927)	(145,927)
Accrued wages	2,625	-	2,625
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,223,198</b>	<b>\$ 581,906</b>	<b>\$ 1,805,104</b>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Net Position**  
**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 6,546,882	\$ 6,571,156
Intergovernmental	50,852	80,270
Inventory	117,619	113,384
<b>Total Current Assets</b>	<u><b>6,715,353</b></u>	<u><b>6,764,810</b></u>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
Depreciable capital assets, net	7,217,120	7,064,432
<b>Total Assets</b>	<u><b>13,932,473</b></u>	<u><b>13,829,242</b></u>
<b>Liabilities</b>		
Accrued payroll	15,662	13,037
Accounts payable	250,255	238,923
<b>Total Current Liabilities</b>	<u><b>265,917</b></u>	<u><b>251,960</b></u>
<b>Net Position</b>		
Investment in capital assets	7,217,120	7,064,432
Unrestricted	6,449,436	6,512,850
<b>Total Net Position</b>	<u><b>\$ 13,666,556</b></u>	<u><b>\$ 13,577,282</b></u>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Operating Revenues</b>		
Charges for services	\$ 2,170,072	\$ 2,004,412
Miscellaneous revenue	6,680	600
<b>Total Operating Revenues</b>	<u><b>2,176,752</b></u>	<u><b>\$ 2,005,012</b></u>
<b>Operating Expenses</b>		
Equipment maintenance	992,694	1,208,940
Depreciation	971,948	956,260
<b>Total Operating Expenses</b>	<u><b>1,964,642</b></u>	<u><b>2,165,200</b></u>
<b>Operating (Loss)</b>	<u><b>212,110</b></u>	<u><b>(160,188)</b></u>
<b>Non-Operating Revenues</b>		
Capital grant	50,714	78,681
Loss on sale of capital assets	(173,550)	5,193
<b>Total Non-Operating Revenues</b>	<u><b>(122,836)</b></u>	<u><b>83,874</b></u>
<b>Change in Net Position</b>	<b>89,274</b>	<b>(76,314)</b>
<b>Net Position Beginning of Year</b>	<u><b>13,577,282</b></u>	<u><b>13,653,596</b></u>
<b>Net Position End of Year</b>	<u><u><b>\$ 13,666,556</b></u></u>	<u><u><b>\$ 13,577,282</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, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Charges for services	\$ 2,183,266	\$ 2,183,266	\$ 2,170,072	\$ (13,194)
Sales of capital assets	167,900	167,900	34,550	(133,350)
Capital grant	64,000	64,000	50,714	(13,286)
Miscellaneous	-	-	6,680	6,680
<b>Total Revenues</b>	<b>2,415,166</b>	<b>2,415,166</b>	<b>2,262,016</b>	<b>(153,150)</b>
<b>Expenditures</b>				
Personnel costs	673,719	673,719	623,049	50,670
Equipment maintenance	857,017	722,017	564,844	157,173
Capital outlay	1,194,913	1,329,913	1,137,537	192,376
<b>Total Expenditures</b>	<b>2,725,649</b>	<b>2,725,649</b>	<b>2,325,430</b>	<b>400,219</b>
<b>Revenues Over/(Under) Expenditures</b>	<b>(310,483)</b>	<b>(310,483)</b>	<b>(63,414)</b>	<b>247,069</b>
<b>Net change in Fund Balances</b>	<b>\$ (310,483)</b>	<b>\$ (310,483)</b>	<b>(63,414)</b>	<b>\$ 247,069</b>
<b>Reconciliation to GAAP Net Income:</b>				
Less: Capital assets, disposed net of accumulated depreciation			(208,100)	
Capitalization of asset purchases			1,332,736	
Depreciation			(971,948)	
<b>Change in Net Position</b>			<b>\$ 89,274</b>	

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Position**  
**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 3,677,423	\$ 3,062,095
Accounts receivable	<u>356</u>	<u>1,608</u>
<b>Total Current Assets</b>	<u><b>3,677,779</b></u>	<u><b>3,063,703</b></u>
 <b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued claims payable	<u>229,304</u>	<u>375,231</u>
<b>Total Current Liabilities</b>	<u><b>229,304</b></u>	<u><b>375,231</b></u>
 <b>Net Position</b>		
Unrestricted	<u><u>\$ 3,448,475</u></u>	<u><u>\$ 2,688,472</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Operating Revenues</b>		
Insurance deposits	\$ 4,919,245	\$ 3,549,662
<b>Operating Expenses</b>		
Medical claims	<u>4,192,664</u>	<u>3,449,215</u>
<b>Operating Income</b>	<u>726,581</u>	<u>100,447</u>
<b>Non-Operating Revenues</b>		
Investment earnings	<u>33,422</u>	<u>8,925</u>
<b>Change in Net Position</b>	<b>760,003</b>	<b>109,372</b>
<b>Net Position Beginning of Year</b>	<u>2,688,472</u>	<u>2,579,100</u>
<b>Net Position End of Year</b>	<u><u>\$ 3,448,475</u></u>	<u><u>\$ 2,688,472</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, 2017**

	<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	\$ 4,919,245	\$ 399,438
<b>Operating Expenses</b>				
Medical claims	<u>4,253,566</u>	<u>4,253,566</u>	<u>4,192,664</u>	<u>60,902</u>
<b>Operating Income (Loss)</b>	<u>266,241</u>	<u>266,241</u>	<u>726,581</u>	<u>460,340</u>
<b>Non-Operating Revenues</b>				
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>33,422</u>	<u>32,422</u>
<b>Change in Net Position</b>	<u><u>\$ 267,241</u></u>	<u><u>\$ 267,241</u></u>	<u><u>760,003</u></u>	<u><u>\$ 492,762</u></u>
<b>Net Position Beginning of Year</b>			<u>2,688,472</u>	
<b>Net Position End of Year</b>			<u><u>\$ 3,448,475</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, 2017*

	<b>Balance December 31, 2016 (Restated)</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2017</b>
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 3,177,591	\$ 65,116,560	\$ 65,159,875	\$ 3,134,276
<b>Liabilities</b>				
Accounts payable (Restated)	1,334,044	31,054,390	31,118,710	1,269,724
Due to component unit	37,612	2,351,159	2,262,840	125,931
Deposits held for others (Restated)	1,805,935	31,711,011	31,778,325	1,738,621
<b>Total Liabilities</b>	<b>\$ 3,177,591</b>	<b>\$ 65,116,560</b>	<b>\$ 65,159,875</b>	<b>\$ 3,134,276</b>

## **DISCRETELY PRESENTED COMPONENT UNITS**

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

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

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

**Sixth Judicial District Attorney**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

<b>Assets</b>	<b>2017</b>	<b>2016</b>
Cash deposits	\$ 106,495	\$ 104,926
Equity in Treasurer's cash and investments	125,933	37,612
Receivables:		
Accounts receivable	36,332	3,618
Intergovernmental receivable	77,067	205,143
<b>Total Assets</b>	<b>345,827</b>	<b>351,299</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	6,437	19,303
Accrued salaries and benefits	51,286	43,892
<b>Total Liabilities</b>	<b>57,723</b>	<b>63,195</b>
<b>Fund Balances</b>		
<b>Restricted for:</b>		
Law enforcement	214,325	212,586
Economic stabilization (TABOR)	73,779	75,518
<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	15,903	
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.	275,275	
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.	(7,047)	
Net pension liabilities are not due and payable in the current period and not reported in the funds.	(838,136)	
Compensated absences are not due and payable in the current period and therefore not reported in the governmental funds	(106,144)	
Net position of governmental activities	\$ (372,046)	



**Sixth Judicial District Attorney**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2017**

	<u>2017</u>
<b>Revenues</b>	
Intergovernmental	\$ 713,610
Intragovernmental - County	1,528,129
Fees, Licenses, Permits	21,013
Miscellaneous	44,962
<b>Total Revenues</b>	<u><b>2,307,714</b></u>
<b>Expenditures</b>	
Public safety	2,307,714
<b>Total Expenditures</b>	<u><b>2,307,714</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><b>\$ 288,104</b></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	(39,077)
Capital outlay	<u>30,823</u>
	(8,254)
Capital assets disposed, net of accumulated depreciation	(6,187)
 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 @ 12/31/17	(106,144)
Liability @ 12/31/16	<u>92,471</u>
	(13,673)
 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	<u>(136,856)</u>
 Change in net position at the government-wide financial reporting level	 <u><u>\$ (164,970)</u></u>

**Sixth Judicial District Attorney**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ 828,171	\$ 847,671	\$ 734,623	\$ (113,048)
Intergovernmental - County	1,664,465	1,664,465	1,528,129	(136,336)
Miscellaneous	250	250	44,962	44,712
<b>Total Revenues</b>	<b>2,492,886</b>	<b>2,512,386</b>	<b>2,307,714</b>	<b>(204,672)</b>
<b>Expenditures</b>				
Public safety	2,525,990	2,545,490	2,307,714	237,776
<b>Total Expenditures</b>	<b>2,525,990</b>	<b>2,545,490</b>	<b>2,307,714</b>	<b>(237,776)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (33,104)</b>	<b>\$ (33,104)</b>	<b>-</b>	<b>\$ 33,104</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, 2017**

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	Total	
				Authorizations & Expenditures By County Warrant	Total Expenditures
Colorado Works	\$ 675,066	\$ 124,050	\$ 313,951	\$ 989,017	\$ 438,001
Child Care	373,561	60,321	113,599	487,160	173,920
Child Welfare	510,526	102,482	1,715,992	2,226,518	1,818,474
County Administrative	-	-	1,043,434	1,043,434	1,043,434
Core Services	539,756	55,316	578,283	1,118,039	633,599
Child Support Administrative	-	-	554,354	554,354	554,354
LEAP	348,364	-	2,466	350,829	2,466
AND	173,572	34,714	-	173,572	34,714
Old Age Pension	476,735	-	32,770	509,506	32,770
Food Assistance Fraud	-	-	-	-	-
Food Assistance	5,275,058	-	-	5,275,058	-
Food Assistance Job Search	-	-	74,341	74,341	74,341
Title XX	-	-	1,824	1,824	1,824
CHAFFEE	-	-	14,414	14,414	14,414
General Assistance	-	-	18,831	18,831	18,831
Adult Protective Services	-	-	309,812	309,812	309,812
Child Welfare IV-E waiver	-	-	218,799	218,799	218,799
Title IV-B Sup Part 2 (PSSF)	-	-	89,544	89,544	89,544
Child Welfare Discretionary Grant	-	-	43,124	43,124	43,124
Foster Care/Adoption Recruitment	-	-	-	-	-
<b>Totals</b>	<b>\$ 8,372,638</b>	<b>\$ 376,883</b>	<b>\$ 5,125,538</b>	<b>\$ 13,498,176</b>	<b>\$ 5,502,421</b>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado
		YEAR ENDING : December 2017
This Information From The Records Of: County of La Plata, Colorado		Prepared By: Diane K. Sorensen Phone: (970)382-6306

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,745,508
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,061,752
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	412,645
2. General fund appropriations	0	b. Snow and ice removal	1,650,139
3. Other local imposts (from page 2)	4,495,339	c. Other	0
4. Miscellaneous local receipts (from page 2)	482,144	d. Total (a. through c.)	2,062,784
5. Transfers from toll facilities	0	4. General administration & miscellaneous	506,676
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)	11,376,720
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)	4,977,483	b. Redemption	0
<b>B. Private Contributions</b>	124,595	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	5,139,530	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	1,161,909	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	11,403,517	b. Redemption	0
		c. Total (a. + b.)	0
		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>	11,376,720

**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
7,285,515	11,403,517	11,376,720	7,312,312	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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1,285,108	a. Interest on investments	14,627
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	2,770,000	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	249,175	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	51,029	f. Charges for Services	0
5. Specific Ownership &/or Other	140,027	g. Other Misc. Receipts	467,517
6. Total (1. through 5.)	3,210,231	h. Other	0
c. Total (a. + b.)	4,495,339	i. Total (a. through h.)	482,144
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	3,181,661	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service Title II	20,790
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	182,697	d. Federal Transit Admin	
d. Other EIAF/LGGF	1,775,172	e. U.S. Corps of Engineers	
e. Other Bridge Funds/Enhancement	0	f. Other Federal	1,141,119
f. Total (a. through e.)	1,957,869	g. Total (a. through f.)	1,161,909
4. Total (1. + 2. + 3.f)	5,139,530	3. Total (1. + 2.g)	1,161,909
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		3,745,508	3,745,508
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,745,508	3,745,508
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,745,508	3,745,508
<i>(Carry forward to page 1)</i>			

**Notes and Comments:**

## **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>	
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**La Plata County, Colorado**  
**Government-wide Net Position by Component**

**Table 1**

	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 101,427,081	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282	\$ 101,877,845
Restricted for:					
Capital projects	5,440,161	4,652,468	5,434,327	6,283,012	5,218,448
Emergencies	2,000,000	2,000,000	2,000,000	1,541,536	1,504,732
Debt Service	454,883	452,735	452,735	450,985	-
Specific projects and programs	5,573,959	3,667,978	3,801,100	14,349,826	12,579,204
Unrestricted	44,754,550	57,321,536	70,682,038	66,206,346	70,758,262
<b>Subtotal Governmental Activities Net Position</b>	<b>\$ 159,650,634</b>	<b>\$ 172,880,328</b>	<b>\$ 185,427,549</b>	<b>\$ 188,908,987</b>	<b>\$ 191,938,491</b>
<b>Primary Government</b>					
Net investment in capital assets	\$ 101,427,081	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282	\$ 101,877,845
Restricted	13,469,003	10,773,181	11,688,162	22,625,359	19,302,384
Unrestricted	44,754,550	57,321,536	70,682,038	66,206,346	70,758,262
<b>Total Primary Government Net Position</b>	<b>\$ 159,650,634</b>	<b>\$ 172,880,328</b>	<b>\$ 185,427,549</b>	<b>\$ 188,908,987</b>	<b>\$ 191,938,491</b>

	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 98,126,731	\$ 96,745,229	\$ 98,551,468	\$ 112,662,507	\$ 115,606,263
Restricted for:					
Capital projects	7,057,030	-	-	-	-
Economic stabilization (TABOR)	1,519,735	1,563,138	1,600,510	1,733,899	1,726,225
Debt Service	-	-	-	-	-
Required legal fund segregations	14,195,240	6,552,331	22,379,012	19,901,793	13,348,308
Unrestricted	72,631,281	92,389,464	76,019,786	71,910,969	83,270,584
<b>Subtotal Governmental Activities Net Position</b>	<b>\$ 193,530,017</b>	<b>\$ 197,250,162</b>	<b>\$ 198,550,776</b>	<b>\$ 206,209,168</b>	<b>\$ 213,951,380</b>
<b>Primary Government</b>					
Net investment in capital assets	\$ 98,126,731	\$ 96,745,229	\$ 98,551,468	\$ 112,662,507	\$ 115,606,263
Restricted	22,772,005	8,115,469	23,979,522	21,635,692	15,074,533
Unrestricted	72,631,281	92,389,464	76,019,786	71,910,969	83,270,584
<b>Total Primary Government Net Position</b>	<b>\$ 193,530,017</b>	<b>\$ 197,250,162</b>	<b>\$ 198,550,776</b>	<b>\$ 206,209,168</b>	<b>\$ 213,951,380</b>

**Source:** La Plata County Finance Department

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

**Table 2**

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 10,081,860	\$ 11,324,542	\$ 12,590,925	\$ 10,570,951	\$ 10,374,610	\$ 10,514,636	\$ 10,328,052	\$ 12,919,783	\$ 13,427,182	\$ 12,422,292
Public safety	13,909,083	14,921,662	15,228,090	15,426,187	16,332,272	16,401,170	15,939,033	17,381,499	17,466,390	17,345,794
Recreation and culture	3,693,219	3,925,467	3,609,635	3,382,410	3,193,425	3,085,940	3,097,514	2,960,931	2,946,427	3,103,196
Public works	12,532,719	13,329,071	9,946,369	10,572,032	10,929,759	12,686,719	12,936,627	11,875,658	10,436,141	10,412,561
Decrease in joint venture	-	-	-	-	-	360,978	-	-	-	300,237
Health and welfare	4,896,385	5,551,746	5,653,873	5,581,089	5,615,860	5,607,927	5,757,071	7,701,357	8,125,198	7,452,036
Community programs	4,341,763	5,191,522	4,693,722	4,296,657	4,527,441	4,221,545	4,276,928	1,931,976	2,415,471	2,844,203
Interest on long-term debt	91,633	81,935	70,139	57,270	20,458	-	3,170	3,170	2,936	4,985
<b>Total Primary Government Expenses</b>	<b>49,546,662</b>	<b>54,325,945</b>	<b>51,792,753</b>	<b>49,886,596</b>	<b>50,993,825</b>	<b>52,878,915</b>	<b>52,338,395</b>	<b>54,774,374</b>	<b>54,819,745</b>	<b>53,885,304</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
General government	2,742,547	2,820,023	2,753,843	2,689,737	2,867,637	3,016,390	3,287,481	2,493,802	2,640,097	2,656,984
Public safety	845,054	813,731	860,444	930,281	897,042	835,799	660,284	1,595,067	1,919,582	2,489,648
Recreation and culture	620,385	264,190	239,027	243,891	244,614	205,462	168,745	-	-	-
Public works	267,910	86,341	60,110	52,926	46,413	241,454	844,705	328,787	295,332	233,726
Health and welfare	-	-	-	-	-	-	-	51,837	38,943	21,493
Community programs	-	-	-	-	-	-	-	-	-	-
Total Charges for Services	4,475,896	3,984,285	3,913,424	3,916,835	4,055,706	4,299,105	4,961,215	4,469,493	4,893,954	5,401,851
Operating Grants and Contributions	10,280,747	18,162,203	12,765,925	12,753,984	12,572,836	11,961,803	13,230,028	13,977,048	16,589,822	13,074,923
Capital Grants and Contributions	4,026,680	2,828,191	662,256	308,532	109,228	562,211	4,019,552	1,330,453	2,728,346	5,153,159
<b>Total Primary Government Program Revenues</b>	<b>18,783,323</b>	<b>24,974,679</b>	<b>17,341,605</b>	<b>16,979,351</b>	<b>16,737,770</b>	<b>16,823,119</b>	<b>22,210,795</b>	<b>19,776,994</b>	<b>24,212,122</b>	<b>23,629,933</b>
<b>Net (Expense) Revenue</b>										
<b>Total Primary Government</b>	<b>(30,763,339)</b>	<b>(29,351,266)</b>	<b>(34,451,148)</b>	<b>(32,907,245)</b>	<b>(34,256,055)</b>	<b>(36,055,796)</b>	<b>(30,127,600)</b>	<b>(34,997,380)</b>	<b>(30,607,623)</b>	<b>(30,255,371)</b>
<b>General revenues and other changes in net position</b>										
<b>Governmental Activities:</b>										
Taxes										
Property taxes levied for general purposes	27,363,462	27,822,967	31,654,239	21,357,288	21,714,072	21,022,611	15,639,563	17,141,607	18,827,957	15,415,694
Sales taxes	13,639,998	12,264,867	13,528,774	12,363,979	13,596,356	14,080,460	14,870,392	15,734,279	16,018,771	16,876,171
Other taxes	189,262	168,180	283,895	299,419	336,697	316,293	2,077,512	2,099,038	2,241,637	2,280,747
Investment earnings	1,927,368	514,724	435,688	420,128	347,657	43,207	489,296	411,103	489,863	803,839
Gain (loss) on disposition of capital assets	(261,944)	-	-	-	-	-	-	-	-	-
Miscellaneous	2,137,836	1,810,220	1,095,772	1,947,870	1,290,777	888,647	770,982	911,966	687,787	1,761,093
<b>Total Primary Government</b>	<b>44,995,982</b>	<b>42,580,958</b>	<b>46,998,368</b>	<b>36,388,684</b>	<b>37,285,559</b>	<b>36,351,218</b>	<b>33,847,745</b>	<b>36,297,993</b>	<b>38,266,015</b>	<b>37,137,544</b>
<b>Changes in Net Position</b>	<b>\$ 14,232,643</b>	<b>\$ 13,229,692</b>	<b>\$ 12,547,220</b>	<b>\$ 3,481,439</b>	<b>\$ 3,029,504</b>	<b>\$ 295,422</b>	<b>\$ 3,720,145</b>	<b>\$ 1,300,613</b>	<b>\$ 7,658,392</b>	<b>\$ 6,882,173</b>

Source: La Plata County Finance Department

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

**Table 3**

<b>Source</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Taxes	\$ 41,192,722	\$ 40,256,015	\$ 45,466,908	\$ 34,020,684	\$ 35,647,126	\$ 35,419,368	\$ 32,589,122	\$ 35,086,641	\$ 37,437,530	\$ 34,509,480
Intergovernmental	13,997,368	16,538,111	12,935,455	12,255,999	12,280,676	12,524,014	17,130,157	14,672,893	16,380,927	17,665,581
Licenses and permits	931,951	520,400	449,677	388,800	660,372	765,742	1,013,603	1,050,803	1,174,392	1,393,889
Charges for services	3,530,762	3,302,681	3,313,725	3,350,386	3,473,616	3,324,857	3,107,431	3,288,273	3,865,133	3,909,578
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Miscellaneous	3,946,848	2,317,105	1,529,148	2,399,722	1,666,008	931,170	1,821,358	1,296,096	1,183,090	2,531,511
Total revenues	<u>\$ 63,599,651</u>	<u>\$ 62,934,312</u>	<u>\$ 63,694,913</u>	<u>\$ 52,415,591</u>	<u>\$ 53,727,798</u>	<u>\$ 52,965,151</u>	<u>\$ 55,661,671</u>	<u>\$ 55,394,706</u>	<u>\$ 60,041,072</u>	<u>\$ 60,010,039</u>
% change from prior year	<u>0.2%</u>	<u>-1.0%</u>	<u>1.2%</u>	<u>-17.7%</u>	<u>2.5%</u>	<u>-1.4%</u>	<u>5.1%</u>	<u>-0.5%</u>	<u>8.4%</u>	<u>-0.1%</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Current:</b>										
General government	\$ 9,574,832	\$ 10,629,669	\$ 11,636,438	\$ 9,766,049	\$ 9,551,895	\$ 9,829,705	\$ 9,776,629	\$ 11,419,621	\$ 12,107,012	\$ 11,341,992
Public safety	13,933,609	14,623,385	14,844,053	14,901,413	15,515,104	16,230,442	15,767,639	16,831,509	17,135,405	17,177,728
Public works	8,974,502	8,005,211	7,942,046	7,831,786	8,339,156	10,017,083	9,720,482	8,925,096	7,375,810	7,319,141
Health and welfare	4,829,459	5,532,693	5,558,455	5,508,421	5,509,934	5,602,540	5,774,076	7,591,961	8,134,343	7,536,243
Recreation and culture	3,306,975	3,593,406	3,246,466	3,068,201	2,837,282	2,759,382	2,784,783	2,688,775	2,600,165	2,746,850
Community Programs	4,341,763	5,191,522	4,693,722	4,296,657	4,527,441	4,221,545	4,276,928	1,931,976	2,415,471	2,844,203
<b>Total Current</b>	<b>44,961,140</b>	<b>47,575,886</b>	<b>47,921,180</b>	<b>45,372,527</b>	<b>46,280,812</b>	<b>48,660,697</b>	<b>48,100,537</b>	<b>49,388,938</b>	<b>49,768,206</b>	<b>48,966,157</b>
<b>% Change From Prior Year</b>	<b>4.5%</b>	<b>5.8%</b>	<b>0.7%</b>	<b>-5.3%</b>	<b>2.0%</b>	<b>5.1%</b>	<b>-1.2%</b>	<b>2.7%</b>	<b>0.8%</b>	<b>-1.6%</b>
<b>Capital Outlay</b>	<b>19,557,767</b>	<b>7,615,183</b>	<b>3,162,105</b>	<b>2,198,728</b>	<b>5,239,527</b>	<b>1,041,869</b>	<b>3,273,781</b>	<b>6,806,584</b>	<b>19,039,611</b>	<b>7,269,145</b>
<b>% Change From Prior Year</b>	<b>52.8%</b>	<b>-61.1%</b>	<b>-58.5%</b>	<b>-30.5%</b>	<b>138.3%</b>	<b>-80.1%</b>	<b>214.2%</b>	<b>107.9%</b>	<b>179.7%</b>	<b>-61.8%</b>
<b>Debt Service</b>										
Principal	375,000	385,000	400,000	415,000	1,350,000	-	-	6,657	11,628	11,862
Interest	94,362	83,431	71,256	57,853	24,550	-	-	3,170	5,259	5,025
<b>Total Debt Service</b>	<b>469,362</b>	<b>468,431</b>	<b>471,256</b>	<b>472,853</b>	<b>1,374,550</b>	<b>-</b>	<b>-</b>	<b>9,827</b>	<b>16,887</b>	<b>16,887</b>
<b>% Change From Prior Year</b>	<b>1.2%</b>	<b>-0.2%</b>	<b>0.6%</b>	<b>0.3%</b>	<b>190.7%</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>71.8%</b>	<b>0.0%</b>
<b>Total Expenditures</b>	<b>\$ 64,988,269</b>	<b>\$ 55,659,500</b>	<b>\$ 51,554,541</b>	<b>\$ 48,044,108</b>	<b>\$ 52,894,889</b>	<b>\$ 49,702,566</b>	<b>\$ 51,374,318</b>	<b>\$ 56,205,349</b>	<b>\$ 68,824,704</b>	<b>\$ 56,252,189</b>
<b>% Change From Prior Year</b>	<b>15.4%</b>	<b>-14.4%</b>	<b>-7.4%</b>	<b>-6.8%</b>	<b>10.1%</b>	<b>-6.0%</b>	<b>3.4%</b>	<b>9.4%</b>	<b>22.5%</b>	<b>-18.3%</b>
<b>Debt Service as a Percentage of Total Non-capital Expenditures</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>2.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.03%</b>	<b>0.03%</b>

Source: La Plata County Finance Department

**Notes:**

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

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

**Table 5**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 1,386,509	\$ 1,536,887	\$ 1,747,996							
Unreserved	23,951,512	28,285,373	40,111,898							
Nonspendable				360,411	303,429	27,638	129,028	196,375	168,218	268,530
Restricted				3,483,597	3,752,426	4,637,690	4,972,923	1,876,016	1,956,764	1,994,700
Committeed				-	-	-	15,541,790	6,764,859	7,158,458	7,814,000
Assigned				1,331,567	597,676	2,750,002	33,858,785	30,868,211	11,919,476	15,299,362
Unassigned				43,188,909	48,220,847	50,303,760	5,162,801	14,091,995	26,910,384	27,801,413
<b>Subtotal General Fund</b>	<b>25,338,021</b>	<b>29,822,260</b>	<b>41,859,894</b>	<b>48,364,484</b>	<b>52,874,378</b>	<b>57,719,090</b>	<b>59,665,327</b>	<b>53,797,456</b>	<b>48,113,300</b>	<b>53,178,005</b>
<b>General Fund Percentage Change</b>	<b>39.2%</b>	<b>17.7%</b>	<b>40.4%</b>	<b>15.5%</b>	<b>9.3%</b>	<b>9.2%</b>	<b>3.4%</b>	<b>-9.83%</b>	<b>-10.57%</b>	<b>10.53%</b>
<b>All Other Governmental Funds Combined</b>										
Reserved	12,920,525	9,623,971	10,371,282	-	-	-	-	-	-	-
Unreserved	6,021,669	12,108,796	11,464,223	-	-	-	-	-	-	-
Nonspendable				560,636	475,455	355,077	316,647	256,684	405,122	502,212
Restricted				19,141,762	15,549,958	15,384,313	15,041,735	22,103,506	19,678,928	13,079,833
Committed				-	-	-	1,957,328	-	-	6,045,856
Assigned				-	-	-	1,037,322	1,050,043	226,707	236,040
Unassigned				-	-	-	-	-	-	-
<b>Subtotal All Other Governmental Funds Combined</b>	<b>18,942,194</b>	<b>21,732,767</b>	<b>21,835,505</b>	<b>19,702,398</b>	<b>16,025,413</b>	<b>15,739,390</b>	<b>18,353,032</b>	<b>23,410,233</b>	<b>20,310,757</b>	<b>19,863,941</b>
<b>Total Governmental Funds</b>										
Reserved	13,852,151	11,160,858	12,119,278	-	-	-	-	-	-	-
Unreserved	30,428,064	40,394,169	51,576,121	-	-	-	-	-	-	-
Nonspendable				921,047	778,884	382,715	445,675	453,059	573,340	770,742
Restricted				22,625,359	19,302,384	20,022,003	20,014,658	23,979,522	21,635,692	15,074,533
Committed				-	-	-	17,499,118	6,764,859	7,158,458	13,859,856
Assigned				1,331,567	597,676	2,750,002	34,896,080	31,918,254	12,146,183	15,535,402
Unassigned				43,188,909	48,220,847	50,303,760	5,162,801	14,091,995	26,910,384	27,801,413
<b>Total Governmental Funds</b>	<b>\$ 44,280,215</b>	<b>\$ 51,555,027</b>	<b>\$ 63,695,399</b>	<b>\$ 68,066,882</b>	<b>\$ 68,899,791</b>	<b>\$ 73,458,480</b>	<b>\$ 78,018,332</b>	<b>\$ 77,207,689</b>	<b>\$ 68,424,057</b>	<b>\$ 73,041,946</b>
<b>All Governmental Funds Percentage Change</b>	<b>-3.0%</b>	<b>16.4%</b>	<b>23.5%</b>	<b>6.9%</b>	<b>1.2%</b>	<b>6.6%</b>	<b>6.2%</b>	<b>-1.0%</b>	<b>-11.4%</b>	<b>6.7%</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>
2008	25,022,449	2,246,097	13,639,998	92,042	189,262	41,189,848
2009	25,928,320	1,799,726	12,264,867	97,888	168,087	40,258,888
2010	29,902,937	1,751,302	13,528,774	103,442	180,453	45,466,908
2011	19,872,965	1,484,323	12,363,979	101,201	198,218	34,020,686
2012	20,229,749	1,478,205	13,596,356	109,943	226,754	35,641,007
2013	19,630,764	1,586,837	14,080,460	111,441	204,852	35,614,354
2014	15,639,563	1,531,022	14,870,392	108,759	281,315	32,431,051
2015	17,141,607	1,556,164	15,734,279	106,991	274,019	34,813,060
2016	18,827,957	1,639,484	16,018,771	114,133	350,750	36,951,095
2017	15,415,694	1,686,509	16,876,171	114,133	350,750	34,443,257

**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>
2008	25,128,293	24,608,842	99.76%	176,854	24,785,696	98.64%
2009	25,855,265	25,324,930	97.95%	464,515	25,789,445	99.75%
2010	30,098,236	30,019,139	99.74%	49,502	30,068,641	99.90%
2011	20,096,506	20,020,342	99.62%	14,770	20,035,112	99.69%
2012	20,425,024	20,388,334	99.82%	20,163	20,408,497	99.92%
2013	19,450,108	19,412,361	99.81%	12,309	19,424,670	99.87%
2014	15,776,463	15,749,283	99.83%	11,017	15,760,300	99.90%
2015	17,135,880	17,098,606	99.78%	3,460	17,102,066	99.80%
2016	18,977,023	18,945,372	99.83%	5,370	18,950,742	99.86%
2017	15,532,214	15,469,081	99.59%	4,238	15,473,319	99.62%

<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

<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

**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 2008-2017**

**Table 9**

<b>Collection Year:</b>		<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
La Plata County	mill	8.500	8.693	8.564	8.674	8.500	8.500	8.500	8.500	8.500	8.500
	tax \$	25,568,291	25,087,956	25,846,078	30,026,777	20,015,775	19,340,023	15,660,540	17,038,980	18,877,774	15,431,908
<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 \$	972,396	1,248,819	1,279,024	1,347,238	1,344,677	1,219,564	1,178,797	1,202,738	1,294,677	1,320,477
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 \$	212,115	245,627	240,482	249,010	229,066	210,669	196,965	199,296	204,936	198,329
Town of Ignacio	mill	3.084	2.978	2.918	2.747	2.780	3.559	3.813	4.107	4.598	3.788
	tax \$	16,404	19,335	20,460	21,153	22,184	26,751	27,400	29,759	31,430	30,034
<b><u>School Districts:</u></b>											
Durango 9R	mill	14.556	15.189	14.765	14.484	16.368	17.017	19.090	19.090	17.876	19.874
	tax \$	30,424,187	30,269,840	29,957,375	31,850,209	26,847,994	25,417,181	24,508,106	25,914,491	26,639,109	26,366,052
Bayfield 10R	mill	16.450	16.450	16.364	15.814	17.045	21.219	23.222	21.599	21.161	32.478
	tax \$	6,168,019	6,142,706	6,249,134	7,074,726	4,979,766	6,134,289	5,340,928	5,476,870	5,983,476	7,169,202
Ignacio 11JT	mill	4.246	4.463	4.032	3.574	7.761	10.671	13.173	11.470	12.436	15.535
	tax \$	2,305,286	2,319,418	2,448,082	2,914,008	2,010,902	5,256,193	4,328,688	4,513,733	5,570,564	4,165,585
<b><u>Special Districts:</u></b>											
Animas Fire Protection- Bonded Indebtedness	mill	0.526	0.486	0.480	0.454	0.373	0.524	0.000	0.000	0.000	0.000
	tax \$	491,804	451,821	452,671	482,698	300,908	387,106	-	-	-	-
Animas Fire Protection	mill	5.207	5.232	5.119	5.069	5.069	5.069	0.000	0.000	0.000	0.000
	tax \$	4,196,518	3,978,531	3,913,896	4,471,782	3,128,438	2,872,952	-	-	-	-
Animas La Plata Water Conservancy	mill	0.254	0.219	0.226	0.229	0.243	0.295	0.325	0.333	0.322	0.328
	tax \$	170,545	180,518	191,763	204,647	215,908	232,434	240,866	251,057	260,454	267,084
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 \$	521,894	646,004	655,768	686,670	678,815	611,458	582,696	592,932	638,930	650,639
Aspen Trails Metro	mill	13.989	11.777	10.659	10.391	5.000	5.000	5.000	5.000	5.000	5.000
	tax \$	25,083	28,178	31,144	31,065	14,909	13,570	12,915	12,947	13,422	13,212

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

**Fiscal Years 2008-2017**

**Table 9**

<b>Collection Year:</b>		<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Aspen Trails Metro Bonds	mill	0.000	0.000	0.000	0.000	5.405	5.842	6.240	6.240	6.160	6.112
	tax \$	-	-	-	-	16,117	15,855	16,118	16,158	16,536	16,150
Durango Conference Center Business Improvement Center	mill	1.500	1.500	1.500	1.500	2.000	2.000	2.000	2.000	2.000	2.000
	tax \$	150,021	199,861	203,037	203,037	277,177	249,498	240,353	241,815	243,677	243,778
Durango Fire Protection	mill	0.000	0.000	0.000	0.000	0.000	0.000	5.700	5.700	5.700	5.700
	tax \$	-	-	-	-	-	-	3,034,251	3,192,756	3,592,455	3,126,583
Durango Hills Local Improvement	mill	16.538	16.369	17.241	16.515	15.951	20.204	20.379	20.379	20.379	20.379
	tax \$	54,304	65,655	68,991	72,443	72,168	76,525	73,694	74,481	76,752	77,742
Durango West Metropolitan I	mill	22.400	17.960	17.960	17.540	17.430	18.450	20.200	20.300	19.460	0.000
	tax \$	79,322	79,703	79,921	79,319	79,628	79,700	79,716	79,530	85,321	-
Durango West Metropolitan II	mill	20.977	17.403	17.469	16.726	17.361	0.000	0.000	0.000	0.000	0.000
	tax \$	200,708	205,902	207,581	207,126	214,760	-	-	-	-	-
Durango West Metropolitan II Bonds	mill	0.000	0.000	0.000	0.000	0.000	18.254	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	202,454	-	-	-	-
Edgemont Ranch Metropolitan	mill	12.963	10.892	10.469	10.605	7.874	7.874	7.874	7.876	7.875	10.688
	tax \$	148,516	210,138	234,836	226,086	170,386	135,211	133,819	137,657	171,324	239,461
Edgemont Ranch Bonds	mill	0.000	0.000	0.000	0.000	2.691	3.391	3.426	3.600	2.893	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	0.000	29.035	25.333	20.589	21.149	26.110
	tax \$	-	-	-	-	-	93,701	97,038	63,863	70,759	90,759
Florida Mosquito Control	mill	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
	tax \$	447,073	391,103	389,324	470,256	281,547	273,289	212,380	243,388	279,351	213,317
Florida Water Conservancy	mill	0.086	0.086	0.086	0.074	0.074	0.073	0.073	0.066	0.060	0.060
	tax \$	47,064	42,772	43,231	44,834	27,948	27,076	21,155	22,068	22,900	18,239

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

**Fiscal Years 2008-2017**

**Table 9**

<b>Collection Year:</b>		<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</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 \$	606,152	827,775	835,635	842,619	845,208	668,649	549,179	549,343	578,055	584,580
Fort Lewis Fire Protection	mill	5.900	5.900	5.900	5.900	7.400	7.400	7.400	7.400	7.400	7.400
	tax \$	204,462	253,809	269,048	290,386	407,806	408,939	413,150	420,737	405,061	387,690
Hermosa Cliffs Fire Protection	mill	8.643	8.243	8.075	8.021	6.890	6.907	0.000	0.000	0.000	0.000
	tax \$	602,874	743,893	796,464	877,210	758,217	583,689	-	-	-	-
Hermosa Cliffs Fire Bonds	mill	0.000	0.000	0.000	0.000	1.029	1.312	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 \$	91,782	88,517	104,681	143,426	72,928	89,647	58,435	70,611	80,285	47,316
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 \$	814,397	779,549	910,745	1,223,003	633,554	738,852	492,905	590,287	671,908	402,213
La Plata County Palo Verde Public Improvement District #3	mill	0.000	0.000	0.000	0.000	0.000	0.000	8.448	4.840	4.559	8.359
	tax \$	-	-	-	-	-	-	5,000	5,000	5,675	5,675
La Plata County Palo Verde Public Imp District #3 Bond	mill	0.000	0.000	0.000	0.000	0.000	0.000	62.934	16.860	13.567	24.876
	tax \$	-	-	-	-	-	-	37,246	17,419	16,888	16,888
La Plata Archuleta Water	mill	0.000	0.000	0.000	0.000	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
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 \$	8,817	10,848	11,477	12,008	13,802	13,327	13,549	14,094	13,334	12,802
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 \$	2,738,232	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
Los Pinos Fire/Mt. Allison	mill	1.500	1.500	1.500	1.500	1.500	0.000	0.000	0.000	0.000	0.000
	tax\$	56,885	65,239	68,657	107,897	71,325	-	-	-	-	-

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

**Fiscal Years 2008-2017**

**Table 9**

<b>Collection Year:</b>		<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Montezuma Dolores County	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.777	0.777	0.777
Metropolitan Rec Dist.	tax \$	-	-	-	-	-	-	-	38,129	36,215	34,815
Pine River Cemetery	mill	0.091	0.091	0.091	0.079	0.079	0.075	0.150	0.150	0.150	0.150
	tax \$	34,121	33,981	34,751	35,342	23,080	21,682	34,499	38,036	42,414	33,111
Pine River Library	mill	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.504	2.501	2.500
	tax \$	937,389	933,542	954,708	1,118,428	730,385	722,735	574,986	634,940	707,182	551,851
Purgatory Metropolitan	mill	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313
	tax \$	403,027	625,166	688,863	879,343	888,728	661,908	510,574	514,718	598,558	589,288
Purgatory Metropolitan Subdistrict	mill	0.000	0.000	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
SW Colorado TV Translator	mill	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.000	0.000	0.000
	tax \$	23,944	29,427	31,079	32,865	37,682	36,102	36,680	-	-	-
SW Water Conservancy	mill	0.205	0.207	0.216	0.200	0.272	0.309	0.368	0.362	0.340	0.395
	tax \$	616,647	597,401	651,886	692,339	640,505	698,516	678,009	725,660	755,111	717,130
Tamarron Metro	mill	50.000	50.000	50.000	50.079	37.000	13.239	13.239	13.000	13.000	13.000
	tax \$	694,766	717,886	892,058	960,989	710,535	166,878	140,748	139,094	148,320	151,677
Tamarron Metro Bonds	mill	0.000	0.000	0.000	0.000	13.006	37.000	37.000	37.000	37.000	37.000
	tax \$	-	-	-	-	249,763	466,384	393,359	395,884	422,142	431,695
Three Springs Metro #1	mill	35.000	35.000	35.000	35.000	44.000	10.000	4.275	4.275	4.275	4.275
	tax \$	136,969	358,953	499,689	576,021	684,619	131,152	51,544	57,029	66,499	67,754
Three Springs Metro #1 Bonds	mill	0.000	0.000	0.000	0.000	0.000	34.000	45.725	45.725	45.725	45.725
	tax \$	-	-	-	-	-	445,917	551,312	609,979	711,268	724,695
Three Springs Metro #2	mill	0.000	35.000	35.000	35.000	44.000	44.000	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

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

**Fiscal Years 2008-2017**

**Table 9**

<b>Collection Year:</b>		<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Three Springs Metro #4	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	50.000
	tax \$	-	-	-	-	-	-	-	-	-	5,367
Twin Buttes Metro Dist No 2	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.000	20.000
	tax \$	-	-	-	-	-	-	-	-	8,913	83,988
Twin Buttes Metro Dist No 2	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	50.000	20.000
Bonds	tax \$	-	-	-	-	-	-	-	-	22,282	83,988
Twin Buttes Metro Dist No 3	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.000
	tax \$	-	-	-	-	-	-	-	-	-	573
Twin Buttes Metro Dist No 4	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.000
	tax \$	-	-	-	-	-	-	-	-	-	12,048
Twin Buttes Metro Dist No 4 Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	50.000
	tax \$	-	-	-	-	-	-	-	-	-	60,242
Upper Pine River Fire Bonds	mill	0.000	0.000	0.000	0.000	1.182	1.182	1.182	1.182	1.182	1.182
	tax \$	-	-	-	-	374,399	365,453	293,740	320,702	355,518	281,974
Upper Pine River Fire Protection	mill	6.132	6.132	6.132	6.132	4.950	4.950	10.900	10.900	10.900	10.900
	tax \$	2,524,470	2,511,689	2,543,406	2,958,796	1,567,915	1,530,452	2,708,767	2,957,403	3,278,465	2,600,267
<b>Total tax to be collected</b>		<b>\$ 82,694,484</b>	<b>\$ 82,885,097</b>	<b>\$ 84,723,901</b>	<b>\$ 95,238,172</b>	<b>\$ 74,492,191</b>	<b>\$ 75,802,153</b>	<b>\$ 67,057,569</b>	<b>\$ 71,479,714</b>	<b>\$ 77,655,084</b>	<b>\$ 70,486,722</b>

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

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

**Table 10**

Taxpayer	Type of Business	2017			2008		
		2016 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2007 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BP America Production Co	Energy	\$ 261,451,540	1	14.39%	\$ 889,525,320	1	29.96%
Williams Four Corners LLC	Energy	59,576,520	2	3.28%			0.00%
Samson Resources Company	Energy	54,617,580	3	3.01%	144,589,760	2	4.87%
Red Cedar	Energy	26,664,250	4	1.47%	24,268,500	10	0.82%
XTO Energy Inc.	Energy	25,864,990	5	1.42%	102,746,560	4	3.46%
La Plata Electric Association	Energy	19,344,700	6	1.06%			0.00%
Conoco Phillips Company	Energy	18,490,690	7	1.02%	103,598,300	3	
Burlington Resources Oil & Gas	Energy	16,326,850	8	0.90%	68,948,100	6	2.32%
Red Willow Production Company	Energy	12,848,400	9	0.71%	59,670,790	7	2.01%
GCC Energy LLC	Energy	8,538,600	10	0.47%			
Chevron Texaco	Energy				96,348,560	5	3.25%
Chevron Midcontinent LP	Energy				36,391,300	8	1.23%
Williams Field Services	Energy				24,872,830	9	0.84%
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 503,724,120</u>		<u>27.72%</u>	<u>\$ 1,550,960,020</u>		<u>48.75%</u>
Total Assessed Valuation for all taxpayers		<u>\$ 1,817,507,020</u>		<u>100.00%</u>	<u>\$ 2,968,738,000</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>
2008	2.0%	2.9%
2009	2.0%	2.9%
2010	2.0%	2.9%
2011	2.0%	2.9%
2012	2.0%	2.9%
2013	2.0%	2.9%
2014	2.0%	2.9%
2015	2.0%	2.9%
2016	2.0%	2.9%
2017	2.0%	2.9%

**Source:** La Plata County Finance Department

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

**Table 12**

Taxpayer - Type of Business	2017			2008		
	2017 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2008 Sales Tax Collected	Rank	Percentage of Total Taxes Collected
Food & Beverage	\$ 2,093,506	1	12.41%	\$ 1,291,726	2	9.47%
General Merchandise	1,674,739	2	9.92%	1,643,391	1	12.05%
Food Services & Drinking Places	1,500,601	3	8.89%	1,276,293	3	9.36%
Bldg. Material & Garden Supplies/Equip.	1,349,698	4	8.00%	1,061,817	4	7.78%
Accommodation	1,012,166	5	6.00%	693,309	6	5.08%
Auto Dealers	830,103	6	4.92%	564,463	8	4.14%
Utilities	764,272	7	4.53%	575,568	7	4.22%
Wholesale Trade	736,086	8	4.36%	975,047	5	7.15%
Real Estate	615,156	9	3.65%	429,613	10	3.15%
Manufacturing	587,404	10	3.48%	439,365	9	3.22%
<hr/>						
Total Sales Taxes Collected by 10 Largest Businesses	<u>\$ 11,163,731</u>		<u>66.15%</u>	<u>\$ 8,950,592</u>		<u>65.62%</u>
Total Sales Taxes Collected by All Businesses	<u>\$ 16,876,170</u>		<u>100.00%</u>	<u>\$ 13,639,973</u>		<u>100.00%</u>

**Source:** Colorado State Department of Revenue



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

**Table 13**

<b>Fiscal Year</b>	<b>General Obligation</b>	<b>Sales Tax Revenue</b>	<b>Certificates of Participation</b>	<b>Total</b>	<b>Per Capita Personal Income</b>	<b>Population</b>	<b>Debt Per Capita</b>	<b>Percentage of Personal Income</b>	<b>Percentage of Actual Taxable Value of Property</b>
2008	-	-	2,550,000	2,550,000	44,176	50,291	52.31	0.12%	0.02%
2009	-	-	2,165,000	2,165,000	40,971	51,105	42.36	0.10%	0.02%
2010	-	-	1,765,000	1,765,000	42,032	51,495	34.28	0.08%	0.01%
2011	-	-	1,350,000	1,350,000	43,834	51,924	26.00	0.06%	0.01%
2012	-	-	-	-	45,476	52,401	-	0.00%	0.00%
2013	-	-	-	-	46,492	53,446	-	0.00%	0.00%
2014	-	-	-	-	46,388	54,629	-	0.00%	0.00%
2015	265,843	-	-	265,843	50,206	54,688	4.86	0.01%	0.00%
2016	254,215	-	-	254,215	Not available	55,623	4.57	Not available	0.00%
2017	242,353	-	-	242,353	Not available	55,589	4.36	Not available	0.00%

**Sources:**

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

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

**Table 14**

<b>Assessment Year Fiscal/Budget Year</b>	<b><u>2007</u> <u>2008</u></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	\$ 2,885,995,180	\$ 3,017,991,395	\$ 3,461,698,940	\$ 2,354,797,050	\$ 2,394,149,370
Actual Value	\$ 11,252,386,999	\$ 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	337,571,610	359,897,284	395,512,951	351,114,685	309,192,570
Debt applicable to limitation:					
Total debt	\$ 2,550,000	\$ 2,165,000	\$ 1,765,000	\$ 1,350,000	\$ -
Less: Certificates of participation	2,550,000	2,165,000	1,765,000	1,350,000	-
Legal debt margin	\$ 337,571,610	\$ 359,897,284	\$ 395,512,951	\$ 351,114,685	\$ 309,192,570

<b>Assessment Year Fiscal/Budget Year</b>	<b><u>2012</u> <u>2013</u></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	\$ 2,275,296,810	\$ 1,842,416,460	\$ 2,006,291,720	\$ 2,224,369,230	\$ 2,224,369,230
Actual Value	\$ 10,742,115,112	\$ 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	322,263,453	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	\$ 322,263,453	\$ 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>
2008	13,639,998	N/A	N/A	N/A	N/A	N/A
2009	12,264,867	N/A	N/A	N/A	N/A	N/A
2010	13,528,774	N/A	N/A	N/A	N/A	N/A
2011	12,363,979	N/A	N/A	N/A	N/A	N/A
2012	13,596,356	N/A	N/A	N/A	N/A	N/A
2013	14,080,460	N/A	N/A	N/A	N/A	N/A
2014	14,870,392	N/A	N/A	N/A	N/A	N/A
2015	15,734,279	N/A	N/A	N/A	N/A	N/A
2016	16,018,771	N/A	N/A	N/A	N/A	N/A
2017	16,876,171	N/A	N/A	N/A	N/A	N/A

**Source:** La Plata County Finance Department

**Notes:**

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

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

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

**Table 16**

<b>Fiscal</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>
2008	50,291	2,221,658	44,176	3.6	38.2	6,900	3,746
2009	51,105	2,093,812	40,971	6.0	38.8	7,031	3,685
2010	51,495	2,164,463	42,032	7.1	39.1	6,831	3,864
2011	51,924	2,276,033	43,834	7.0	38.5	6,658	3,853
2012	52,401	2,382,999	45,476	6.5	38.7	6,658	3,836
2013	53,446	2,484,802	46,492	5.5	38.7	6,383	4,065
2014	54,629	2,534,109	46,388	4.2	38.8	6,680	4,021
2015	54,688	2,745,644	50,206	5.5	38.4	6,911	4,065
2016	55,623	Not available	Not available	2.4	38.8	7,303	3,585
2017	55,589	Not available	Not available	2.6	39.0	7,414	3,598

**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><b>Employer</b></u>	<u><b>Type of Business</b></u>	<u><b>2017</b></u>		<u><b>2008</b></u>	
		<u><b>Employees FT &amp; PT</b></u>	<u><b>Percentage of total County Employment</b></u>	<u><b>Employees</b></u>	<u><b>Percentage of total County Employment</b></u>
DSC Purgatory LLC	Recreation	1,000	3.21%	N/A	0.00%
Mercy Regional Medical Center	Health	860	2.76%	724	2.32%
Durango School District 9-R	Education	853	2.74%	795	2.55%
Southern Ute Indian Tribe - Administration	Government	795	2.55%	744	2.39%
Crossfire LLC	Oil & Gas	705	2.26%	N/A	0.00%
Fort Lewis College	Education	660	2.12%	645	2.07%
City of Durango	Government	546	1.75%	458	1.47%
Vantiv Integrated Payments	Finance	460	1.48%	N/A	0.00%
La Plata County	Government	434	1.39%	388	1.25%
Sky Ute Lodge and Casino, Museum	Recreation	425	1.36%	301	0.97%
<b>Total Principal Employers</b>		<b>6,738</b>	<b>21.63%</b>	<b>4,055</b>	<b>13.01%</b>
<b>Total County Employment*</b>		<b>31,148</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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	% Change 2017 over 2016
Commissioners	5.10	5.12	5.13	5.00	5.10	5.00	5.00	3.00	3.00	3.00	0%
Clerk/Elections	18.80	16.88	14.10	16.16	18.50	16.00	16.00	16.00	16.00	16.00	0%
Treasurer/Trustee	5.00	5.00	5.29	5.00	5.10	5.00	5.00	5.00	5.00	5.00	0%
Assessor	20.45	20.20	18.94	18.80	19.00	19.00	17.00	17.00	17.00	17.00	0%
Administration	5.18	5.16	5.01	5.03	6.20	5.00	5.00	7.00	6.00	7.00	17%
Attorney	0.00	6.00	6.00	5.75	5.10	6.00	6.00	6.00	6.00	7.50	25%
Facilities & Grounds	10.01	10.01	10.00	10.00	10.00	11.00	11.00	12.00	15.00	21.00	40%
Finance	4.00	5.00	5.00	3.75	3.80	4.50	5.00	5.00	5.00	5.00	0%
Information Services	10.00	10.00	10.00	9.02	9.00	9.00	9.00	9.00	9.00	9.00	0%
Procurement	3.79	4.02	4.02	4.00	4.00	2.75	2.50	2.50	2.50	2.00	-20%
GIS	8.00	7.00	7.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0%
Human Resources/Risk Mgt	4.08	4.11	4.11	4.11	4.10	4.00	4.00	4.00	4.00	4.50	13%
County Surveyor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.25	0.25	0%
Construction Management	1.27	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	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
<b>General Government Total</b>	<b>97.68</b>	<b>100.50</b>	<b>96.60</b>	<b>92.62</b>	<b>95.90</b>	<b>93.25</b>	<b>91.50</b>	<b>92.50</b>	<b>93.75</b>	<b>102.25</b>	<b>9%</b>
Building Inspection / OEM	14.00	14.00	11.00	8.00	7.75	8.00	8.00	8.00	9.00	10.00	11%
Criminal Investigations	10.90	10.68	10.79	10.40	11.00	10.00	11.00	11.00	9.00	7.75	-14%
Special Investigations	5.76	5.57	5.53	5.50	5.50	6.00	5.00	5.00	5.00	4.00	-20%
Special Services	23.20	22.44	22.29	21.50	21.70	21.25	22.25	22.25	11.00	11.50	5%
Public Safety	34.92	34.13	34.15	33.25	33.50	32.00	32.00	34.00	44.00	46.00	5%
Alternative to Incarceration	5.48	5.34	5.34	5.30	5.40	5.00	5.00	5.00	4.00	4.00	0%
Detentions	60.60	62.16	62.14	62.50	62.60	59.00	59.00	59.00	62.00	58.00	-6%
Coroner	1.55	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0%
District Attorney	25.10	25.10	25.50	25.50	25.00	25.00	25.00	25.00	25.00	25.00	0%
<b>Public Safety Total</b>	<b>181.51</b>	<b>180.92</b>	<b>178.24</b>	<b>173.45</b>	<b>173.95</b>	<b>167.75</b>	<b>168.75</b>	<b>170.75</b>	<b>170.50</b>	<b>167.75</b>	<b>-2%</b>
Road & Bridge, Eng.	52.64	53.70	49.89	46.33	48.40	41.00	41.00	41.00	41.00	41.00	0%
<b>Public Works Total</b>	<b>52.64</b>	<b>53.70</b>	<b>49.89</b>	<b>46.33</b>	<b>48.40</b>	<b>41.00</b>	<b>41.00</b>	<b>41.00</b>	<b>41.00</b>	<b>41.00</b>	<b>0%</b>
CERF	9.10	9.10	9.10	9.04	9.10	9.00	9.00	9.00	9.00	9.00	0%
<b>Internal Service Funds</b>	<b>9.10</b>	<b>9.10</b>	<b>9.10</b>	<b>9.04</b>	<b>9.10</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>0%</b>
Human Services	59.40	58.75	58.75	60.00	63.93	61.75	63.38	64.75	68.75	70.00	2%
<b>Health &amp; Welfare Total</b>	<b>59.40</b>	<b>58.75</b>	<b>58.75</b>	<b>60.00</b>	<b>63.93</b>	<b>61.75</b>	<b>63.38</b>	<b>64.75</b>	<b>68.75</b>	<b>70.00</b>	<b>2%</b>
Extension Office	2.42	2.42	0.77	0.00	0.80	0.00	0.00	0.00	0.00	0.00	0%
Weed	1.70	1.67	1.49	1.30	1.50	1.00	1.00	1.50	2.00	1.00	-50%
Fairgrounds	10.61	10.60	10.34	10.00	10.00	9.00	9.00	9.00	10.00	3.00	-70%
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	18.30	18.28	11.99	11.70	11.75	10.75	11.00	11.25	11.25	0%
Senior Services	8.41	8.72	8.52	8.59	9.50	8.00	8.00	8.00	8.50	9.00	6%
Veterans' Services Office	1.00	1.09	1.08	1.00	1.10	1.00	1.00	1.00	1.00	1.00	0%
<b>Auxiliary Services</b>	<b>42.44</b>	<b>42.80</b>	<b>40.48</b>	<b>32.88</b>	<b>34.60</b>	<b>30.75</b>	<b>29.75</b>	<b>30.50</b>	<b>32.75</b>	<b>25.25</b>	<b>-23%</b>
<b>Grand Total</b>	<b>442.77</b>	<b>445.77</b>	<b>433.06</b>	<b>414.32</b>	<b>425.88</b>	<b>403.50</b>	<b>403.38</b>	<b>408.50</b>	<b>415.75</b>	<b>415.25</b>	<b>-0.12%</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>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
<b>General Government</b>										
<u>Clerk &amp; Recorder</u>										
# Vehicle Transactions Processed	98,951	89,672	91,592	100,468	92,650	93,865	95,504	95,863	96,742	99,008
# Titles Issued (69% printed by staff)	19,083	14,472	13,624	14,955	15,853	17,553	18,679	17,795	17,804	18,721
# documents recorded	18,969	19,550	16,500	15,889	17,762	17,096	15,069	15,622	16,343	16,082
# of registered voters	37,615	37,185	37,243	38,590	41,516	41,785	40,154	41,677	44,828	43,870
# of votes cast	28,117	4,644	20,892	11,694	29,416	15,473	29,123	12,924	39,498	10,498
# of marriage licenses issued	528	515	506	554	573	571	632	637	606	660
<u>Treasurer</u>										
Receipts processed	37,980	37,740	37,954	37,995	59,790	26,366	25,934	29,540	36,025	39,095
<u>Assessor</u>										
# of property accounts maintained/assessed	46,293	Unavailable	46,589	46,503	46,657	46,420	46,580	74,436	47,161	46,539
Assessed value (in thousands)	3,017,991	3,461,699	2,354,797	2,394,149	2,275,296	1,842,416	2,004,585	2,220,914	1,815,518	1,757,127
<u>Geographic Information Services</u>										
# of recorded documents processed	4,024	1,196	325	5,440	7,039	1,486	226	128	123	148
# of rural addresses assigned	314	191	182	565	281	527	338	147	313	255
<b>Public Safety</b>										
<u>Building Inspection</u>										
# of permits issued	781	601	577	535	544	580	655	815	675	712
# of inspections completed	4,651	3,553	2,632	2,414	2,435	2,536	3,369	3,604	3,284	4,118
<u>Emergency Management</u>										
Search & Rescue Missions	37	14	23	30	34	35	37	34	56	47
<u>Sheriff - Public Safety</u>										
# of incidents investigated	25,530	3,552	23,652	23,227	22,561	23,224	23,640	28,694	37,731	29,488
# of arrests	946	Unavailable	594	705	586	678	804	1,224	1,597	1,207
# of citations	223	Unavailable	134	131	110	146	97	199	163	147
<u>Alternative to Incarceration</u>										
# of inmates under Day Reporting Supervision	93	89	102	124	99	45	11	0	0	0
# of inmates in Community Custody program	185	145	298	55	104	108	95	39	119	105
Pretrial management	255	222	270	371	333	299	304	337	615	633

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

**Table 19**

<b><u>Function/Program</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
<u>Detentions</u>										
Total # of inmates booked into facility	2,900	Unavailable	3,020	2,943	2,033	2,662	2,858	3,294	3,843	3,567
average daily inmate population	181	140	149	166	148	114	111	118	148	167
<b>Public Works</b>										
<u>Maintenance Support</u>										
gallons of dust palliative applied	1,200,000	1,098,307	920,642	1,100,000	865,672	920,642	988,547	1,461,306	759,693	823,998
tons of road base hauled and placed	120,000	101,608	105,297	106,676	79,197	110,568	64,708	33,335	43,711	59,916
# of gallons of highway paint used	12,750	12,500	12,000	9,500	12,500	12,000	12,500	12,500	12,500	12,000
<u>Convenience Center</u>										
Customers served - Bayfield	2,506	2,116	2,159	2,117	2,154	1,493	2,091	2,010	2,203	2,092
Customers served - Marvel	699	550	421	543	523	340	498	475	483	502
<b>Health &amp; Welfare</b>										
<u>Human Services</u>										
Child Welfare - # of assessments opened	283	172	315	266	273	262	283	272	263	211
Adult Protective Services - # of investigations	89	101	88	99	88	87	96	141	131	127
Child Support - \$ of payments collected	\$3,570,909	\$3,147,432	\$3,248,125	\$3,302,905	\$3,429,662	\$3,828,881	\$3,671,529	\$3,775,730	\$3,595,644	\$3,488,386
<b>Community Programs</b>										
Conservation Trust Funds	\$234,250	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Service Agency Funds	\$3,113,539	\$3,155,684	\$2,894,774	\$2,973,186	\$3,200,905	\$2,461,494	\$2,375,306	\$1,852,663	\$2,415,471	\$2,844,203
<b>Auxiliary Services</b>										
<u>Senior Services</u>										
# of meals provided	41,549	43,010	41,247	37,745	40,812	43,769	45,011	49,519	45,177	48,314
# of transportation rides provided	5,571	6,114	6,226	5,584	5,955	5,788	6,549	6,951	7,763	6,859
<u>Veterans Services</u>										
Compensation Claims	57	144	196	201	91	192	140	202	222	191
<u>Weed Management</u>										
# of miles treated for noxious weeds	680	675	**			672	675	435	326	33
# of acres treated for noxious weeds			505	Unavailable	451	90	105	273	183	795
small group bookings (less than 500 participants)	2,548	3,347	2,562	1,633	1,053	131	125	76	45	58
large bookings (more than 500 participants)	74	31	12	365	357	0	0	0	0	0



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

**Table 19**

<b><u>Function/Program</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Planning										
Major projects reviewed	91	55	28	48	35	100	122	116	110	165
Oil & Gas (Major & Minor)	230	82	31	35	42	25	62	56	59	33
Minor/Administrative Projects reviewed	134	80	92	62	71	108	126	159	109	105
<b>Internal Service Funds</b>										
<b><u>Capital Equipment Replacement Fund</u></b>										
<i>(prior to 2005, vehicles were in R &amp; B Fleet division)</i>										
Vehicles maintained (self propelled mobile units)	237	243	246	305	301	307	311	317	326	326

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

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

**Table 20**

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>											
Clerk	Number of business locations	3	3	2	2	2	2	2	2	2	2
Facilities & Grounds	Facilities maintained	17	17	17	17	17	17	17	20	20	22
	Warehouses maintained	0	0	0	0	0	0	0	0	1	1
Procurement	Warehouses operated	1	1	1	1	1	1	1	1	0	0
<b>Public Safety</b>											
Detentions	Jail bed capacity	197	293	293	293	293	293	293	293	298	298
<b>Public Works</b>											
	Miles of Roadways maintained	658	658	658	658	656	672	656	656	656	643
	Bridges	53	53	53	53	48	48	49	49	49	49
<b>Internal Service Funds</b>											
CERF	Number of fleet vehicles maintained	237	243	246	305	301	307	311	317	326	326

**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, 2017, 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 22, 2018.

**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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be material weaknesses.

### **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 are 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 22, 2018

**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's) 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, 2017. 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 condition 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, 2017.

### **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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-003 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-004 and 2017-005 to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

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 22, 2018



**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Period Ended December 31, 2017**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Expenditures as of 12/31/17	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		403,021	
<b>Direct</b>				
Schools and Roads - Grants to States (Forest Service Schools and Roads Cluster)	10.665		57,074	
Total Department of Agriculture			<u>460,095</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		7,942	
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045		87,581	
Nutrition Service Incentive Program	93.053		<u>26,610</u>	
Aging Cluster				122,133
Special Programs for Aging - Title III, Part E - National Family Caregiver Support	93.052			30,281
<b>Passed through the Colorado Department of Human Services</b>				
Guardianship Assistance	93.090		18,074	
Promoting Safe and Stable Families	93.556		50,950	
Temporary Assistance for Needy Families (TANF Cluster)	93.558		829,239	17,591
Child Support Enforcement	93.563		408,429	
Low-Income Home Energy Assistance	93.568		2,466	
Child Care and Development Block Grant	93.575		213,965	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>95,590</u>	
Child Care and Development Fund (CCDF) Cluster				309,555
Stephanie Tubbs Jones Child Welfare Services Program	93.645		9,417	
Foster Care Title IV-E	93.658		631,008	
Adoption Assistance	93.659		87,112	
Social Services Block Grant	93.667		239,837	
Chafee Foster Care Independence Program	93.674		14,414	
Medical Assistance Program (Medicaid Cluster)	93.778		351,408	
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		4,500	
Centers for Medicare and Medicaid Services (CMS)				
Research Demonstrations, and Evaluations	93.779		<u>9,240</u>	
Total Department of Health and Human Services			<u>3,118,063</u>	<u>17,591</u>

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Period Ended December 31, 2017**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Expenditures as of 12/31/17	Amounts Passed- Through to Subrecipients
Department of Transportation				
Passed through the Colorado Department of Transportation				
Highway Planning and Construction	20.205		1,119,807	
National Priority Safety Programs	20.616	17NHTSA405B.6102	8,320	
National Priority Safety Programs	20.616	17-01-11-05	5,440	
Highway Safety Cluster				13,760
Total Department of Transportation				1,133,567
Department of Homeland Security				
<b>Direct</b>				
Hazard Mitigation Grant Program	97.039			50,052
<b>Passed through the Colorado Department of Local Affairs</b>				
Emergency Management Performance Grant	97.042	14EM-15-34	67,000	
Total Department of Homeland Security				117,052
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	F15CDB14-505	499,042	499,042
Community Development Block Grants/State's program	14.228	F15CDB15-600	846,944	846,944
Total Department of Housing and Urban Development			1,345,986	1,345,986
Department of Justice				
<b>Direct</b>				
Office of Justice Programs				
Bulletproof Vest Partnership Program	16.607		18,408	
Department of Justice / Criminal Division				
Equitable Sharing Program	16.922		37,183	
<b>Passed through the Colorado Department of Public Safety</b>				
Crime Victim Compensation (Sixth Judicial District)	16.576	14-VC-6	27,500	
Total Department of Justice			83,091	
Other Federal Assistance				
<b>Direct</b>				
Office of National Drug Control Policy, Dept of Treasury,				
Dept of Justice High Intensity Drug Trafficking				
Areas Program	95.001	G14RM0023A	372,151	
Total Office of National Drug Control Policy			372,151	
Total Federal Assistance			\$ 6,630,005	\$ 1,363,577

**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, 2017

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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?

<u>x</u>	yes	<u>    </u>	no
<u>    </u>	yes	<u>x</u>	none reported
<u>    </u>	yes	<u>x</u>	no

Noncompliance material to financial statements noted?

#### Federal Awards

Internal control over major federal programs:

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

<u>x</u>	yes	<u>    </u>	no
<u>x</u>	yes	<u>    </u>	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)?

<u>x</u>	yes	<u>    </u>	no
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Identification of major federal programs:

CFDA Number	Name Of Federal Program Or Cluster
14.228	Community Development Block Grant
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.658	Title IV-E Foster Care

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

\$ 750,000

Auditee qualified as low-risk auditee?

<u>    </u>	yes	<u>x</u>	no
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## LA PLATA COUNTY, COLORADO

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2017

#### Section II - Financial Statement Findings

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

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

**Condition:** During our review of the Treasurer's Office control environment and related policies and procedures, we noted the following:

- *Collection Terminal User Names:* The Treasurer's department utilizes the same user information on the two collection terminals, regardless of employee receiving the payment.
- *Employees Receiving Collections:* At peak collection times, the Treasurer's department utilizes employees with accounting responsibilities to physically receive and enter payments into Eagle Tyler through the two collection terminals. This weakens the internal control system as the physical custody and reconciliation processes are performed, at times, by the same individual.
- *Internal Control Policies and Procedures:* The Treasurer's department has drafted internal control policies and procedures. We noted per our review of these procedures that roles and responsibilities are not designated to specific positions, rather, to any person within the department.
- *Eagle Tyler User Rights:* We noted that the Treasurer has rights to not only view, but post journal entries to the Eagle Tyler system. While through our testing we noted no instances where the Treasurer booked journal entries, this current setup unnecessarily weakens the internal control environment.
- *System User Name Maintenance and Set-up:* During our procedures performed to understand Treasury processes and controls, we noted that two users that were no longer employed by the County had user profiles and access to several banking functions. While the system does require that a secure fob be used to access and execute transactions, users with extensive rights could misappropriate assets or cause data loss.

**Cause:** The Treasurer's Office lacks sufficient internal control policies and procedures to ensure that all receipts and all transactions are properly authorized and recorded.

**Effect:** The County's financial transactions may be more susceptible to uncorrected errors, and there is an increased risk of fraud going undetected.

## LA PLATA COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2017

***Identification As A Repeat Finding:*** 2016-001

***Recommendation:*** We recommend that the Treasurer's Office and County Management consider the following recommendations:

- *Collection Terminal User Names:* Designated employees utilize unique user profiles when receiving payment and entering information into Eagle Tyler.
- *Employees Receiving Collections:* Segregate the duties of physically receiving the cash and reconciling cash to different individuals independent of the accounting and reporting function.
- *Internal Control Policies and Procedures:* Clearly define their positions and describe specific procedures performed by each position.
- *Eagle Tyler User Rights:* Work with the software vendor to appropriately set up user and administrative rights.
- *System User Name Maintenance and Set-up:* Review their system user files and data at least annually to determine if the appropriate rights are given to individual, as well as maintain users that are currently employed by the County.

***Views Of Responsible Officials And Planned Corrective Action:*** The County agrees with the finding and has put together a corrective action plan for the finding. See corrective action plan included in this report.

## LA PLATA COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)

For The Year Ended December 31, 2017

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

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

**Condition:** During the year, the County identified a large amount of cash in the Clerk's clearing account that was held in the Agency Fund as accounts payable to external parties. Per the County's investigation of this balance, it was noted that a large portion of the amount identified related to a carry-forward balance from 2003 due to a system conversion. As amounts collected by the Clerk and Recorder's Office are generally recorded in the General Fund, this amount was misstated in the prior-year financial statements.

**Cause:** The Treasurer's and Clerk's Office reconciliation process is not sufficient to accurately reconcile current-year activity to recorded transactions and account balances.

**Effect:** The County's financial statements for the year ended December 31, 2016 and prior were misstated.

**Identification As A Repeat Finding:** N/A

**Recommendation:** We recommend that County Treasurer provide applicable reports to all County offices to aid each office in reconciling activity per their records with the activity and balances reported by the Treasurer.

**Views Of Responsible Officials And Planned Corrective Action:** The County agrees with the finding and has put together a corrective action plan for the finding. See corrective action plan included in this report.

## LA PLATA COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2017

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

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

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

**Federal Award Identification Number: Unavailable**

**Federal Agency: Department of Human Services (DHS)**

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

**Criteria Or Specific Requirement:** Foster Care maintenance payments are allowable only if the foster child was removed from the home of a relative specified in Section 406(a) of the Social Security Act, in effect on July 16, 1996, and placed in foster care by means of a judicial determination, as defined in 42 USC 672(a)(2), or pursuant to a voluntary placement agreement, as defined in 42 USC 672(f), (42 USC 672(a)(1) and (2) and 45 CFR section 1356.21).

A child must meet the eligibility requirements of the former Aid to Families with Dependent Children (AFDC) program (i.e., meet the state-established standard of need as of July 16, 1996, prior to enactment of the Personal Responsibility and Work Opportunity Reconciliation Act) (42 USC 672(a)).

The County is expected to have internal controls over the eligibility and rate determinations (special tests and provisions) process that ensures only eligible participants are approved for the program and that the appropriate rate is paid.

**Condition:** The County did not have effective internal controls over Foster Care eligibility and rate determinations.

**Cause:** The related compliance requirement internal controls are not designed effectively and placed in service.

**Effect:** Due to insufficient monitoring and internal controls over compliance, the County may not timely detect an error in eligibility and rate determinations.

**Questioned Costs:** None



## LA PLATA COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2017

***Context:*** A nonstatistical sample of 3 recipient files was selected for testing from a total population of 14 active case files. All selected recipient files lacked supervisory review of determination and redetermination of eligibility.

***Identification As A Repeat Finding:*** N/A

***Recommendation:*** Program management should ensure that effective internal controls are designed and placed in service for all related compliance requirements.

***Views Of Responsible Officials And Planned Corrective Action:*** The County agrees with the finding and has put together a corrective action plan for the finding. See corrective action plan included in this report.

## LA PLATA COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2017

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

**Criteria:** 2 CFR Section 200.100 identifies the required elements of the SEFA. The County is required to prepare a complete and accurate SEFA, and to have a system of internal controls, the design and operation of which allows management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, errors on a timely basis.

**Condition:** The information used to prepare the SEFA was incomplete and inaccurate, which led to an error in reporting federal awards. The County incorrectly reported one program's expenditures under the incorrect agency and program in the amount of \$1,119,807.

**Cause:** Incomplete and inaccurate information was used to prepare the SEFA relating to this program.

**Effect:** As a result of the error, the SEFA was materially incorrect. Inaccurate identification of federal awards may also result in inaccurate identification of compliance requirements, risk assessments, major program determination, materiality determinations and reporting errors.

**Questioned Costs:** None

**Context:** N/A

**Identification As A Repeat Finding:** N/A

**Recommendation:** We recommend that each respective County department or office that expends federal funding obtain all relevant grant agreements, subaward agreements and awards. This information should be reviewed and shared with the County Finance Department to aid in identification of compliance requirements, risk assessments, major program determination, materiality determinations and reporting functions.

**Views Of Responsible Officials And Planned Corrective Action:** The County agrees with the finding and has put together a corrective action plan for the finding. See corrective action plan included in this report.

## LA PLATA COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2017

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

##### **CFDA 14.228 - Community Development Block Grant**

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

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

**Criteria Or Specific Requirement:** Per 2 CFR Section 200.213 Suspension and Debarment compliance requirement, nonfederal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the System For Award Management maintained by the General Services Administration, collecting a certification from the entity or adding a clause or condition to the covered transaction with that entity.

**Condition:** The County does not have a control in place to verify that the County does not enter into a covered transaction via a subaward arrangements with subrecipients.

**Cause:** There is not a sufficient control in place to evaluate suspension and debarment for all covered transactions (expenditures in excess of \$25,000) with both subrecipients and contractors.

**Effect:** The County could be out of compliance with Procurement, Contracting and Debarment compliance requirements.

**Questioned Costs:** Not applicable

**Context:** No payments were made to debarred subrecipients; however, some program personnel were unaware of the requirement to perform debarment searches. The County Procurement Department performed verification on some vendors but the procedures were not consistently applied throughout the fiscal year with respect to debarment searches.

## LA PLATA COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2017

***Identification As A Repeat Finding:*** N/A

***Recommendation:*** We recommend program management implement internal policies to identify both subrecipients and contractors where transactions will likely exceed \$25,000 and route through the Procurement Department to ensure appropriate contracts or agreements and contract and agreement file documentation is in place.

***Views Of Responsible Officials And Planned Corrective Action:*** The County agrees with the finding and has put together a corrective action plan for the finding. See corrective action plan included in this report.



## **CORRECTIVE ACTION PLAN**

### **For the Year Ended December 31, 2017**

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

**Personnel Responsible for Corrective Action:** Allison Aichele, County Treasurer

**Anticipated Completion Date:** September 30, 2018

**Corrective Action Plan:**

- *Collection Terminal User Names:* Only 2 employees will be receipting at the front counter – each with a separate, unique log-in (user profile). As the current configuration of the front counter does not allow for more than one cash box, only one employee will be receipting cash payments.
- *Employees Receiving Collections:* Neither of the 2 employees receipting payments (referenced in previous response) will be involved in the reconciliation process.
- *Internal Control Policies and Procedures:* The Treasurer's Office is updating its internal control policies to clearly reflect the responsibilities of each employee.
- *Eagle Tyler User Rights:* The Treasurer's Office will be working with the IT department and the Eagle Tyler software techs to redefine the Treasurer's permissions within the software to restrict the Treasurer's ability to post journal entries.
- *System User Name Maintenance and Set-Up:* The Treasurer's Office will write a formal policy to review system user files and data at least annually to determine if the appropriate rights are given to individuals. Additionally, the Treasurer's Office employee termination checklist will include deletion of, in addition to disabling of former employees user profiles from Wells Fargo account access.

The Treasurer's Office is currently in the process of implementing the changes previously listed. We believe they will all be fully accomplished by the end of the 3rd quarter of 2018 (September 30, 2018).

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

**Personnel Responsible for Corrective Action:** Allison Aichele, County Treasurer and Tiffany Parker, County Clerk

**Anticipated Completion Date:** September 30, 2018

**Corrective Action Plan:**

- The Treasurer's Office will send monthly fund balance reports directly to each department, so as to facilitate each department's ability to reconcile their monthly activity. As the Treasurer's Office reconciles the Clerk's Wells Fargo bank account, the monthly reconciliation will be forwarded to the Clerk's Office upon completion.
- The Clerk's Office will reconcile the monthly report provided by the Treasurer's Office on a monthly basis. Reconciliations will be initialed and dated by the person performing the reconciliation. All findings and discrepancies will be documented and reported to Treasurer's Office for correction within 60 days.

These procedures will be added to the Treasurer's Office current month-end activities – each department will be receiving these reports starting with the June 2018 month-end.



## **CORRECTIVE ACTION PLAN For the Year Ended December 31, 2017**

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

**Personnel Responsible for Corrective Action:** Martha Johnson, Director of Department of Human Services

**Anticipated Completion Date:** March 31, 2018

#### **Corrective Action Plan:**

Management agrees that peer and supervisory review of the determination and redetermination of eligibility is a proper control in order to prevent or detect errors. By March 31, 2018 the County will include a review process by where, once a title IV-E staff person has completed the compliance requirements as outlined in the state and federal rules, the SS-9 or SS-10 will be submitted to another county title IV-E staff person for review. The reviewer will check the compliance factors and will sign and date the title IV-E document confirming the determination is accurate. This will occur with a minimum of 50% of all children who have a determination or redetermination each year. A minimum of 10% of all children who have a determination or redetermination each year will also be reviewed by a supervisor. The supervisor will review, sign and date the SS-9 or SS-10 indicating approval of the determination or redetermination. The signatures/approvals and date stamps may occur electronically.

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

**Personnel Responsible for Corrective Action:** County Departments and Elected Official Offices that expends federal funding.

**Anticipated Completion Date:** October 31, 2018

#### **Corrective Action Plan:**

The County will update Grant policies requiring County Departments and Elected Official Offices that expends federal funding to obtain all relevant grant agreements, subaward agreements, contracts and awards and complete an OMB Guidance checklist using relevant information from these documents. The checklist along with all documents shall be submitted to Finance to aid in identification of compliance requirements, risk assessments, major program determination, materiality determinations, and reporting functions.

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

**Personnel Responsible for Corrective Action:** Devon Schmidt, Contract Manager and Anna Abdo, Controller

**Anticipated Completion Date:** June 15, 2018

#### **Corrective Action Plan:**

The OMB Guidance checklist implemented in June 2018 requires verification that the subrecipient or contractor is not suspended, debarred or otherwise excluded. Verification will be accomplished by checking the System For Award Management (SAM) before the award is made to ensure subrecipient or contractor is not excluded and a proof of status will be documented.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Year Ended December 31, 2017**

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

**Summary Of Prior Audit Finding:** Improper segregation of duties in the Treasurer's Office as the same individual has access to post journal entries into the accounting software without any review or approval, review daily cash collections, receive checks, reconcile bank statements, transfer money amongst bank accounts, post Treasurer's checks, and sign checks.

**Initial Finding Reporting Year:** 2016

**Status:** See finding 2017-001