



Comprehensive Annual Financial Report

for the Year Ended December 31, 2010

Prepared by the La Plata County Finance Department

INTRODUCTORY SECTION

La Plata County, Colorado
Comprehensive Annual Financial Report
For The Year Ended December 31, 2010

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(Unaudited)

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June 28, 2011

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

State law requires that all general-purpose local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the County (the County) for the fiscal year ended December 31, 2010.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the County has established a comprehensive internal control framework that is designed both to protect the government'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 comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co., P.C., a firm of licensed certified public accountants. 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, 2010 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, 2010 are fairly presented in conformity with 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. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and

legal requirements involving the administration of federal awards. These reports are included in the "Single Audit Section" of the CAFR.

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

Profile of the Government

The County, incorporated in 1874, is located in the southwestern part of Colorado, and has been experiencing considerable economic and population growth the past 20 years. The County has an area of 1,683 square miles and a population of 52,114 (2010 State Demographer's estimate), an increase of 6,359 (14%) since 2001. The County is empowered to levy a property tax on both real and personal property located within its boundaries. The local economy is heavily tourism-based, and Durango, the County seat, is the home of Fort Lewis College, a four year liberal arts state institution of approximately 3,700 students. The County is the leading producer of coal bed methane gas in the State of Colorado, and a significant portion of the County's revenues are related to the energy industry.

The County operates as a statutory County, with a three-member Board of Commissioners (the Board). Board members are elected by district but represent the entire County and serve up to two four-year staggered terms. Additionally, there are six other elected officials: the Sheriff, Clerk and Recorder, Assessor, Treasurer/Public Trustee, Coroner, and Surveyor. There are no term limits on the elected positions other than the Commissioners. In addition to their many other responsibilities, the Board's responsibilities for financial matters include the adoption of financial policies, adopting the budget and any budget amendments, hiring the County Manager and the County Attorney, and selecting the external auditor. The County Manager is responsible for carrying out the policies and resolutions of the Board and for overseeing the day-to-day operations of the non-elected departments, including hiring of department heads.

Financial Entity. The financial reporting entity, (the government) includes all the funds of the primary government as well as all of its component units. The County provides the full range of services required by state statutes as well as many ancillary services. This includes public safety consisting of the sheriff, jail, coroner, building inspection and district attorney; land use planning; property valuation, tax collection and distribution; vehicle licensing, construction and maintenance of roads and bridges; health and human services, and administrative services.

Some legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government as blended component units. Accordingly, the Durango Hills Local Improvement District is reported as a special revenue fund of the primary government. The La Plata County Finance Authority was created to provide financing options for office space acquisition and is therefore included as a blended component unit of the County. In contrast, the District Attorney of the Sixth Judicial District is reported as a discrete component unit of the primary government.

Budgetary Controls. Colorado state law requires the adoption of budgets for all local governments, adopted by fund and "spending agency", so each summer La Plata County begins the annual budget preparation process. Every elected official and department head submits a requested budget to the Board of County Commissioners. The administration and finance

departments prepare an estimate of the subsequent year's projected revenues, and the requests for expenditures are balanced against the projected revenues. The annual budget is adopted in December of the prior year, and the property tax mill levy is set. Once the budget is adopted, La Plata County maintains budgetary controls to ensure compliance with the annual budget. The level of budgetary control (the level at which expenditures and transfers out cannot legally exceed the appropriated amount) is at the fund level. However, the County further monitors expenditures at the spending authority (elected official/department head) level within individual funds. The Finance Department monitors revenues and expenditures and informs the department heads, the County manager and the Board of issues of budgetary concern. The statements and schedules included in the financial section of this report demonstrate that the County remains successful in meeting its responsibility for sound financial management.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy

Financially, fiscal year 2010 showed that the La Plata County economy is relatively strong and diverse, although not immune to the effects of the national recession and financial and housing market crises. County sales tax collections continued the decline from the peak years of 2007 and 2008, with a 3% decrease compared to 2009, and a total decline since 2008 of 13%. We are pleased, however, to note a 3% increase compared to 2010 for the first 4 months of 2011. Tourism contributes an estimated 28% to the local economy and visitor statistics are still off from 2008, although Southwest Colorado tourism may have benefited somewhat by being a "drive-to" destination for visitors from neighboring states. The hardest hit sector is the construction industry, with a continued slowdown in new development and construction. The highest level of building permits issued in the last 10 years was 1,050 in 2006; by comparison, only 577 were issued in 2010.

Typically, Colorado's (and La Plata County's) economy lags national trends by 6-8 months. It took longer for Colorado to see the effects of the national recession, and it will likely take longer for our state to recover. Statewide, unemployment is projected to be at 9.2 percent for 2011 with very slow job growth in the near future. Personal income is forecast to increase by 3.0 percent in 2011 and 3.9 percent in 2012. For 2010, Colorado realized an annual inflation rate of 1.9, after a 0.6 decline in 2009. The Colorado Office of Planning and Budgeting projects a 3.6 percent annual inflation in 2011. Colorado continues to see fewer overall foreclosures, and according to the Colorado Division of Housing, both foreclosure filings and sales at auction are down in 2011. Statewide, housing permits remain low and retail trade continues to suffer the effects of low consumer confidence and unemployment.

Long-Term Financial Planning

The County budget includes a five-year capital improvement program. Projections for capital investment during the next five years include more than \$10 million projected for new facilities and capital equipment and \$23 million for road and bridge improvements. Long-term, the County will need to address the issue of crowding and security issues in all County buildings, but especially in the downtown Courthouse location. The County is currently evaluating options for the acquisition of additional office space and has recently completed the process of acquiring several properties across the street from the County Courthouse to prepare for future growth in the downtown area. For 2011, the County intends to complete several major road projects, including a bridge replacement on County Road 207, intersection improvements at the airport, and the realignment of the Intersections of CRs 513, 311 and 312 at State Highway 172, a very dangerous intersection.

Since La Plata County is heavily dependent upon property collections related to gas production, in 2003 and again in 2007, the County engaged a specialized consultant to review and project the balance of untapped gas reserves. The results of the study indicate that production related to coal-bed methane gas likely peaked in 2003 and is decreasing at the rate of about 6% per year, despite an increasing number of wells. Because the amount of property tax revenue is related to both production and price, it is difficult to project the long-term revenue stream associated with gas production. Accordingly, the County has adopted a practice of utilizing property taxes related to gas production over a baseline fiscal year 2000 amount only for capital construction and infrastructure improvements.

Additionally, because coal-bed methane gas production comprises such a large percentage of the County's overall property tax collections, and because prices of natural gas can swing wildly (with corresponding significant changes in the annual amount of property tax collections), we have structured our budget to accommodate this volatility. For example, for budget year 2010, the County's assessed valuation increased by about 15% while the assessed valuation for budget year 2011 decreased by 32%, which reflects the surge in natural gas prices in early and mid-2008, and the record lows of 2009. Looking forward to the 2012 and beyond, we project that assessed valuation will remain approximately level for budget year 2012 and slowly recover to 2005-2008 averages by budget year 2015. Over the last several years we have instituted a number of measures to keep our budget sustainable, including operating budget reductions and staffing adjustments.

Given that the quantity of natural gas is finite, the County must develop a long-term strategy to backfill the inevitable decline in production. Economic development and vitality are one of the County's primary strategic goals. We are working closely with various local economic development groups to explore ways to continue to diversify and expand La Plata County's economy, and our community is working with newly-elected Governor John Hickenlooper's "bottom-up" statewide economic development initiative, which intends to prepare economic development plans for each of the 64 counties of the state and then roll them up into fourteen regional plans that will comprise a comprehensive, statewide economic development plan.

Managing for Accountability and Performance (MAP)

La Plata County has recently started implementation of an integrated, results-oriented, performance management system that encompasses planning, budgeting, reporting and decision-making. It builds on the County's strategic plan and provides renewed focus on improving

County government management practices and service delivery to customers. As a first step, departments will develop customer-oriented business plans that identify a set of strategic goals for the next 2-5 years.

As of the end of 2010, we have completed business plans for all of the appointed departments: Planning, Human Services, Building Inspection, Public Works, General Services, Information Technology, Human Resources, Administration and Finance. We have also completed plans for the Elected County Assessor, County Clerk and Recorder, County Treasurer and County Coroner. In 2011, we hope to complete plans for the County Sheriff and District Attorney. In 2010 we began implementation of a web-based performance data reporting system, MFR Live. MFR Live will enable us to provide our managers, elected officials and constituents with data about results, outputs and costs and the issues and trends that are being impacted by the County's strategic planning process. The 2012 budget process will begin to use these business plans for allocating resources, and employee performance plans will also focus on achieving the results identified in the plan. We believe this new management system will help us continue to demonstrate our accountability for the investments that our citizens make in their government.

Awards and Acknowledgements


The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to La Plata County for its comprehensive annual financial report for the fiscal year ended December 31, 2009. The Certificate of Achievement is a prestigious international award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. La Plata County has received a Certificate of Achievement for the last twenty-one (21) consecutive fiscal years (1989-2009) ended December 31st. We believe the 2010 report conforms to the Certificate of Achievement requirements and we are submitting it to the GFOA for review.

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



Shawn Nau,
County Manager



Karla J. Distel, CMA
Director of Finance

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

LIST OF COUNTY OFFICIALS

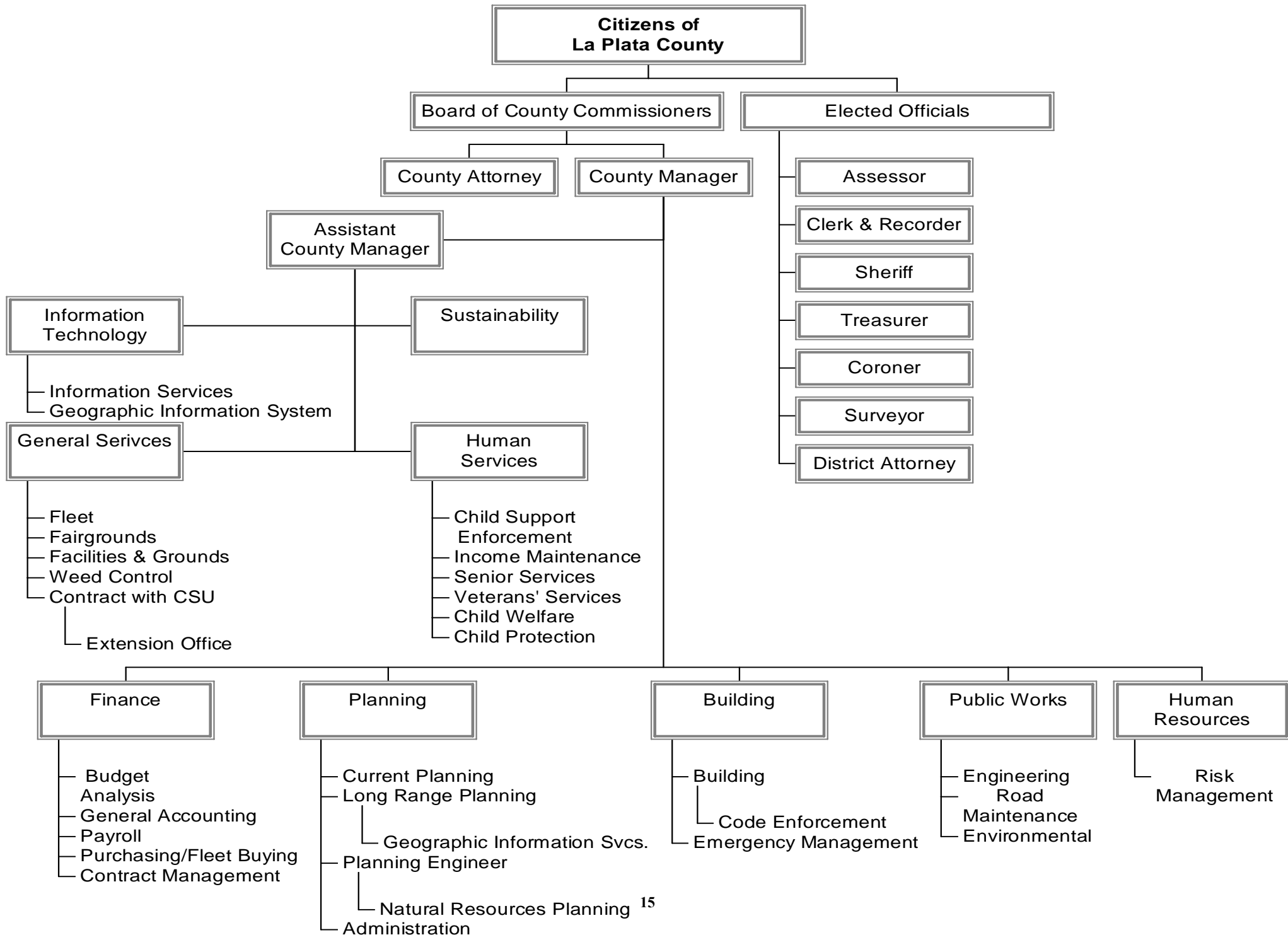
ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Commissioner	Kellie Hotter
Commissioner	Robert A. Lieb, Jr.
Commissioner	Wallace “Wally” White
Assessor	Craig Larson
Clerk & Recorder	Tiffany Lee Parker
	Linda Daley (Retired January 2011)
Coroner	Carol Huser, MD
Sheriff	Sidney "Duke" Schirard
Surveyor	Larry Connolly
Treasurer & Public Trustee	Ed Murray

APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>
County Attorney	Sheryl Rogers
County Manager	Shawn Nau
Assistant County Manager	Joanne Spina
Director of Building & Emergency Services	Butch Knowlton
Director of Finance	Karla Distel
Director of General Services	Al Thye
Director of Human Resources	Kelli Ganevsky
Director of Human Services	Lezlie Mayer
Director of Information Services	Alan Andrews
Director of Planning Services	Erick Aune
Director of Public Works	Jim Davis

La Plata County Organizational Chart



FINANCIAL SECTION

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 9, 2011

Board of County Commissioners
La Plata County, Colorado

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado, as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of La Plata County, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the County's December 31, 2009 financial statements which were audited by other auditors whose report, dated May 12, 2010 expressed unqualified opinions on those financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Road and Bridge Fund, and the Social Services Fund for the year then ended in conformity with U.S. generally accepted accounting principles.



La Plata County, Colorado
June 9, 2011

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2011, on our consideration of La Plata County, Colorado'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* and should be considered in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise La Plata County, Colorado's basic financial statements. The introductory section; combining and individual nonmajor fund financial statements; comparative individual fund financial statements and schedules; the Local Highway Finance Report; the Social Service Fund Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements; the comparative individual fund financial statements and schedules; the Local Highway Finance Report; the Social Service Fund Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of La Plata County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended December 31, 2010. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by \$185,427,549 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$103,057,349 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net assets of \$11,688,162 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Net assets of \$17,538,966 are unrestricted, but are invested in a joint venture.
 - (4) The balance of unrestricted net assets of \$53,143,072 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of \$63,695,399 this year. This compares to the prior year ending fund balance of \$51,555,027 showing an increase of \$12,140,372, during the current year.
- At the end of the current calendar year, unreserved fund balance for the General Fund was \$40,111,898 or 92% of 2011 budgeted General Fund expenditures and transfers out to other funds.
- Overall, the County continues to maintain a strong financial position.

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

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic 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 Assets*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets 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 assets 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 28 & 29 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. Budgetary comparisons demonstrate compliance with the County's adopted original and final budgets.

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The County also presents its budget to actual statements for the general fund, road and bridge fund and the social services fund as basic financial statements.

The basic governmental fund financial statements are presented on pages 30 through 36 of this report.

Individual fund information for non-major governmental funds and combining statements are found in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which fees are charged. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal services funds to account for its fleet and employee health insurance functions. 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 37 through 39 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 41 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Combining and individual statements and budgetary comparison schedules for non-major funds are presented in the supplementary section of this report beginning on page 64. 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 funds.

Financial Analysis of the County as a Whole

The County implemented the new financial reporting model used in this report beginning with the calendar year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the County as a whole.

Overall, the County's financial position continues to remain strong, and has improved over the prior year. This improvement can be demonstrated in a number of different areas, as detailed below.

The County's net assets at calendar year-end are \$185,427,549. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities 2010	Percentage of Total 2010	Governmental Activities 2009	Governmental Activities 2008	Governmental Activities 2007 as restated
Assets:					
Current assets	\$ 93,084,398	43.2%	\$ 90,849,763	\$ 79,514,431	\$ 80,187,806
Investment in joint venture	17,538,966	8.1%	17,046,240	12,593,961	12,555,259
Capital assets	104,822,349	48.7%	106,950,611	103,977,081	88,797,184
Total assets	215,445,713	100.0%	214,846,614	196,085,473	181,540,249
Liabilities:					
Current liabilities	24,246,720	80.8%	35,075,492	32,015,969	31,827,041
Long-term liabilities	5,771,444	19.2%	6,890,794	4,418,868	4,295,215
Total liabilities	30,018,164	100.0%	41,966,286	36,434,837	36,122,256
Net assets:					
Invested in capital assets, net of debt	103,057,349	55.6%	104,785,611	101,427,081	85,872,184
Restricted	11,688,162	6.3%	10,773,181	13,444,227	26,494,550
Unrestricted	70,682,038	38.1%	57,321,536	44,779,328	33,051,259
Total net assets	\$ 185,427,549	100.0%	\$ 172,880,328	\$ 159,650,636	\$ 145,417,993

The current liabilities and net assets for the year ended 12/31/2007 have been restated to reflect amounts due to other governments that were not properly accrued at 12/31/2007. The largest portion of the County's net assets (55.6%) reflects

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

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.84 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 2011 with an offsetting amount reported in deferred revenue as a current liability. If you remove those amounts from the current ratio calculation, the adjusted ratio is 16.1 to 1, which demonstrates the real liquid position of the County.

The County reported positive balances in net assets. Net assets increased \$12,547,220 for governmental activities, a 7.3% increase.

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

Summary of Changes in Net Assets					
	Governmental Activities 2010	Percentage of Total 2010	Governmental Activities 2009	(Decrease) Increase	2008
Revenue:					
Program:					
Charges for services	\$ 3,913,424	6.1%	\$ 3,984,285	\$ (70,861)	\$ 4,475,896
Operating grants	12,765,925	19.8%	18,162,203	(5,396,278)	10,280,747
Capital grants	662,256	1.0%	2,828,191	(2,165,935)	4,026,680
General:					
Taxes	45,466,908	70.7%	40,256,014	5,210,894	41,192,722
Other	1,531,460	2.4%	2,324,944	(793,484)	3,803,260
Total revenues	<u>64,339,973</u>	<u>100.0%</u>	<u>67,555,637</u>	<u>(3,215,664)</u>	<u>63,779,305</u>
Program Expenses:					
General government	12,590,925	24.3%	11,324,542	1,266,383	10,081,860
Public safety	15,228,090	29.4%	14,921,662	306,428	13,909,083
Auxiliary services	3,609,635	7.0%	3,925,467	(315,832)	3,693,219
Public works	9,946,369	19.2%	13,329,071	(3,382,702)	12,532,719
Health and welfare	5,653,873	10.9%	5,551,746	102,127	4,896,385
Community programs	4,693,722	9.1%	5,191,522	(497,800)	4,341,763
Interest and fiscal charges	70,139	0.1%	81,935	(11,796)	91,633
Total expenses	<u>51,792,753</u>	<u>100.0%</u>	<u>54,325,945</u>	<u>(2,533,192)</u>	<u>49,546,662</u>
Change in net assets	12,547,220		13,229,692	<u>\$ (682,472)</u>	14,232,643
Beginning net assets	<u>172,880,329</u>		<u>159,650,637</u>		<u>145,417,994</u>
Ending net assets	<u>\$ 185,427,549</u>		<u>\$ 172,880,329</u>		<u>\$ 159,650,637</u>

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes provided 49% of the County's total governmental revenues. Sales taxes are the second largest revenue source with slightly more than \$13.5 million of revenues or 21% of the total. Also, note that program revenues cover only about 33% of governmental operating expenses. This means that the government's property and sales taxpayers fund the largest share of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams. A significant component of the County's revenue is property taxes associated with the extraction of natural gas. Because of the variability in the two factors that determine the amount of tax collected on natural gas production, price and volume, it has been the County's practice to utilize the growth in property taxes related to gas production for capital and infrastructure improvements.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety, general government and public works functions make up nearly three-fourths of the total governmental activities expenses. Public safety costs total over \$15.2 million dollars or 29% of the total expenditures. General government makes up approximately 24% and public works is slightly more than 19% of total costs.

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

Governmental Activities						
2010						
	Total Cost of Services	Net Cost of Services	Net Cost % of Total	2009 Net Cost	Decrease (Increase)	2008 Net Cost
General government	\$ 12,590,925	\$ 6,772,508	19.7%	\$ 3,377,933	\$ (3,394,575)	\$ 4,272,197
Public safety	15,228,090	13,858,701	40.2%	13,146,714	(711,987)	10,581,891
Auxiliary services	3,609,635	3,027,666	8.8%	3,271,874	244,208	2,734,583
Public works	9,946,369	6,286,202	18.2%	8,537,802	2,251,600	7,831,579
Change in joint venture ¹	-	(492,726)	-1.4%	(4,452,279)	(3,959,553)	(38,702)
Health and welfare	5,653,873	1,217,143	3.5%	1,259,338	42,195	1,220,626
Community programs	4,693,722	3,711,515	10.8%	4,127,949	416,434	4,069,532
Interest	70,139	70,139	0.2%	81,935	11,796	91,633
Total	<u>\$ 51,792,753</u>	<u>\$ 34,451,148</u>	<u>100.0%</u>	<u>\$ 29,351,266</u>	<u>\$ (5,099,882)</u>	<u>\$ 30,763,339</u>

¹ This represents an increase in the County's share of increased net assets at the joint venture airport. Funds received in 2009 included a significant amount of ARRA funding for infrastructure improvements.

After reducing gross expenses by program revenues, public safety totals more than 40% of the net cost of services, public works comprises about 18% of total net costs of services, and the general government function's net costs are nearly 20% of the total net cost of services.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$63,695,399. Of this year-end total, \$51,576,121 is unreserved indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include: \$3,801,100 committed to fund program purposes, \$2,000,000 set aside for emergency purposes, \$452,735 reserved for debt service, and \$5,434,327 committed to future expenditures on capital projects. \$431,116 represents inventories held for future consumption and does not represent available, spendable resources.

The total ending fund balances of governmental funds show an increase of \$12,140,372 or 23.5% above the prior year. This increase is primarily related to under-spending the 2010 budget by about 9% and higher levels of property tax collections due to the increased valuation of gas extraction properties.

Major Governmental Funds

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by slightly more than \$12 million. This followed a \$4.5 million increase in 2009.

Property tax collections in the General Fund increased in 2010 by more than \$3.5 million to more than \$26 million. Including a one-time prior period audit adjustment of approximately \$1.7 million, sales taxes totaled about \$13.5 million, a moderate increase over the 2009 collections of \$12.2 million. State and federal revenues declined nearly \$1.6 million below calendar 2009, primarily due to a decreased direct distribution of severance tax funds awarded through the State of Colorado and limited grant opportunities through the gaming and energy impact assistance (EIA) grants programs. Most other revenue streams were consistent with that of calendar 2009. Expenditures in the general fund were nearly the same as 2009.

The General Fund's ending unreserved fund balance of more than \$40 million is considered more than adequate, representing nearly 92% of 2011 budgeted general fund expenditures and transfers out to other funds. The County has a policy that requires a general fund unreserved balance of 20%-25% of the annual appropriation amount, and the current unreserved fund balance more than exceeds that level.

The Road and Bridge fund's fund balance decreased by about \$1 million in 2010, primarily due to decreased transfers in from the General Fund. Intergovernmental revenues were down nearly \$1 million, primarily due to the suspension of the EIA grants program by the State of Colorado. This fund spent nearly \$10 million building, improving and maintaining County roads and bridges, which was about \$1.7 million less than in 2009, because of the lack of funding for capital projects due to the above-mentioned suspension of the EIA grants program. The social services fund spent more than \$5.5 million in providing services to clients, about the same level as in 2009. Because of high property tax values, tax revenues also increased by approximately \$200,000, leading to a 25% increase (\$582,151) in fund balances over the prior year. The capital improvement fund balance increased by more than \$781,000 in 2010. This was primarily due to setting aside funds for a planned acquisition of a property adjacent to the downtown Courthouse that will allow for future expansion of County facilities.

Budgetary Highlights

The General Fund – The revenue budget was increased by approximately \$200,000 over the original budget, related to adjusted revenue projections for lodger's tax and reimbursement from the State of Colorado as part of a fiscal impact study for a proposed industrial/commercial park. Actual property, sales, and other tax collections were more than \$2.7 million more than the final budget, which was due in part to receipt of additional sales taxes of approximately \$1.7 million due to a state audit adjustment. In addition, the 2010 budget was adopted with a cautionary allowance of 2% for uncollectible property taxes, which ultimately did not prove necessary. Intergovernmental revenues were within 2% of budget. Investment earnings in the General Fund came in slightly less than the \$500,000 that was budgeted. In total, the County realized 100.6% of the final revenue budget.

The expenditure side of the original budget for the General Fund was increased about \$155,000 to allow for additional litigation costs in the County Attorney's office (related to the jail litigation, see Note 3-J). In 2010, the County placed \$1.250 million in a budget reserve account and transferred about \$523,000 of that out to other General Fund line items, most for employee insurance increases and jail litigation costs. The County spent 90% of the final amended general fund expenditure budget, with most of the surplus related to staff vacancies.

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, 2010, was \$104,822,349. Because of depreciation, net capital assets decreased by about 2%. See Note 3-D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Governmental Activities	@ 12/31/2010	@ 12/31/2009
Non-depreciable assets:		
Land	\$ 7,269,698	\$ 6,724,305
Construction in progress	185,360	185,360
Total non-depreciable	7,455,058	6,909,665
Depreciable assets:		
Buildings	47,999,169	47,746,790
Improvements	9,049,520	9,021,071
Machinery and equipment	15,353,730	15,309,769
Infrastructure	80,039,347	77,881,064
Total depreciable assets	152,441,766	149,958,694
Less accumulated depreciation	55,074,475	49,917,748
Book value - depreciable assets	97,367,291	100,040,946
Percentage depreciated	36%	33%
Book value - all assets	\$ 104,822,349	\$ 106,950,611

The change to the land asset class relates to the purchase of property adjacent to the current County Courthouse to allow for future expansion, at a cost of slightly more than \$545,000. The existing buildings located on the site will be demolished and a temporary parking lot will be constructed on the site in 2011 or 2012.

The County has capitalized current year infrastructure costs of over \$2.158 million including the following major projects:

- The replacement of a bridge on CR 141
- The completion of the bridge replacement on CR 527
- Reconstruction of the intersection of CR 309 at the Durango/LaPlata County Airport

Long-term Debt

At the end of the current fiscal year, La Plata County had no bonded debt. During 2010, the County retired \$400,000 in certificates of participation issued by the La Plata County Finance Authority in 2004 for the acquisition of the Old Main

Professional Building, leaving an outstanding balance of \$1,765,000. See Note 3-G for additional information about the County's long-term debt. We discuss the pollution remediation costs in Note 3-J and the landfill closure and postclosure care liability in Note 3-K. A summary of outstanding debt at year-end is as follows:

Long Term Debt--Governmental Activities

	12/31/2010	12/31/2009	\$ Change	% Change
Certificates of Participation	\$ 1,765,000	\$ 2,165,000	\$ (400,000)	-18%
Compensated Absences	1,422,959	1,289,724	133,235	10%
Pollution remediation costs	2,945,725	3,525,000	(579,275)	-16%
Landfill closure and postclosure care costs	937,500	1,158,369	(220,869)	-19%
Total Governmental Activities	\$ 7,071,184	\$ 8,138,093	\$ (1,066,909)	-13%

Economic Factors and Next Year's Budget

For budget year 2011, the County's assessed valuation decreased by about 32%, resulting in about \$10 million less in property tax collections compared to 2010. This decline resulted because property tax valuation related to the extraction of coal-bed methane gas comprises a very large percentage of the County's overall property tax collections. While production levels remain consistent with the normal declines expected as a field ages, prices can and do fluctuate dramatically from the record high levels of 2008 (which translated to the 2010 property tax collections) to the record lows of early 2009 (which resulted in the declines in the 2011 budget).

Additionally, the national recession and the instability in the housing and financial markets have continued to affect the La Plata County economy. Adjusted County sales tax collections dropped by approximately 3% in 2010 compared to 2009, and we have projected them to remain flat for 2011. The local construction sector continues to struggle, reflected in the continuing low number of building and planning permits requested. The County's 2011 budget has been prepared with consideration of these and other economic factors and community needs, and we have made some significant adjustments to the County's staffing and operational budgets.

Because of the County's practice of multi-year fiscal planning and forecasting, the decline in property tax collections in fiscal 2011 was identified and prepared for well in advance, and the planned increases to the County's liquid reserve levels in 2009 and 2010 will help us to avoid a dramatic reduction in service levels going forward. As part of the 2011 budget preparation, we continued the existing freeze on employee salary increases in 2011, eliminated five vacant positions and reduced our operating budget by an additional 12% compared to 2010 levels. In early 2011, we eliminated seven filled staff positions in the building, planning and geographic information services departments after extensive workload analysis. Over the last three budget years, we have reduced staffing levels by a total of 17 positions, or about 4% of our 2009 staffing level. We continue to do executive review of all expenditures for capital and professional services agreements before contracting, as well as all travel and training requests. The management team reviews position vacancies prior to recruitment. We expect 2012 property taxes to remain approximately equal to 2011, with a slow recovery back to 2005 levels by budget year 2015. Our adopted 2011 budget shows a dip of about \$4.7 million into fund balance reserves, although we believe that with the staffing adjustments that we made in early 2011, the slightly higher than expected sales tax revenues we are seeing in early 2011, and continued monitoring of operational expenditures, we can hold that budget shortfall for 2011 to around \$2 million. Our Board of County Commissioners, Elected Officials, Department Heads and staff all remain committed to maintaining high constituent service levels to the citizens of La Plata County even with the fiscal challenges we face.

Contacting the County's Financial Management

This financial report is intended to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Director at 1060 E. 2nd Avenue, Durango, CO 81301, or via email distelkj@co.laplata.co.us.

BASIC FINANCIAL STATEMENTS

La Plata County, Colorado
Statement of Net Assets
December 31, 2010

	Primary Government Governmental Activities	Component Unit
Assets		
Current Assets		
Cash	\$ 223,617	\$ 315,664
Equity in treasurer's cash and investments	67,992,652	-
Restricted cash and investments	169,949	-
Cash held by Trustee	431,980	-
Receivables:		
Accounts	310,832	-
Taxes	19,687,627	-
Deposits	92,189	-
Intergovernmental	3,336,128	125,796
Due from component unit	300,000	-
Due from primary government	-	272,561
Inventory	539,424	-
Investment in joint venture	17,538,966	-
Capital Assets		
Nondepreciable capital assets	7,455,062	-
Depreciable capital assets, net	97,367,287	43,125
Total Assets	215,445,713	757,146
Liabilities		
Current Liabilities		
Accounts payable	1,049,381	984
Accrued expenses	776,868	59,178
Contracts payable	120,900	-
Intergovernmental payable	611,062	-
Accrued interest payable	4,675	-
Due to primary government	-	300,000
Deposits payable	138,840	-
Unearned revenue	19,880,854	-
Liabilities payable from restricted assets	169,949	-
Claims payable	194,451	-
Current portion-certificates of participation payable	415,000	-
Current portion-compensated absences payable	355,740	18,069
Current portion-pollution remediation obligations	160,000	-
Current portion-landfill closure and post-closure care costs payable	369,000	-
Long-Term Liabilities:		
Certificates of participation payable (net of current portion)	1,350,000	-
Compensated absences payable (net of current portion)	1,067,219	54,207
Pollution remediation obligations (net of current portion)	2,785,725	-
Landfill closure/post-closure costs (net of current portion)	568,500	-
Total Liabilities	30,018,164	432,438
Net Assets		
Invested in capital assets, net of related debt	103,057,349	43,125
Restricted for:		
Capital improvements	5,434,327	-
Debt service	452,735	-
Required legal fund segregations	3,801,100	-
Emergencies	2,000,000	72,000
Unrestricted	70,682,038	209,583
Total Net Assets	\$ 185,427,549	\$ 324,708

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Activities
For the Year Ended December 31, 2010

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government	Component Unit
Primary Government						
Governmental Activities						
General government	\$ 12,590,925	\$ 2,753,843	\$ 3,000,890	\$ 63,684	\$ (6,772,508)	\$ -
Public safety	15,228,090	860,444	508,945	-	(13,858,701)	-
Auxiliary services	3,609,635	239,027	342,942	-	(3,027,666)	-
Public works	9,946,369	60,110	3,001,485	598,572	(6,286,202)	-
Public works-increase (decrease) in joint venture	-	-	492,726	-	492,726	-
Health and welfare	5,653,873	-	4,436,730	-	(1,217,143)	-
Community programs	4,693,722	-	982,207	-	(3,711,515)	-
Interest and fiscal charges	70,139	-	-	-	(70,139)	-
Total Governmental Activities	\$ 51,792,753	\$ 3,913,424	\$ 12,765,925	\$ 662,256	\$ (34,451,148)	-
Component Unit						
Office of the District Attorney	\$ 2,489,882	\$ -	\$ 901,400	\$ -	\$ -	\$ (1,588,482)
General Revenues						
Property taxes levied for general government purposes					31,654,239	-
Sales taxes					13,528,774	-
Lodgers taxes					180,453	-
Cable franchise fees					103,442	-
Operational funding from primary government--unrestricted					-	1,313,035
Investment earnings					435,688	-
Miscellaneous					1,095,772	137,797
Total General Revenues					46,998,368	1,450,832
Change in Net Assets					12,547,220	(137,650)
Beginning Net Assets					172,880,329	462,358
Net Assets End of Year					\$ 185,427,549	\$ 324,708

See accompanying notes to the basic financial statements

La Plata County, Colorado
Balance Sheet
Governmental Funds
December 31, 2010

	General	Road and Bridge	Social Services	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 222,417	\$ 800	\$ 400	\$ -	\$ -	\$ 223,617
Equity in treasurer's cash and investments	41,198,508	9,402,921	2,759,840	5,540,576	2,623,269	61,525,114
Restricted cash and investments	80,076	-	89,873	-	-	169,949
Cash held by Trustee	-	-	-	-	431,980	431,980
Receivables:						
Accounts	136,518	2,670	70,933	-	-	210,121
Taxes	17,100,065	1,638,468	876,926	-	72,168	19,687,627
Deposits	2,000	-	-	90,189	-	92,189
Intergovernmental	1,883,612	932,232	520,284	-	-	3,336,128
Component unit	300,000	-	-	-	-	300,000
Interfund	115,151	-	-	-	133,535	248,686
Inventory	65,965	365,151	-	-	-	431,116
Total Assets	\$ 61,104,312	\$ 12,342,242	\$ 4,318,256	\$ 5,630,765	\$ 3,260,952	\$ 86,656,527
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 610,242	\$ 161,289	\$ 212,931	\$ 41,179	\$ 7,434	\$ 1,033,075
Accrued salaries and wages	633,767	123,995	-	-	-	757,762
Contracts payable	-	115,641	-	5,259	-	120,900
Intergovernmental payable	507,416	31,782	71,864	-	-	611,062
Interfund payable	133,535	-	115,151	-	-	248,686
Deposits payable	138,840	-	-	-	-	138,840
Deferred revenues	17,140,542	1,638,468	876,926	150,000	74,918	19,880,854
Liabilities payable from restricted assets	80,076	-	89,873	-	-	169,949
Total Liabilities	19,244,418	2,071,175	1,366,745	196,438	82,352	22,961,128
Fund Balances						
Reserved for:						
Inventory	65,965	365,151	-	-	-	431,116
Emergencies	-	-	-	-	2,000,000	2,000,000
Program purposes	1,682,031	2,119,069	-	-	-	3,801,100
Capital improvements	-	-	-	5,434,327	-	5,434,327
Debt service	-	-	-	-	452,735	452,735
Unreserved:						
Undesignated, reported in:						
General fund	40,111,898	-	-	-	-	40,111,898
Special revenue funds	-	7,786,847	2,951,511	-	725,865	11,464,223
Total Fund Balances	41,859,894	10,271,067	2,951,511	5,434,327	3,178,600	63,695,399
Total Liabilities and Fund Balances	\$ 61,104,312	\$ 12,342,242	\$ 4,318,256	\$ 5,630,765	\$ 3,260,952	\$ 86,656,527

See accompanying notes to the basic financial statements

La Plata County, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2010

Total Governmental Fund Balances		\$ 63,695,399
Amounts reported for governmental activities in the statement of net assets 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 assets, the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	\$ 159,896,824	
Less accumulated depreciation	<u>(55,074,475)</u>	104,822,349
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets:		
Interfund receivables	\$ 248,686	
Interfund payables	<u>(248,686)</u>	-
The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net assets.		17,538,966
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 assets.		
Non-capital assets	\$ 6,676,557	
Non-capital liabilities	<u>(229,863)</u>	6,446,694
Accrued interest on certificates of participation is not accrued at the fund level but is reported on the government-wide statement of net assets.		(4,675)
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 assets.		
Certificates of participation	\$ (1,765,000)	
Compensated absences	(1,422,959)	
Pollution remediation obligations	(2,945,725)	
Landfill closure and postclosure care costs	<u>(937,500)</u>	<u>(7,071,184)</u>
Net Assets Of Governmental Activities		<u><u>\$ 185,427,549</u></u>
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, 2010

	General	Road and Bridge	Social Services	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 41,479,295	\$ 2,443,940	\$ 1,466,727	\$ -	\$ 76,946	\$ 45,466,908
Intergovernmental	4,834,985	3,600,057	4,436,730	63,683	-	12,935,455
Licenses and permits	389,567	60,110	-	-	-	449,677
Charges for services	3,313,725	-	-	-	-	3,313,725
Investment earnings	430,730	-	-	-	2,646	433,376
Miscellaneous	512,860	343,013	237,149	-	2,750	1,095,772
Total Revenues	50,961,162	6,447,120	6,140,606	63,683	82,342	63,694,913
Expenditures						
Current:						
General government	11,636,438	-	-	-	-	11,636,438
Public safety	14,844,053	-	-	-	-	14,844,053
Auxiliary services	3,246,466	-	-	-	-	3,246,466
Public works	-	7,567,162	-	-	374,884	7,942,046
Health and welfare	-	-	5,558,455	-	-	5,558,455
Community programs	4,693,722	-	-	-	-	4,693,722
Capital Outlay	-	2,380,281	-	781,824	-	3,162,105
Debt Service:						
Principal retirement	-	-	-	-	400,000	400,000
Interest and fiscal charges	-	-	-	-	69,506	69,506
Agent fees	-	-	-	-	1,750	1,750
Total Expenditures	34,420,679	9,947,443	5,558,455	781,824	846,140	51,554,541
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,540,483	(3,500,323)	582,151	(718,141)	(763,798)	12,140,372
Other Financing Sources (Uses)						
Transfers in	2,067,281	2,500,000	-	1,500,000	2,580,130	8,647,411
Transfers out	(6,570,130)	-	-	-	(2,077,281)	(8,647,411)
Total Other Financing Sources (Uses)	(4,502,849)	2,500,000	-	1,500,000	502,849	-
Net Change in Fund Balances	12,037,634	(1,000,323)	582,151	781,859	(260,949)	12,140,372
Fund Balances Beginning of Year	29,822,260	11,271,390	2,369,360	4,652,468	3,439,549	51,555,027
Fund Balances End of Year	\$ 41,859,894	\$ 10,271,067	\$ 2,951,511	\$ 5,434,327	\$ 3,178,600	\$ 63,695,399

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, 2010

Net Changes In Fund Balances - Total Governmental Funds		\$ 12,140,372
Amounts reported for governmental activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of fleet management and self insurance to individual funds. The net revenue of certain activities (excluding depreciation) of internal service funds is reported with governmental activities.		
	Operating revenues	\$ 5,609,507
	Operating expense (excl depr)	(3,983,150)
	Investment earnings	2,312
		1,628,669
Internal service funds capital asset activity:		
	Depreciation expense	\$ (964,366)
	Cash received from sales of assets	128,936
	Assets disposed-net of accum depreciation	(90,697)
		(926,127)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount capital outlay exceeded depreciation expense in the current period.		
	Depreciation expense (excl internal svc funds)	\$ (4,879,337)
	Capital outlay (excl internal service funds)	3,051,595
		(1,827,742)
Governmental funds do not report the net cost of capital assets disposed of, but the cost is reported on the statement of activities		(28,703)
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		492,726
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.		
	Transfers in	\$ 8,647,411
	Transfers out	(8,647,411)
		-
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 @ 12/31/10	\$ (4,675)
	Liability @ 12/31/09	5,791
		1,116
The (increase) decrease in pollution remediation obligations do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Liability @ 12/31/10	\$ (2,945,725)
	Liability @ 12/31/09	3,525,000
		579,275
The (increase) decrease in landfill closure and postclosure care costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Liability @ 12/31/10	\$ (937,500)
	Liability @ 12/31/09	1,158,369
		220,869
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
	Certificates of participation	400,000
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 @ 12/31/10	\$ (1,422,959)
	Liability @ 12/31/09	1,289,724
		(133,235)
Change In Net Assets of Governmental Activities		<u><u>\$ 12,547,220</u></u>

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 38,641,697	\$ 38,721,697	\$ 41,479,295	\$ 2,757,598
Intergovernmental	4,773,591	4,894,429	4,834,985	(59,444)
Licenses and permits	585,500	585,500	389,567	(195,933)
Charges for services	3,036,445	3,036,445	3,313,725	277,280
Investment earnings	500,000	500,000	430,730	(69,270)
Miscellaneous	442,488	442,488	512,860	70,372
Total Revenues	<u>47,979,721</u>	<u>48,180,559</u>	<u>50,961,162</u>	<u>2,780,603</u>
Expenditures				
Current:				
General government	13,849,139	13,884,696	11,636,438	2,248,258
Public safety	15,423,942	15,430,442	14,844,053	586,389
Auxiliary services	3,640,474	3,666,755	3,246,466	420,289
Community programs	5,183,993	5,271,493	4,693,722	577,771
Total Current	<u>38,097,548</u>	<u>38,253,386</u>	<u>34,420,679</u>	<u>3,832,707</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,882,173</u>	<u>9,927,173</u>	<u>16,540,483</u>	<u>6,613,310</u>
Other Financing Sources (Uses)				
Transfers in	2,205,813	2,205,813	2,067,281	(138,532)
Transfers out	<u>(6,300,982)</u>	<u>(6,300,982)</u>	<u>(6,570,130)</u>	<u>(269,148)</u>
Total Other Financing Sources (Uses)	<u>(4,095,169)</u>	<u>(4,095,169)</u>	<u>(4,502,849)</u>	<u>(407,680)</u>
Net Change in Fund Balances	<u>\$ 5,787,004</u>	<u>\$ 5,832,004</u>	12,037,634	<u>\$ 6,205,630</u>
Fund Balances Beginning of Year			<u>29,822,260</u>	
Fund Balances End of Year			<u>\$ 41,859,894</u>	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Road and Bridge Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 2,336,033	\$ 2,336,033	\$ 2,443,940	\$ 107,907
Intergovernmental	4,099,847	4,299,847	3,600,057	(699,790)
Licenses and permits	240,000	240,000	60,110	(179,890)
Miscellaneous	605,700	405,700	343,013	(62,687)
Total Revenues	<u>7,281,580</u>	<u>7,281,580</u>	<u>6,447,120</u>	<u>(834,460)</u>
Expenditures				
Current:				
Public works	8,807,703	8,807,703	7,567,162	1,240,541
Capital Outlay	<u>4,253,000</u>	<u>4,327,915</u>	<u>2,380,281</u>	<u>1,947,634</u>
Total Expenditures	<u>13,060,703</u>	<u>13,135,618</u>	<u>9,947,443</u>	<u>3,188,175</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,779,123)</u>	<u>(5,854,038)</u>	<u>(3,500,323)</u>	<u>2,353,715</u>
Other Financing Sources (Uses)				
Transfers in	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (3,279,123)</u>	<u>\$ (3,354,038)</u>	<u>(1,000,323)</u>	<u>\$ 2,353,715</u>
Fund Balances Beginning of Year			<u>11,271,390</u>	
Fund Balances End of Year			<u>\$ 10,271,067</u>	

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 1,408,811	\$ 1,408,811	\$ 1,466,727	\$ 57,916
Intergovernmental	6,160,457	6,160,457	4,436,730	(1,723,727)
Miscellaneous	-	-	237,149	237,149
Total Revenues	<u>7,569,268</u>	<u>7,569,268</u>	<u>6,140,606</u>	<u>(1,428,662)</u>
Expenditures				
Current:				
Health and welfare	<u>7,673,021</u>	<u>7,673,021</u>	<u>5,558,455</u>	<u>2,114,566</u>
Total Expenditures	<u>7,673,021</u>	<u>7,673,021</u>	<u>5,558,455</u>	<u>2,114,566</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(103,753)</u>	<u>(103,753)</u>	<u>582,151</u>	<u>685,904</u>
Net Change in Fund Balances	<u>\$ (103,753)</u>	<u>\$ (103,753)</u>	<u>582,151</u>	<u>\$ 685,904</u>
Fund Balances Beginning of Year			<u>2,369,360</u>	
Fund Balances End of Year			<u>\$ 2,951,511</u>	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Net Assets
Internal Service Funds
December 31, 2010

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Equity in treasurer's cash and investments	\$ 6,467,538
Accounts receivable	100,711
Inventory	108,308
Total Current Assets	6,676,557
Noncurrent Assets:	
Capital Assets:	
Depreciable capital assets, net	6,794,283
Total Assets	\$ 13,470,840
Liabilities	
Current Liabilities:	
Accrued payroll	19,106
Accounts payable	16,306
Accrued claims payable	194,451
Total Current Liabilities	229,863
Net Assets	
Invested in capital assets	6,794,283
Unrestricted	6,446,694
Total Net Assets	\$ 13,240,977

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2010

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	\$ 2,838,985
Insurance deposits	2,770,522
Total Operating Revenues	5,609,507
Operating Expenses	
Equipment maintenance	1,007,473
Depreciation	964,366
Medical claims	2,975,677
Total Operating Expenses	4,947,516
Operating Income (Loss)	661,991
Non-Operating Revenues	
Gain (loss) on sale of capital assets	38,239
Investment earnings	2,312
Total Non-Operating Revenues (Expenses)	40,551
Change in Net Assets	702,542
Net Assets Beginning of Year	12,538,435
Net Assets End of Year	\$ 13,240,977

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, 2010

	Governmental Activities - Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash received from customers	\$ 5,513,370
Cash payments for goods and services	(1,051,028)
Cash payments for claims	(3,129,772)
	<u>1,332,570</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,332,570</u>
Cash Flows from Capital and Related Financing Activities	
Cash sales of capital assets	128,936
Payments for capital acquisitions	(783,247)
	<u>(654,311)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(654,311)</u>
Cash Flows from Investing Activities	
Investment earnings	2,312
	<u>2,312</u>
Net Increase (Decrease) in Cash and Cash Equivalents	680,571
Cash and Cash Equivalents Beginning of Year	<u>5,786,967</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 6,467,538</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 661,991
Adjustments:	
Depreciation	964,366
(Increase) Decrease in Assets:	
Accounts receivable	(96,137)
Inventory	20,214
Increase (Decrease) in Liabilities:	
Accounts payable	(66,161)
Accrued incurred/unreported claims	(154,095)
Accrued wages	2,392
	<u>2,392</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,332,570</u></u>

See accompanying notes to the basic financial statements

La Plata County, Colorado
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Equity in treasurer's cash and investments	\$ 2,470,639	\$ 2,145,665
Liabilities		
Accounts payable	\$ 2,307	\$ 116,353
Due to component unit	272,561	249,649
Deposits held for others	2,195,771	1,779,663
Total Liabilities	\$ 2,470,639	\$ 2,145,665

See accompanying notes to the basic financial statements

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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. The County has implemented the provisions of GASB Statement 20 with regard to the application of Financial Accounting Standards Board (FASB) pronouncements to its proprietary funds. In accordance with the provisions of GASB Statement 20, the County has elected not to apply those FASB statements and interpretations issued after November 30, 1989. A summary of significant policies is as follows:

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable or which are closely related to or financially integrated with the County. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The County's component units are presented either as "blended" or "discretely presented." If blended, it is reported as if it were a fund of the County throughout the year. It is included at both the government-wide and fund financial reporting levels. Discretely presented component units are reported only at the government-wide financial reporting level.

The component unit columns included on the government-wide financial statements identifies the financial data of the County's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the County.

A brief description of the blended component units follows:

The ***Durango Hills Local Improvement District (the District)***, a legally separate entity from the County, is governed by a three-member board composed of the sitting County Commissioners. For financial statement reporting purposes, the Durango Hills Local Improvement District is blended because the District's governing body consists of the County Commissioners. The activities of the Durango Hills Local Improvement District are reported in the County's financial report as the special revenue fund, "Local Improvement District."

The financial data of the ***La Plata County Finance Authority (the Authority)*** is reported as part of the primary government because it is fiscally dependent upon the County and provides financing solely to the County. The

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Authority was incorporated as a nonprofit corporation in the State of Colorado in 2004. The purpose of the Authority is to facilitate financing for the County (see Note 3-H). Although the Authority is a separate legal entity, for financial reporting purposes it is considered part of the County and is reported in the La Plata County Finance Authority Debt Service Fund.

A brief description of the discretely presented component unit follows:

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

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets 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 assets 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 assets presents the financial position of the governmental activities of the County and its discretely presented component unit at year-end.

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

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

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - 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.

Major individual governmental funds are reported in separate columns.

Fund Accounting - 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. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. 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. 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. 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.

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:

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The County's only proprietary funds are internal service funds.

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 assets. 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.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Discretely Presented Component Unit – the Office of the District Attorney maintains four governmental funds, all reported as major funds. The following are descriptions of these funds:

General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund.

Victim's Assistance Fund – This fund accounts for monies received from the State of Colorado and the State Court system to provide direct services and compensatory payments to victims of crime.

Federal Victim's Compensation Fund – This fund accounts for monies from the United States government to provide direct services and compensatory payments to victims of crime.

State Victim's Compensation Fund – This fund accounts for monies from the State of Colorado and the Colorado State Judicial system to provide services such as medical, legal and counseling services to victims of crime.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

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

1-D. 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. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The agency fund reports its assets and liabilities on the accrual basis.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year.

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For the Year Ended December 31, 2010

or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the tax collections are remitted by the collector to the collection agency. Revenue from property taxes is recognized in the fiscal year for which the taxes are actually collected. (Note 3-C) Delinquent property taxes are considered fully collectible, since they are typically sold to investors if unpaid by the property owner or mortgage holder. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue. Property taxes that are due in the subsequent budget year are the largest element of deferred revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reclassified as “*unearned revenue*” on the government-wide statement of net assets.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-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 assets 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

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pool has been treated the same as any other demand deposit or investment with a maturity of three months or less.

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

1-E-2 Receivables

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

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

1-E-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 an expenditure in the governmental fund types when consumed.

1-E-5 Restricted Assets

These assets primarily consist of cash being held in trust by the Department of Social Services for individuals totaling \$89,873 and La Plata County jail inmate commissary funds of \$80,076.

1-E-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 assets but does not report these assets in the government fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized, while the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

In 2007, the County hired an independent third party to complete a valuation of the County's infrastructure assets. They have provided the County with the estimated historical cost and accumulated depreciation of infrastructure assets, including such items as bridges, cattle guards, culverts, drainage and irrigation ditches, guardrails, retaining walls, roads and road signs, using County supplied inventories and by back trending from current replacement cost. All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on

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the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Estimated Lives by Asset Class	Governmental Activities	Discretely Presented Component Unit
Buildings	60 Years	---
Improvements	30 Years	---
Machinery and equipment	5 - 30 Years	5-15 Years
Infrastructure	20 - 60 Years	---

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

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

1-E-7 Compensated Absences

The County accrues a liability for compensated absences when the County's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered, when the obligation relates to rights that vest or accumulate, when payment of the compensation is probable and when the amount can be reasonably estimated. In accordance with these criteria, the County has accrued a liability for annual leave that has been earned but not taken by County employees.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Proprietary Funds – Accumulated vested sick pay and vacation pay at December 31, 2010, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

1-E-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. Certificates of participation, landfill closure and post-closure care costs and pollution remediation costs are recognized as a liability in the governmental fund financial statements when due.

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1-E-9 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets are 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 assets are reported as unrestricted. It should be noted that while the “Investment in Joint Venture” is a component of unrestricted net assets, 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 assets are available.

1-E-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are insurance deposits and internal charges for fleet maintenance and repair. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Nonoperating revenues and expenses are those items which are not related to the primary activity of each fund, such as investment income, grants and gains or losses on sales of capital assets.

1-E-11 Interfund Activity

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

1-E-12 Estimates

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

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Notes to the Basic Financial Statements
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1-E-13 Comparative Data

Certain comparative data for the prior year have been presented to provide an understanding of the changes in the financial position and operations. This data is not included at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2009, 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.

Note 2 - Stewardship, Compliance and Accountability

2-A. Budgetary Information – The governmental fund budgets are adopted on a basis consistent with GAAP. All budgets are presented on a GAAP basis unless otherwise noted. Adopted budgets for internal service funds are presented on a non-GAAP basis. The nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis is included.

Colorado State Statutes require the adoption of annual budgets for all funds, including proprietary funds. The annual budget adoption and appropriation resolutions provide that expenditures in excess of the amounts appropriated by fund are considered to be a violation of State law, and thus the highest level of budgetary control (the level at which the Board of County Commissioners must approve any over expenditures of appropriations or transfers of appropriated amounts) is considered to be at the fund level. In further accordance with the annual budget adoption and appropriation resolutions, line item budgets are grouped into departments and departments are assigned to a "spending authority", which is typically an elected official or department head. More than one department may be assigned to a spending authority. Management is able to amend the budget by transferring monies within the individual line items within a spending authority without seeking approval of the Board of County Commissioners. Thus, there is a secondary legal level of control at the spending authority. The annual budget and appropriation resolutions also limit amounts reserved for personnel, operating and capital expenditures to those categories of expenditures unless otherwise approved by the Director of Finance and County Manager in accordance with County policy. All unexpended annual appropriations lapse at year end.

In accordance with state statute, the Board of County Commissioners may, by resolution, authorize supplemental expenditures during the year, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. They may also transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another. In the General, Road and Bridge and Capital Improvement funds, a budget contingency is appropriated from which funds can be transferred, with Board approval, for unanticipated expenditures. Several supplemental appropriations and budget contingency transfers were adopted during 2010.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – 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

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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.

On October 3, 2008, as part of the Economic Stabilization Act, Congress temporarily increased FDIC insurance from \$100,000 to \$250,000 per depositor.

At year-end, the carrying amount of the County's deposits was \$2,581,705 and the bank balance was \$3,698,227. Of the bank balance, \$342,114 was covered by federal depository insurance and \$3,356,113 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 \$315,664 and the bank balance was \$318,790. Of the bank balance, \$250,000 was covered by federal depository insurance and \$68,790 was uninsured but collateralized with securities held by a third party in the name of the CPDPA.

Credit Risk – The County's investment policy is to apply the prudent person rule where investments are made as a prudent person would be expected to act. The County's investment policy limits investments in fixed income securities to U.S. Treasury obligations; Federal instrumentality securities, limited to the following: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC); Corporate bonds (rated at least AA-/Aa2), Prime Commercial Paper (rated at least A-1+/P-1/F-1+); Certificates of Deposit; Commercial Paper (rated at least A+/A1/A+), eligible bankers acceptances; repurchase agreements; local government investment pools authorized under C.R.S. 24-75-701 and C.R.S. 30-10-708(4), money market mutual load funds registered under the Investment Company Act of 1940; and non-negotiable certificates of deposit.

As of December 31, 2010, the County's investments in local government investment pools (COLOTRUST) were rated AAA by Standard & Poor's. To obtain financial statements for COLOTRUST, you may visit their website at www.colotrust.com.

Interest rate risk is the risk that fair value losses will arise resulting from increasing interest rates. The County's formal investment policy provides that investments shall be limited to maturities not exceeding five years from the date of purchase. Further, it provides that the County shall maintain at least 25 percent of its total investment portfolio in instruments maturing in 120 days or less.

Concentration of credit risk. The County's formal investment policy places no limit on the amount the County may invest in any one issuer.

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

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As of December 31, 2010, 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	-	AAA/Aaa	41.28	\$ 27,912,408
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	22.95	15,516,511
Federal National Mortgage Association (FNMA)	1.17	AAA/Aaa	20.72	14,013,410
Federal Home Loan Mortgage Corporation (FHLMC)	4.01	AAA/Aaa	5.88	3,977,666
Federal Home Loan Bank (FHLB)	0.97	AAA/Aaa	4.61	3,115,957
United States Treasury notes	0.79	AAA/Aaa	2.97	2,011,250
Federal Farm Credit Bank (FFCB)	1.71	AAA/Aaa	1.59	1,073,896
Total			100.00	\$ 67,621,098

Cash & Investment Reconciliation:

Description	Carrying Amounts		Cash and Cash Equivalents
		From Statement of Net Assets:	
Cash on hand	\$ 631,284	Cash & Cash Deposits	\$ 223,617
Cash equivalents	431,980	Equity in treasurer's cash and investments	67,992,652
Deposits	2,581,705	Cash held by Trustee	431,980
Investments	67,621,098	Restricted cash and investments	169,949
Other Receivable	22,770	From Statement of Fiduciary Assets and Liabilities	2,470,639
Total	\$ 71,288,837	Total	\$ 71,288,837

3-B. Receivables

Receivables at December 31, 2010, consisted of taxes, interest, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

3-C. Property Taxes

Property taxes attach as an enforceable lien on property as of December 31 and are levied on January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15, or in full on April 30. The County, through the La Plata County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County.

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For the Year Ended December 31, 2010

3-D. Capital Assets

Capital asset activity for governmental activities (including internal service funds) for the year ended December 31, 2010, was as follows:

	Balance 1/1/2010	Adjustments & Reclassifications	Additions	Deletions	Balance 12/31/2010
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 6,724,305	\$ (4)	\$ 545,397	\$ -	\$ 7,269,698
Construction in progress	185,360	-	-	-	185,360
Total capital assets not being depreciated	6,909,665	(4)	545,397	-	7,455,058
Depreciable capital assets:					
Buildings	47,746,790	215,719	36,660	-	47,999,169
Improvements	9,021,071	(173,867)	202,316	-	9,049,520
Machinery and equipment	15,309,769	(41,848)	892,186	806,377	15,353,730
Infrastructure	77,881,064	-	2,158,283	-	80,039,347
Total depreciable capital assets	149,958,694	4	3,289,445	806,377	152,441,766
Total capital assets	156,868,359	-	3,834,842	806,377	159,896,824
Accumulated depreciation:					
Buildings	7,175,823	795	1,028,784	-	8,205,402
Improvements	1,492,866	995	316,770	-	1,810,631
Machinery and equipment	6,355,969	(1,790)	1,412,107	686,976	7,079,310
Infrastructure	34,893,090	-	3,086,042	-	37,979,132
Total accumulated depreciation	49,917,748	-	5,843,703	686,976	55,074,475
Governmental activities capital assets, net	\$ 106,950,611	\$ -	\$ (2,008,861)	\$ 119,401	\$ 104,822,349

Governmental activities depreciation expense

	Total
General government	\$ 777,051
Public safety	776,558
Auxiliary services	408,215
Public works	3,842,327
Health and welfare	39,552
Total governmental activities depreciation expense	\$ 5,843,703

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The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2010:

	Balance 1/1/2010	Additions	Deductions	Balance 12/31/2010
Depreciable capital assets:				
Improvements	\$ 23,334	\$ -	\$ -	\$ 23,334
Machinery and equipment	150,388	-	-	150,388
Less accumulated depreciation	(110,770)	(19,827)	-	(130,597)
Component units capital assets, net	<u>\$ 62,952</u>	<u>\$ (19,827)</u>	<u>\$ -</u>	<u>\$ 43,125</u>

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2010, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

	Payable from:		
Payable to:	General fund	Social Services Fund	Total
General fund	\$ -	\$ 115,151	\$ 115,151
Non-major governmental funds	133,535	-	133,535
Total	<u>\$ 133,535</u>	<u>\$ 115,151</u>	<u>\$ 248,686</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Interfund transfers for the year ended December 31, 2010, consisted of the following:

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Transfer to	Tranfers From :		
	General fund	Non-major governmental fund	Total
General fund	\$ -	\$ 2,067,281	\$ 2,067,281
Road and bridge fund	2,500,000	-	2,500,000
Capital projects fund	1,500,000	-	1,500,000
Non-major governmental funds	2,570,130	10,000	2,580,130
Totals	\$ 6,570,130	\$ 2,077,281	\$ 8,647,411

3-F. Current Liabilities

DIA Defaults. As part of the County's land use development regulations, developers are required to provide financial security for the cost of installing necessary infrastructure and improvements for their development projects. Once the improvements have been completed and inspected, the financial security is released. In 2009, several large private development projects did not complete the required infrastructure and improvements and the County declared the developer in default and collected the proceeds of the financial security. The monies are being held so that the County can contract to have the infrastructure and improvements installed.

3-G. Long-Term Debt

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2010:

	Outstanding 1/1/2010	Additions	Reductions	Outstanding 12/31/2010	Amounts Due in One Year
Governmental Activities					
Certificates of Participation	\$ 2,165,000	\$ -	\$ 400,000	\$ 1,765,000	\$ 415,000
Compensated Absences	1,289,724	2,075,920	1,942,685	1,422,959	355,740
Pollution remediation obligations	3,525,000	-	579,275	2,945,725	160,000
Landfill closure and postclosure care costs	1,158,369	-	220,869	937,500	369,000
Total Governmental Activities	<u>\$ 8,138,093</u>	<u>\$ 2,075,920</u>	<u>\$ 3,142,829</u>	<u>\$ 7,071,184</u>	<u>\$ 1,299,740</u>
Component Unit:					
Compensated absences	<u>\$ 68,220</u>	<u>\$ 80,736</u>	<u>\$ 76,680</u>	<u>\$ 72,276</u>	<u>\$ 18,069</u>

The certificates of participation will be paid in the form of annual base rentals paid by the County's governmental funds. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The County has filed a lawsuit to recover the costs associated with the pollution remediation from a third party (see Note 3-J below); any costs not paid for by a third party will be paid for by general revenues. The landfill closure and postclosure care liability is being retired by the landfill closure special revenue fund.

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3-H. 2004 La Plata County Finance Authority Certificates of Participation - \$3,985,000 Series 2004 Certificates of Participations, proceeds used to acquire and renovate a downtown Durango office building, the Old Main Post Office (OMPO). Immediately subsequent to the purchase, the Finance Authority entered into a lease-purchase agreement with La Plata County for the OMPO. The OMPO is being used as office space for County and District Attorney staff.

Interest rates on the Certificates of Participation (COPs) range from 2.00% to 3.750%. Funding is to be provided for by base rentals paid by the County to the Authority. Annual debt service requirements to amortize all obligations as of December 31, 2010 follow:

Year	Principal	Interest	Total
2011	\$ 415,000	\$ 56,103	\$ 471,103
2012	430,000	41,575	471,575
2013	450,000	25,837	475,837
2014	470,000	8,813	478,813
	<u>\$ 1,765,000</u>	<u>\$ 132,328</u>	<u>\$ 1,897,328</u>

A schedule, by years, of future minimum lease payments under the lease agreement, together with the present value of the net minimum lease payments as of December 31, 2010 follows:

Year	Facility Lease
2011	\$ 471,103
2012	471,575
2013	475,837
2014	478,813
Total minimum lease payments	<u>1,897,328</u>
Less amounts representing interest	<u>132,328</u>
Present value of minimum lease payments	<u>\$ 1,765,000</u>

Because the Finance Authority is considered part of the primary government of the County, the capital assets and long-term obligations arising from the capital lease transaction are not reported in the individual fund statements, but are reported as governmental activities in the government-wide financial statements.

3-I. Compensated Absences

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

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For the Year Ended December 31, 2010

3-J. Pollution Investigation and Remediation

The County owns property (the County jail site) that has been environmentally contaminated by prior owners who may ultimately be held responsible for costs of mitigating any environmental issues in accordance with State and Federal laws. A consultant hired by the County has conducted a remedial investigation/feasibility study (RI/FS) at the site and has identified several alternate remedial/corrective action plans to address environmental contamination of the jail site, ranging from in-situ chemical oxidation of soils exceeding acceptable levels to complete removal of all contaminated soils. The consultant estimates that the cost for implementation of remedial/corrective actions is likely to have a present value of \$3,240,000, but could be as low as \$2,014,000 or as high as \$6,000,000, depending upon the option selected and the long-term monitoring costs associated with the selected option. It is estimated that the County will incur approximately \$150,000 in legal services in 2011 associated with the remediation effort and \$10,000 in additional pre-cleanup activities in 2011.

In 2008, the County filed a lawsuit (US District Court, District of Colorado, civil action #08-cv-00855-LTB-KMT) against Brown Retail Group, Inc. et al., the former owner of the property, seeking reimbursement of the cost of pre-cleanup investigation, cleanup at the jail site, long-term environmental monitoring and associated legal fees. The County's lawsuit was tried in October of 2010 and the court issued a decision in March of 2011. The court ordered that Brown Retail Group, Inc. is responsible for 75% of certain investigative and clean-up/remediation costs incurred to date and expected to be incurred by the County in the future. The County will be responsible for the remaining costs. Issues related to costs, attorney fees and interest on the judgment still need to be agreed to by the parties or ruled on by the court. The judge's ruling requires Brown Retail Group to reimburse La Plata County for past recoverable response costs in the amount of \$521,090, plus interest in the amount of approximately \$32,000. Because of the possibility that either party may appeal the judge's ruling, the County has not shown the \$553,090 as a recovery asset as of December 31, 2010. The County and Brown Retail Group, Inc are currently discussing options for settlement of the case without appeal.

The County has recorded a liability for pollution remediation obligation in the government wide statements for pre-cleanup activities in the amount of \$10,000, legal services in the amount of \$150,000, and remedial/corrective actions in the amount of \$3,240,000, for a total of \$3,400,000. 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 \$2,945,725.

The estimated total current cost of cleanup/remediation activities of \$2,945,725 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, 2010. 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 information and estimates in this note (3-J) do not apply to the County's ongoing liability related to closed landfills. Note 3-K (below) includes information related to the County's responsibility for landfill closure and postclosure care costs.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 3-K. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. In addition to operating expenditures related to current activities of the landfills, an expense provision and related liability (reported at the government-wide financial reporting level) are being recognized based on the estimated future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. The estimated liability for landfill closure and postclosure care costs has a balance of \$937,500 as of December 31, 2010, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 4,000	100%	\$ 4,000
Marvel	4,000	100%	4,000
Gun Club	4,000	100%	4,000
Durango	280,000	100%	280,000
Bayfield	645,500	100%	645,500
Totals	\$ 937,500		\$ 937,500

The estimated total current cost of the landfill closure and postclosure care of \$937,500 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, 2010. However, the actual cost of closure and postclosure care may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations. Any future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future taxpayers.

The Tiffany, Marvel, Gun Club and Durango landfills were all closed prior to January 11, 1992, and the Bayfield landfill was closed in April 1994. The County is not currently operating, nor does it intend to operate in the future, landfills.

3-L. Conduit Debt

In November of 2001, the County participated in the refunding of the previously issued Recreational Facilities Refunding Revenue Bonds (Durango Ski Corporation Project) Series 1989A and the Taxable Mortgage Revenue Bonds (Purgatory Ski Area Project) Series 1989B for the purpose of financing Purgatory Ski Corporation expansion and development. The proceeds of the bonds were loaned to Durango Mountain Resort Project, Inc. pursuant to a loan agreement. The agreement requires the Project to repay the loan in monthly installments in amounts corresponding to the principal and interest payments as the same become due on the bonds. In February 2010, the bonds were advance refunded by Durango Mountain Resort via issuance of new debt that did not involve La Plata County. As part of the advance refunding, moneys were deposited into the bond fund created pursuant to the indenture and irrevocably pledged to pay the principal of and interest on the bonds on March 12, 2010 in order to defease the bonds in a "full cash defeasance." Accordingly, as of March 12, 2010, the bonds are considered to be fully defeased and will no longer be deemed outstanding.

In 1991, La Plata County participated in the refunding of the previously issued Southwestern Colorado Single Family

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Mortgage Participation Revenue Bonds, Series 1979. The 1979 bonds were issued to finance the purchase of certain mortgage loans made by qualified lending institutions in Archuleta, La Plata, Montezuma, Montrose, Ouray and San Miguel Counties to finance residential facilities intended for use as the place of residence by persons of low and moderate income. The 1991 Bonds were issued in the amount of \$7,175,000 and are secured by Mortgage Loans. The bonds were payable in installments due in 2000, 2004 & 2011. The amount outstanding at December 31, 2010 is \$3,780,000.

In 1986, the County participated in the issuance of \$1,900,000 in Amoco Adjustable-Rate Pollution Control Revenue Bonds. The bonds were authorized under federal industrial development revenue bond regulations and were intended to facilitate the acquisition and construction of a salt water disposal system in conjunction with the Ignacio coal degasification facility operated by Amoco. The proceeds of the bonds were loaned to Amoco pursuant to a loan agreement. The agreement requires the Project to repay the loan in installments as principal and interest payments become due. The terms of the agreement provide that the bonds will be paid in 2016.

None of these bonds are a debt, indebtedness, or multiple fiscal year direct or indirect debt or other financial obligation of the County, or charge against its general credit or taxing power. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The principal amount outstanding for all series of bonds at December 31, 2010 is \$5,680,000.

3-M. Lease Obligations

On November 21, 2005, the County entered into a lease agreement as lessee with Southwest Colorado Mental Health Center, Inc. (SWCMHC) for a one-acre parcel of land in the Three Springs development area. The lease agreement was done to facilitate the construction of a mental health facility by the County on property owned by SWCMHC. The County was recipient of an energy impact grant from the State of Colorado to provide construction funding in the amount of \$1,500,000 for the Crossroads Mental Health Center. Total construction cost was approximately \$2,800,000 and the balance of the funding came from fundraising efforts of SWCMHC. Terms of the grant agreement require that the County hold title to the property for 10 years. The term of the ground lease is for 10 years and requires an annual lease payment of \$10. Upon completion of the facility, the County and SWCMHC entered into a facility lease agreement with the County as lessor and SWCMHC as lessee for the term of 10 years and an annual lease payment of \$10. At the conclusion of the facility lease, if SWCMHC remains a tenant in good standing, title to the Crossroads facility will revert to SWCMHC without further compensation. As such, the construction of the Crossroads facility did not meet the County's criteria for capitalization and is not being depreciated.

Lease with Related Party - On February 20, 2009, the County entered into an operating lease with Broken Bands, LLC for rental of 1,395 square feet of office space. Broken Bands, LLC is a privately held limited liability corporation, for which the La Plata County Attorney, an executive-level County employee, is a principal. The initial lease extended through March 31, 2012 and provided for optional renewals after the initial term. In September 2010 the lease terms were renegotiated and extended through December 31, 2012. The annual rent was reduced to \$33,480 for the period of 1/1/2011 through 12/31/2012, for a total of \$66,960. The County is responsible for taxes, maintenance, utilities, and common area maintenance charges.

3-N. Pensions

The County provides pension benefits for its full-time employees through an agent multi-employer public retirement system, the Colorado County Officials and Employee Retirement Association (CCOERA) a defined contribution plan. The Retirement Plan was adopted according to section 401(a) of the Internal Revenue Code, and is also referred to as a Defined Contribution Money Purchase Pension Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. La Plata County's contributions to the plan are defined by an agreement between CCOERA and La Plata County. Pursuant to the terms of the agreement, employees

La Plata County, Colorado
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For the Year Ended December 31, 2010

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.

Employees of the District Attorney's office are also enrolled in CCOERA, with the exception of the District Attorney himself, who is a participant in the State's Public Employee's Retirement Association (PERA). The amount of the District Attorney's office contribution to PERA for covered salary was \$13,860 and \$10,175 was contributed by the District Attorney via payroll deduction.

The total payroll for the County and the District Attorney in calendar year 2010 was \$21,694,959. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$20,421,904. Both the employer and the covered employees made the required contributions, amounting to \$1,258,112 from the employer and \$1,258,112 from employees, or \$2,516,224 total.

3- O. Fund Balances

The County records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. Following is a list of significant reserves used by the County and a description of each:

Reserve for Inventory - used to segregate that portion of fund balance represented by inventories of consumable supplies and materials.

Reserve for Emergencies - a reserve for declared emergencies. On November 3, 1992, Colorado voters approved an amendment to the State Constitution known as the Taxpayer's Bill of Rights (TABOR). The amendment is a tax limitation, revenue and spending limitation and a debt limitation. This amendment requires that the County reserve a certain percentage of its fiscal year spending, as defined in the amendment, for declared emergencies. Emergency, as defined in the amendment, excludes economic conditions, revenue shortfalls or salary or fringe benefits increases. For 2010, the amount of fiscal year spending to be reserved is three percent of non-federal revenues. Unused reserves carry over to subsequent years. The County carries its emergency reserve, as required and defined in TABOR, in the special revenue fund "emergency reserve fund."

Reserve for Program Purposes - used to segregate that portion of fund balance restricted specifically for lawful purposes of the particular fund.

Reserve for Road Improvements - the County collects road impact fees as part of the development approval process. State law requires that these funds be segregated and used solely to offset the costs of that development. The road impact fees are deposited into the Road and Bridge fund, tracked by improvement area, and are reported as a reservation of the fund balance. The reservation of fund balance is also adjusted by interest allocation.

Reserve for Capital Improvements - used to segregate that portion of fund balance restricted for acquisition of capital improvements.

Reserve Debt Service - used to segregate a portion of fund balance for debt service resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Note 4 - Risk Management

Medical Claims - In 1984, the County began a self-insurance program for medical claims. The purpose of the program is to pay medical claims of County employees and their covered dependents and minimize annual medical insurance costs to the County. The claims are funded through payroll withholdings from employees and County matching funds. The County contracts with Anthem/Blue Cross and Delta Dental for third-party administration services for medical and dental plans, respectively. Medical claims exceeding \$65,000 per covered individual or 120% of the annual contributions for the group are covered by stop loss coverage provided through Anthem. The County does not report excess insurance risks as liabilities unless it is probable that those risks will not be covered by the excess insurance. There were no material changes in insurance coverage, and there were no settlements in excess of insurance coverage for the last three fiscal years.

The claims liability of \$194,451 reported in the employee medical self insurance fund represents the amount due to the County's third party administrators at December 31, 2010 for the 2010 claims year.

Changes in the funds claims liability amount in calendar 2010 and 2009 were:

	<u>2010</u>	<u>2009</u>
Liability at January 1	\$ 348,546	\$ 364,350
Add: Current year claims & changes in estimates	2,821,582	2,640,568
Less: Claim Payments	<u>(2,975,677)</u>	<u>(2,656,372)</u>
Balance at December 31	<u>\$ 194,451</u>	<u>\$ 348,546</u>

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

Colorado Counties Casualty and Property Pool - The County is exposed to various risks of loss related to liability, property and casualty losses. In 1986 the County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its liability, property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

For both the CWCP and CAPP pools, losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. Both pools have indicated the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. There also exists the potential for return of contributions should the results of pool operations result in surpluses in excess of those required by State law and the bylaws of the pools. Any refunds of excess contributions are used to reduce the current year contribution. As such, the contributions to both pools have been reported as expenditures or expenses. Separately issued financial reports for both pools are available by contacting the administrative agent, County Technical Services, Inc. at their headquarters in Denver, Colorado or at www.ctsi.org. The County's discretely presented and blended component units are included within the County's coverage through CWCP and CAPP. There were no material reductions in insurance coverages provided to La Plata County, nor were there any settlements on

LaPlata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

behalf of La Plata County in excess of insurance coverage for the last three fiscal years.

Note 5 - Contingent Liabilities

Grant Programs - The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. The primary programs include Community Development Block Grants, Colorado Department of Human Services programs, and Colorado Department of Local Affairs grants. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

An audit in accordance with the Federal Single Audit Act of 1996 was conducted for the calendar year 2010, but state agencies may still examine individual state programs. Pending the resolution of the findings and questioned costs of such audits, the amount, if any, of disallowed expenditures cannot be determined.

Energy Impact Assistance Funds/Gaming Funds - The County has entered into contracts with the Colorado Department of Local Affairs for the expenditure of Energy and Mineral Impact Assistance grant funds (EIAF) and for the expenditure of Local Government Gaming Impact Funds (LGIF). A summary of these commitments is presented below:

Grant	Period	Grant Funds	County Funds	Description
EIAF #5967	12/27/2007--12/31/2011	\$500,000	\$650,000	CR 141 Bridge/Intersection Improvements
EIAF #6463	03/26/2009--06/30/2012	516,875	135,000	New Energy Communities
EIAF #6629	08/05/2009--10/31/2011	195,000	260,000	Planning--Courthouse Facilities
EIAF #6859	01/01/2010--12/31/2011	35,000	49,158	Administrative intern
LGGF#08-601	12/31/2008--12/31/2011	300,000	300,000	CR 309 Intersection Improvements
LGGF#10-678	12/27/2010--12/31/2011	300,000	527,500	CR 517 Improvements
LGGF#10-679	12/27/2010--12/31/2011	363,011	363,011	Sheriff Safety
LGGF#10-680	12/27/2010--12/31/2011	63,074	1,688,978	6th Judicial District Attorney
Totals		<u>\$2,272,960</u>	<u>\$3,973,647</u>	

Legal Issues -- The County was a defendant in several lawsuits at December 31, 2010. In the opinion of the County attorney and County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

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 services 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 2010, the amount of funding provided pursuant to the agreement was \$246,703.

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

LaPlata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Commitment to Purchase Property – The County has entered into a real estate purchase agreement for the purchase of a property located in downtown Durango, across the street from the current County Courthouse. The contracted purchase price is \$950,000 and the closing was completed on March 11, 2011. The County placed \$19,000 in earnest payment in escrow, and the balance of \$931,000 was paid at closing. The County intends to use the property to expand County facilities at some point in the future.

Note 6 - Joint Venture

The County is a participant with the City of Durango (the City) in a joint venture to operate the Durango-La Plata County Airport. Pursuant to an intergovernmental agreement, the Airport Commission was created. The commission consists of six members, three of which are appointed by the Board of County Commissioners. The airport manager is employed by the concurrent action of the City Council and the Board of County Commissioners. The County and the City each have a 50 percent interest in all airport property. Per a 2002 agreement, fiscal administration of the airport was delegated to the City.

The County's equity interest in the Durango-La Plata County Airport was \$17,538,966 at December 31, 2010. Complete financial statements for the airport operations can be found in the joint venture's separately issued financial statements for the year ended December 31, 2010, 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 raising, 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.

La Plata County, Colorado
Combining Balance Sheet - by Fund Type
Nonmajor Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in treasurer's cash and investments	\$ 2,602,514	\$ 20,755	\$ 2,623,269
Cash held by Trustee	-	431,980	431,980
Receivables:			
Property taxes	72,168	-	72,168
Interfund	133,535	-	133,535
Total Assets	\$ 2,808,217	\$ 452,735	\$ 3,260,952
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 7,434	\$ -	\$ 7,434
Deferred revenues	74,918	-	74,918
Total Liabilities	82,352	-	82,352
Fund Balances			
Reserved for:			
Emergencies	2,000,000	-	2,000,000
Debt service	-	452,735	452,735
Unreserved, undesignated	725,865	-	725,865
Total Fund Balances	2,725,865	452,735	3,178,600
Total Liabilities and Fund Balances	\$ 2,808,217	\$ 452,735	\$ 3,260,952

La Plata County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - by Fund Type
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 76,946	\$ -	\$ 76,946
Investment earnings	2,646	-	2,646
Miscellaneous	2,750	-	2,750
Total Revenues	82,342	-	82,342
Expenditures			
Current:			
Public works	374,884	-	374,884
Debt Service:			
Principal retirement	-	400,000	400,000
Interest and fiscal charges	-	69,506	69,506
Agent fees	-	1,750	1,750
Total Expenditures	374,884	471,256	846,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(292,542)	(471,256)	(763,798)
Other Financing Sources (Uses)			
Transfers in	2,108,874	471,256	2,580,130
Transfers out	(2,077,281)	-	(2,077,281)
Total Other Financing Sources (Uses)	31,593	471,256	502,849
Net Change in Fund Balances	(260,949)	-	(260,949)
Fund Balances Beginning of Year	2,986,814	452,735	3,439,549
Fund Balances End of Year	\$ 2,725,865	\$ 452,735	\$ 3,178,600

GENERAL FUND

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

La Plata County, Colorado
General Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash and cash deposits	\$ 222,417	\$ 258,080
Equity in treasurer's cash and investments	41,198,508	28,686,311
Restricted cash and investments	80,076	77,922
Receivables:		
Accounts	136,518	204,247
Property taxes	17,100,065	26,180,829
Deposits	2,000	2,000
Intergovernmental	1,883,612	1,848,357
Component unit	300,000	300,000
Interfund	115,151	115,601
Inventory	<u>65,965</u>	<u>77,164</u>
Total Assets	<u><u>\$ 61,104,312</u></u>	<u><u>\$ 57,750,511</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 610,242	\$ 463,861
Accrued salaries and benefits	633,767	568,618
Intergovernmental payable	507,416	372,317
Interfund payable	133,535	130,871
Deposits payable	138,840	133,833
Deferred revenue	17,140,542	26,180,829
Liabilities payable from restricted assets	<u>80,076</u>	<u>77,922</u>
Total Liabilities	<u>19,244,418</u>	<u>27,928,251</u>
Fund Balances		
Reserved for:		
Inventory	65,965	77,164
Public trustee	26,144	23,727
Law enforcement	214,374	248,285
Conservation trust	1,441,513	1,187,711
Unreserved, undesignated	<u>40,111,898</u>	<u>28,285,373</u>
Total Fund Balances	<u>41,859,894</u>	<u>29,822,260</u>
Total Liabilities and Fund Balances	<u><u>\$ 61,104,312</u></u>	<u><u>\$ 57,750,511</u></u>

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for Year Ended December 31, 2009)

	2010				2009 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues:					
Taxes					
General property & delinquent taxes	\$ 25,174,583	\$ 25,174,583	\$ 26,143,440	\$ 968,857	\$ 22,568,533
Specific ownership	1,600,000	1,600,000	1,523,186	(76,814)	1,699,275
Sales tax	11,707,114	11,707,114	13,528,774	1,821,660	12,264,867
Cable franchise fees	80,000	80,000	103,442	23,442	97,888
Lodger's tax	80,000	160,000	180,453	20,453	168,180
Total Taxes	38,641,697	38,721,697	41,479,295	2,757,598	36,798,743
Intergovernmental Revenue					
Federal Revenue:					
Senior Services-Older American Act	302,778	327,116	144,253	(182,863)	240,147
Senior Services-NSIP	-	-	17,552	17,552	9,831
Senior Services-FEMA	-	-	1,638	1,638	-
Senior Services-Division of Insurance	-	-	17,085	17,085	-
Community Services Block Grant-for Sr. Svcs	5,000	5,000	5,000	-	5,000
Payment In Lieu of Taxes	850,000	850,000	552,252	(297,748)	899,716
HIDTA grant	258,345	258,345	229,648	(28,697)	244,852
Bulletproof vest grant	4,000	4,000	6,340	2,340	15,326
State Criminal Alien Assistance	-	-	16,491	16,491	13,596
Forest Service joint project reimbursements	-	-	18,090	18,090	-
Other miscellaneous federal grants	-	-	6,440	6,440	-
Office of Emergency Management	48,000	48,000	54,000	6,000	51,910
Community Development Block Grant	906,372	906,372	727,104	(179,268)	932,823
Southern Ute Payment in Lieu of Taxes	832,017	832,017	987,706	155,689	689,968
State Revenues:					
Lottery Funds	270,000	270,000	256,237	(13,763)	271,199
Senior Services-State Funding	-	-	136,010	136,010	-
Cigarette taxes	30,000	30,000	33,330	3,330	34,180
Search and rescue monies	2,000	2,000	10,570	8,570	6,511
Mineral severance tax	400,000	400,000	637,728	237,728	1,912,340
Mineral leasing	100,000	100,000	440,666	340,666	441,235
DOW Impact assistance	-	-	1,011	1,011	836
Local Government Limited Gaming grants	-	-	184,506	184,506	374,146
Energy Impact Assistance grants	752,500	752,500	255,103	(497,397)	130,750
Veteran's Services	1,200	1,200	1,200	-	1,200
Predator Control Reimbursement	2,000	2,000	2,060	60	2,112
Planning Department Grant	9,379	9,379	2,115	(7,264)	43,544
Courthouse Security Grant	-	6,500	950	(5,550)	-
State Land Board property project reimbursement	-	90,000	89,900	(100)	-
Local Government Revenue:					
Local government contributions for senior services	-	-	-	-	89,681
Total Intergovernmental Revenue	4,773,591	4,894,429	4,834,985	(59,444)	6,410,903
Licenses and Permits					
Liquor licenses	10,500	10,500	6,480	(4,020)	7,846
Building permits	575,000	575,000	383,087	(191,913)	426,213
Total Licenses and Permits	585,500	585,500	389,567	(195,933)	434,059

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for Year Ended December 31, 2009)

	2010				2009 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Charges for Services					
Treasurer's fees	\$ 730,750	\$ 730,750	\$ 842,351	\$ 111,601	\$ 778,013
Clerk and recorder's fees	1,017,000	1,017,000	1,052,568	35,568	1,096,166
Public trustee's fees	110,000	110,000	109,435	(565)	120,503
Planning fees	30,000	30,000	32,117	2,117	34,975
Oil and gas fees	135,000	135,000	68,100	(66,900)	87,750
Assessor's fees	4,000	4,000	10,538	6,538	8,624
Sheriff's fees	66,000	66,000	110,930	44,930	99,406
Law enforcement assistance fund	-	-	5,999	5,999	5,848
Other security services	10,000	10,000	31,605	21,605	17,505
Jail room & board	300,000	300,000	378,616	78,616	371,054
Jail bond fees	8,000	8,000	9,024	1,024	8,815
Other Jail charges	10,000	10,000	7,282	(2,718)	7,047
Booking fees	35,000	35,000	32,316	(2,684)	42,751
Prisoner transportation	12,000	12,000	11,525	(475)	12,005
Useful public service program	45,000	45,000	49,430	4,430	40,200
Work release/Community service	-	-	-	-	16,675
Alternatives to incarceration	140,500	140,500	154,669	14,169	118,119
Senior meal donations-Durango	69,000	69,000	70,746	1,746	75,100
Senior meal donations-Bayfield	12,594	12,594	19,257	6,663	15,091
Senior home chore/other revenue	4,401	4,401	9,522	5,121	5,440
Senior transportation income	18,800	18,800	13,356	(5,444)	19,707
Senior center activities	5,000	5,000	10,585	5,585	7,131
Senior center rentals	2,000	2,000	1,600	(400)	1,768
Senior services-other	-	-	5,532	5,532	5,063
Surveyor's fees	14,000	14,000	8,212	(5,788)	12,165
Indirect cost allocation reimbursement	131,400	131,400	141,639	10,239	189,536
GIS Services reimbursements	1,000	1,000	5,008	4,008	5,171
Election Reimbursements	60,000	60,000	52,715	(7,285)	26,747
Inmate medical/phone reimbursements	65,000	65,000	57,640	(7,360)	66,700
Maps/code book sales & sign fees	-	-	331	331	404
CDPHE Air Quality Monitoring Contract	-	-	11,077	11,077	7,202
Total Charges for Services	3,036,445	3,036,445	3,313,725	277,280	3,302,681
Investment earnings	500,000	500,000	430,730	(69,270)	500,171
Miscellaneous Revenue					
Building rentals	141,131	141,131	149,900	8,769	151,133
Fairgrounds rentals	67,000	67,000	71,903	4,903	84,169
Forfeitures	25,000	25,000	9,846	(15,154)	64,082
Senior services-United Way	21,000	21,000	17,568	(3,432)	7,335
Senior services-ColoTrust Healthy Aging Initiative	63,857	63,857	22,122	(41,735)	61,354
Other miscellaneous grants	-	-	16,118	16,118	-
Hazardous waste fees and cost share	46,000	46,000	26,911	(19,089)	32,551
Vehicle inspection fees	32,000	32,000	33,850	1,850	34,465
Prisoner commissary collections	25,000	25,000	31,385	6,385	19,911
Photocopies	1,000	1,000	1,091	91	2,231
Telephone/postage refunds	-	-	2,348	2,348	2,785
Parking/Traffic fines	-	-	2,535	2,535	350
Animal control fines	3,000	3,000	1,649	(1,351)	3,535
Insurance refunds	1,000	1,000	22,482	21,482	42,793
Other refunds	15,000	15,000	37,781	22,781	43,821
Developer cost reimbursements	-	-	-	-	41,639
Other miscellaneous revenues	1,500	1,500	65,371	63,871	101,524
Total Miscellaneous Revenue	442,488	442,488	512,860	70,372	693,678
Total Revenue	47,979,721	48,180,559	50,961,162	2,780,603	48,140,235

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for Year Ended December 31, 2009)

	2010				2009 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Expenditures:					
Current					
General Government					
Board of County Commissioners					
Personnel Expenditures	\$ 388,805	\$ 388,805	\$ 382,769	\$ 6,036	\$ 376,691
Operating Expenditures	77,000	77,000	56,580	20,420	61,255
	<u>465,805</u>	<u>465,805</u>	<u>439,349</u>	<u>26,456</u>	<u>437,946</u>
County Clerk and Recorder-Operations					
Personnel Expenditures	765,478	765,478	762,782	2,696	744,238
Operating Expenditures	405,258	405,258	337,465	67,793	267,857
	<u>1,170,736</u>	<u>1,170,736</u>	<u>1,100,247</u>	<u>70,489</u>	<u>1,012,095</u>
County Clerk and Recorder-Elections					
Personnel Expenditures	260,910	260,910	178,093	82,817	82,841
Operating Expenditures	237,000	237,000	147,567	89,433	70,514
	<u>497,910</u>	<u>497,910</u>	<u>325,660</u>	<u>172,250</u>	<u>153,355</u>
County Treasurer					
Personnel Expenditures	311,644	311,644	299,005	12,639	304,631
Operating Expenditures	173,987	173,987	171,836	2,151	156,177
	<u>485,631</u>	<u>485,631</u>	<u>470,841</u>	<u>14,790</u>	<u>460,808</u>
Public Trustee's Office					
Personnel Expenditures	15,427	16,207	15,349	858	15,287
Operating Expenditures	8,300	8,300	4,603	3,697	5,224
	<u>23,727</u>	<u>24,507</u>	<u>19,952</u>	<u>4,555</u>	<u>20,511</u>
County Assessor					
Personnel Expenditures	1,118,625	1,118,625	1,060,826	57,799	1,110,714
Operating Expenditures	162,319	162,319	122,642	39,677	142,385
	<u>1,280,944</u>	<u>1,280,944</u>	<u>1,183,468</u>	<u>97,476</u>	<u>1,253,099</u>
County Surveyor					
Personnel Expenditures	13,100	13,289	13,055	234	12,327
Operating Expenditures	1,000	1,000	700	300	870
	<u>14,100</u>	<u>14,289</u>	<u>13,755</u>	<u>534</u>	<u>13,197</u>
Administrative Offices					
Personnel Expenditures	447,607	449,004	453,334	(4,330)	441,200
Operating Expenditures	651,050	688,800	352,568	336,232	59,717
	<u>1,098,657</u>	<u>1,137,804</u>	<u>805,902</u>	<u>331,902</u>	<u>500,917</u>
Construction Management	-	-	-	-	18,619
County Attorney's Office					
Personnel Expenditures	610,942	610,942	591,593	19,349	450,965
Operating Expenditures	1,222,200	1,705,550	1,644,014	61,536	1,227,663
	<u>1,833,142</u>	<u>2,316,492</u>	<u>2,235,607</u>	<u>80,885</u>	<u>1,678,628</u>
Geographic Information Services					
Personnel Expenditures	539,637	542,894	540,857	2,037	535,248
Operating Expenditures	62,433	62,433	37,193	25,240	30,505
	<u>602,070</u>	<u>605,327</u>	<u>578,050</u>	<u>27,277</u>	<u>565,753</u>
Finance					
Personnel Expenditures	382,014	382,014	301,308	80,706	302,229
Operating Expenditures	186,050	216,050	126,256	89,794	203,727
	<u>568,064</u>	<u>598,064</u>	<u>427,564</u>	<u>170,500</u>	<u>505,956</u>
Information Services					
Personnel Expenditures	825,669	825,669	742,296	83,373	732,250
Operating Expenditures	765,634	765,634	582,342	183,292	351,808
	<u>1,591,303</u>	<u>1,591,303</u>	<u>1,324,638</u>	<u>266,665</u>	<u>1,084,058</u>

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
General Government (Continued)					
Procurement/Warehouse					
Personnel Expenditures	\$ 242,985	\$ 243,993	\$ 242,665	\$ 1,328	\$ 237,675
Operating Expenditures	34,863	34,863	29,312	5,551	34,419
	277,848	278,856	271,977	6,879	272,094
Building Maintenance					
Personnel Expenditures	504,599	505,167	509,660	(4,493)	499,640
Operating Expenditures	257,288	257,288	246,169	11,119	250,618
	761,887	762,455	755,829	6,626	750,258
Building Maintenance-OMPO					
Operating Expenditures	70,000	70,000	57,653	12,347	69,225
	70,000	70,000	57,653	12,347	69,225
Central Services					
Personnel Expenditures	-	-	2,345	(2,345)	-
Operating Expenditures	137,744	137,744	79,023	58,721	106,163
	137,744	137,744	81,368	56,376	106,163
Human Resources					
Personnel Expenditures	454,719	454,719	397,380	57,339	412,966
Operating Expenditures	102,635	102,635	76,879	25,756	64,070
	557,354	557,354	474,259	83,095	477,036
Risk Management					
Personnel Expenditures	399,841	400,561	402,671	(2,110)	390,493
Operating Expenditures	496,571	496,571	491,694	4,877	597,975
	896,412	897,132	894,365	2,767	988,468
Sustainability Office					
Personnel Expenditures	103,301	103,653	102,865	788	108,310
Operating Expenditures	162,504	162,504	73,089	89,415	100,453
	265,805	266,157	175,954	90,203	208,763
Budget Contingency/Reserves	1,250,000	726,186	-	726,186	-
Total General Government	13,849,139	13,884,696	11,636,438	2,248,258	10,576,949
Public Safety					
Sheriff-Patrol					
Personnel Expenditures	2,465,193	2,465,193	2,435,017	30,176	2,389,983
Operating Expenditures	1,202,946	1,202,946	1,237,459	(34,513)	1,050,884
	3,668,139	3,668,139	3,672,476	(4,337)	3,440,867
Sheriff-Detentions					
Personnel Expenditures	3,832,871	3,832,871	3,744,867	88,004	3,636,199
Operating Expenditures	1,272,760	1,272,760	1,228,667	44,093	1,210,080
	5,105,631	5,105,631	4,973,534	132,097	4,846,279
Sheriff-Special Services					
Personnel Expenditures	1,446,645	1,446,645	1,413,909	32,736	1,417,444
Operating Expenditures	318,820	325,320	278,459	46,861	294,530
	1,765,465	1,771,965	1,692,368	79,597	1,711,974
Sheriff-Special Investigations					
Personnel Expenditures	406,696	406,696	400,097	6,599	391,151
Operating Expenditures	393,345	393,345	251,327	142,018	296,841
	800,041	800,041	651,424	148,617	687,992
Sheriff-Criminal Investigations					
Personnel Expenditures	834,247	834,247	811,664	22,583	812,742
Operating Expenditures	164,321	164,321	135,395	28,926	133,888
	998,568	998,568	947,059	51,509	946,630

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Public Safety (Continued)					
Alternatives to Incarceration					
Personnel Expenditures	\$ 391,185	\$ 391,185	\$ 401,174	\$ (9,989)	\$ 398,844
Operating Expenditures	226,028	226,028	241,940	(15,912)	219,067
	617,213	617,213	643,114	(25,901)	617,911
County Coroner					
Personnel Expenditures	93,704	93,704	89,555	4,149	89,242
Operating Expenditures	67,934	67,934	61,222	6,712	61,579
	161,638	161,638	150,777	10,861	150,821
Building Inspection Department					
Personnel Expenditures	657,114	657,114	594,788	62,326	683,002
Operating Expenditures	96,131	96,131	64,921	31,210	86,946
	753,245	753,245	659,709	93,536	769,948
Emergency Management Office					
Personnel Expenditures	113,200	113,590	113,446	144	111,328
Operating Expenditures	56,700	56,310	27,111	29,199	36,251
	169,900	169,900	140,557	29,343	147,579
Weed and Rodent Control					
Operating Expenditures	-	-	-	-	43,017
Pmt to Component Unit - District Attorney	1,384,102	1,384,102	1,313,035	71,067	1,260,367
Total Public Safety	15,423,942	15,430,442	14,844,053	586,389	14,623,385
Auxiliary Services					
Fairgrounds					
Personnel Expenditures	523,063	523,063	472,317	50,746	479,627
Operating Expenditures	320,220	320,220	293,007	27,213	308,194
	843,283	843,283	765,324	77,959	787,821
Extension Office					
Personnel Expenditures	36,853	36,853	33,657	3,196	55,959
Operating Expenditures	42,790	42,790	33,036	9,754	27,043
	79,643	79,643	66,693	12,950	83,002
Weed Control					
Personnel Expenditures	91,658	92,005	97,858	(5,853)	100,337
Operating Expenditures	62,846	62,846	61,823	1,023	58,806
	154,504	154,851	159,681	(4,830)	159,143
Planning Department					
Personnel Expenditures	1,309,679	1,309,679	1,179,502	130,177	1,232,894
Operating Expenditures	412,307	412,307	234,868	177,439	444,619
	1,721,986	1,721,986	1,414,370	307,616	1,677,513
Senior Services					
Personnel Expenditures	435,379	436,503	429,911	6,592	439,606
Operating Expenditures	271,160	271,160	249,883	21,277	289,618
Capital Expenditures	-	-	-	-	77,810
	706,539	707,663	679,794	27,869	807,034
Senior Services - non Joint Sales Tax Supported					
Personnel Expenditures	36,494	36,606	39,990	(3,384)	39,646
Operating Expenditures	23,800	48,148	51,412	(3,264)	48,040
	60,294	84,754	91,402	(6,648)	87,686
Veterans Services					
Personnel Expenditures	62,425	62,425	60,892	1,533	60,200
Operating Expenditures	11,800	12,150	8,310	3,840	8,817
	74,225	74,575	69,202	5,373	69,017
Total Auxiliary Services	3,640,474	3,666,755	3,246,466	420,289	3,671,216

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Community Programs					
Public Service Agencies					
Durango Public Library	\$ 888,267	\$ 888,267	\$ 819,600	\$ 68,667	\$ 835,780
Lodger's tax to DATO	160,000	160,000	180,453	(20,453)	168,087
Other Public Service Agencies	1,829,007	1,916,507	1,960,576	(44,069)	2,230,472
Total Public Service Agencies	2,877,274	2,964,774	2,960,629	4,145	3,234,339
Payments to Other Governments					
To City of Durango-joint recreation	-	-	-	-	100,000
To City of Durango-joint sales tax projects	972,847	972,847	904,180	68,667	924,360
Total payments to other governments	972,847	972,847	904,180	68,667	1,024,360
Pass through of grants received					
of CDBG funds	906,372	906,372	727,103	179,269	932,823
of Energy Impact funds	427,500	427,500	101,810	325,690	-
Total pass throughs	1,333,872	1,333,872	828,913	504,959	932,823
Total Community Programs	5,183,993	5,271,493	4,693,722	577,771	5,191,522
Total Expenditures	38,097,548	38,253,386	34,420,679	3,832,707	34,063,072
Excess of Revenues Over Expenditures	9,882,173	9,927,173	16,540,483	6,613,310	14,077,163
Other Financing Sources (Uses)					
Transfers in-joint sales tax fund	2,205,813	2,205,813	2,067,281	(138,532)	2,239,546
Transfers out-Road and Bridge fund	(2,500,000)	(2,500,000)	(2,500,000)	-	(8,000,000)
Transfers out-joint sales tax	(1,729,726)	(1,729,726)	(1,998,874)	(269,148)	(1,816,470)
Transfers out-finance authority debt service fund	(471,256)	(471,256)	(471,256)	-	(466,000)
Transfers out-capital improvement	(1,500,000)	(1,500,000)	(1,500,000)	-	(1,500,000)
Transfers out-landfill closure	(100,000)	(100,000)	(100,000)	-	(50,000)
Total Other Financing Sources (Uses)	(4,095,169)	(4,095,169)	(4,502,849)	(407,680)	(9,592,924)
Net Change in Fund Balances	\$ 5,787,004	\$ 5,832,004	12,037,634	\$ 6,205,630	4,484,239
Fund Balance Beginning of Year			29,822,260		25,338,021
Fund Balance End of Year			\$ 41,859,894		\$ 29,822,260

(Continued)

SPECIAL REVENUE FUNDS

Special Revenue Funds account for taxes or other earmarked revenue of the County which finance specified activities as required by law or administrative action.

Major Special Revenue Funds:

Road and Bridge Fund:

Colorado counties are required by State law to maintain a Road and Bridge Fund. The Road and Bridge Fund records costs related to County road and bridge construction and maintenance.

Social Services Fund:

Colorado counties are required by State law to maintain a Social Services Fund. The Social Services Fund accounts for the many federal and state public welfare programs administered by the County.

Non-Major Special Revenue Funds:

Joint Sales Tax Fund:

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

Emergency Reserve Fund:

On November 3, 1992, Colorado voters approved an amendment to the State Constitution known as the Taxpayer's Bill of Rights or Amendment 1. The amendment is a tax, revenue, spending and debt limitation. In addition, the amendment requires that the County establish a separate reserve fund to cover expenditures for declared emergencies. It requires that the County reserve 3% of its fiscal year spending for such emergencies.

Local Improvement Districts Fund:

Taxpayers living in certain subdivisions within the County have elected to assess themselves an extra property tax to fund certain road maintenance/improvements. The Board of County Commissioners serves as the Board of Directors of these local improvement districts. This fund accounts for the revenues and expenditures associated with these districts.

Landfill Closure Fund:

There are several former landfill sites in La Plata County for which the County has ongoing responsibility for long-term maintenance, closure and monitoring costs. The activity in this fund represents the County liability for the continuing closure and postclosure care costs.

La Plata County, Colorado
Road and Bridge Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 800	\$ 1,100
Equity in treasurer's cash and investments	9,402,921	10,220,911
Receivables:		
Accounts	2,670	19,896
Property taxes	1,638,468	2,506,270
Intergovernmental	932,232	1,853,548
Inventory	<u>365,151</u>	<u>310,513</u>
Total Assets	<u><u>\$ 12,342,242</u></u>	<u><u>\$ 14,912,238</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 161,289	\$ 925,290
Accrued salaries and wages	123,995	88,624
Contracts payable	115,641	101,057
Intergovernmental payable	31,782	19,607
Deferred revenues	<u>1,638,468</u>	<u>2,506,270</u>
Total Liabilities	<u>2,071,175</u>	<u>3,640,848</u>
Fund Balances		
Reserved for:		
Inventory	365,151	310,513
Road improvements	2,061,000	2,150,579
Forest Reserves Title III Expenditures	58,069	57,676
Unreserved, undesignated	<u>7,786,847</u>	<u>8,752,622</u>
Total Fund Balances	<u>10,271,067</u>	<u>11,271,390</u>
Total Liabilities and Fund Balances	<u><u>\$ 12,342,242</u></u>	<u><u>\$ 14,912,238</u></u>

La Plata County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for Year Ended December 31, 2009)

	2010				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2009 Actual
Revenues					
Taxes	\$ 2,336,033	\$ 2,336,033	\$ 2,443,940	\$ 107,907	\$ 2,114,123
Intergovernmental	4,099,847	4,299,847	3,600,057	(699,790)	4,554,110
Licenses and permits	240,000	240,000	60,110	(179,890)	86,341
Miscellaneous	605,700	405,700	343,013	(62,687)	813,467
Total Revenues	<u>7,281,580</u>	<u>7,281,580</u>	<u>6,447,120</u>	<u>(834,460)</u>	<u>7,568,041</u>
Expenditures					
Current:					
Public Works					
Maintenance of condition/snow & ice removal	7,449,868	7,458,735	6,594,041	864,694	6,747,732
Engineering	1,157,835	1,159,645	973,121	186,524	1,053,473
Budget contingency	200,000	189,323	-	189,323	-
Capital Outlay	<u>4,253,000</u>	<u>4,327,915</u>	<u>2,380,281</u>	<u>1,947,634</u>	<u>3,947,025</u>
Total Expenditures	<u>13,060,703</u>	<u>13,135,618</u>	<u>9,947,443</u>	<u>3,188,175</u>	<u>11,748,230</u>
Deficiency of Revenues (Under) Expenditures	<u>(5,779,123)</u>	<u>(5,854,038)</u>	<u>(3,500,323)</u>	<u>2,353,715</u>	<u>(4,180,189)</u>
Other Financing Sources					
Transfers in--General Fund	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>8,000,000</u>
Total Other Financing Sources (Uses)	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>8,000,000</u>
Net Change in Fund Balances	<u>\$ (3,279,123)</u>	<u>\$ (3,354,038)</u>	<u>(1,000,323)</u>	<u>\$ 2,353,715</u>	<u>3,819,811</u>
Fund Balances Beginning of Year			<u>11,271,390</u>		<u>7,451,579</u>
Fund Balances End of Year			<u>\$ 10,271,067</u>		<u>\$ 11,271,390</u>

La Plata County, Colorado
Social Services Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	2010	2009
Assets		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	2,759,840	2,281,787
Restricted cash	89,873	34,471
Receivables:		
Accounts	70,933	43,456
Property taxes	876,926	1,339,678
Intergovernmental	520,284	288,868
Total Assets	\$ 4,318,256	\$ 3,988,660
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 212,931	\$ 57,686
Liabilities payable from restricted assets	89,873	34,471
Interfund payable	115,151	115,601
Intergovernmental payable	71,864	71,864
Deferred revenues	876,926	1,339,678
Total Liabilities	1,366,745	1,619,300
Fund Balances		
Unreserved, undesignated	2,951,511	2,369,360
Total Liabilities and Fund Balances	\$ 4,318,256	\$ 3,988,660

La Plata County, Colorado
Social Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for Year Ended December 31, 2009)

	2010				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>2009</u>
Revenues					
Taxes	\$ 1,408,811	\$ 1,408,811	\$ 1,466,727	\$ 57,916	\$ 1,268,774
Intergovernmental	6,160,457	6,160,457	4,436,730	(1,723,727)	4,292,408
Miscellaneous	-	-	237,149	237,149	300,605
Total Revenues	<u>7,569,268</u>	<u>7,569,268</u>	<u>6,140,606</u>	<u>(1,428,662)</u>	<u>5,861,787</u>
Expenditures					
Current:					
Health and welfare	7,673,021	7,673,021	5,558,455	2,114,566	5,532,693
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,965</u>
Total Expenditures	<u>7,673,021</u>	<u>7,673,021</u>	<u>5,558,455</u>	<u>2,114,566</u>	<u>5,554,658</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(103,753)</u>	<u>(103,753)</u>	<u>582,151</u>	<u>685,904</u>	<u>307,129</u>
Net Change in Fund Balances	<u>\$ (103,753)</u>	<u>\$ (103,753)</u>	<u>582,151</u>	<u>\$ 685,904</u>	<u>307,129</u>
Fund Balances Beginning of Year			<u>2,369,360</u>		<u>2,062,231</u>
Fund Balances End of Year			<u>\$ 2,951,511</u>		<u>\$ 2,369,360</u>

La Plata County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Landfill Closure	Total Nonmajor Special Revenue Funds
Assets					
Equity in treasurer's cash and investments	\$ 292,104	\$ 2,000,000	\$ 108,486	\$ 201,924	\$ 2,602,514
Receivables:					
Property taxes	-	-	72,168	-	72,168
Interfund	133,535	-	-	-	133,535
Total Assets	\$ 425,639	\$ 2,000,000	\$ 180,654	\$ 201,924	\$ 2,808,217
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 7,432	\$ 2	\$ 7,434
Deferred revenues	-	-	74,918	-	74,918
Total Liabilities	-	-	82,350	2	82,352
Fund Balances					
Reserved for emergencies	-	2,000,000	-	-	2,000,000
Unreserved, undesignated	425,639	-	98,304	201,922	725,865
Total Fund Balances	425,639	2,000,000	98,304	201,922	2,725,865
Total Liabilities and Fund Balances	\$ 425,639	\$ 2,000,000	\$ 180,654	\$ 201,924	\$ 2,808,217

La Plata County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Landfill Closure	Total Nonmajor Special Revenue Funds
Revenues					
Property taxes	\$ -	\$ -	\$ 76,946	\$ -	\$ 76,946
Investment earnings	1,043	-	-	1,603	2,646
Miscellaneous	-	-	2,750	-	2,750
Total Revenues	1,043	-	79,696	1,603	82,342
Expenditures					
Current:					
Public works	-	-	72,513	302,371	374,884
Total Expenditures	-	-	72,513	302,371	374,884
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,043	-	7,183	(300,768)	(292,542)
Other Financing Sources (Uses)					
Transfers in	1,998,874	-	-	110,000	2,108,874
Transfers out	(2,077,281)	-	-	-	(2,077,281)
Total Other Financing Sources (Uses)	(78,407)	-	-	110,000	31,593
Net Change in Fund Balances	(77,364)	-	7,183	(190,768)	(260,949)
Fund Balances Beginning of Year	503,003	2,000,000	91,121	392,690	2,986,814
Fund Balances End of Year	\$ 425,639	\$ 2,000,000	\$ 98,304	\$ 201,922	\$ 2,725,865

La Plata County, Colorado
Joint Sales Tax Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Equity in treasurer's cash and investments	\$ 292,104	\$ 374,750
Interfund receivable	<u>133,535</u>	<u>130,871</u>
Total Assets	<u><u>\$ 425,639</u></u>	<u><u>\$ 505,621</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 2,618</u>
Fund Balances		
Unreserved, undesignated	<u>425,639</u>	<u>503,003</u>
Total Liabilities and Fund Balances	<u><u>\$ 425,639</u></u>	<u><u>\$ 505,621</u></u>

La Plata County, Colorado
Joint Sales Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Investment income	\$ 2,500	\$ 2,500	\$ 1,043	\$ (1,457)	\$ 3,208
Expenditures					
Current, General Government:	-	-	-	-	52,720
Total Expenditures	-	-	-	-	52,720
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,500	2,500	1,043	(1,457)	(49,512)
Other Financing Sources (Uses)					
Transfers in	1,729,726	1,729,726	1,998,874	269,148	1,816,470
Transfers out	(2,215,813)	(2,215,813)	(2,077,281)	138,532	(2,249,546)
Total Other Financing Sources (Uses)	(486,087)	(486,087)	(78,407)	407,680	(433,076)
Net Change in Fund Balances	<u>\$ (483,587)</u>	<u>\$ (483,587)</u>	(77,364)	<u>\$ 406,223</u>	(482,588)
Fund Balances Beginning of Year			503,003		985,591
Fund Balances End of Year			<u>\$ 425,639</u>		<u>\$ 503,003</u>

La Plata County, Colorado
Emergency Reserve Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Equity in treasurer's cash and investments	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Fund Balances		
Reserved for emergencies	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

La Plata County, Colorado
Emergency Reserve Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances Beginning of Year			<u>2,000,000</u>		<u>2,000,000</u>
Fund Balances End of Year			<u>\$ 2,000,000</u>		<u>\$ 2,000,000</u>

La Plata County, Colorado
Local Improvement District Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Equity in treasurer's cash and investments	\$ 108,486	\$ 100,323
Property taxes receivable	<u>72,168</u>	<u>72,443</u>
Total Assets	<u><u>\$ 180,654</u></u>	<u><u>\$ 172,766</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 7,432	\$ 9,202
Deferred revenues	<u>74,918</u>	<u>72,443</u>
Total Liabilities	<u>82,350</u>	<u>81,645</u>
Fund Balances		
Unreserved, undesignated	<u>98,304</u>	<u>91,121</u>
Total Liabilities and Fund Balances	<u><u>\$ 180,654</u></u>	<u><u>\$ 172,766</u></u>

La Plata County, Colorado
Local Improvement District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues					
Taxes	\$ 76,941	\$ 76,941	\$ 76,946	\$ 5	\$ 74,375
Miscellaneous	2,500	2,500	2,750	250	2,475
Total Revenues	<u>79,441</u>	<u>79,441</u>	<u>79,696</u>	<u>255</u>	<u>76,850</u>
Expenditures					
Current:					
Public works	<u>63,500</u>	<u>88,500</u>	<u>72,513</u>	<u>15,987</u>	<u>56,312</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 15,941</u>	<u>\$ (9,059)</u>	7,183	<u>\$ 16,242</u>	20,538
Fund Balances Beginning of Year			<u>91,121</u>		<u>70,583</u>
Fund Balances End of Year			<u>\$ 98,304</u>		<u>\$ 91,121</u>

La Plata County, Colorado
Landfill Closure Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Equity in treasurer's cash and investments	\$ 201,924	\$ 422,312
Total Assets	<u>\$ 201,924</u>	<u>\$ 422,312</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 2	\$ 29,622
Fund Balances		
Unreserved, undesignated	<u>201,922</u>	<u>392,690</u>
Total Liabilities and Fund Balances	<u>\$ 201,924</u>	<u>\$ 422,312</u>

La Plata County, Colorado
Landfill Closure Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues					
Investment income	\$ 2,500	\$ 2,500	\$ 1,603	\$ (897)	\$ 3,218
Expenditures					
Current:					
Public works	410,000	410,000	302,371	107,629	147,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	(407,500)	(407,500)	(300,768)	106,732	(144,476)
Other Financing Sources (Uses)					
Transfers in	110,000	110,000	110,000	-	60,000
Net Change in Fund Balances	<u>\$ (297,500)</u>	<u>\$ (297,500)</u>	(190,768)	<u>\$ 106,732</u>	(84,476)
Fund Balances Beginning of Year			392,690		477,166
Fund Balances End of Year			<u>\$ 201,922</u>		<u>\$ 392,690</u>

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for the acquisition and construction of major capital equipment and facilities other than those finance by proprietary funds and trust funds.

Capital Improvement Fund:

The Capital Improvement Fund was established in 1985 to provide for continuing capital improvements required by the County. This fund receives at least \$1,500,000 of sales taxes from the General Fund. Expenditures are limited to continuing capital and major capital improvements as determined by the Board of County Commissioners.

La Plata County, Colorado
Capital Improvement Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Equity in treasurer's cash and investments	\$ 5,540,576	\$ 4,255,500
Receivables:		
Accounts	-	100,530
Intergovernmental	-	587,959
Deposits receivable	<u>90,189</u>	<u>27,340</u>
Total Assets	<u><u>\$ 5,630,765</u></u>	<u><u>\$ 4,971,329</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 41,179	\$ 51,192
Contracts payable	5,259	117,669
Deferred revenue	<u>150,000</u>	<u>150,000</u>
Total Liabilities	<u>196,438</u>	<u>318,861</u>
Fund Balances		
Reserved for capital improvements	<u>5,434,327</u>	<u>4,652,468</u>
Total Liabilities and Fund Balances	<u><u>\$ 5,630,765</u></u>	<u><u>\$ 4,971,329</u></u>

La Plata County, Colorado
Capital Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			
	Original Budget	Final Budget	Actual	Variance with Final Budget
2009 Actual				
Revenues				
Intergovernmental	\$ 199,469	\$ 411,469	\$ 63,683	\$ (347,786)
Total Revenues	<u>199,469</u>	<u>411,469</u>	<u>63,683</u>	<u>(347,786)</u>
Expenditures				
Capital Outlay	<u>2,709,000</u>	<u>2,921,000</u>	<u>781,824</u>	<u>2,139,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,509,531)</u>	<u>(2,509,531)</u>	<u>(718,141)</u>	<u>1,791,390</u>
Other Financing Sources (Uses)				
Transfers in				
From general fund	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (1,009,531)</u>	<u>\$ (1,009,531)</u>	<u>781,859</u>	<u>\$ 1,791,390</u>
Fund Balances Beginning of Year			<u>4,652,468</u>	<u>5,440,161</u>
Fund Balances End of Year			<u>\$ 5,434,327</u>	<u>\$ 4,652,468</u>

Debt Service Fund

The Finance Authority Debt Service Fund accumulates monies for payment of the 2004 Certificates of Participation (COPs) issued in 2004 for the purchase of the Old Main Professional building. Resources are provided for payment of interest and principal on this issue through a lease-purchase agreement with the General Fund.

La Plata County, Colorado
Finance Authority Debt Service Fund
Comparative Balance Sheet
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Equity in treasurer's cash and investments	\$ 20,755	\$ 20,755
Cash held by Trustee	<u>431,980</u>	<u>431,980</u>
Total Assets	<u><u>\$ 452,735</u></u>	<u><u>\$ 452,735</u></u>
Fund Balances		
Reserved for debt service	<u><u>\$ 452,735</u></u>	<u><u>\$ 452,735</u></u>

La Plata County, Colorado
Finance Authority Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			2009
	Original Budget	Final Budget	Actual	Actual
Revenues				
Investment earnings	\$ 5,000	\$ 5,000	\$ -	\$ 283
Expenditures				
Debt Service:				
Principal retirement	400,000	400,000	400,000	385,000
Interest and fiscal charges	69,506	69,506	69,506	81,681
Agent fees	1,750	1,750	1,750	1,750
Total Expenditures	<u>471,256</u>	<u>471,256</u>	<u>471,256</u>	<u>468,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(466,256)	(466,256)	(471,256)	(468,148)
Other Financing Sources				
Transfers in-County General	<u>471,256</u>	<u>471,256</u>	<u>471,256</u>	<u>466,000</u>
Net Change in Fund Balances	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>-</u>	<u>(2,148)</u>
Fund Balances Beginning of Year			<u>452,735</u>	<u>454,883</u>
Fund Balances End of Year			<u>\$ 452,735</u>	<u>\$ 452,735</u>

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 Assets
December 31, 2010

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Assets			
Current Assets:			
Equity in treasurer's cash and investments	\$ 4,155,409	\$ 2,312,129	\$ 6,467,538
Accounts receivable	83,546	17,165	100,711
Inventory	108,308	-	108,308
Total Current Assets	4,347,263	2,329,294	6,676,557
Noncurrent Assets:			
Capital Assets:			
Depreciable capital assets, net	6,794,283	-	6,794,283
Total Assets	11,141,546	2,329,294	13,470,840
Liabilities			
Current Liabilities:			
Accrued payroll	19,106	-	19,106
Accounts payable	16,306	-	16,306
Accrued claims payable	-	194,451	194,451
Total Current Liabilities	35,412	194,451	229,863
Net Assets			
Invested in capital assets	6,794,283	-	6,794,283
Unrestricted	4,311,851	2,134,843	6,446,694
Total Net Assets	\$ 11,106,134	\$ 2,134,843	\$ 13,240,977

La Plata County, Colorado
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2010

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Operating Revenues			
Charges for services	\$ 2,838,985	\$ -	\$ 2,838,985
Insurance deposits	-	2,770,522	2,770,522
Total Operating Revenues	2,838,985	2,770,522	5,609,507
Operating Expenses			
Equipment maintenance	1,007,473	-	1,007,473
Depreciation	964,366	-	964,366
Medical claims	-	2,975,677	2,975,677
Total Operating Expenses	1,971,839	2,975,677	4,947,516
Operating Income (Loss)	867,146	(205,155)	661,991
Non-Operating Revenues			
Gain (loss) on sale of capital assets	38,239	-	38,239
Investment earnings	-	2,312	2,312
Total Non-Operating Revenues (Expenses)	38,239	2,312	40,551
Change in Net Assets	905,385	(202,843)	702,542
Net Assets Beginning of Year	10,200,749	2,337,686	12,538,435
Net Assets End of Year	\$ 11,106,134	\$ 2,134,843	\$ 13,240,977

La Plata County, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2010

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	\$ 2,760,013	\$ 2,753,357	\$ 5,513,370
Cash payments for goods and services	(1,051,028)	-	(1,051,028)
Cash payments for claims	-	(3,129,772)	(3,129,772)
Net Cash Provided By (Used In) Operating Activities	1,708,985	(376,415)	1,332,570
Cash Flows from Capital and Related Financing Activities			
Cash sales of capital assets	128,936	-	128,936
Payments for capital acquisitions	(783,247)	-	(783,247)
Net Cash Used in Capital and Related Financing Activities	(654,311)	-	(654,311)
Cash Flows from Investing Activities			
Investment earnings	-	2,312	2,312
Net Increase (Decrease) in Cash and Cash Equivalents	1,054,674	(374,103)	680,571
Cash and Cash Equivalents Beginning of Year	3,100,735	2,686,232	5,786,967
Cash and Cash Equivalents End of Year	\$ 4,155,409	\$ 2,312,129	\$ 6,467,538
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 867,146	\$ (205,155)	\$ 661,991
Adjustments:			
Depreciation	964,366	-	964,366
(Increase) Decrease in Assets:			
Accounts receivable	(78,972)	(17,165)	(96,137)
Inventory	20,214	-	20,214
Increase (Decrease) in Liabilities:			
Accounts payable	(66,161)	-	(66,161)
Accrued incurred/unreported claims	-	(154,095)	(154,095)
Accrued wages	2,392	-	2,392
Net Cash Provided by Operating Activities	\$ 1,708,985	\$ (376,415)	\$ 1,332,570

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Assets
December 31, 2010 and 2009

	2010	2009
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 4,155,409	\$ 3,100,735
Accounts receivable	83,546	4,574
Inventory	108,308	128,522
Total Current Assets	4,347,263	3,233,831
Noncurrent Assets:		
Capital Assets:		
Depreciable capital assets, net	6,794,283	7,066,099
Total Assets	\$ 11,141,546	\$ 10,299,930
Liabilities		
Current Liabilities:		
Accrued payroll	\$ 19,106	\$ 16,714
Accounts payable	16,306	82,467
Total Current Liabilities	35,412	99,181
Net Assets		
Invested in capital assets	6,794,283	7,066,099
Unrestricted	4,311,851	3,134,650
Total Net Assets	\$ 11,106,134	\$ 10,200,749

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended December 31, 2010 and 2009

	2010	2009
Operating Revenues		
Charges for services	\$ 2,838,985	\$ 2,688,024
Operating Expenses		
Equipment maintenance	1,007,473	1,017,855
Depreciation	964,366	886,631
Total Operating Expenses	1,971,839	1,904,486
Operating Income (Loss)	867,146	783,538
Non-Operating Revenues		
Gain (loss) on sale of capital assets	38,239	44,483
Total Non-Operating Revenues (Expenses)	38,239	44,483
Change in Net Assets	905,385	828,021
Net Assets Beginning of Year	10,200,749	9,372,728
Net Assets End of Year	\$ 11,106,134	\$ 10,200,749

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	\$ 2,841,234	\$ 2,841,234	\$ 2,838,985	\$ (2,249)
Sales of capital assets	182,000	182,000	128,936	(53,064)
Total Revenues	3,023,234	3,023,234	2,967,921	(55,313)
Expenditures				
Equipment maintenance	1,107,996	1,107,996	1,007,473	100,523
Capital Outlay	1,035,667	1,035,667	783,247	252,420
Total Expenditures	2,143,663	2,143,663	1,790,720	352,943
Excess (Deficiency) of Revenues Over (Under) Expenditures	879,571	879,571	1,177,201	297,630
Net change in Fund Balances	\$ 879,571	\$ 879,571	1,177,201	\$ 297,630
Reconciliation to GAAP Net Income:				
Less: Capital assets, disposed net of accumulated depreciation			(90,697)	
Add capital expenditures capitalized			783,247	
Less depreciation expense			(964,366)	
Change in Net Assets			\$ 905,385	

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Net Assets
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 2,312,129	\$ 2,686,232
Accounts receivable	<u>17,165</u>	<u>-</u>
Total Current Assets	<u>\$ 2,329,294</u>	<u>\$ 2,686,232</u>
 Liabilities		
Current Liabilities:		
Accrued claims payable	<u>\$ 194,451</u>	<u>\$ 348,546</u>
 Net Assets		
Unrestricted	<u>\$ 2,134,843</u>	<u>\$ 2,337,686</u>

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Insurance deposits	\$ 2,770,522	\$ 2,422,062
Operating Expenses		
Medical claims	<u>2,975,677</u>	<u>2,656,372</u>
Operating Income (Loss)	<u>(205,155)</u>	<u>(234,310)</u>
Non-Operating Revenues		
Investment earnings	<u>2,312</u>	<u>7,844</u>
Change in Net Assets	(202,843)	(226,466)
Net Assets Beginning of Year	<u>2,337,686</u>	<u>2,564,152</u>
Net Assets End of Year	<u><u>\$ 2,134,843</u></u>	<u><u>\$ 2,337,686</u></u>

La Plata County, Colorado
Employee Medical Self Insurance Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues				
Insurance deposits	\$ 2,662,000	\$ 2,662,000	\$ 2,770,522	\$ 108,522
Operating Expenses				
Medical claims	<u>3,021,000</u>	<u>3,021,000</u>	<u>2,975,677</u>	<u>45,323</u>
Operating Income (Loss)	(359,000)	(359,000)	(205,155)	153,845
Non-Operating Revenues				
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>2,312</u>	<u>(2,688)</u>
Change in Net Assets	<u>\$ (354,000)</u>	<u>\$ (354,000)</u>	(202,843)	<u>\$ 151,157</u>
Net Assets Beginning of Year			<u>2,337,686</u>	
Net Assets End of Year			<u>\$ 2,134,843</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, 2010

	Balance			Balance
	January 1, 2010	Additions	Deductions	December 31, 2010
Assets				
Equity in treasurer's cash and investments	\$ 2,145,665	\$ 38,894,513	\$ 38,569,539	\$ 2,470,639
Liabilities				
Accounts payable	\$ 116,353	\$ 13,121,163	\$ 13,235,209	\$ 2,307
Due to component unit	249,649	1,992,823	1,969,911	272,561
Deposits held for others	1,779,663	23,780,527	23,364,419	2,195,771
Total Liabilities	\$ 2,145,665	\$ 38,894,513	\$ 38,569,539	\$ 2,470,639

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 the 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, 2010

	General	Victim's Assistance	Federal Victim's Compensation	State Victim's Compensation	Total Governmental Funds
Assets					
Cash Deposits	\$ 99,608	\$ 124,558	\$ 89	\$ 91,409	\$ 315,664
Due from primary government	272,561	-	-	-	272,561
Receivables:					
Intergovernmental	125,796	-	-	-	125,796
Total Assets	\$ 497,965	\$ 124,558	\$ 89	\$ 91,409	\$ 714,021
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 984	\$ -	\$ -	\$ -	\$ 984
Accrued salaries and benefits	59,178	-	-	-	59,178
Due to primary government	300,000	-	-	-	300,000
Total Liabilities	360,162	-	-	-	360,162
Fund Balances					
Reserved for emergencies	72,000	-	-	-	72,000
Unreserved, undesignated reported in:					
General fund	65,803	-	-	-	65,803
Special revenue funds	-	124,558	89	91,409	216,056
Total Fund Balances	137,803	124,558	89	91,409	353,859
Total Liabilities and Fund Balances	\$ 497,965	\$ 124,558	\$ 89	\$ 91,409	\$ 714,021
Governmental Fund Balance					\$ 353,859
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds					43,125
Compensated absences are not due and payable in the current period and therefore not reported in the funds					(72,276)
Net assets of governmental activities					<u>\$ 324,708</u>

Sixth Judicial District Attorney
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	<u>General</u>	<u>Victim's Assistance</u>	<u>Federal Victim's Compensation</u>	<u>State Victim's Compensation</u>	<u>Total Governmental Funds</u>
Revenues					
Intergovernmental	\$ 528,950	\$ 222,951	\$ 18,000	\$ 131,499	\$ 901,400
Intergovernmental - County	1,313,035	-	-	-	1,313,035
Miscellaneous	56,434	5,619	140	75,604	137,797
Total Revenues	<u>1,898,419</u>	<u>228,570</u>	<u>18,140</u>	<u>207,103</u>	<u>2,352,232</u>
Expenditures					
Current:					
Public safety	1,962,455	200,610	18,052	284,882	2,465,999
Total Expenditures	<u>1,962,455</u>	<u>200,610</u>	<u>18,052</u>	<u>284,882</u>	<u>2,465,999</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(64,036)</u>	<u>27,960</u>	<u>88</u>	<u>(77,779)</u>	<u>(113,767)</u>
Other Financing Sources (Uses)					
Transfers in	52,514	-	-	-	52,514
Transfers out	-	(35,598)	-	(16,916)	(52,514)
Total Other Financing Sources (Uses)	<u>52,514</u>	<u>(35,598)</u>	<u>-</u>	<u>(16,916)</u>	<u>-</u>
Net Change in Fund Balances	<u>(11,522)</u>	<u>(7,638)</u>	<u>88</u>	<u>(94,695)</u>	<u>(113,767)</u>
Fund Balances Beginning of Year	<u>149,325</u>	<u>132,196</u>	<u>1</u>	<u>186,104</u>	<u>467,626</u>
Fund Balances End of Year	<u>\$ 137,803</u>	<u>\$ 124,558</u>	<u>\$ 89</u>	<u>\$ 91,409</u>	<u>\$ 353,859</u>
Net change in fund balances					\$ (113,767)
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				\$ (19,827)	
Capital outlay				-	(19,827)
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 @ 12/31/10				\$ (72,276)	
Liability @ 12/31/09				68,220	(4,056)
Change in net assets at the government-wide financial reporting level					<u>\$ (137,650)</u>

Sixth Judicial District Attorney
Governmental funds (General) with adopted budget
Schedule of Revenues, Expenses and
Changes in Fund Balance - Budget and Actual
for funds with adopted budgets
For the Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 553,658	\$ 553,658	\$ 528,950	\$ (24,708)
Intergovernmental - County	1,384,102	1,384,102	1,313,035	(71,067)
Miscellaneous	36,500	47,500	56,434	8,934
Total Revenues	<u>1,974,260</u>	<u>1,985,260</u>	<u>1,898,419</u>	<u>(86,841)</u>
Expenditures				
Current:				
Public safety	1,974,260	1,980,425	1,962,455	17,970
Total Expenditures	<u>1,974,260</u>	<u>1,980,425</u>	<u>1,962,455</u>	<u>17,970</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>4,835</u>	<u>(64,036)</u>	<u>(68,871)</u>
Other Financing Sources (Uses)				
Transfers in	35,348	35,348	52,514	17,166
Total Other Financing Sources (Uses)	<u>35,348</u>	<u>35,348</u>	<u>52,514</u>	<u>17,166</u>
Net Change in Fund Balances	<u>\$ 35,348</u>	<u>\$ 40,183</u>	<u>(11,522)</u>	<u>\$ (51,705)</u>
Fund Balances Beginning of Year			<u>149,325</u>	
Fund Balances End of Year			<u>\$ 137,803</u>	

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, 2010

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	Total Authorizations & Expenditures By By County Warrant	Total Expenditures
Colorado Works	\$ 358,048	\$ 125,401	\$ 805,736	\$ 1,163,784	\$ 931,137
Child Care	311,304	56,015	209,452	520,756	265,467
Child Welfare	922,102	215,007	1,482,747	2,404,849	1,697,754
County Administration	-	-	1,233,548	1,233,548	1,233,548
Core Services	547,483	56,162	570,877	1,118,360	627,039
Child Support Administration	-	-	408,138	408,138	408,138
LEAP	509,588	-	44,556	554,144	44,556
AND	226,173	42,695	-	226,173	42,695
Old Age Pension	261,410	96	21,276	282,686	21,372
Food Assistance Fraud	-	-	31,504	31,504	31,504
Food Assistance	5,415,235	-	-	5,415,235	-
Food Assistance Job Search	-	-	59,637	59,637	59,637
Title XX	-	-	9,585	9,585	9,585
CHAFFEE	-	-	59,174	59,174	59,174
General Assistance	-	-	30,154	30,154	30,154
CHP+	-	-	8,799	8,799	8,799
Title IV-B Sup Part 2 (PSSF)	15,706	-	-	15,706	-
PSSF		-	114,447	114,447	114,447
Totals	<u>\$ 8,567,049</u>	<u>\$ 495,376</u>	<u>\$ 5,089,630</u>	<u>\$ 13,656,679</u>	<u>\$ 5,585,006</u>

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		County
		YEAR ENDING : December 2010
This Information From The Records Of: County of La Plata, Coloradc		Prepared By: Karla Distel 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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	2,500,000
3. Other local imposts (from page 2)	2,605,755
4. Miscellaneous local receipts (from page 2)	391,930
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	5,497,685
B. Private Contributions (So Ute Indian Tribe)	95,383
C. Receipts from State government (from page 2)	3,611,736
D. Receipts from Federal Government (from page 2)	(257,683)
E. Total receipts (A.7 + B + C + D)	8,947,120

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	3,353,403
2. Maintenance:	5,275,232
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	1,318,807
c. Other	
d. Total (a. through c.)	1,318,807
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	
6. Total (1 through 5)	9,947,443
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	9,947,443

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	11,271,390	8,947,120	9,947,443	10,271,067	0

Notes and Comments:

Private Contributions on Page 1 represent payments in lieu of taxes from Southern Ute Indian Tribe
Maintenance and snow removal costs are consolidated into a single cost center in our system--we estimate 20% for snow removal

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2010	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	2,298,119	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	101,704	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	60,110	f. Charges for Services	
5. Specific Ownership &/or Other	145,821	g. Other Misc. Receipts	391,930
6. Total (1. through 5.)	307,636	h. Other	0
c. Total (a. + b.)	2,605,755		
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,787,137	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service (dist to schools)	(270,763)
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	172,632	d. Federal Transit Admin	
d. Other EIAF/LGGF	600,968	e. U.S. Corps of Engineers	
e. Other Bridge Funds/Enhancement	50,999	f. Other Federal	13,080
f. Total (a. through e.)	824,598	g. Total (a. through f.)	(257,683)
4. Total (1. + 2. + 3.f)	3,611,736	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			127,999
b. Engineering Costs			1,025,102
c. Construction:			
(1). New Facilities			32,909
(2). Capacity Improvements			1,810,543
(3). System Preservation			304,611
(4). System Enhancement & Operation			52,240
(5). Total Construction (1) + (2) + (3) + (4)		0	2,200,303
+ 1.c.5)		0	3,353,403
			(Carry forward to page 1)
Notes and Comments:			

STATISTICAL SECTION

Statistical Section

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

Contents

Tables

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time 1-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes 6-12

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future 13-15

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments 16-17

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial performance relates to the services the County provides and the activities it performs 18-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

La Plata County, Colorado
Government-wide Net Assets by Component
December 31, 2003-2010
(accrual basis of accounting)

	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010
Governmental Activities								
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 101,427,081	\$ 104,785,611	\$ 103,057,349
Restricted for:								
Capital projects	9,474,624	7,891,609	7,900,944	11,759,657	15,086,883	5,440,161	4,652,468	5,434,327
Emergencies	1,120,000	1,120,000	1,185,000	1,185,000	1,285,000	2,000,000	2,000,000	2,000,000
Debt Service	36,319	433,756	534,060	425,143	448,522	454,883	452,735	452,735
Specific projects and programs	7,369,315	9,036,905	9,410,170	10,192,051	9,674,145	5,573,959	3,667,978	3,801,100
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,051,259	44,754,552	57,321,536	70,682,038
Subtotal Governmental Activities Net Assets	\$ 63,668,437	\$ 72,305,126	85,588,270	\$ 125,900,019	\$ 145,417,993	\$ 159,650,636	\$ 172,880,328	\$ 185,427,549
Subtotal Business-type Activities Net assets	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Government								
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 101,427,081	\$ 104,785,611	\$ 103,057,349
Restricted	18,000,258	18,482,270	19,030,174	23,561,851	26,494,550	13,469,003	10,773,181	11,688,162
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,051,259	44,754,552	57,321,536	70,682,038
Total primary government net assets	\$ 63,668,437	\$ 72,305,126	85,588,270	\$ 125,900,019	\$ 145,417,993	\$ 159,650,636	\$ 172,880,328	\$ 185,427,549

Notes: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Colorado or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.

La Plata County, Colorado
Government-wide Changes in Net Assets
Fiscal Years 2003-2010
(accrual basis of accounting)

	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Expenses								
Governmental Activities								
General government	\$ 7,754,452	\$ 6,973,916	\$ 7,985,491	\$ 8,776,033	\$ 9,310,267	\$ 10,081,860	\$ 11,324,542	\$ 12,590,925
Public safety	10,227,758	10,363,443	11,205,953	12,529,335	13,408,383	13,909,083	14,921,662	15,228,090
Auxiliary services	2,547,884	4,295,664	4,570,764	4,703,319	4,796,460	3,693,219	3,925,467	3,609,635
Public works	7,998,659	2,301,220	2,740,837	3,055,270	3,290,009	12,532,719	13,329,071	9,946,369
Health and welfare	4,471,450	7,692,460	8,407,331	11,240,436	11,690,024	4,896,385	5,551,746	5,653,873
Community programs	2,522,640	2,680,824	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,722
Interest on long-term debt	103,912	120,222	180,491	136,007	104,989	91,633	81,935	70,139
Total Governmental Activities	35,626,755	34,427,749	38,413,663	46,547,305	46,644,503	49,546,662	54,325,945	51,792,753
Business-type Activities	-	-	-	-	-	-	-	-
Total Primary Government Expenses	\$ 35,626,755	\$ 34,427,749	\$ 38,413,663	\$ 46,547,305	\$ 46,644,503	\$ 49,546,662	\$ 54,325,945	\$ 51,792,753
Program Revenues								
Governmental Activities								
Charges for Services								
General government	\$ 2,717,321	\$ 1,926,114	\$ 2,025,210	\$ 2,895,256	\$ 3,122,679	\$ 2,742,547	\$ 2,820,023	\$ 2,753,843
Public safety	1,008,565	567,003	612,358	688,195	709,336	845,054	813,731	860,444
Auxiliary services	269,514	266,798	204,018	487,274	477,721	620,385	264,190	239,027
Public works	192,447	125,387	47,106	81,678	270,851	267,910	86,341	60,110
Total Charges for Services	4,187,847	2,885,302	2,888,692	4,152,403	4,580,587	4,475,896	3,984,285	3,913,424
Operating Grants and Contributions	8,335,012	8,558,442	12,056,298	12,390,828	11,291,178	10,280,747	18,162,203	12,765,925
Capital Grants and Contributions	5,427,383	3,533,185	1,773,879	4,392,191	3,905,903	4,026,680	2,828,191	662,256
Total Governmental Activities Program Revenues	17,950,242	14,976,929	16,718,869	20,935,422	19,777,668	18,783,323	24,974,679	17,341,605
Total Business-type Activities Program Revenues	-	-	-	-	-	-	-	-
Total Primary Government Program Revenues	\$ 17,950,242	\$ 14,976,929	\$ 16,718,869	\$ 20,935,422	\$ 19,777,668	\$ 18,783,323	\$ 24,974,679	\$ 17,341,605
Net (Expense) Revenue								
Governmental activities	\$ (17,676,513)	\$ (19,450,820)	\$ (21,694,794)	\$ (25,611,883)	\$ (26,866,835)	\$ (30,763,339)	\$ (29,351,266)	\$ (34,451,148)
Business activities	-	-	-	-	-	-	-	-
Total Primary Government	\$ (17,676,513)	\$ (19,450,820)	\$ (21,694,794)	\$ (25,611,883)	\$ (26,866,835)	\$ (30,763,339)	\$ (29,351,266)	\$ (34,451,148)
General revenues and other changes in net assets								
Governmental Activities:								
Taxes								
Property taxes levied for general purposes	\$ 16,450,626	\$ 14,421,821	\$ 19,938,128	\$ 23,038,002	\$ 27,340,954	\$ 27,363,462	\$ 27,822,967	\$ 31,654,239
Sales taxes	10,044,453	11,099,303	11,558,412	12,874,145	13,536,799	13,639,998	12,264,867	13,528,774
Other taxes	1,296,970	150,766	166,360	176,662	178,160	189,262	168,180	283,895
Investment earnings	629,156	495,828	1,045,081	2,106,064	3,175,953	1,927,368	514,724	435,688
Gain (loss) on disposition of capital assets	-	(152,835)	-	17,057	6,592	(261,944)	-	-
Miscellaneous	1,148,909	2,135,485	2,269,958	3,390,749	2,146,353	2,137,836	1,810,220	1,095,772
Transfer from (to) business-type activities	18,211	-	-	-	-	-	-	-
Subtotal Governmental Activities	29,588,325	28,150,368	34,977,939	41,602,679	46,384,811	44,995,982	42,580,958	46,998,368

La Plata County, Colorado
Government-wide Changes in Net Assets
Fiscal Years 2003-2010
(accrual basis of accounting)

	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2005</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>
Subtotal Business-type Activities	-	-	-	-	-	-	-	-
Total Primary Government	<u>\$ 29,588,325</u>	<u>\$ 28,150,368</u>	<u>\$ 34,977,939</u>	<u>\$ 41,602,679</u>	<u>\$ 46,384,811</u>	<u>\$ 44,995,982</u>	<u>\$ 42,580,958</u>	<u>\$ 46,998,368</u>
 Changes in Net Assets								
Governmental activities	\$ 11,911,809	\$ 8,108,553	\$ 13,283,145	\$ 15,990,796	\$ 19,517,976	\$ 14,232,643	\$ 13,229,692	\$ 12,547,220
Business-type activities	(18,211)	-	-	-	-	-	-	-
Total Primary Government	<u>\$ 11,893,598</u>	<u>\$ 8,108,553</u>	<u>\$ 13,283,145</u>	<u>\$ 15,990,796</u>	<u>\$ 19,517,976</u>	<u>\$ 14,232,643</u>	<u>\$ 13,229,692</u>	<u>\$ 12,547,220</u>

Notes: The County began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.

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

Source	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Taxes	\$ 21,291,071	\$ 26,218,122	\$ 27,792,046	\$ 25,671,890	\$ 31,662,899	\$ 36,088,807	\$ 41,055,912	\$ 41,192,722	\$ 40,256,015	\$ 45,466,908
Intergovernmental	9,027,409	11,910,774	10,900,996	12,091,627	12,627,050	15,979,354	12,735,290	13,997,368	16,538,111	12,935,455
Licenses and permits	746,136	761,470	743,950	995,007	1,023,634	817,770	1,142,078	931,951	520,400	449,677
Charges for services	2,515,871	2,647,593	2,998,528	2,824,970	2,854,458	3,290,254	3,393,629	3,530,762	3,302,681	3,313,725
Fines and forfeitures	3,963	2,792	8,605	4,919	6,888	2,518	-	-	-	-
Miscellaneous	2,797,167	2,070,870	2,260,049	1,615,915	2,175,017	5,337,037	5,126,793	3,946,848	2,317,105	1,529,148
Total revenues	<u>\$ 36,381,617</u>	<u>\$ 43,611,621</u>	<u>\$ 44,704,174</u>	<u>\$ 43,204,328</u>	<u>\$ 50,349,946</u>	<u>\$ 61,515,740</u>	<u>\$ 63,453,702</u>	<u>\$ 63,599,650</u>	<u>\$ 62,934,312</u>	<u>\$ 63,694,913</u>
% change from prior year	<u>-0.5%</u>	<u>19.9%</u>	<u>2.5%</u>	<u>-3.4%</u>	<u>16.5%</u>	<u>22.2%</u>	<u>3.2%</u>	<u>0.2%</u>	<u>-1.0%</u>	<u>1.2%</u>

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

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Current:										
General government	\$ 5,334,617	\$ 7,279,623	\$ 7,148,375	\$ 6,879,830	\$ 7,569,024	\$ 8,494,853	\$ 8,918,391	\$ 9,574,832	\$ 10,629,669	\$ 11,636,438
Public safety	6,571,347	7,833,806	9,154,633	10,491,246	11,146,554	12,247,107	13,308,782	13,933,609	14,623,385	14,844,053
Public works	6,605,027	6,040,436	6,321,849	6,300,583	6,982,368	7,861,675	8,981,938	8,974,502	8,005,211	7,942,046
Health and welfare	4,124,878	4,453,787	4,541,852	4,436,225	4,652,902	4,731,187	4,759,169	4,829,459	5,532,693	5,558,455
Auxiliary services	2,062,207	2,372,646	2,417,688	2,165,385	2,445,015	2,739,962	3,025,521	3,306,975	3,593,406	3,246,466
Community Programs	2,238,100	3,049,666	2,522,640	2,680,824	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,722
Total Current	<u>26,936,176</u>	<u>31,029,964</u>	<u>32,107,037</u>	<u>32,954,093</u>	<u>36,118,659</u>	<u>42,181,689</u>	<u>43,038,172</u>	<u>44,961,140</u>	<u>47,575,886</u>	<u>47,921,180</u>
% Change From Prior Year	<u>15.7%</u>	<u>15.2%</u>	<u>3.5%</u>	<u>2.6%</u>	<u>9.6%</u>	<u>16.8%</u>	<u>2.0%</u>	<u>4.5%</u>	<u>5.8%</u>	<u>0.7%</u>
Capital Outlay	<u>6,642,809</u>	<u>6,534,194</u>	<u>10,874,580</u>	<u>15,993,081</u>	<u>9,030,115</u>	<u>9,755,183</u>	<u>12,798,486</u>	<u>19,557,767</u>	<u>7,615,183</u>	<u>3,162,105</u>
% Change From Prior Year	<u>-32.7%</u>	<u>-1.6%</u>	<u>66.4%</u>	<u>47.1%</u>	<u>-43.5%</u>	<u>8.0%</u>	<u>31.2%</u>	<u>52.8%</u>	<u>-61.1%</u>	<u>-58.5%</u>
Debt Service										
Principal	485,000	510,000	535,000	560,000	930,000 ¹	970,000 ²	360,000	375,000	385,000	400,000
Interest	159,226	130,625	107,675	124,405	173,959	139,172	102,089	92,612	81,681	69,506
Agent fees	250	250	250	250	2,000	2,000	1,750	1,750	1,750	1,750
Total Debt Service	<u>644,476</u>	<u>640,875</u>	<u>642,925</u>	<u>684,655</u>	<u>1,105,959</u>	<u>1,111,172</u>	<u>463,839</u>	<u>469,362</u>	<u>468,431</u>	<u>471,256</u>
% Change From Prior Year	<u>-53.9%</u>	<u>-0.6%</u>	<u>0.3%</u>	<u>6.5%</u>	<u>61.5%</u>	<u>0.5%</u>	<u>-58.3%</u>	<u>1.2%</u>	<u>-0.2%</u>	<u>0.6%</u>
Total Expenditures	<u>\$34,223,461</u>	<u>\$38,205,033</u>	<u>\$ 43,624,542</u>	<u>\$ 49,631,829</u>	<u>\$ 46,254,733</u>	<u>\$ 53,048,044</u>	<u>\$ 56,300,497</u>	<u>\$ 64,988,269</u>	<u>\$ 55,659,500</u>	<u>\$ 51,554,541</u>
% Change From Prior Year	<u>-0.9%</u>	<u>11.6%</u>	<u>14.2%</u>	<u>13.8%</u>	<u>-6.8%</u>	<u>14.7%</u>	<u>6.1%</u>	<u>15.4%</u>	<u>-14.4%</u>	<u>-7.4%</u>
Debt Service as a Percentage of Total Non-capital Expenditures	<u>2.3%</u>	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>	<u>3.0%</u>	<u>2.6%</u>	<u>1.1%</u>	<u>1.0%</u>	<u>1.0%</u>	<u>1.0%</u>

Notes:

¹⁾ First year of debt service on 2004 Certificates of Purchase, Old Main Professional Building²⁾ Final year of debt service on 2000 Sales Tax Revenue Bonds

La Plata County, Colorado
Governmental Fund - Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund											
Reserved	\$ 134,763	\$ 186,583	\$ 520,554	\$ 1,376,847	\$ 1,439,011	\$ 1,479,821	\$ 1,503,670	\$ 1,355,569	\$ 1,386,509	\$ 1,536,887	\$ 1,747,996
Unreserved	6,706,010	7,170,566	8,340,333	8,288,753	5,990,174	8,699,792	12,778,086	16,842,929	23,951,512	28,285,373	40,111,898
Subtotal General Fund	6,840,773	7,357,149	8,860,887	9,665,600	7,429,185	10,179,613	14,281,756	18,198,498	25,338,021	29,822,260	41,859,894
General Fund Percentage Change	14.3%	7.5%	20.4%	9.1%	-23.1%	37.0%	40.3%	27.4%	39.2%	17.7%	40.4%
All Other Governmental Funds											
Reserved	6,090,763	8,228,886	11,090,759	11,808,459	10,299,261	11,237,184	16,906,983	20,987,489	12,920,525	9,623,971	10,371,282
Unreserved											
Special Revenue Funds	9,332,020	8,004,456	7,979,630	7,029,286	8,974,152	8,547,189	7,263,442	6,482,847	6,021,669	12,108,796	11,464,223
Subtotal All Other Governmental Funds	15,422,783	16,233,342	19,070,389	18,837,745	19,273,413	19,784,373	24,170,425	27,470,336	18,942,194	21,732,767	21,835,505
Total Governmental Funds											
Reserved	6,225,526	8,415,469	11,611,313	13,185,306	11,738,272	12,717,005	17,985,510	22,343,058	13,852,151	11,160,858	12,119,278
Unreserved	16,038,030	15,175,022	16,319,963	15,318,039	14,964,326	17,246,981	20,466,671	23,325,776	30,428,064	40,394,169	51,576,121
Total Governmental Funds	\$ 22,263,556	\$ 23,590,491	\$ 27,931,276	\$ 28,503,345	\$ 26,702,598	\$ 29,963,986	\$ 38,452,181	\$ 45,668,834	\$ 44,280,215	\$ 51,555,027	\$ 63,695,399
All Governmental Funds Percentage Change	6.7%	6.0%	18.4%	2.0%	-6.3%	12.2%	28.3%	18.8%	-3.0%	16.4%	23.5%

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

Fiscal Year	Property	Specific Ownership	Sales	Cable Franchise	Lodging	Total
2001	\$ 10,295,241	\$ 1,217,695	\$ 9,538,472	\$ -	\$ 239,663	\$ 21,291,071
2002	14,884,093	1,513,981	9,675,960	-	144,088 ¹	26,218,122
2003	16,006,175	1,589,119	10,044,453	-	152,299	27,792,046
2004	13,045,165	1,363,951	11,099,303	-	163,471	25,671,890
2005	18,178,374	1,771,618	11,558,412	-	154,495	31,662,899
2006	21,093,729	1,948,479	12,874,145	-	172,454	36,088,807
2007	25,008,568	2,248,409	13,536,799	59,011 ²	203,125	41,055,912
2008	25,022,449	2,246,097	13,639,998	94,916	189,262	41,192,722
2009	25,928,320	1,799,726	12,264,867	95,015	168,087	40,256,015
2010	29,902,937	1,751,302	13,528,774	103,442	180,453	45,466,908

Percentage Change

In Dollars Over

10 Years

190.5%

43.8%

41.8%

-24.7%

113.5%

¹ As hotel properties are annexed into the City of Durango, the County lodging tax is no longer collected.

² Newly enacted.

La Plata County, Colorado
Property Tax Levies and Collections
Tax years 2000-2009
Fiscal years 2001-2010

Tax Year	Fiscal Year Collected	Total Tax Levy ¹	Current Tax Collection	% of Levy Collected	Delinquent Tax Collections ²	Total Tax Collections	% of Total Tax Collection To Levy
2000	2001	\$ 10,339,617	\$ 10,324,889	99.86%	\$ (29,648)	\$ 10,295,241	99.57%
2001	2002	14,871,466	14,851,806	99.87%	5,292	14,884,093	100.08%
2002	2003	15,976,500	15,958,581	99.89%	47,595	16,006,175	100.19%
2003	2004	13,002,400	12,959,129	99.67%	48,043	13,045,165	100.33%
2004	2005	18,193,503	18,178,915	99.92%	(541)	18,178,374	99.92%
2005	2006	21,157,511	21,097,564	99.72%	(3,835)	21,093,729	99.70%
2006	2007	25,568,291	25,612,223	100.17%	(603,655)	25,008,568	97.81%
2007	2008	25,153,611	25,093,768	99.76%	(71,319)	25,022,449	99.48%
2008	2009	25,846,078	25,601,281	99.05%	327,039	25,928,320	100.32%
2009	2010	30,099,220	29,924,217	99.42%	(21,280)	29,902,937	99.35%

- (1) Includes General, Road and Bridge, and Social Services Funds, as well as Local Improvement District funds.
- (2) Delinquent taxes are reported in the year collected, not in the year levied. When negative, represents an abatement of prior year taxes.

Notes: The recommended format for this table includes the amount of levy collected in subsequent years and the total amounts and percentage collected to date. The La Plata County Treasurer is unable to provide this information, however, only a statistically insignificant amount of unabated taxes are ultimately uncollected.

La Plata County, Colorado
Assessed Value and Estimated Actual Value of Taxable Property
Tax Years 2000-2009
Fiscal Years 2001-2010

Assessment/ Fiscal Year	Vacant Property	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Oil & Gas	Other	Total Assessed	Residential Assessment Rate	Estimated Actual Value	Ratio of Assessed Value to Total Est. Actual Value	Oil and Gas As % of Total	La Plata County only Mill Levy
2000/2001	\$ 91,175	\$ 263,852	\$ 189,262	\$ 36,325	\$ 11,876	\$ 3,041	\$ 554,476	\$ 61,247	1,211,254	9.74%	\$ 4,697,557	25.8%	45.8%	8.500
2001/2002	102,290	279,953	216,354	37,037	11,859	2,953	1,032,568	61,301	1,744,315	9.15%	5,728,618	30.4%	59.2%	8.500
2002/2003	98,945	296,609	218,164	41,603	12,199	2,917	1,146,165	57,525	1,874,127	9.15%	6,038,955	31.0%	61.2%	8.500
2003/2004	121,616	316,552	236,548	43,050	12,267	2,649	728,491	62,786	1,523,959	7.96%	6,460,780	23.6%	47.8%	8.500
2004/2005	121,040	333,398	240,521	42,219	12,473	2,614	1,321,390	60,580	2,134,235	7.96%	7,351,843	29.0%	61.9%	8.500
2005/2006	164,537	408,600	280,577	46,065	12,750	2,783	1,510,431	57,342	2,483,085	7.96%	8,804,386	28.2%	60.8%	8.500
2006/2007	165,544	436,296	289,643	50,881	13,002	3,765	1,982,319	66,595	3,008,045	7.96%	9,779,128	30.8%	65.9%	8.500
2007/2008	230,111	546,744	369,900	46,304	12,666	4,909	1,597,384	77,977	2,885,995	7.96%	11,252,387	25.6%	55.3%	8.693 ¹
2008/2009	217,035	588,523	386,761	50,875	12,767	4,440	1,637,188	120,402	3,017,991	7.96%	11,996,568	25.2%	54.2%	8.564 ¹
2009/2010	218,947	627,914	403,858	52,575	12,633	5,028	1,941,632	199,112	3,461,699	7.96%	13,183,765	26.3%	56.1%	8.674 ¹

Source: La Plata County Assessor's Abstract

¹One-time mill levy to recoup abated taxes, does not require voter approval.

Notes: La Plata County reassesses property every other year on average. State law adjusts the residential assessment percentage each year, while the assessment percentage for oil & gas (87.5%) and all other properties (29%) has remained consistent.

Estimated actual taxable value is calculated by dividing taxable assessed value by these percentages.

(in thousands of \$)

La Plata County, Colorado
Property Tax Rates
Direct and Overlapping Governments
Tax Years 2000-2009
Fiscal Years 2001-2010

Collection Year:		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
La Plata County	mill	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.693	8.564	8.674
	tax \$	10,295,660	14,826,677	15,930,085	12,953,647	18,140,996	21,106,223	25,568,291	25,087,956	25,846,078	30,026,777
<i>Municipalities:</i>											
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 \$	587,480	651,163	683,120	746,788	774,172	949,080	972,396	1,248,819	1,279,024	1,347,238
Town of Bayfield	mill	5.964	5.950	5.169	5.950	5.950	5.950	5.950	5.950	5.950	5.950
	tax \$	72,778	77,784	80,975	108,161	131,330	157,513	212,115	245,627	240,482	249,010
Town of Ignacio	mill	3.370	3.370	3.370	3.370	3.337	3.192	3.084	2.978	2.918	2.747
	tax \$	15,707	16,066	15,928	15,900	16,342	16,906	16,404	19,335	20,460	21,153
<i>School Districts:</i>											
Durango 9R	mill	21.052	15.394	17.307	21.553	16.617	16.347	14.556	15.189	14.765	14.484
	tax \$	20,839,916	21,275,601	25,131,881	25,722,113	26,337,033	29,954,630	30,424,187	30,269,840	29,957,375	31,850,209
Bayfield 10R	mill	39.326	28.847	25.974	28.100	22.764	19.429	16.450	16.450	16.364	15.814
	tax \$	4,620,310	4,850,340	5,052,127	4,343,404	5,541,416	5,456,837	6,168,019	6,142,706	6,249,134	7,074,726
Ignacio 11JT	mill	15.958	8.825	7.598	7.598	4.183	6.217	4.246	4.463	4.032	3.574
	tax \$	1,657,096	1,712,965	1,728,532	1,336,895	1,279,416	2,299,053	2,305,286	2,319,418	2,448,082	2,914,008
<i>Special Districts:</i>											
Animas Fire Protection- Bonded Indebtedness	mill	1.700	1.230	1.024	1.160	0.692	0.631	0.526	0.486	0.480	0.454
	tax \$	594,782	569,446	527,429	537,020	439,630	506,154	491,804	451,821	452,671	482,698
Animas Fire Protection	mill	4.539	4.112	3.996	5.069	5.069	5.069	5.207	5.232	5.119	5.069
	tax \$	1,395,101	1,701,189	1,859,997	2,072,739	2,941,314	3,449,902	4,196,518	3,978,531	3,913,896	4,471,782
Animas La Plata Water Conservancy	mill	0.362	0.319	0.290	0.281	0.286	0.249	0.254	0.219	0.226	0.229
	tax \$	148,507	144,336	135,257	141,825	152,234	160,308	170,545	180,518	191,763	204,647
Animas Mosquito Control	mill	0.550	0.550	0.550	0.990	0.990	0.990	0.990	0.990	0.990	0.990
	tax \$	181,716	200,845	206,500	403,036	419,328	508,366	521,894	646,004	655,768	686,670
Aspen Trails Metro	mill	0.000	0.000	0.000	0.000	18.650	14.224	13.989	11.777	10.659	10.391
	tax \$	-	-	-	-	21,623	24,835	25,083	28,178	31,144	31,065
Durango Conference Center Business Improvement Center	mill	0.000	0.000	0.000	1.500	1.500	1.500	1.500	1.500	1.500	1.500
	tax \$	-	-	-	143,457	141,636	150,619	150,021	199,861	203,037	203,037

La Plata County, Colorado
Property Tax Rates
Direct and Overlapping Governments
Tax Years 2000-2009
Fiscal Years 2001-2010

Collection Year:		<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Durango Fire Protection	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
Durango Hills Local	mill	20.379	18.525	20.379	18.404	18.573	15.731	16.538	16.369	17.241	16.515
Improvement	tax \$	43,956	41,007	45,610	48,753	50,405	51,288	54,304	65,655	68,991	72,443
Durango West Metropolitan I	mill	71.280	55.140	57.840	48.100	47.200	38.800	22.400	17.960	17.960	17.540
	tax \$	142,982	135,672	144,173	137,935	140,033	136,218	79,322	79,703	79,921	79,319
Durango West Metropolitan II	mill	30.314	28.769	27.695	25.120	25.410	21.822	20.977	17.403	17.469	16.726
	tax \$	209,747	210,036	204,501	203,450	208,378	210,544	200,708	205,902	207,581	207,126
Edgemont Ranch Metropolitan	mill	5.874	5.874	5.874	5.874	5.874	14.402	12.963	10.892	10.469	10.605
	tax \$	20,135	21,339	25,222	29,934	33,666	128,260	148,516	210,138	234,836	226,086
Elbert Creek Water & Sanitation	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
El Rancho Florida Metropolitan	mill	8.672	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	19,009	-	-	-	-	-	-	-	-	-
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 \$	130,470	195,340	226,077	174,119	282,197	360,275	447,073	391,103	389,324	470,256
Florida Water Conservancy	mill	0.270	0.201	0.185	0.185	0.119	0.099	0.086	0.086	0.086	0.074
	tax \$	40,410	43,421	46,370	38,829	40,609	43,691	47,064	42,772	43,231	44,834
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 \$	297,521	306,189	316,982	354,184	378,762	583,157	606,152	827,775	835,635	842,619
Fort Lewis Fire Protection	mill	4.768	5.900	5.900	5.900	5.900	5.900	5.900	5.900	5.900	5.900
	tax \$	119,636	156,715	157,544	163,299	165,150	191,814	204,462	253,809	269,048	290,386
Hermosa Cliffs Fire Protection	mill	10.863	10.650	10.650	9.979	9.524	8.961	8.643	8.243	8.075	8.021
	tax \$	346,130	375,538	381,149	412,564	449,080	544,099	602,874	743,893	796,464	877,210
Hermosa Sanitation	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-

La Plata County, Colorado
Property Tax Rates
Direct and Overlapping Governments
Tax Years 2000-2009
Fiscal Years 2001-2010

Collection Year:		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ignacio-Allison-Oxford Cemetary	mill	0.244	0.244	0.244	0.244	0.244	0.244	0.244	0.244	0.244	0.244
	tax \$	16,329	28,850	34,635	26,852	50,474	60,738	91,782	88,517	104,681	143,426
Ignacio Community Library	mill	0.927	0.560	1.000	1.000	1.000	1.500	1.500	1.500	1.500	1.500
	tax \$	96,261	108,698	227,498	175,954	305,861	554,702	814,397	779,549	910,745	1,223,003
Ignacio Sanitation	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
La Plata Archuleta Water	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
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 \$	6,509	6,623	6,705	6,856	7,148	8,245	8,817	10,848	11,477	12,008
Loma Linda Sanitation	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
Los Pinos Fire Protection	mill	3.036	3.721	3.521	3.520	3.520	3.520	3.520	3.520	3.520	3.520
	tax \$	504,365	1,235,110	1,288,621	1,028,022	1,693,744	1,962,154	2,738,232	2,493,126	2,732,576	3,560,534
Los Pinos Fire/Mt. Allison	mill	0.000	0.000	0.000	1.500	1.500	1.500	1.500	1.500	1.500	1.500
	tax\$	-	-	-	19,214	31,512	35,061	56,885	65,239	68,657	107,897
Pine River Cemetary	mill	0.273	0.203	0.186	0.186	0.123	0.112	0.091	0.091	0.091	0.079
	tax \$	32,074	34,132	36,178	28,750	29,942	31,456	34,121	33,981	34,751	35,342
Pine River Library	mill	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
	tax \$	293,719	420,351	486,268	386,424	608,572	702,151	937,389	933,542	954,708	1,118,428
Purgatory Metropolitan	mill	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.313
	tax \$	225,579	234,196	237,727	271,678	330,853	399,506	403,027	625,166	688,863	879,343
Purgatory Metropolitan Subdistrict	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	15.000	15.000
	tax \$	-	-	-	-	-	-	-	-	184,944	253,484
Rafter J Fire Protection	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-

La Plata County, Colorado
Property Tax Rates
Direct and Overlapping Governments
Tax Years 2000-2009
Fiscal Years 2001-2010

Collection Year:		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
South Durango Sanitation	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
South Durango Water	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
SW Colorado TV Translator	mill	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777
	tax \$	17,867	18,260	18,468	18,738	19,483	22,445	23,944	29,427	31,079	32,865
SW Water Conservancy	mill	0.324	0.260	0.260	0.305	0.254	0.225	0.205	0.207	0.216	0.200
	tax \$	392,446	453,521	487,273	464,807	542,096	558,694	616,647	597,401	651,886	692,339
Tamarron Metro	mill	0.000	0.000	0.000	0.000	40.000	40.000	50.000	50.000	50.000	50.079
	tax \$	-	-	-	-	205,006	339,136	694,766	717,886	892,058	960,989
Three Springs Metro #1	mill	0.000	0.000	0.000	0.000	0.000	0.000	35.000	35.000	35.000	35.000
	tax \$	-	-	-	-	-	-	136,969	358,953	499,689	576,021
Three Springs Metro #2	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	35.000	35.000	35.000
	tax \$	-	-	-	-	-	-	-	409	436	10,398
Three Springs Metro #3	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
Upper Pine River Fire Protection	mill	4.950	4.950	4.950	4.950	6.739	6.507	6.132	6.132	6.132	6.132
	tax \$	638,510	931,564	1,073,995	858,753	1,835,561	2,035,186	2,524,470	2,511,689	2,543,406	2,958,796
Total tax to be collected		<u>\$ 44,002,708</u>	<u>\$ 50,982,974</u>	<u>\$ 56,796,827</u>	<u>\$ 53,374,100</u>	<u>\$ 63,745,002</u>	<u>\$ 73,699,246</u>	<u>\$ 82,694,484</u>	<u>\$ 82,885,097</u>	<u>\$ 84,723,901</u>	<u>\$ 95,238,172</u>

Source: La Plata County Assessor's Abstract

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

Taxpayer	Type of Business	2010			2001		
		2009 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2000 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BP America (formerly Amoco)	Energy	\$ 1,088,654,490	1	31.45%	\$ 131,945,860	1	10.89%
Samson Resources	Energy	261,388,770	2	7.55%			
Conoco Phillips Company	Energy	119,838,150	3	3.46%			
XTO Energy Company	Energy	113,242,480	4	3.27%			
Burlington Resources Oil & Gas	Energy	84,960,860	5	2.45%	25,831,450	6	2.13%
Four Star Oil & Gas Co	Energy	73,624,690	6	2.13%			
Red Willow Production Company	Energy	65,554,250	7	1.89%	37,286,840	5	3.08%
Chevron Texaco	Energy	35,488,090	8	1.03%	17,973,200	8	1.48%
Red Cedar	Energy	34,726,520	9	1.00%			
Williams Gas Processing	Energy	31,369,880	10	0.91%	17,458,980	9	1.44%
Vastar Resources, Inc	Energy	-		0.00%	128,807,290	2	10.63%
BP Amoco	Energy	-		0.00%	43,779,650	3	3.61%
Hart Canyon LTD	Energy	-		0.00%	43,397,580	4	3.58%
S G Interest I LTD	Energy	-		0.00%	25,511,510	7	2.11%
J M Huber Corp	Energy	-		0.00%	16,201,480	10	1.34%
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 1,908,848,180</u>		<u>55.14%</u>	<u>\$ 488,193,840</u>		<u>40.30%</u>
Total Assessed Valuation for all taxpayers		<u>\$ 3,461,698,940</u>		<u>100.00%</u>	<u>\$ 1,211,254,190</u>		<u>100.00%</u>

Source: La Plata County Assessor's Office

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

Fiscal Year	County Direct Rate	State of Colorado
2001	2.0%	2.9%
2002	2.0%	2.9%
2003	2.0%	2.9%
2004	2.0%	2.9%
2005	2.0%	2.9%
2006	2.0%	2.9%
2007	2.0%	2.9%
2008	2.0%	2.9%
2009	2.0%	2.9%
2010	2.0%	2.9%

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

Taxpayer - Type of Business	2010			2001		
	2010 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2001 Sales Tax Collected	Rank	Percentage of Total Taxes Collected
Retail-Food Store	\$ 1,986,755	1	16.75%	\$ 385,090	2	3.96%
Retail-General Merchandise	906,293	2	7.64%	1,007,521	1	10.37%
Public Utility	436,231	3	3.68%	317,260	3	3.27%
Retail-Building Supplies	271,784	4	2.29%			
Retail-Food Store	258,862	5	2.18%	247,455	4	2.55%
Retail-Food Store	162,185	6	1.37%	192,249	5	1.98%
Retail-Auto Dealer	162,029	7	1.37%	138,858	10	1.43%
Retail-Auto Dealer	143,377	8	1.21%			
Public Utility	133,560	9	1.13%	172,143	6	1.77%
Public Utility	103,837	10	0.88%			
Public Utility				152,440	7	1.57%
Retail-General Merchandise				151,042	8	1.55%
Retail-Building Supplies				145,565	9	1.50%
<hr/>						
Total Sales Taxes Collected by 10 Largest Businesses	\$ 4,564,913		38.49%	\$ 2,909,623		29.95%
Total Sales Taxes Collected by All Businesses	\$ 11,860,427		100.00%	\$ 9,715,464		100.00%

Source: Colorado State Department of Revenue

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

The amount shown represents only the portion of sales collected that is retained by La Plata County (74.45% of total collections)

La Plata County, Colorado
Ratios of Outstanding Debt by Type
2001-2010

Fiscal Year	General Obligation	Sales Tax Revenue	Certificates of Participation	Total	Per Capita Personal Income	Population	Debt Per Capita	Percentage of Personal Income	Percentage of Actual Taxable Value of Property
2001	\$ -	\$ 2,805,000	\$ -	\$ 2,805,000	\$ 28,013	45,614	\$ 61.49	0.22%	0.06%
2002	-	2,295,000	-	2,295,000	29,127	46,281	49.59	0.17%	0.04%
2003	-	1,760,000	-	1,760,000	29,807	46,790	37.61	0.13%	0.03%
2004	-	1,200,000	3,985,000	5,185,000	31,860	47,173	109.91	0.34%	0.08%
2005	-	615,000	3,640,000	4,255,000	33,207	48,019	88.61	0.27%	0.06%
2006	-	-	3,285,000	3,285,000	36,493	48,752	67.38	0.18%	0.04%
2007	-	-	2,925,000	2,925,000	38,263	49,758	58.78	0.15%	0.03%
2008	-	-	2,550,000	2,550,000	40,677	50,735	52.31	0.14%	0.02%
2009	-	-	2,165,000	2,165,000	40,677 ¹	51,272	42.23	0.10%	0.02%
2010	-	-	1,765,000	1,765,000	40,677 ¹	52,114	33.87	0.08%	0.01%

Notes:

(1) 2009-2010 percentages calculated using 2008 personal income data, which is the most recent available.

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

	Fiscal Year									
Assessment Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Fiscal/Budget Year	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed Value	\$ 1,211,254,000	\$ 1,744,315,000	\$ 1,874,127,000	\$ 1,523,959,000	\$ 2,134,235,000	\$ 2,483,085,000	\$ 3,008,045,050	\$ 2,885,995,180	\$ 3,017,991,395	\$ 3,461,698,940
Actual Value	\$ 4,697,556,871	\$ 5,728,618,170	\$ 6,038,955,410	\$ 6,460,779,545	\$ 7,351,842,603	\$ 8,804,386,479	\$ 9,779,128,089	\$ 11,252,386,999	\$ 11,996,568,139	\$ 13,183,765,037
Legal Debt Margin:										
Debt limitation - 1.5% of total assessed value	\$ 18,168,810	\$ 26,164,725	\$ 28,111,905							
Debt limitation - 3% of total actual value				193,823,386	220,555,278	264,131,594	293,373,843	337,571,610	359,897,284	395,512,951
Debt applicable to limitation:										
Total debt	\$ 2,805,000	\$ 2,295,000	\$ 1,760,000	\$ 5,185,000	\$ 4,255,000	\$ 3,285,000	\$ 2,925,000	\$ 2,550,000	\$ 2,165,000	\$ 1,765,000
Less: Certificates of participation	-	-	-	3,985,000	3,640,000	3,285,000	2,925,000	2,550,000	2,165,000	1,765,000
Total debt applicable to debt limitation	2,805,000	2,295,000	1,760,000	1,200,000	615,000	-	-	-	-	-
Legal debt margin	\$ 15,363,810	\$ 23,869,725	\$ 26,351,905	\$ 192,623,386	\$ 219,940,278	\$ 264,131,594	\$ 293,373,843	\$ 337,571,610	\$ 359,897,284	\$ 395,512,951

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
2001-2010

<u>Fiscal</u> <u>Year</u>	<u>Gross Sales</u> <u>Tax Revenue</u>	<u>Revenue Available</u> <u>for Debt Service</u> ¹	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2001	\$ 9,538,472	\$ 6,629,163	\$ 485,000	\$ 159,226	\$ 644,226	10.3
2002	9,675,960	6,746,337	510,000	130,625	640,625	10.5
2003	10,044,453	7,060,385	535,000	107,675	642,675	11.0
2004	11,099,304	7,959,382	560,000	83,600	643,600	12.4
2005	11,558,412	8,350,657	585,000	57,000	642,000	13.0
2006	12,874,145	9,471,990	615,000	29,213	644,213	14.7
2007 ²	13,536,798	N/A	N/A	N/A	N/A	N/A
2008	13,639,998	N/A	N/A	N/A	N/A	N/A
2009	12,264,867	N/A	N/A	N/A	N/A	N/A
2010	13,528,774	N/A	N/A	N/A	N/A	N/A

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

(2) 1992 Sales Tax revenue bonds fully paid off in 2006

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

Fiscal			Per Capita	Unemployment		K-12 School	Higher Education
Year	Population	Personal Income ¹	Personal Income	Rate	Median Age	Enrollment ²	Enrollment ³
2001	45,755	\$ 1,280,289	28,013	3.7	36	6,978	4,441
2002	46,288	1,298,736	29,127	4.4	36.5	6,898	3,961
2003	46,790	1,345,867	29,098	4.7	36.9	6,621	4,182
2004	47,354	1,471,070	31,360	3.6	37.2	6,636	4,190
2005	48,237	1,603,652	33,548	3.9	37.4	6,628	3,946
2006	48,998	1,743,562	35,743	3.4	37.7	6,704	3,907
2007	49,758	1,894,805	38,263	2.8	38	6,989	3,935
2008	50,735	2,059,599	40,677	3.9	38.2	6,737	3,746
2009	51,272	Unavailable	Unavailable	5.5	38.8	6,788	3,685
2010	52,114	Unavailable	Unavailable	7.2	39.1	6,710	3,864

Notes:

(1) in thousands of dollars

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

(3) Higher Education Enrollment is for Fort Lewis College

Sources:

CO Department of Local Affairs

Bureau of Economic Analysis

CO Department of Labor & Employment

Bayfield, Durango, & Ignacio School Districts

Fort Lewis College

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

<u>Employer</u>	<u>Type of Business</u>	<u>Estimate 2010</u>		<u>Estimate 2001</u>	
		<u>Employees FT & PT</u>	<u>Percentage of total County Employment</u>	<u>Employees</u>	<u>Percentage of total County Employment</u>
Southern Ute Indian Tribe	Government	1,500	5.37%	433	1.66%
Mercy Medical Center	Health	625	2.24%	728	2.79%
Durango School District 9-R	Education	544	1.95%	563	2.16%
Fort Lewis College	Education	535	1.91%	629	2.41%
City of Durango	Government	500	1.79%	214	0.82%
Mercury Payment Systems	Finance	442	1.58%	N/A	
La Plata County	Government	412	1.47%	380	1.46%
Wal-Mart	Retail	353	1.26%	449	1.72%
Durango Mountain Resort	Recreation	346	1.24%	376	1.44%
San Juan Basin Health	Government	226	0.81%	207	0.79%
Sky Ute Lodge and Casino	Recreation	N/A		365	1.40%
Total Principal Employers		5,483	19.62%	4,344	16.66%
Total County Employment		27,949	100.00%	26,071	100.00%

Sources:

Region 9 Economic Development District of SW Colorado

La Plata County, Colorado
Full-time Equivalent County Employees by Function/Program
Fiscal Years 2001 - 2010

Department	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	% Change 2010 over 2009
Commissioners	4.1	4.1	4.1	4.1	3.9	4.1	4.1	5.1	5.1	5.1	0.2%
Clerk/Elections	16.6	19.3	16.7	18.4	16.7	19.4	16.6	18.8	16.9	14.1	-16.5%
Treasurer/Trustee	5.7	5.5	5.5	5.4	5.4	5.4	5.1	5.0	5.0	5.3	5.8%
Assessor	17.8	18.3	18.8	19.2	19.2	20.6	20.5	20.5	20.2	18.9	-6.2%
Administration	4.0	4.0	3.3	4.5	4.3	5.3	4.2	5.2	5.2	5.0	-2.9%
Attorney	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0	0.0%
Facilities & Grounds	7.0	7.0	7.0	8.0	9.0	10.0	10.0	10.0	10.0	10.0	-0.1%
Finance	5.0	5.0	5.3	5.0	5.0	5.0	4.0	4.0	5.0	5.0	0.0%
Information Services	6.0	8.5	8.5	8.5	8.5	8.5	10.0	10.0	10.0	10.0	0.0%
Procurement	4.0	4.0	4.2	4.0	4.1	4.1	3.8	3.8	4.0	4.0	0.0%
GIS	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	7.0	7.0	0.0%
Human Resources/Risk Mgt	4.1	4.3	4.1	4.3	4.1	4.1	4.1	4.1	4.1	4.1	0.0%
County Surveyor	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0%
Construction Management	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.3	0.0	0.0	
Sustainability Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0%
General Government Total	81.3	87.0	84.5	88.4	88.1	94.5	91.7	96.8	99.6	95.7	-3.9%
Building Inspection / OEM	10.3	10.7	12.0	12.0	12.5	11.8	11.8	14.0	14.0	11.0	-21.4%
Criminal Investigations	0.0	7.3	7.4	7.6	8.6	8.6	9.9	10.9	10.7	10.8	1.1%
Special Investigations	12.4	5.0	6.0	6.4	6.7	6.6	5.8	5.8	5.6	5.5	-0.7%
Special Services	21.3	21.0	21.8	21.5	23.5	22.5	24.1	23.2	22.4	22.3	-0.7%
Public Safety	30.2	30.2	29.7	30.4	31.1	34.9	34.9	34.9	34.1	34.2	0.1%
Alternative to Incarceration	3.0	4.2	4.2	4.2	3.6	4.9	5.3	5.5	5.3	5.3	0.0%
Detentions	41.0	40.5	43.5	41.9	45.6	46.6	49.6	60.6	62.2	62.1	0.0%
Coroner	0.6	0.6	1.3	1.3	1.3	1.3	2.1	1.6	1.5	1.5	0.0%
District Attorney	20.1	22.1	22.1	21.8	23.8	24.3	25.1	25.1	25.1	25.5	1.6%
Public Safety Total	138.9	141.6	147.9	147.1	156.8	161.5	168.6	181.5	180.9	178.2	-1.5%
Road & Bridge, Eng.	64.5	65.8	67.5	67.0	52.4	53.4	51.9	52.6	53.7	49.9	-7.1%
Public Works Total	64.5	65.8	67.5	67.0	52.4	53.4	51.9	52.6	53.7	49.9	-7.1%

La Plata County, Colorado
Full-time Equivalent County Employees by Function/Program
Fiscal Years 2001 - 2010

Department	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	% Change 2010 over 2009
CERF	0.0	0.0	0.0	0.0	8.5	9.5	10.1	9.1	9.1	9.1	0.0%
Internal Service Funds	0.0	0.0	0.0	0.0	8.5	9.5	10.1	9.1	9.1	9.1	0.0%
Human Services	50.3	54.1	54.0	53.6	57.0	58.5	58.4	59.4	58.8	58.8	0.0%
Health & Welfare Total	50.3	54.1	54.0	53.6	57.0	58.5	58.4	59.4	58.8	58.8	0.0%
Extension Office	3.9	4.9	4.0	3.0	3.0	3.7	1.8	2.4	2.4	0.8	-68.2%
Weed	2.1	2.1	2.0	1.4	1.8	1.8	1.5	1.7	1.7	1.5	-10.8%
Fairgrounds	9.7	9.7	9.6	10.1	10.4	10.3	10.8	10.6	10.6	10.3	-2.5%
Senior Center Ops & Act	2.0	2.5	2.5	2.5	3.0	0.0	0.0	0.0	0.0	0.0	
Community Dev. Svcs.	10.7	10.5	10.6	10.7	14.1	15.3	17.2	18.3	18.3	18.3	-0.1%
Riverbend Youth	8.8	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Senior Services	3.8	5.0	5.3	5.5	5.5	9.2	7.7	8.4	8.7	8.5	-2.3%
Veterans' Services Office	0.0	0.4	0.6	0.8	1.0	1.0	1.0	1.0	1.1	1.1	-0.9%
Auxiliary Services	41.1	43.9	34.6	34.0	38.9	41.3	40.0	42.4	42.8	40.5	-5.4%
Grand Total	376.0	392.4	388.6	390.1	401.6	418.6	420.6	441.9	444.9	432.2	-2.9%

Source: La Plata County Annual Budget

Notes: Numbers include regular employees, temporaries, and overtime costs.

La Plata County, Colorado
Operating Indicators by Function/Program
Fiscal Years 2001 - 2010

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government										
<u>Clerk & Recorder</u>										
# Vehicle Transactions Processed	88,002	92,353	93,216	95,336	121,218	96,000	98,829	98,951	89,672	91,592
# Titles Issued (69% printed by staff)	19,400	21,804	19,117	19,631	20,146	20,600	23,230	19,083	14,472	13,624
# documents recorded	25,000	26,866	27,434	24,406	24,904	25,000	20,874	18,969	19,550	16,500
# of registered voters	33,000	35,051	32,600	36,160	36,160	36,000	33,658	37,615	37,185	37,243
# of votes cast	10,000	22,423	10,287	31,718	13,265	24,000	1,485	28,117	4,644	20,892
# of marriage licenses issued	630	562	540	512	550	550	526	528	515	506
<u>Treasurer</u>										
Receipts processed	53,957	57,597	56,699	56,500	57,000	58,000	36,913	37,980	37,740	37,954
<u>Assessor</u>										
# of property accounts maintained/assessed	38,900	39,600	59,128	58,949	60,100	61,000	Unavailable	46,293	Unavailable	46,589
Assessed value (in thousands)	1,211,254	1,744,314	1,523,858	2,134,234	2,487,511	3,008,034	2,885,995	3,017,991	3,461,699	2,354,797
<u>Geographic Information Services</u>										
# of recorded documents processed	4,850	4,897	8,500	5,881	5,790	6,000	5,429	4,024	1,196	325
# of rural addresses assigned	550	358	400	800	800	850	481	314	191	182
Public Safety										
<u>Building Inspection</u>										
# of permits issued	1,183	1,190	1,122	1,064	1,001	1,050	951	781	601	577
# of inspections completed	5,500	5,620	5,724	5,620	4,974	5,000	4,662	4,651	3,553	2,632
<u>Emergency Management</u>										
Search & Rescue Missions	36	36	32	33	36	38	Unavailable	37	14	Unavailable
<u>Sheriff - Public Safety</u>										
# of incidents investigated	24,690	21,069	18,662	20,522	20,000	21,000	Unavailable	25,530	3,552	23,652
# of arrests	690	739	672	679	900	950	Unavailable	946	Unavailable	594
# of citations	n/a	213	123	27	150	200	Unavailable	223	Unavailable	134
<u>Alternative to Incarceration</u>										
# of inmates under Day Reporting Supervision	39	112	99	88	140	125	88	93	89	102
# of inmates in Community Custody program	na/	n/a	25	93	125	140	178	185	145	298
Pretrial management							245	255	222	270
<u>Detentions</u>										
Total # of inmates booked into facility	2,850	3,049	2,734	2,769	2,995	3,200	3,087	2,900	Unavailable	3,020
average daily inmate population	115	118	166	144	175	180	186	181	140	149
Public Works										
<u>Maintenance Support</u>										
gallons of dust palliative applied	750,000	86,500	875,000	1,103,545	975,605	1,100,000	1,000,000	1,200,000	1,098,307	920,642
tons of road base hauled and placed	130,000	150,000	125,000	124,585	132,080	125,000	120,000	120,000	101,608	105,297
# of gallons of highway paint used	n/a	12,690	12,690	12,600	12,500	12,500	12,500	12,750	12,500	12,000

La Plata County, Colorado
Operating Indicators by Function/Program
Fiscal Years 2001 - 2010

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Convenience Center</u>										
Customers served - Bayfield	2,856	3,217	2,954	2,599	2,800	2,800	2,841	2,506	2,116	2,159
Customers served - Marvel	659	843	799	716	750	750	713	699	550	421
Health & Welfare										
<u>Human Services</u>										
Child Welfare - # of assessments opened	245	284	274	261	260	270	303	283	172	315
Adult Protective Services - # of investigations	96	215	128	135	100	100	90	89	101	88
Child Support - \$ of payments collected	\$2,550,000	\$2,926,697	\$3,004,853	\$3,079,623	\$3,150,737	\$3,160,000	\$3,044,044	\$3,570,909	\$3,147,432	\$3,248,125
Community Programs										
Conservation Trust Funds	\$761,949	\$131,000	\$170,100	\$150,447	\$178,250	\$238,000	\$204,000	\$234,250	\$150,000	\$0
Public Service Agency Funds	\$1,425,084	\$1,461,921	\$1,662,944	\$1,657,274	\$2,490,696	\$4,650,264	\$2,379,166	\$3,113,539	\$3,155,684	\$2,894,774
Auxiliary Services										
<u>Senior Services</u>										
# of meals provided	21,400	28,000	36,394	37,204	37,750	38,800	39,899	41,549	43,010	41,247
# of transportation rides provided	956	2,028	4,237	4,612	4,646	5,000	6,474	5,571	6,114	6,226
<u>Veterans Services</u>										
Compensation Claims	n/a	47	50	n/a	n/a	n/a	168	57	144	Unavailable
<u>Weed Management</u>										
# of miles treated for noxious weeds	1,206	250*	1,206	1,206	1,206	1,206	1,309	680	675	**
# of acres treated for noxious weeds										505
<i>*2002 was a drought year, very few weeds</i>										
<i>** miles not available, measure changed to acres</i>										
<u>Fairgrounds</u>										
small group bookings (less than 500 participants)	1,500	1,500	1,500	1,970	1,728	1,800	Unavailable	2,548	3,347	2,562
large bookings (more than 500 participants)	90	120	90	57	64	65	Unavailable	74	31	12
<u>Planning</u>										
Major projects reviewed	75	72	79	101	85	95	119	91	55	28
Oil & Gas (Major & Minor)	87	76	100	83	85	90	232	230	82	31
Minor/Administrative Projects reviewed	80	70	69	52	90	90	106	134	80	92
Internal Service Funds										
<u>Capital Equipment Replacement Fund</u>										
<i>(prior to 2005, vehicles were in R & B Fleet division)</i>										
Vehicles maintained (self propelled mobile units)	194	194	194	201	220	230	233	237	243	246

La Plata County, Colorado
Capital Asset Statistics by Function/Program
Fiscal Years 2001 - 2010

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government											
Clerk	Number of business locations	3	3	3	3	3	3	3	3	3	2
Facilities & Grounds	Facilities maintained	4	4	4	4	5	7	17	17	17	17
Procurement	Warehouses operated	1	1	1	1	1	1	1	1	1	1
Public Safety											
Detentions	Jail bed capacity	140	140	140	194	194	197	197	197	293	293
Public Works											
	Miles of Roadways maintained	667.43	679.25	659.69	658.44	659.15	654.68	654.68	658	658	658
	Bridges	52	52	52	53	53	53	53	53	53	53
Internal Service Funds											
CERF	Number of fleet vehicles maintained	194	194	194	201	220	230	233	237	243	246

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

SINGLE AUDIT SECTION



REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

June 9, 2011

Board of County Commissioners
La Plata County, Colorado

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 9, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered La Plata County, Colorado's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of La Plata County, Colorado's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of La Plata County, Colorado's internal control over financial reporting.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



La Plata County, Colorado
June 9, 2011

Compliance and Other Matters

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

This report is intended solely for the information and use of management, Board of County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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



REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

June 9, 2011

Board of County Commissioners
La Plata County, Colorado

Compliance

We have audited the compliance of La Plata County, Colorado with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in item 2010-02 in the accompanying schedule of findings and questioned costs, La Plata County, Colorado, did not comply with the requirements regarding obtaining immunization records for children receiving benefits in the Child Care Block Grant cluster. Compliance with such requirements is necessary, in our opinion, for La Plata County, Colorado, to comply with the requirements applicable to that program.



La Plata County, Colorado
June 9, 2011

Internal Control Over Compliance

Management of La Plata County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered La Plata County, Colorado's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of La Plata County, Colorado'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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-01 to be a material weakness.

This report is intended for the information and use of the Board of County Commissioners, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Agriculture			
Passed through the Colorado Department of Human Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 287,467
Emergency Food Assistance Program (Administrative Costs)	10.568		17,237
Emergency Food Assistance Program (Food Commodities)	10.569		67,556
Direct			
Schools and Roads - Grants to States	10.665		293,063
U.S. Forest Service - San Juan National Forest Recovery Act of 2009: Wildland Fire Management	10.688	10-PA-110282B1-088	18,090
Total Department of Agriculture			<u>683,413</u>
Department of Health and Human Services			
Passed through the Area Agency on Aging			
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		37,361
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045		105,137
Nutrition Service Incentive Program	93.053		17,551
Special Programs for Aging-Title IV and Title II - Discretionary Projects	93.048		1,755
Passed through Housing Solutions for the Southwest			
Community Services Block Grant	93.569		5,000
Passed through the Colorado Department of Human Services			
Promoting Safe and Stable Families	93.556		156,885
Temporary Assistance for Needy Families	93.558		1,281,032
Child Support Enforcement	93.563		422,393
Low-Income Home Energy Assistance	93.568		554,144
Child Care and Development Block Grant	93.575		(35,068)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		346,249
Child Welfare Services - State Grants	93.645		24,373
Foster Care Title IV-E	93.658		450,897
Adoption Assistance	93.659		109,832
Social Services Block Grant	93.667		277,481
Chafee Foster Care Independence Program	93.674		57,451
ARRA - Child Care and Development Block Grant	93.713		193,934
Medical Assistance Program	93.778		197,712
Passed through the Colorado Department of Regulatory Agencies			
Passed through Division of Insurance			
Special Programs for Aging-Title IV and Title II - Discretionary Projects	93.048		3,085
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	93.779		14,000
Total Department of Health and Human Services			<u>4,221,204</u>

(Continued next page)

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Interior			
Direct			
Payments in Lieu of Taxes	15.226		\$ 552,252
Bureau of Reclamation			
National Fire Plan-Rural Fire Assistance	15.242	L10AC20477	6,440
Bureau of Land Management			
Utility Relocation (CR 211 Realignment)	15.BBD	02-FC-40-6250	19,720
Total Department of Interior			<u>578,412</u>
Department of Homeland Security			
Direct			
Federal Emergency Management Agency			
Emergency Food and Shelter National Board Program	97.024		1,638
Passed through the Colorado Department of Local Affairs			
Emergency Management Performance Grants	97.042	10EM09L34	54,000
Total Department of Homeland Security			<u>55,638</u>
Department of Housing and Urban Development			
Passed through the Colorado Department of Local Affairs			
Community Development Block Grants/State's program	14.228	F8CDB98791	727,104
Department of Justice			
Direct			
Office of Justice Programs			
Bulletproof Vest Partnership Program	16.607		6,340
State Criminal Alien Assistance Program	16.606		16,491
Passed through the Colorado Department of Public Safety			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant			
(JAG) Program/Grants to States and Territories	16.803	29JR-02-7-1	59,659
Crime Victim Compensation (Sixth Judicial District)	16.576		18,000
Total Department of Justice			<u>100,490</u>
Other Federal Assistance			
Direct			
Office of National Drug Control Policy, Dept of Treasury, Dept of Justice			
High Intensity Drug Trafficking Areas Program	95.001	G09RM0023A	62,393
High Intensity Drug Trafficking Areas Program	95.001	G10RM0023A	167,255
Total Office of National Drug Control Policy			<u>229,648</u>
Total Federal Assistance			<u>\$ 6,595,909</u>

(Continued next page)

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

Notes to Schedule:

Basis of Presentation

The Schedule of Expenditures of Federal Awards (the SEFA) includes the federal grant activity of La Plata County Colorado and the Sixth Judicial District. The information is presented in accordance with the requirements of Office of Management and Budget Circular A-133. Expenditures have been recognized using the modified accrual basis of accounting.

Some amounts presented may differ from amounts reported in, or used in the preparation of the financial statements. Specifically, the SEFA includes health and welfare payments made through the mechanism of Electronic Benefit Transactions (EBT), whereas the financial statements exclude these EBT transactions. Additionally, the financial statements differentiate between the County (primary government) and its discretely reported component units (the reporting entity), while the SEFA consolidates all expenditures of federal awards within the reporting entity. Although in most cases, federal awards are received on a reimbursement basis, in a few specific cases funds may be received and held in reserve for future allowable program expenditures.

Clusters of Programs

The following programs are reported as clusters:

	<u>CFDA #</u>	<u>Expenditures</u>
Emergency Food Assistance Cluster		
Emergency Food Assistance Program (Administrative Costs)	10.568	\$ 17,237
Emergency Food Assistance Program (Food Commodities)	10.569	67,556
Total		<u>\$ 84,793</u>
 Aging Cluster		
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 37,361
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045	105,137
Nutrition Service Incentive Program	93.053	17,551
Total		<u>\$ 160,049</u>
 CCDF Cluster		
Child Care and Development Block Grant	93.575	\$ (35,068)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	346,249
ARRA - Child Care and Development Block Grant	93.713	193,934
Total		<u>\$ 505,115</u>

Pass-Through Entities with the same CFDA Program Numbers

The following program is listed separately on the schedule above due to the applicable pass-through entities.

	<u>CFDA #</u>	<u>Expenditures</u>
Passed through the Area Agency on Aging	93.048	\$ 1,755
Passed through the Colorado Department of Regulatory Agencies	93.048	3,085
Total of CFDA # 93.048		<u>\$ 4,840</u>

Awards to subgrantees

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

	<u>CFDA #</u>	<u>Amount Awarded</u>
Community Development Block Grants/State's program	14.228	
Subgrantee--Region 9 Economic Development District		<u>\$ 727,104</u>

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Type of auditor's report issued on compliance for major programs:	<u>Unqualified Opinion</u>
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<u>✓</u> yes	_____ no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's Program
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.575/93.596/93.713R	CCDF Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
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Auditee qualified as low-risk auditee?	<u>✓</u> yes	_____ no
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La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2010

SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

No findings under Generally Accepted Government Auditing Standards in 2010.

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

2010-01 Internal Control
CCDF Cluster CFDA# 93.575/93.594/93.713- ARRA

Criteria: The County's Department of Human Services is required to establish appropriate internal controls and separation of duties over its federal programs in accordance with OMB Circular A-133 requirements.

Condition: During review and testing of internal controls over the CCDF cluster it was noted that there are no monitoring and review controls over program eligibility.

Questioned Costs: None

Effect: It is reasonably possible that errors could occur in eligibility determination and not be prevented or detected and corrected in a timely manner resulting in inappropriate eligibility determinations and questioned costs.

View of Responsible Officials: Human Services is a state supervised/county administered agency. During the audit period there were no state rules requiring the county departments to conduct case file reviews. The state has provided guidance that such reviews will be required effective for the state fiscal year 2011/2012. Accordingly, a Human Services manager will conduct and document random case reviews concerning eligibility determination effective July 1, 2011. Management does acknowledge the potential for such errors without adequate formal review, and will consider other programs to see if similar enhancements should be implemented.

2010-02 CCDF Cluster CFDA # 93.575/93.594/93.713-ARRA

Criteria: The County's Department of Human Services is required to comply with all compliance guidelines and criteria as set forth by both the State and Federal Government.

Condition: During the course of performing the audit, 40 child care case files were selected for testing, of which eleven did not have immunization records included. Per Colorado State Volume 3.913, "Counties shall obtain immunization records for children in the Low-Income Child Care Program or monitor child care providers to ensure compliance with Section 3.911, E, that require providers to maintain proof of current immunizations for the children in their care." The county implemented a policy halfway through the year to obtain immunization records for new cases and to request immunization records at the time of redetermination. This policy was included in the county plan for the state fiscal year June 2010 - July 2011. For the first half of the year, the county was not obtaining immunization records or monitoring child care providers to ensure compliance with the state requirements

Questioned Costs: None

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2010

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

Effect: The County is not in compliance with state requirements regarding the child care program.

View of responsible officials: All providers are licensed by the state and have periodic reviews of their files by the state, including immunization records. However, management recognizes the specific requirements for immunization records, and for State Fiscal Year 2010/2011, the La Plata County Child Care Plan directs that the immunization records will be obtained during the application process and kept on file. As noted, since July 2010, staff have been obtaining immunization records for new cases and are requesting immunization records at time of redetermination.

La Plata County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2010

The 2009 audit reported no findings or questioned costs.