Comprehensive Annual Financial Report

for the Year Ended December 31, 2012

Prepared by the La Plata County Finance Department

INTRODUCTORY SECTION

La Plata County, Colorado
Comprehensive Annual Financial Report
For The Year Ended December 31, 2012

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(Unaudited)

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June 26, 2013

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

State law requires that all general-purpose local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the comprehensive annual financial report (CAFR) of La Plata County (the County) for the fiscal year ended December 31, 2012 is hereby submitted.

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

The County's financial statements have been audited by the certified public accounting firm of Chadwick, Steinkirchner, Davis & Co., P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2012 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, 2012 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The independent auditor's report is presented as the first component of the financial section of the CAFR.

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

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

Profile of La Plata County

La Plata County, incorporated in 1874 and located in the southwestern part of Colorado, 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 53,520 (2012 State Demographer's estimate), an increase of 6,730 (14%) since 2003. There are three municipalities in the County: the City of Durango, the Town of Bayfield and the Town of Ignacio. The Southern Ute Indian Reservation is located within La Plata County and its neighboring counties, with the Southern Ute Tribal Council headquarters, the Southern Ute Growth Fund administrative offices, the Sky Ute Casino Resort and the Southern Ute Cultural Center and Museum located near the Town of Ignacio. Durango, the county seat, is the home of Fort Lewis College, a four-year liberal arts state institution of approximately 3,800 students and Southwest Colorado Community College.

The local economy is heavily tourism-based, and the Durango Mountain Resort/Purgatory Ski Area and the Durango and Silverton Narrow Gauge Railroad both draw a significant number of visitors to the County each year. Each year the County hosts the Iron Horse Bicycle Classic (a road race through the mountains from Durango to Silverton) over the Memorial Day weekend and in 2012 was the departure city for the 2012 USA Pro Cycling Challenge. The Labor Day weekend is filled with motorcycles as several rallies are hosted in nearby towns. 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. There are six other elected officials: the Sheriff, Clerk and Recorder, Assessor, Treasurer/Public Trustee, Coroner, and Surveyor, who derive their responsibilities and authorities from state statute. There are no term limits on the elected positions other than the Commissioners.

The County provides the full range of services required by state statutes as well as many ancillary services. This includes 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. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

The County is also financially accountable for two component units: the Durango Hills Local Improvement District and the La Plata County Finance Authority. Additionally, because of the relationship between the County and the District Attorney of the Sixth Judicial District, the District Attorney is included in the County's financial statements as a discretely presented component unit.

Budgetary Controls

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

Factors Affecting Financial Condition

The 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.

The County is strong financially and in 2012 retired $1,350,000 certificates of participation. The County has increased fund balances eight of the last nine budget years, and increased reserves over the last six years by over 52% to more than $70 million. The unassigned general fund balance is 122% of 2013 budgeted general fund expenditures and transfers out.

However, the last few years have demonstrated the effects of volatility and uncertainty on the local economy. In La Plata County, property taxes serve as the primary revenue source for the

statutory and general government services. Much of the County's property tax base is related to coal bed methane gas production, and natural gas prices have fluctuated wildly over the last few years, leading to trailing swings in property tax revenue. For example, in budget year 2010, as a result of record high natural gas prices in 2008, property tax collections increased by nearly $4.3 million over 2009 levels to nearly $30 million, in budget year 2011 they declined back down to $20 million.

Looking forward to budget year 2014 and beyond, we project that assessed valuation will continue to decline as a result of low natural gas production, perhaps by as much as 30% for budget year 2014 and slowly recovering in budget year 2016. Over the last several years we have instituted a number of measures to keep our budget sustainable, including operating budget reductions and staffing adjustments.

Tourism contributes an estimated 28% to the local economy. Local retail trade continues to show strong signs of recovery, as sales tax collections have increased 16% compared to 2011 and 9% over the peak years of 2007 and 2008. Statewide retail trade is expected to grow 6.6% in 2012 and 3.7% in 2013. The construction industry has been the hardest hit sector since 2007 with county building permits declining over 43% from 2007 to 2011. However, permits issued in 2012 increased to 544 as compared to 535 in 2011, this is an increase of 1.6%.

Colorado and the national economies are growing slowly. Colorado is considered to be in a better position than the rest of the nation for recovery, but until the federal fiscal policies are settled the economy will not grow at its potential.

The Colorado unemployment rate dropped from 8.2% in April 2012 to 6.9% in April 2013, while the national unemployment rate declined from 8.1% to 7.5% for the same time period. Personal income grew 2.1% in the first quarter of 2012 and is expected to grow 4.1% in 2012 and then slow to 3.3% in 2013. Spending continues to show strong signs of growth indicating that Colorado is more confident in the economic recovery than other parts of the nation.

For 2011, Colorado realized an annual inflation rate of 3.7%, after a 1.9% increase in 2010. The Colorado Office of Planning and Budgeting projects a 2.1% annual inflation rate in 2012 and 2.8% annual inflation rate in 2013.

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 $13 million projected for new facilities and capital equipment and $31 million for road and bridge improvements, although capital spending will be somewhat determined by general revenues and capital grants. 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 acquired a nearby bank building in August 2012 to accommodate the relocation of several county offices in order to lease space to the federal courts. The acquisition and renovation of this property solidifies the County's commitment to keeping the downtown Durango area vital. For 2013, the County intends to complete several major road projects, including realignment of intersections at CRs 513 and 311 at State Highway 172, a very dangerous intersection, a boat access ramp on CR 210, a bridge replacement on County Road 207, and several road reconstruction projects.

Since La Plata County is heavily dependent upon property tax 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. 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 by adopting a practice of utilizing property taxes related to gas production over a baseline fiscal year 2000 amount only for capital construction and infrastructure improvements.

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 continue to work with 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.

To stimulate development at the local level, the County has entered into negotiations with the General Services Administration (GSA) to lease a portion of the County Courthouse for use by the United States District Court, United States Marshal Service, and United States Probation Office. By leasing space to the Courts, we believe that our local citizens will have increased access to justice, with the side benefit of additional economic activity. We have also applied to the Bureau of Land Management (BLM) under the Recreation and Public Purposes Act to acquire property for the development of a multi-event center and recreational hub. The next step is to complete an environmental assessment on the property. If the environmental assessment is favorable, the following step would be to complete a feasibility study and master plan for the multi-events center and recreational facilities. Finally, the County has agreed, in concept, to assist with nearly $2 million toward the expansion and extension of Wilson Gulch Road, which is located within the Durango city limits in an area that is poised for commercial and retail development.

Performance Management

La Plata County has been working toward implementation of an integrated, results-oriented, performance management system that encompasses planning, budgeting, reporting and decision-making since 2010. Some departments using Managing for Results (MAP) developed customer-oriented business plans that identified a set of strategic goals during 2010 and 2011, however during 2012 little if any improvements were implemented. During 2013, the County will renew focus on implementing Performance Management, starting with evaluating the web-based performance data reporting system, MFR Live and including Performance Management in the County's Organizational Development Initiative. We believe implementing Performance Management will help in achieving results and setting high expectations for performance, it puts citizens first and emphasizes accountability.

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, 2011. 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-three (23) consecutive fiscal years (1989-2011) ended December 31. We believe the 2012 report conforms to the Certificate of Achievement requirements and we are submitting it to the GFOA for review.

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

Respectfully submitted,

Diane Sorensen

Diane Sorensen
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, 2011

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

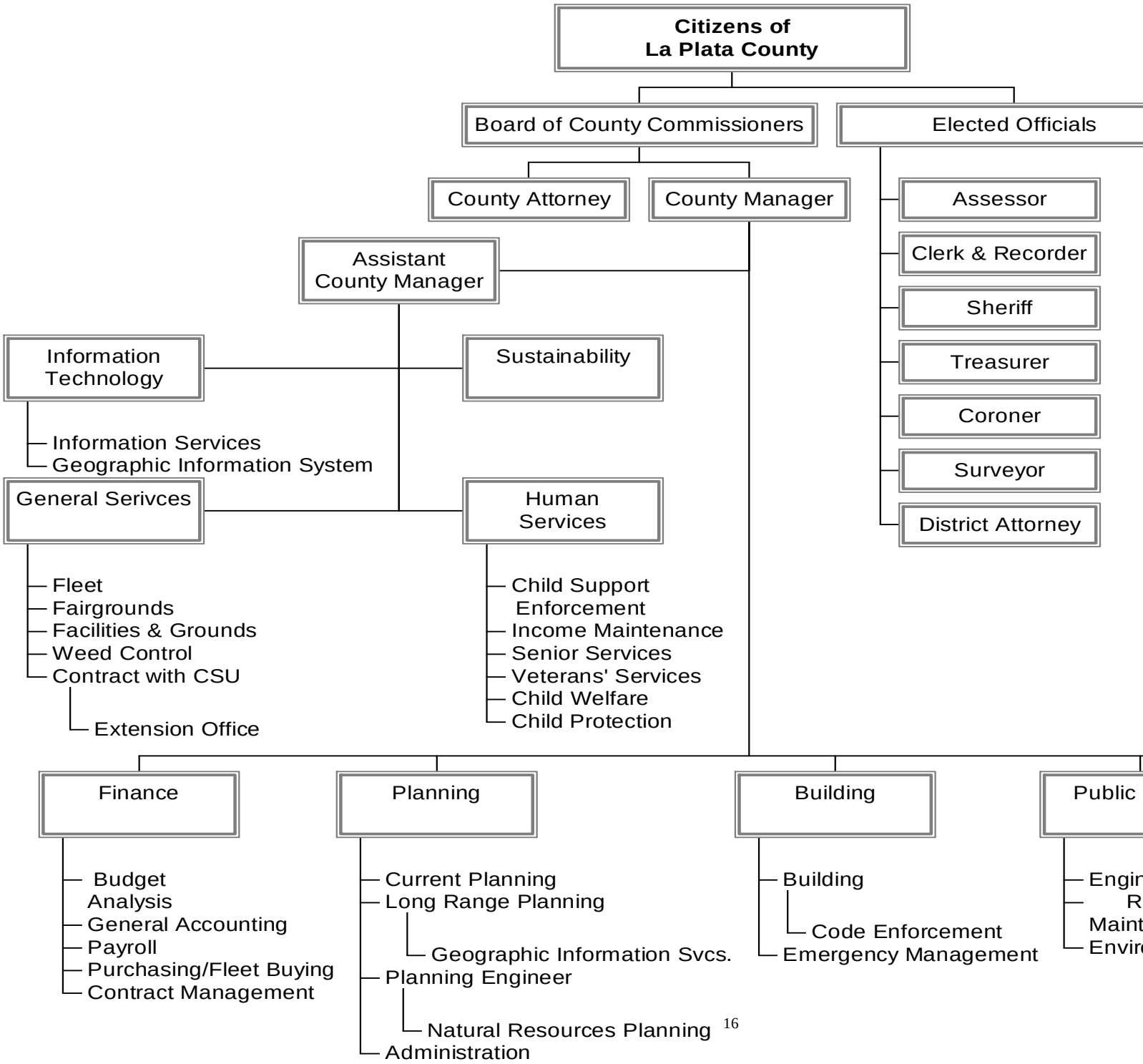
ELECTED OFFICIALS

Title	Name
Commissioner	Robert A. Lieb, Jr.
Commissioner	Julie Westendorff
Commissioner	Gwen Lachelt
Assessor	Craig Larson
Clerk & Recorder	Tiffany Lee Parker
Coroner	Jann Smith
Sheriff	Sidney "Duke" Schirard
Surveyor	Larry Connolly
Treasurer & Public Trustee	Ed Murray

APPOINTED OFFICIALS

Title	Name
County Attorney	Sheryl Rogers
County Manager	Joe Kerby
Assistant County Manager	Joanne Spina
Director of Building & Emergency Services	Butch Knowlton
Director of Finance	Diane Sorensen
Director of General Services	Mark McKibben
Director of Human Resources	Kelli Ganevsky
Director of Human Services	Lezlie Mayer
Director of Information Services	Alan Andrews
Director of Planning Services	Damian Peduto
Director of Public Works	Jim Davis

La Plata County Organizational Chart



FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 26, 2013

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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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La Plata County, Colorado
June 26, 2013

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise La Plata County's basic financial statements. The introductory section; combining and individual nonmajor fund financial statements; comparative individual fund financial statements and schedules; the Local Highway Finance Report; the Social Service Fund Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements; the comparative individual fund financial statements and schedules; the Local Highway Finance Report; the Social Service Fund Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013 on our consideration of La Plata County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La Plata County's internal control over financial reporting and compliance.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of La Plata County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended December 31, 2012. 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 and deferred inflows by $191,938,491 (net position) for the calendar year reported.

- Total net position is comprised of the following:

    1) Net investment in capital assets $101,877,845 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
    2) Net position of $19,302,384 are restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
    3) Net position of $18,408,816 are unrestricted, but are invested in a joint venture.
    4) The balance of unrestricted net assets of $52,349,446 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 $68,899,791 this year. This compares to the prior year ending fund balance of $68,066,882 showing an increase of $832,909, during the current year.

- At the end of the current calendar year, unassigned fund balance for the General Fund was $52,874,378 or 131% of 2013 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 Position. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities plus deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the County's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

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

The government-wide financial statements are presented on pages 30 & 31 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 32 through 38 of this report. The County has chosen to include budgetary comparisons for the general funds and each individual major special revenue fund as part of the basic financial statements.

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

Proprietary funds are reported in the fund financial statements and generally report services for which fees are charged. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal 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 39 through 41 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 43 of this report.

Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental 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 67. The County has chosen to present comparative balance sheets and comparative schedules of revenues, expenditures and changes in fund balance for each of the governmental and proprietary funds.

Financial Analysis of the County as a Whole

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

The County's net position at calendar year-end is $191,938,491. The following table provides a summary of the County's net position:

	Governmental Activities 2012	Percentage of Total 2012	Governmental Activities 2011
Assets:			
Current assets	$ 100,437,078	45.5%	$ 98,942,733
Investment in joint venture	18,408,816	8.3%	18,293,810
Capital assets	101,877,845	46.2%	101,427,282
Total assets	220,723,739	100.0%	218,663,825
Liabilities & deferred inflows:			
Current liabilities	24,655,408	85.7%	25,463,820
Long-term liabilities	4,129,840	14.3%	4,291,018
Total liabilities & deferred inflows	28,785,248	100.0%	29,754,838
Net position:			
Net investment in capital assets	101,877,845	53.1%	100,077,282
Restricted	19,302,384	10.1%	22,625,359
Unrestricted	70,758,262	36.9%	66,206,346
Total net position	$ 191,938,491	100.0%	$ 188,908,987

The largest portion of the County's net position (53%) reflects its net investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its

capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 4.07 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 2013 with an offsetting amount reported in deferred inflows. If you remove those amounts from the current ratio calculation, the adjusted ratio is 14.47 to 1, which demonstrates the real liquid position of the County.

The County reported positive balances in net position. Net position increased $3,029,504 for governmental activities, a 1.6% increase.

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

Summary of Changes in Net Position

	Governmental Activities 2012	Percentage of Total 2012	Governmental Activities 2011	(Decrease) Increase	2010
Revenues:					
Program:					
Charges for services	$ 4,055,706	7.5%	$ 3,916,835	$ 138,871	$ 3,913,424
Operating grants	12,572,836	23.3%	12,753,984	(181,148)	12,765,925
Capital grants	109,228	0.2%	308,532	(199,304)	662,256
General:					
Taxes	35,310,428	65.4%	33,919,485	1,390,943	45,466,908
Other	1,975,131	3.7%	2,469,199	(494,068)	1,531,460
Total revenues	54,023,329	100%	53,368,035	655,294	64,339,973
Program Expenses:					
General government	10,374,610	20.3%	10,570,951	(196,341)	12,590,925
Public safety	16,332,272	32.0%	15,426,187	906,085	15,228,090
Auxilary services	3,193,425	6.3%	3,382,410	(188,985)	3,609,635
Public works	10,929,759	21.4%	10,572,032	357,727	9,946,369
Health and welfare	5,615,860	11.0%	5,581,089	34,771	5,653,873
Community programs	4,527,441	8.9%	4,296,657	230,784	4,693,722
Interest and fiscal charges	20,458	0.0%	57,270	(36,812)	70,139
Total expenses	50,993,825	100%	49,886,596	1,107,229	51,792,753
Change in net position	3,029,504		3,481,439	(451,935)	12,547,220
Beginning net position	188,908,987		185,427,548		172,880,328
Ending net position	$ 191,938,491		$ 188,908,987		$ 185,427,548

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes provided 40% of the County's total governmental revenues. Sales taxes are the second largest revenue source with approximately $13.6 million of revenues or 25% 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 local business environment 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 $16.3 million dollars or 32% of the total expenses. General government makes up approximately 20% and public works is slightly more than 21% 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 is placed on the County's taxpayers by each of these functions.

	Governmental Activities 2012				
	Total Cost of Services	Net Cost of Services	Net Cost % of Total	2011 Net Cost	Decrease (Increase)
General government	$ 10,374,610	$ 4,392,047	12.8%	$ 4,817,013	$ 424,966
Public safety	16,332,272	14,649,343	42.8%	13,754,974	(894,369)
Auxiliary services	3,193,425	2,672,386	7.8%	2,762,784	90,398
Public works	10,929,759	7,540,897	22.0%	7,190,090	(350,807)
Change in joint venture	-	(115,006)	-0.3%	(754,844)	(639,838)
Health and welfare	5,615,860	1,547,808	4.5%	1,384,316	(163,492)
Community programs	4,527,441	3,548,122	10.4%	3,695,642	147,520
Interest	20,458	20,458	0.1%	57,270	36,812
Total	$ 50,993,825	$ 34,256,055	100.0%	$ 32,907,245	$ (1,348,810)

Change in joint venture represents an increase in the County's share of the joint venture airport.

After reducing gross expenses by program revenues, public safety totals nearly 43% of the net cost of services, public works comprises about 22% of total net costs of services, and the general government function's net costs are nearly 13% 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 $68,899,791. Of this year-end total, $423,956 represents inventories held for future consumption and $354,928 are long-term receivables and deposits; neither category represents available, spendable resources. A total of $19,302,384 is legally restricted for specific purposes, including economic stabilization, programming spending, capital improvements, joint projects, and public assistance. A total of $597,676 is assigned for 2013 budget deficit expenditures in the general fund. Finally, more than $48 million is unassigned, representing availability for continuing County service requirements.

The total ending fund balances of governmental funds show an increase of $832,909 or 1% above the prior year. This increase is related to a delay in completion of several key capital projects and ongoing efforts to build reserves to maintain services in what are expected to be lean budget years in 2014-2015.

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 $4.5 million. This followed a $6.5 million increase in 2011.

Property tax collections in the General Fund increased slightly in 2012 by $312,068 or 1.8%. In 2012, net sales taxes totaled about $11.5 million, an increase of nearly 10% over the 2011 collections of $10.5 million. State and federal revenues increased in 2012 by $395,142 or 8.6% over 2011. Eighty percent of the increase in state and federal revenues was in the Southern Ute Payment in Lieu of Taxes for $334,063. Most other revenue streams were consistent with that of calendar year 2011. In 2012, the County received approximately $346,000 in interest income, with a weighted average yield on investments of 0.74%. The largest decrease in miscellaneous revenues primarily resulted from a court judgment related to pollution liability at the County jail site totaling approximately $630,000 in 2011. Expenditures in the general fund increased $459,266 or 1.4% with the largest increase in the Public Safety function of $613,691 or 4% and the second largest increase in the Community Programs which increased $230,784 or 5%.

The General Fund's ending unassigned fund balance of more than $48.2 million is considered more than adequate, representing nearly 119% of 2013 budgeted general fund expenditures and transfers out to other funds. The County has a policy that requires a general fund unassigned balance of 20%-25% of the annual appropriation amount, and the current unassigned fund balance more than exceeds that level.

The Road and Bridge Fund's fund balance decreased by nearly $2 million in 2012, primarily due to an increase in capital outlay in 2012 of approximately $1.5 million. Revenues increased approximately 2% in 2012. This fund spent approximately $10.1 million in building, improving and maintaining County roads and bridges, which was about $1.4 million more than in 2011.

The Social Services Fund spent more than $5.5 million in providing services to clients, about the same level as in 2011. Intergovernmental revenues declined $128,721 when compared to 2011, resulting in the social services fund balance decrease of approximately $85,000 in 2012.

The Capital Improvement fund balance decreased by approximately $1.1 million in 2012. This is primarily due to the acquisition of a property adjacent to the downtown Courthouse that will allow for future expansion of the County facilities.

Budgetary Highlights

The General Fund – The revenue budget was increased by approximately $325,000 over the original budget for unanticipated revenues related to several grants. The overall revenues were $2.1 million more than the final budget with the largest difference in Sales tax revenue (net) being $921,803 higher than budgeted. Other increases over budget were in the

Southern Ute Payment in Lieu of Taxes of $611,000, Mineral severance tax of $320,000, Clerk and recorder's fees of $257,500 and general property & delinquent taxes of $254,700. In total, the County realized 105% of the final revenue budget.

The expenditure side of the original budget for the General Fund was increased by about $315,500 for costs associated to the unanticipated revenues related to several grants as mentioned above. The County spent less than 93% 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, 2012, was $101,877,845. Net capital assets have increased by about .4% in 2012. 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	**@ 12/31/2012**	**@ 12/31/2011**
Non-depreciable assets:		
Land	$ 9,452,945	$ 8,220,251
Construction in progress	204,009	185,360
Total non-depreciable	9,656,954	8,405,611
Depreciable assets:		
Buildings	50,002,579	48,163,484
Improvements	9,102,342	9,077,536
Machinery and equipment	16,019,135	15,625,169
Infrastructure	82,829,358	80,781,633
Total depreciable assets	157,953,414	153,647,822
Less accumulated depreciation	65,732,523	60,626,151
Book value - depreciable assets	92,220,891	93,021,671
Percentage depreciated	42%	39%
Book value - all assets	$ 101,877,845	$ 101,427,282

The change to the land asset class relates to the acquisition of a property adjacent to the downtown Courthouse that will allow for future expansion of the County facilities, at a cost of slightly more than $1.2 million.

The County has capitalized current year infrastructure costs of over $2 million including the following major projects:

- Design of CR 141 & CR 210 Intersection
- Design of CR 513/311/312 Intersections
- CR 250 full depth reclamation plus guardrails

Long-term Debt

At the end of the current fiscal year, La Plata County had no bonded debt. During 2012, the County retired $1,350,000 in certificates of participation issued by the La Plata County Finance Authority in 2004 for the acquisition of the Old Main Professional Building, leaving no outstanding. 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

	12/31/2012	12/31/2011	$ Change	% Change
Certificates of Participation	$ -	$ 1,350,000	$ (1,350,000)	-100%
Compensated Absences	1,404,325	1,385,056	19,269	1.4%
Pollution remediation costs	2,839,725	2,844,725	(5,000)	-0.2%
Landfill closure and postclosure care costs	754,000	865,000	(111,000)	-12.8%
Total Governmental Activities	$ 4,998,050	$ 6,444,781	$ (1,446,731)	-22%

Economic Factors and Next Year's Budget

For budget year 2014, the County estimates assessed valuation to decrease by about 16.8%, resulting in approximately $3.3 million less in property tax revenue. The assessed valuation for the 2013 assessment/collection in 2014 is expected to decrease approximately $442,612,830 due to an approximately 5% decrease in real estate valuations and 30.7% in oil and gas valuations. Real estate valuations are expected to stay nearly the same for the 2014 assessment/collection in 2015 because 2014 is not a reassessment year. Oil and gas is expected to increase slightly due to price, current prices are averaging $3.29 as opposed to the $2.49 in 2012. The decrease in property tax revenue in the 2014 budget year is in addition to the decrease of approximately $1.3 million or 6% in 2013.

Consumer spending is growing faster than other economic indicators through June 2012; retail trade increased 5.9% in the region. While this is slightly slower than last year, it remains one of the highest growth rates in the state. La Plata County sales tax collections came in $2 million or 20% higher than the amount budgeted in 2012. The housing market also has shown improvement over the last year with sales volume and total sales up about 5%, average sales price up 6% and median sale prices up 1% to $300,000.

The national economy is growing slowly while federal fiscal policies and a weak international economy are putting downward pressure on growth. Resulting from concerns over the federal debt limit, the federal government passed the Budget Control Act of 2011, which in March 2013 triggered automatic spending cuts known as sequestration. These cuts are set to reduce spending by $1.1 trillion over ten years. While it is impossible to know the precise impacts the spending cuts will have on La Plata County, we anticipate if sequestration is not de-triggered, the effects will become increasingly significant over time.

La Plata County is facing continued budgetary challenges resulting from the declining property tax revenue mentioned above, the expected increases in health care costs due to the health care reform, and the ongoing cuts in federal programs due to sequestration. The County's 2013 budget was prepared with consideration to these and other economic factors and, accordingly, over the last few years we have made reductions to the County's staffing and operational budgets while building the County's reserve levels. The County will focus on multi-year fiscal planning and forecasting of revenues and expenses when preparing the 2014 budget.

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 diane.sorensen@co.laplata.co.us .

BASIC FINANCIAL STATEMENTS

La Plata County, Colorado
Statement of Net Position
December 31, 2012

	Primary Government Governmental Activities	Component Unit
Assets		
Current Assets		
Cash	$ 234,772	$ 99,018
Equity in treasurer's cash and investments	76,199,762	-
Restricted cash and investments	162,294	-
Receivables:		
Accounts	1,252,553	-
Taxes	19,028,218	-
Deposits	54,928	-
Intergovernmental	2,648,381	207,594
Due from component unit	300,000	-
Due from primary government	-	269,735
Inventory	556,170	-
Investment in joint venture	18,408,816	-
Capital Assets		
Nondepreciable capital assets	9,656,954	-
Depreciable capital assets, net	92,220,891	43,383
Total Assets	220,723,739	619,730
Liabilities		
Current Liabilities		
Accounts payable	1,209,484	27,885
Accrued expenses	795,882	58,899
Intergovernmental payable	1,219,167	-
Due to primary government	-	300,000
Deposits payable	570,543	-
Unearned revenue	150,000	-
Liabilities payable from restricted assets	162,294	-
Claims payable	651,610	-
Current portion-compensated absences payable	345,710	20,174
Current portion-pollution remediation obligations	345,000	-
Current portion-landfill closure and post-closure care costs payable	177,500	-
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	1,058,615	60,522
Pollution remediation obligations (net of current portion)	2,494,725	-
Landfill closure/post-closure costs (net of current portion)	576,500	-
Total Liabilities	9,757,030	467,480
Deferred Inflows of Resources		
Property Taxes	19,028,218	-
Total Deferred Inflows of Resources	19,028,218	-
Net Position		
Net investment in capital assets	101,877,845	43,383
Restricted for:		
Capital improvements	5,218,448	-
Required legal fund segregations	12,579,204	-
Economic stabilization (TABOR)	1,504,732	65,373
Unrestricted	70,758,262	43,494
Total Net Position	$ 191,938,491	$ 152,250

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Activities
For the Year Ended December 31, 2012

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) R Changes in Ne Primary Gov Governme Activiti
Primary Government					
Governmental Activities					
General government	$ 10,374,610	$ 2,867,637	$ 3,071,626	$ 43,300	$
Public safety	16,332,272	897,042	785,887	-	(
Auxiliary services	3,193,425	244,614	276,425	-	
Public works	10,929,759	46,413	3,276,521	65,928	
Public works-increase (decrease) in joint venture	-	-	115,006	-	
Health and welfare	5,615,860	-	4,068,052	-	
Community programs	4,527,441	-	979,319	-	
Interest and fiscal charges	20,458	-	-	-	
Total Governmental Activities	$ 50,993,825	$ 4,055,706	$ 12,572,836	$ 109,228	$ (
Component Unit					
Office of the District Attorney	$ 2,150,605	$ -	$ 753,941	$ -	$
General Revenues					
Property taxes levied for general government purposes					2
Sales taxes					
Lodgers taxes					
Cable franchise fees					
Operational funding from primary government--unrestricted					
Investment earnings					
Miscellaneous					
Total General Revenues					3
Change in Net Position					
Beginning Net Position (Component Unit Restated)					18
Net Position End of Year					$ 19

See accompanying notes to the basic financial statements

La Plata County, Colorado
Balance Sheet
Governmental Funds
December 31, 2012

	General	Road and Bridge	Social Services	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	$ 233,572	$ 800	$ 400	$ -	$ -	$ 234,772
Equity in treasurer's cash and investments	52,874,222	6,791,523	2,434,339	5,391,997	365,838	67,857,919
Restricted cash and investments	77,881	-	84,413	-	-	162,294
Receivables:						
Accounts	205,691	39,908	998,377	-	-	1,243,976
Taxes	16,522,750	1,583,152	847,321	-	74,995	19,028,218
Deposits	2,000	-	-	52,928	-	54,928
Intergovernmental	1,280,029	442,929	793,858	-	131,565	2,648,381
Component unit	300,000	-	-	-	-	300,000
Interfund	80,402	-	-	-	-	80,402
Inventory	1,429	422,527	-	-	-	423,956
Total Assets	71,577,976	9,280,839	5,158,708	5,444,925	572,398	92,034,846
Liabilities and Fund Balances						
Liabilities						
Accounts payable	741,877	190,755	192,460	23,549	-	1,148,641
Accrued salaries and wages	644,328	131,462	-	-	-	775,790
Intergovernmental payable	146,219	-	1,072,948	-	-	1,219,167
Interfund payable	-	-	80,402	-	-	80,402
Deposits payable	570,543	-	-	-	-	570,543
Unearned revenues	-	-	-	150,000	-	150,000
Liabilities payable from restricted assets	77,881	-	84,413	-	-	162,294
Total Liabilities	2,180,848	322,217	1,430,223	173,549	-	4,106,837
Deferred Inflows of Resources						
Property Taxes	16,522,750	1,583,152	847,321	-	74,995	19,028,218
Total Deferred Inflows of Resources	16,522,750	1,583,152	847,321	-	74,995	19,028,218
Fund Balances						
Nonspendable fund balances:						
Inventory	1,429	422,527	-	-	-	423,956
Long term receivables and deposits	302,000	-	-	52,928	-	354,928
Restricted for:						
Economic stabilization (TABOR)	1,504,732	-	-	-	-	1,504,732
Law enforcement	226,272	-	-	-	-	226,272
Conservation trust fund program expenditures	2,021,422	-	-	-	-	2,021,422
Construction and maintenance of public streets	-	4,924,434	-	-	157,203	5,081,637
Capital improvements supported by impact fees	-	2,017,860	-	-	-	2,017,860
Forest Reserves Title III Expenditures	-	10,649	-	-	-	10,649
Joint La Plata County/City of Durango projects	-	-	-	-	340,200	340,200
Public assistance and welfare	-	-	1,270,010	-	-	1,270,010
Child welfare	-	-	1,611,154	-	-	1,611,154
General capital improvements	-	-	-	5,218,448	-	5,218,448
Assigned to:						
Next year's budget deficit	597,676	-	-	-	-	597,676
Unassigned	48,220,847	-	-	-	-	48,220,847
Total Fund Balances	$52,874,378	$ 7,375,470	$ 2,881,164	$ 5,271,376	$ 497,403	$ 68,899,791

See accompanying notes to the basic financial statements

La Plata County, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2012

Total Governmental Fund Balances		$ 68,899,791
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the government-wide statement of net position, the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	167,610,368	
Less accumulated depreciation	(65,732,523)	101,877,845
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position:		
Interfund receivables	80,402	
Interfund payables	(80,402)	-
The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net position.		18,408,816
An internal service fund is used by management to charge the costs of employee medical self-insurance and fleet management costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Non-capital assets	8,482,634	
Non-capital liabilities	(732,545)	7,750,089
Liabilities that are not due and payable in the current period and therefore are not reported in the funds but are reported on the government-wide statement of net position.		
Compensated absences	(1,404,325)	
Pollution remediation obligations	(2,839,725)	
Landfill closure and postclosure care costs	(754,000)	(4,998,050)
Net Position Of Governmental Activities		$ 191,938,491

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, 2012

	General	Road and Bridge	Social Services	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 30,952,676	$ 1,640,374	$ 964,900	$ -	$ 2,089,176	$ 35,647,126
Intergovernmental	5,003,063	3,166,261	4,068,052	43,300	-	12,280,676
Licenses and permits	437,771	222,601	-	-	-	660,372
Charges for services	3,473,616	-	-	-	-	3,473,616
Investment earnings	346,865	-	-	-	-	346,865
Miscellaneous	571,629	355,262	391,977	-	275	1,319,143
Total Revenues	40,785,620	5,384,498	5,424,929	43,300	2,089,451	53,727,798
Expenditures						
Current:						
General government	9,551,895	-	-	-	-	9,551,895
Public safety	15,515,104	-	-	-	-	15,515,104
Auxiliary services	2,837,282	-	-	-	-	2,837,282
Public works	202,627	8,086,458	-	-	50,071	8,339,156
Health and welfare	-	-	5,509,934	-	-	5,509,934
Community programs	4,527,441	-	-	-	-	4,527,441
Capital Outlay	-	2,047,725	-	3,191,802	-	5,239,527
Debt Service:						
Principal retirement	-	-	-	-	1,350,000	1,350,000
Interest and fiscal charges	-	-	-	-	24,550	24,550
Total Expenditures	32,634,349	10,134,183	5,509,934	3,191,802	1,424,621	52,894,889
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,151,271	(4,749,685)	(85,005)	(3,148,502)	664,830	832,909
Other Financing Sources (Uses)						
Transfers in	2,052,192	2,770,000	-	2,000,004	923,565	7,745,761
Transfers out	(5,693,569)	-	-	-	(2,052,192)	(7,745,761)
Total Other Financing Sources (Uses)	(3,641,377)	2,770,000	-	2,000,004	(1,128,627)	-
Net Change in Fund Balances	4,509,894	(1,979,685)	(85,005)	(1,148,498)	(463,797)	832,909
Fund Balances Beginning of Year	48,364,484	9,355,155	2,966,169	6,419,874	961,200	68,066,882
Fund Balances End of Year	$ 52,874,378	$ 7,375,470	$ 2,881,164	$ 5,271,376	$ 497,403	$ 68,899,791

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, 2012

Net Changes In Fund Balances - Total Governmental Funds		$ 832,909
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	5,737,074	
Operating expense (excl depr)	(4,664,196)	
Investment earnings	792	1,073,670
Internal service funds capital asset activity:		
Depreciation expense	(893,460)	
Cash received from sales of assets	192,682	
Assets disposed-net of accum depreciation	(113,662)	(814,440)
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)	(4,843,736)	
Capital outlay (excl internal service funds)	5,216,750	373,014
Governmental funds do not report the net cost of capital assets disposed of, but the cost is reported on the statement of activities		(1,479)
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		115,006
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.		
Transfers in	7,745,761	
Transfers out	(7,745,761)	-
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 @ 12/31/12	-	
Liability @ 12/31/11	4,092	4,092
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 @ 12/31/12	(2,839,725)	
Liability @ 12/31/11	2,844,725	5,000
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 @ 12/31/12	(754,000)	
Liability @ 12/31/11	865,000	111,000
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 position.		
Liability @ 12/31/12	-	
Liability @ 12/31/11	1,350,000	1,350,000
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 @ 12/31/12	(1,404,325)	
Liability @ 12/31/11	1,385,057	(19,268)
Change In Net Position of Governmental Activities		$ 3,029,504

See accompanying notes to the basic financial statements

General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	$ 29,579,450	$ 29,579,450	$ 30,952,676	$ 1,373,226
Intergovernmental	4,565,239	4,675,086	5,003,063	327,977
Licenses and permits	281,500	281,500	437,771	156,271
Charges for services	3,086,700	3,168,610	3,473,616	305,006
Investment earnings	425,000	425,000	346,865	(78,135)
Miscellaneous	365,076	498,576	571,629	73,053
Total Revenues	38,302,965	38,628,222	40,785,620	2,157,397
Expenditures				
Current:				
General government	10,798,758	10,641,466	9,551,895	1,089,571
Public safety	15,804,616	16,012,014	15,515,104	496,910
Auxiliary services	3,161,004	3,429,429	2,837,282	592,147
Public works	489,000	489,000	202,627	286,373
Community programs	4,819,819	4,816,847	4,527,441	289,406
Total Current	35,073,197	35,388,756	32,634,349	2,754,407
Total Expenditures	35,073,197	35,388,756	32,634,349	2,754,407
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,229,768	3,239,466	8,151,271	4,911,805
Other Financing Sources (Uses)				
Transfers in	2,052,197	2,052,197	2,052,192	(5)
Transfers out	(5,691,765)	(5,693,565)	(5,693,569)	(4)
Total Other Financing Sources (Uses)	(3,639,568)	(3,641,368)	(3,641,377)	(9)
Net Change in Fund Balances	$ (409,800)	$ (401,902)	4,509,894	$ 4,911,796
Fund Balances Beginning of Year			48,364,484	
Fund Balances End of Year			$ 52,874,378	

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	$ 1,602,047	$ 1,602,047	$ 1,640,374	$ 38,327
Intergovernmental	6,050,366	6,050,366	3,166,261	(2,884,105)
Licenses and permits	204,000	204,000	222,601	18,601
Miscellaneous	279,000	279,000	355,262	76,262
Total Revenues	8,135,413	8,135,413	5,384,498	(2,750,915)
Expenditures				
Current:				
Public works	8,848,585	8,828,586	8,086,458	742,128
Capital Outlay	5,635,000	6,055,000	2,047,725	4,007,275
Total Expenditures	14,483,585	14,883,586	10,134,183	4,749,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,348,172)	(6,748,173)	(4,749,685)	1,998,488
Other Financing Sources (Uses)				
Transfers in	2,770,000	2,770,000	2,770,000	-
Total Other Financing Sources (Uses)	2,770,000	2,770,000	2,770,000	-
Net Change in Fund Balances	$ (3,578,172)	$ (3,978,173)	(1,979,685)	$ 1,998,488
Fund Balances Beginning of Year			9,355,155	
Fund Balances End of Year			$ 7,375,470	

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	$ 1,007,240	$ 1,007,240	$ 964,900	$ (42,340)
Intergovernmental	6,266,748	6,266,748	4,068,052	(2,198,696)
Miscellaneous	-	-	391,977	391,977
Total Revenues	7,273,988	7,273,988	5,424,929	(1,849,059)
Expenditures				
Current:				
Health and welfare	8,078,494	8,094,723	5,509,934	2,584,789
Total Expenditures	8,078,494	8,094,723	5,509,934	2,584,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	(804,506)	(820,735)	(85,005)	735,730
Net Change in Fund Balances	$ (804,506)	$ (820,735)	(85,005)	$ 735,730
Fund Balances Beginning of Year			2,966,169	
Fund Balances End of Year			$ 2,881,164	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Net Position
Internal Service Funds
December 31, 2012

	Governmental Activities - Internal Service Funds
Assets	
Current Assets:	
Equity in treasurer's cash and investments	$ 8,341,843
Accounts receivable	8,577
Inventory	132,214
Total Current Assets	8,482,634
Noncurrent Assets:	
Capital Assets:	
Depreciable capital assets, net	6,516,552
Total Assets	14,999,186
Liabilities	
Current Liabilities:	
Accrued payroll	20,092
Accounts payable	60,843
Accrued claims payable	651,610
Total Current Liabilities	732,545
Net Position	
Net investment in capital assets	6,516,552
Unrestricted	7,750,089
Total Net Position	$ 14,266,641

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2012

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for services	$ 2,769,157
Insurance deposits	2,967,917
Total Operating Revenues	5,737,074
Operating Expenses	
Equipment maintenance	1,181,650
Depreciation	893,460
Medical claims	3,482,546
Total Operating Expenses	5,557,656
Operating Income (Loss)	179,418
Non-Operating Revenues	
Gain (loss) on sale of capital assets	79,020
Investment earnings	792
Total Non-Operating Revenues (Expenses)	79,812
Change in Net Position	259,230
Net Position Beginning of Year	14,007,411
Net Position End of Year	$ 14,266,641

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, 2012

	Governmental Activities - Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash received from customers	$ 5,734,473
Cash payments for goods and services	(1,146,147)
Cash payments for claims	(3,196,721)
Net Cash Provided by (Used in) Operating Activities	1,391,605
Cash Flows from Capital and Related Financing Activities	
Cash sales of capital assets	192,682
Payments for capital acquisitions	(1,086,149)
Net Cash Used in Capital and Related Financing Activities	(893,467)
Cash Flows from Investing Activities	
Investment earnings	792
Net Increase (Decrease) in Cash and Cash Equivalents	498,930
Cash and Cash Equivalents Beginning of Year	7,842,913
Cash and Cash Equivalents End of Year	$ 8,341,843

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	$ 179,418
Adjustments:	
Depreciation	893,460
(Increase) Decrease in Assets:	
Accounts receivable	(2,601)
Inventory	(6,008)
Increase (Decrease) in Liabilities:	
Accounts payable	39,797
Accrued incurred/unreported claims	285,825
Accrued wages	1,714
Net Cash Provided by Operating Activities	$ 1,391,605

See accompanying notes to the basic financial statements

La Plata County, Colorado
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2012 and 2011

	2012	2011
Assets		
Equity in treasurer's cash and investments	$ 2,851,341	$ 2,116,437
Liabilities		
Accounts payable	$ 114,487	$ 4,454
Due to component unit	269,735	257,957
Deposits held for others	2,467,119	1,854,026
Total Liabilities	$ 2,851,341	$ 2,116,437

See accompanying notes to the basic financial statements

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La Plata County, Colorado (the County) was formed in 1874 and operates under Colorado State Statutes as a statutory county. The County has a governing board of three elected Commissioners. The offices of Assessor, Clerk, Coroner, Sheriff, Surveyor and Treasurer also are elected positions. The County provides the following services as authorized by State Statutes: public safety (police and jail), transportation, health and social services, planning and protective inspections, property tax assessment, property tax collection and distribution, recording and election services, and other general and administrative services.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental entities. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. A summary of significant policies is as follows:

1-A. Reporting Entity

The reporting entity is comprised of the primary government, 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 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 position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and County's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Activities reported in fiduciary funds are excluded from the government-wide financial statements.

The statement of net position presents the financial position of the governmental activities of the County and its' discretely presented component unit at year-end.

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

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

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

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

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

Road and Bridge Fund – State law requires Colorado counties to maintain this individual fund. This fund records costs related to County road and bridge construction and maintenance. Primary sources of revenue for this fund are property taxes, shared intergovernmental revenues such as highway use taxes, and capital grants. By state law, a portion of the road and bridge property tax is allocated to cities and towns for use in their road and street activities.

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

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

In addition, the County reports the following fund types:

Non-major Governmental Funds – In addition to the major funds listed above, the County also has two non-major special revenue funds, the Joint Sales Tax Fund and the Local Improvement District Fund, and a Debt Service Fund.

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

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

Discretely Presented Component Unit – the Office of the District Attorney maintains a general fund that accounts for all financial resources of the District Attorney's office except for those required to be accounted for in the special revenue fund for Federal Victim's compensation programs.

1-C. Measurement Focus and Basis of Accounting

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

At the fund reporting level, the governmental funds use the modified accrual basis of accounting with a current financial resources measurement focus. The measurement focus concentrates on the availability of funds for spending in the near future. Only transactions and events affecting current financial resources during the period are reported. Revenues are recognized when they become both measureable and available. The County considers revenues other than grants to be measureable and available if collected within 90 days after year-end. Grants are considered measureable and available if they are collected within six months after year-end and all eligibility requirements have been met. Expenditures are recorded when the related liability is incurred, with the exception of principal and interest on long-term debt and compensated absences, which are recognized when matured.

Revenues susceptible to accrual under the modified accrual basis include property and sales taxes, certain intergovernmental revenues and grants. All other revenues are considered measureable and available only when cash is received. For governmental funds, property tax is reported as both receivable and deferred inflow of resource in the year it is levied, since an enforceable legal lien on the property exists at this time.

The agency fund reports its assets and liabilities on the accrual basis. Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures. A reconciliation between modified accrual basis and full accrual basis is provided in the fund financial statements.

1-D. Assets, Liabilities and Fund Equity

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

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

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

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

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

1-D-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. The allowance for uncollectible property taxes is 2% and deferred property taxes are stated net of the allowance as well.

1-D-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-D-4 Consumable Inventories

On the government-wide financial statements, inventories are presented on an average cost basis and are expensed when used (i.e., the consumption method). On the fund financial statements, inventories of governmental funds are stated at an average cost basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

1-D-5 Restricted Assets

These assets primarily consist of cash being held in trust by the Department of Social Services for individuals totaling $84,413 and La Plata County jail inmate commissary funds of $77,881.

1-D-6 Capital Assets

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

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

In 2007, the County hired an independent third party to complete a valuation of the County's infrastructure assets. They have provided the County with the estimated historical cost and accumulated depreciation of infrastructure assets, including such items as bridges, cattle guards, culverts, drainage and irrigation ditches, guardrails, retaining walls, roads and road signs, using County supplied inventories and by back trending from current replacement cost.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

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

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

1-D-7 Compensated Absences

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

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

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

Proprietary Funds – Accumulated vested sick pay and vacation pay at December 31, 2012, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

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

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

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

1-D-9 Fund Equity and Fund Balances

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position." Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements, the following classifications describe the relative strength of the spending constraints.

- Non-spendable fund balance – the portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- Restricted fund balance – the portion of fund balance constrained to being used for a specific purpose (such as grantors or bondholders), constitutional provisions or enabling legislation.
- Committed fund balance – the portion of fund balance constrained for specific purposes determined by the Board of County Commissioners and modifications to these balances must be approved by a majority vote of the Board by passage of a resolution. Commitments are created through adoption and subsequent amendment of the budget.
- Assigned fund balance – the portion of fund balance set aside for planned or intended purposes determined by the Board of County Commissioners and modifications to these balances must be approved by a majority vote of the Board by passage of a resolution. Assigned fund balances in special revenues funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are intended to be used for the purpose of that particular fund.
- Unassigned fund balance – the residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

If only restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is County polity to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

Net Positions - Net position represents the difference between assets, deferred outflows resources and liabilities and deferred inflows of resources. Net position net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. It should be noted that while the "Investment in Joint Venture" is a component of unrestricted net position, it does not represent available, spendable resources, since the dissolution of the airport joint venture is highly unlikely.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-D-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are insurance deposits and internal charges for fleet maintenance and repair. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. 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-D-11 Interfund Activity

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

1-D-12 Estimates

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

1-D-13 Comparative Data

Certain comparative data for the prior year have been presented to provide an understanding of the changes in the financial position and operations. This data is not included at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2011, from which the data was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

1-D-14 Accounting Change

GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" enhances the usefulness and understandability of governmental fund balance information. This statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. It also clarifies the existing governmental fund type definitions. In order to comply with this standard, the special revenue fund TABOR Reserve Fund was closed in 2011 and the remaining fund balance of $2,000,000 was transferred into the General Fund. The special revenue Landfill Closure Fund was also closed in 2011 and the remaining fund balance of $201,922 was transferred to the General Fund. Finally, per the terms of an Intergovernmental Agreement with the City of Durango, a portion of the County's sales tax is designated to be used for projects of mutual benefit to the City and the County. Whereas previously the funds were shown as "transferred" from the General Fund to the Joint Sales Tax Fund, for 2012 (and in comparative data for 2011) the amounts have been shown as direct sales tax revenue in the Joint Sales Tax Fund.

GASB Statement 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, establishes and defines deferred outflows of resources and deferred inflows of resources as elements of the statement of net position separate from assets and liabilities.

GASB Statement 65 Items Previously Reported as Assets and Liabilities establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The effect on the County is that balances previously reported as deferred revenues for property taxes are now reported as deferred inflows of resources.

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 Statues 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 Aspending 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 2012.

2-B. Stewardship – Expenditures in the Sixth Judicial District Attorney Fund, a component unit of the County, and the Employee Medical Self Insurance Fund exceeded appropriations during 2012. This may be a violation of Colorado State Statutes.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

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

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

the bank and the State of Colorado Banking Commission in accordance with the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank. The pledged collateral cannot be released unless approval is obtained by the banking commission. Savings and Loan institutions are monitored by the State of Colorado Commissioner of Savings and Loan Associations and must report quarterly on all public deposits held. The Colorado State Auditor has determined that there is no custodial credit risk for public deposits collateralized under the PDPA. The County's formal investment policy provides that all banks and savings banks eligible to provide depository and other banking services must be a member of the FDIC and shall qualify as a depository of public funds as defined by Colorado State Statute.

At year-end, the carrying amount of the County's deposits was $2,488,745 and the bank balance was $3,961,535. Of the bank balance, $562,975 was covered by federal depository insurance and $3,398,559 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 $99,018 and the bank balance was $98,104. Of the bank balance, $98,104 was covered by federal depository insurance.

Credit Risk – The County's investment policy is to apply the prudent person rule where investments are made as a prudent person would be expected to act. The County's investment policy limits investments in fixed income securities to U.S. Treasury obligations; Federal instrumentality securities, limited to the following: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC); Corporate bonds (rated at least AA-/Aa3), Commercial Paper (rated at least A-1+/P1); eligible bankers acceptances; repurchase agreements; local government investment pools authorized under C.R.S. 24-75-701 and C.R.S. 30-10-708(4), money market mutual load funds registered under the Investment Company Act of 1940; and non-negotiable certificates of deposit.

As of December 31, 2012, 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.

As of December 31, 2012, the County's investments were as follows:

	Weighted Ave Mkt Dur (Yrs)	S&P/ Moody Rating	% of Portfolio	Fair Value/ Carrying Amount
Local government investment pool-ColoTrust Plus	-	AAA/Aaa	24.16%	$ 18,449,057
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	17.00%	12,980,990
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	2.84%	2,167,010
Federal Home Loan Bank (FHLB)	0.75	AA+/Aaa	7.90%	6,029,380
Federal National Mortgage Association (FNMA)	0.58	AA+/Aaa	15.10%	11,532,486
Federal Home Loan Mortgage Corporation (FHLMC)	1.05	AA+/Aaa	11.20%	8,554,550
United States Treasury notes	1.91	AA+/Aaa	3.96%	3,021,953
Federal Farm Credit Bank (FFCB)	2.10	AA+/Aaa	2.62%	2,001,439
Commercial Paper - Rabobank USA	-	A-1+/P1	1.96%	1,499,190
Commercial Paper - Standard Chartered Bank	-	A-1+/P1	1.96%	1,499,008
Commercial Paper - KELLS Funding LLC	-	A-1+/P1	1.31%	999,869
Commercial Paper - ING Funding	0.21	A-1+/P1	1.31%	999,406
Corporate - GE Capital	0.02	AA+/A1	0.66%	500,142
Corporate - GE Capital	1.00	AA+/A1	0.67%	508,206
Corporate - Met Life Global	0.03	AA-/Aa3	1.31%	1,000,455
Corporate - New York Life Global	0.94	AA+/Aaa	0.66%	505,545
Corporate - New York Life Global	2.26	AA+/Aaa	1.38%	1,050,715
Corporate - MassMutual Global Funding	1.28	AA+/Aa2	1.35%	1,028,606
Corporate - TIAA Global Markets	0.53	AA+/Aa1	1.34%	1,024,684
Corporate - Toyota Motor Credit	2.50	AA-/Aa3	1.31%	1,004,043
		Total	100.00%	$ 76,356,734

Cash & Investment Reconciliation:

Description	Carrying Amounts		Cash and Cash Equivalents
		From Statement of Net Position:	
Cash on hand	$ 564,675	Cash & Cash Deposits	$ 234,772
Deposits	2,488,745	Equity in treasurer's cash and investments	76,199,762
Investments	76,356,734	Restricted cash and investments	162,294
Interest Receivable	38,015	From Statement of Fiduciary Assets and Liablilities	2,851,341
Total	$ 79,448,169	Total	$ 79,448,169

3-B. Receivables

Receivables at December 31, 2012, consisted of interest.

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.

3-D. Capital Assets

Capital asset activity for governmental activities (including internal service funds) for the year ended December 31, 2012, was as follows:

	Balance 1/1/2012	Additions	Deletions	Balance 12/31/2012
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 8,220,251	$ 1,232,694	$ -	$ 9,452,945
Construction in progress	185,360	18,649	-	204,009
Total capital assets not being depreciated	8,405,611	1,251,343	-	9,656,954
Depreciable capital assets:				
Buildings	48,163,484	1,839,095	-	50,002,579
Improvements	9,077,536	24,806	-	9,102,342
Machinery and equipment	15,625,169	1,139,928	745,962	16,019,135
Infrastructure	80,781,633	2,047,725	-	82,829,358
Total depreciable capital assets	153,647,822	5,051,554	745,962	157,953,414
Total capital assets	162,053,433	6,302,897	745,962	167,610,368
Accumulated depreciation:				
Buildings	9,237,143	1,044,245	-	10,281,388
Improvements	2,134,037	318,557	-	2,452,594
Machinery and equipment	8,105,185	1,177,370	630,824	8,651,731
Infrastructure	41,149,786	3,197,024	-	44,346,810
Total accumulated depreciation	60,626,151	5,737,196	630,824	65,732,523
Governmental activities capital assets, net	$ 101,427,282	$ 565,701	$ 115,138	$ 101,877,845

Governmental activities depreciation expense

	Total
General government	$ 639,677
Public safety	763,133
Auxiliary services	401,482
Public works	3,892,065
Health and welfare	40,839
Total governmental activities depreciation expense	$ 5,737,196

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2012:

	Balance 1/1/2012	Additions	Deductions	Balance 12/31/2012
Depreciable capital assets:				
Improvements	$ 23,334	$ -	$ -	$ 23,334
Machinery and equipment	150,388	24,848	-	175,236
Less accumulated depreciation	(145,993)	(9,194)	-	(155,187)
Component unit capital assets, net	$ 27,729	$ 15,654	$ -	$ 43,383

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2012, 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:	Social Services Fund	Total
General Fund	$ 80,402	$ 80,402
Total	$ 80,402	$ 80,402

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, 2012, consisted of the following:

	Transfers from:		
	General fund	Non-major govermental fund	Total
Transfers to:			
General fund	$ -	$ 2,052,192	$ 2,052,192
Road and bridge fund	2,770,000	-	2,770,000
Capital projects fund	2,000,004	-	2,000,004
Non-major governmental funds	923,565	-	923,565
Total	$ 5,693,569	$ 2,052,192	$ 7,745,761

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, 2012:

Governmental Activities	Outstanding 1/1/2012	Additions	Reductions	Outstanding 12/31/2012	Amounts Due in One Year
Certificates of Participation	$ 1,350,000	$ -	$ 1,350,000	$ -	$ -
Compensated Absences	1,385,056	2,154,347	2,135,078	1,404,325	345,710
Pollution remediation obligations	2,844,725	-	5,000	2,839,725	345,000
Landfill closure and postclosure care costs	865,000	54,000	165,000	754,000	177,500
Total Governmental Activities	$ 6,444,781	$ 2,208,347	$ 3,655,078	$ 4,998,050	$ 868,210
Component Unit:					
Compensated absences	$ 75,235	$ 83,518	$ 78,057	$ 80,696	$ 20,174

The certificates of participation were early redeemed on June 1, 2012. The compensated absences liability will be paid from the fund from which the employees' salaries are paid, typically the General Fund, Road & Bridge Fund and the Department of Human Services Fund. The County has received a federal court order which will assist in recovering some of the costs associated with the pollution remediation from a third party (see Note 3-J below); any costs not paid for by a third party will be paid for by general revenues. The landfill closure and postclosure care liability will be paid for by general revenues.

3-H. 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. All outstanding COPs were early redeemed on June 1, 2012 and the OMPO ownership transferred from the La Plata County Finance Authority to the Board of County Commissioners on June 1, 2012.

Interest rates on the Certificates of Participation (COPs) range from 2.00% to 3.750%. Funding was provided for by base rentals paid by the County to the Authority.

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.

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

3-J. Pollution Investigation and Remediation

The County owns property (the County jail site) that has been environmentally contaminated with chlorinated solvents by prior owners who are responsible, pursuant to a federal court order, for 75% of the costs for remediating any environmental issues in accordance with State and Federal laws. A consultant hired by the County has conducted a remedial investigation/feasibility study (RI/FS) at the site and has identified several alternate remedial/corrective action plans to address environmental contamination of the jail site, ranging from in-situ chemical oxidation of soils exceeding acceptable levels to complete removal of all contaminated soils. The consultant estimates that the cost for implementation of remedial/corrective actions is likely to have a present value of $3,240,000, but could be as low as $2,014,000 or as high as $6,180,000, depending upon the option selected and the long-term monitoring costs associated with the selected option. It is estimated that the County will incur approximately $15,000 in legal services in 2013 associated with the remediation effort, $30,000 in additional pre-cleanup activities, and approximately $300,000 in cleanup activities in 2013, 75% of which should be reimbursed to the County at some point in the future pursuant to the federal court order.

In 2008, the County filed a lawsuit (US District Court, District of Colorado, civil action #08-cv-00855-LTB-KMT) against Brown Retail Group, Inc. et al., the former owner of the property, seeking reimbursement of the cost of pre-cleanup investigation, cleanup at the jail site, long-term environmental monitoring and associated legal fees. The County's lawsuit was tried in October of 2010 and the court issued a decision in March of 2011. The court ordered that Brown Retail Group, Inc. is responsible for 75% of certain investigative and clean-up/remediation costs incurred to date and expected to be incurred by the County in the future. The County will be responsible for the remaining costs. The judge's ruling requires Brown Retail Group to reimburse La Plata County for past recoverable response costs in the amount of $521,090, plus interest in the amount of $32,746.95 and $75,805 in trial costs, for a recovery of prior costs of $629,642.

The Court's March 2011 order established a "starting point" for remediation, which is estimated by the County's consultant to have a net present value of $830,000. A plan for remediation that meets the Court's starting point has been developed and approved by the Colorado Department of Public Health and Environment (CDPHE). Because the County, the County's consultant and the CDPHE do not believe the Court's ordered initial plan will successfully remediate the contamination to meet applicable environmental standards, the County has recorded a liability for pollution remediation obligation in the government wide statements for pre-cleanup activities in the amount of $30,000, legal services in the amount of $15,000, and remedial/corrective actions in the amount of $3,240,000, for a total of $3,285,000. 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 $2,839,725. By Court order, Brown Group advanced La Plata County $445,742 in future cleanup costs in April 2012, and this deposit is being held to cover future recovery costs.

The estimated total current cost of cleanup/remediation activities of $2,839,725 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, 2012. However, the actual cost may be higher or lower due to inflation, changes in technology, or changes in laws and regulations, and if further studies establish that the scope of the required cleanup is greater than is known at this time. Any future inflation costs and additional costs of investigation and remediation, if any, that might arise from changes in pollution investigation, compliance, and remediation requirements (due to changes in technology or more rigorous regulations, or the need for active remediation for example) may need to be covered by charges to future taxpayers. The Court's order provides that the County may return to the Court for additional recovery of future costs from Brown Group if the initial "starting point" plan does not bring the site into compliance with environmental standards.

The information and estimates in this note (3-J) do not apply to the County's ongoing liability related to closed landfills. Note 3-K (below) includes information related to the County's responsibility for landfill closure and postclosure care costs.

Note 3-K. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. In addition to operating expenditures related to current activities of the landfills, an expense provision and related liability (reported at the government-wide financial reporting level) are being recognized based on the estimated future closure and postclosure care costs that will be incurred after the date the landfills no longer accept waste. The estimated liability for landfill closure and postclosure care costs has a balance of $754,000 as of December 31, 2012, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	$ 3,000	100%	$ 3,000
Marvel	3,000	100%	3,000
Gun Club	3,000	100%	3,000
Durango	224,000	100%	224,000
Bayfield	521,000	100%	521,000
Totals	$ 754,000		$ 754,000

The estimated total current cost of the landfill closure and postclosure care of $754,000 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, 2012. 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 1991, La Plata County participated in the refunding of the previously issued Southwestern Colorado Single Family 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 secured by Mortgage Loans. The bonds were payable in installments due in 2000, 2004 & 2011. The amount outstanding at December 31, 2012 is $0. The bonds are/were not 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 have never been reported as liabilities in the accompanying financial statements.

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 for the County Attorney's office. Broken Bands, LLC is a privately held limited liability corporation, for which the La Plata County Attorney, an executive-level County employee, is a principal. 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. The County is responsible for taxes, maintenance, utilities, and common area maintenance charges. The amount paid for the lease during 2012 totaled $43,627.

On February 1, 2008, the County entered into an operating lease with Durango Threadworks, Inc. for rental of 3,192 square feet for the County Clerk's office space. Durango Threadworks, Inc. is a Colorado Corporation, for which a La Plata Commissioner's father is the President. The initial lease extended through January 31, 2014 and provided for optional renewals after the initial term. In December 2009 the lease terms were renegotiated to include

additional lease space and extended through December 31, 2016. The amount paid for the lease during 2012 totaled $111,624.

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 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 $18,503 and $12,110 was contributed by the District Attorney via payroll deduction.

The total payroll for the County and the District Attorney in calendar year 2012 was $21,493,062. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of $19,876,493. Both the employer and the covered employees made the required contributions, amounting to $1,253,484 from the employer and $1,253,484 from employees, or $2,506,968 total.

3- O. Fund Balances

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

Nonspendable fund balance:

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

Long term receivables and deposits – represents the amount of receivables and deposits not likely to be converted to a spendable form in the subsequent accounting period.

Restricted fund balance:

Economic stabilization – as noted in Note 7, below, the County is required by State law to maintain a reserve level equal to approximately 3% of non-federal revenues. The reserves are available only for named emergency situations and per the requirement of the constitutional provision, must be immediately replenished.

Law enforcement – the La Plata County Sheriff's Office and the Office of the District Attorney receive funds pursuant to criminal forfeiture laws. These funds may only be used for specific law enforcement purposes.

Conservation trust fund program expenditures – the County receives funding from the Colorado lottery programs which is restricted to use for outdoor recreation construction and expenditures.

Construction and maintenance of public streets – Colorado counties are required by State law, C.R.S. 43-2-202(1) to maintain a Road and Bridge Fund. All funds held in the Road and Bridge Fund, not otherwise restricted, and are restricted only for construction and maintenance of roads and streets within the County boundaries. Funds received for the Durango Hills local improvement district are also restricted for the maintenance of public streets.

Capital improvements supported by impact fees – Developer contributions received for improvements to county roads are restricted to uses outlined in Colorado statutes and the specific language of the agreements.

Forest Reserves Title III expenditures – Funds received pursuant to Title III of the Secure Rural Schools and Community Self Determination Act are restricted to purposes outlined in the Act.

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

Public assistance and welfare – Colorado counties are required by State law, C.R.S. 26-1-123, to maintain a Social Services fund. All funds held in the Social Services Fund, not otherwise restricted, are determined to be restricted for only public assistance and welfare and related programs.

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

General capital improvements – Pursuant to the terms of the voter approval for the County's sales tax and Resolution 1984-142, the first $1.5 million of sales taxes are transferred annually to the capital improvement fund and are limited to capital improvements.

Assigned fund balance:

Next year's budget deficit – as part of the 2013 budget adoption process, the 2013 general fund revenues and transfers in were estimated at $39,708,820 and expenditures and transfers out were estimated at $40,306,496, demonstrating a projected deficit of $597,676. Therefore, it is necessary to set aside this amount to cover the subsequent year budget deficit.

Minimum Fund Balance Requirements:

The County has a policy which establishes a minimum level of fund balance reserves to provide for emergency situations, maintain the ability to withstand negative changes in local and regional economic conditions, and maintain the highest possible credit rating. Because the policy provides for a range of levels based upon factors such as budgeted expenditures, it does not meet the threshold of a restriction, commitment or assignment.

The amounts defined for the Road and Bridge fund and Social Services fund are established as 25% of annual payroll. The amount in the General Fund is established as 10% of the "annual general fund appropriation as a cash-flow reserve to ensure that obligations can be met as they become due" and a "second 10% to 15% is defined as a county cyclical reserve, available to either maintain current service levels or to provide a temporary cushion when expenditure adjustments are necessary due to shortages in projected revenue." The policy requires that the County Road and Bridge fund and the Human Services fund maintain a reserve equivalent to 25% of the annual fund payroll. The policy provides that significant declines in assessed valuation and significant decreases in projected sales tax revenues may necessitate the utilization of the general fund reserve.

The calculated amount of the minimum fund reserves at 12/31/2012 are:

	Base	Reserve Amount
General fund - cash flow reserve at 10% of annual appropriation	$ 40,306,495	$ 4,030,650
General fund - cyclical reserve at 10% of annual appropriation	40,306,495	4,030,650
General fund - minimum reserve		**8,061,300**
General fund - cyclical reserve at 15% of annual appropriation	40,306,495	6,045,974
General fund - maximum reserve		**10,076,624**
Road and Bridge fund - at 25% of annual payroll	3,383,662	**845,916**
Human Services - at 25% of annual payroll	4,092,886	**1,023,222**

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 $651,610, reported in the employee medical self insurance fund represents the amount due to the County's third party administrators at December 31, 2012 for the 2012 claims year and an estimate for incurred but not reported claims.

Changes in the funds claims liability amount in calendar 2012 and 2011 were:

	2012	2011
Liability at January 1	$ 365,785	$ 194,451
Add: Current year claims & changes in estimates	3,723,367	3,028,021
Less: Claim Payments	(3,437,542)	(2,856,687)
Balance at December 31	$ 651,610	$ 365,785

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 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 2012, 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--12/31/2013	$500,000	$650,000	CR 141 Bridge/Intersection Improvements
EIAF #6463	03/30/2009--06/30/2012	516,875	135,000	New Energy Communities
EIAF #6629	08/05/2009--12/31/2012	195,000	65,000	Planning--Courthouse Facilities
EIAF #6819	12/27/2007--12/31/2013	600,000	1,200,000	Oxford Intersection Improvements
LGGF #10-678	3/21/2011--12/31/2012	300,000	527,500	CR 517 Improvements
LGGF #11-718	12/27/2011--12/31/2012	63,074	1,722,926	6th Judicial District Attorney
LGGF #11-719	1/1/2012--12/31/2012	251,000	465,642	Sheriff Safety
Totals		$2,425,949	$4,766,068	

Contractual Commitments - The County has entered into certain long-term contracts with various parties in order to provide services to residents of the County. A summary of those significant contracts follows:

Humane Society Operations – In 1993 the County and the La Plata County Humane Society entered into an agreement in which the Humane Society provides animal control in the County and the County contributes toward the costs of services provided. The agreement provides for ongoing renewals and requires a year advance notice to cancel. For 2012, the amount of funding provided pursuant to the agreement was $162,123.

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

Commitment to Lease Space – The County is currently in negotiations with the federal General Services Administration (GSA) for the remodel and lease of a portion of the Courthouse to the GSA for use of the United States District Court, US Marshal's Office, US Probation Office and the US Attorney's Office. The County believes that locating the federal court offices in the County Courthouse will increase access to the federal courts for local citizens. Under the original concept, it had been estimated that the remodel of the Courthouse would cost about $1.8 million, with approximately $1.17 to be directly reimbursed by the GSA over a 10-year period. The remaining costs would be considered landlord costs and would be paid for by the County out of general revenues.

Since the original cost estimates were established, there has been a change in concept that would potentially eliminate the US Attorney's Office from the lease arrangement in order for the County to accommodate needs of the Sixth Judicial District of the State of Colorado. (Under Colorado law, counties are required to provide space for state court offices.) Consequently, the County will be preparing new architectural designs in 2013, and new cost estimates will be obtained. Subsequently, a new proposal will be provided to the GSA for their consideration. It is anticipated that the revised cost estimates will be determined and the revised proposal to the GSA will be made before December 31, 2013. However, given that the County will be remodeling the entire first floor of the Courthouse to meet both federal court lease requirements and State court needs, it is anticipated that the total project cost would still be at least $1.8 million. The cost to be reimbursed by the GSA and the remaining landlord costs remain to be determined once the new plans are designed and cost estimates obtained.

The offices of the County Commissioners, County Assessor, Administration and Finance Departments will be moved into alternate space. The proposed timeline for the project is as follows: relocation of County offices in early 2014, remodel of the Courthouse in 2014 and occupancy by the GSA tenants by the latter part of 2014 or early 2015, all depending on construction schedules.

Note 6 - Joint Venture

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

The County's equity interest in the Durango-La Plata County Airport was $18,408,816 at December 31, 2012. 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, 2012, and may be obtained by contacting the management of the Durango-La Plata County Airport at 1000 Airport Road, Durango, Colorado, 81303 or via telephone at 970-247-8143.

Note 7 - Tax, Spending and Debt Limitations

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

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

SUPPLEMENTARY INFORMATION

La Plata County, Colorado
Combining Balance Sheet - by Fund Type
Nonmajor Governmental Funds
December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in treasurer's cash and investments	$ 365,838	$ -	$ 365,838
Receivables:			
Property taxes	74,995	-	74,995
Interfund	131,565	-	131,565
Total Assets	572,398	-	572,398
Deferred Inflows of Resources			
Property Taxes	74,995	-	74,995
Total Deferred Inflows of Resources	74,995	-	74,995
Fund Balances			
Restricted for:			
Construction and maintenance of public streets	157,203	-	157,203
Joint La Plata County/City of Durango projects	340,200	-	340,200
Total Fund Balances	$ 497,403	$ -	$ 497,403

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, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Property taxes	$ 80,314	$ -	$ 80,314
Sales taxes	2,008,862	-	2,008,862
Miscellaneous	275	-	275
Total Revenues	2,089,451	-	2,089,451
Expenditures			
Current:			
Public works	50,071	-	50,071
Debt Service:			
Principal retirement	-	1,350,000	1,350,000
Interest and fiscal charges	-	24,550	24,550
Total Expenditures	50,071	1,374,550	1,424,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,039,380	(1,374,550)	664,830
Other Financing Sources (Uses)			
Transfers in	-	923,565	923,565
Transfers out	(2,052,192)	-	(2,052,192)
Total Other Financing Sources (Uses)	(2,052,192)	923,565	(1,128,627)
Net Change in Fund Balances	(12,812)	(450,985)	(463,797)
Fund Balances Beginning of Year	510,215	450,985	961,200
Fund Balances End of Year	$ 497,403	$ -	$ 497,403

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, 2012 and 2011

	2012	2011
Assets		
Cash and cash deposits	$ 233,572	$ 233,939
Equity in treasurer's cash and investments	52,874,222	47,155,604
Restricted cash and investments	77,881	69,114
Receivables:		
Accounts	205,691	821,946
Property taxes	16,522,750	17,443,759
Deposits	2,000	2,000
Intergovernmental	1,280,029	1,756,335
Component unit	300,000	300,000
Interfund	80,402	87,847
Inventory	1,429	58,411
Total Assets	71,577,976	67,928,955
Liabilities		
Accounts payable	741,877	518,877
Accrued salaries and benefits	644,328	616,687
Intergovernmental payable	146,219	785,073
Deposits payable	570,543	130,961
Liabilities payable from restricted assets	77,881	69,114
Total Liabilities	2,180,848	2,120,712
Deferred Inflows of Resources		
Property taxes	16,522,750	17,443,759
Total Deferred Inflows of Resources	16,522,750	17,443,759
Fund Balances		
Nonspendable:		
Inventory	1,429	58,411
Long term receivables and deposits	302,000	302,000
Restricted for:		
Economic stabilization (TABOR)	1,504,732	1,541,536
Law enforcement	226,272	226,439
Conservation trust fund program expenditures	2,021,422	1,715,622
Assigned to:		
Debt service	-	921,765
Next year's budget deficit	597,676	409,802
Unassigned	48,220,847	43,188,909
Total Fund Balances	$ 52,874,378	$ 48,364,484

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Revenues:					
Taxes					
General property & delinquent taxes	$ 17,478,759	$ 17,478,759	$ 17,733,514	$ 254,755	$ 17,421,446
Specific ownership	1,200,000	1,200,000	1,294,971	94,971	1,289,332
Sales tax (net)	10,665,691	10,665,691	11,587,494	921,803	10,537,206
Cable franchise fees	80,000	80,000	109,943	29,943	101,201
Lodger's tax	155,000	155,000	226,754	71,754	198,218
Total Taxes	**29,579,450**	**29,579,450**	**30,952,676**	**1,373,226**	**29,547,403**
Intergovernmental Revenue					
Federal Revenue:					
Senior Services-Older American Act	140,783	143,183	133,802	(9,381)	170,509
Senior Services-NSIP	28,609	28,609	25,474	(3,135)	28,609
Senior Services-Division of Insurance	-	-	-	-	15,000
Community Services Block Grant-for Sr. Svcs	5,000	5,000	5,000	-	10,000
Payment In Lieu of Taxes	575,000	575,000	550,567	(24,433)	576,994
HIDTA grant	363,677	363,677	310,074	(53,603)	262,142
Bulletproof vest grant	6,000	6,000	-	(6,000)	-
State Criminal Alien Assistance	15,000	15,000	14,949	(51)	18,855
Forest Service joint project reimbursements	76,050	76,050	51,652	(24,398)	57,947
EPA Climate Showcase grant	367,375	367,375	209,485	(157,890)	96,908
Other miscellaneous federal grants	5,000	5,000	-	(5,000)	5,180
Office of Emergency Management	54,000	54,000	63,300	9,300	57,000
Community Development Block Grant	500,000	500,000	478,933	(21,067)	504,107
Southern Ute Payment in Lieu of Taxes	50,000	50,000	661,580	611,580	327,517
State Revenues:					
Lottery Funds	270,000	270,000	301,481	31,481	265,848
Senior Services-State Funding	106,545	106,545	86,221	(20,324)	91,270
Cigarette taxes	30,000	30,000	30,597	597	30,951
Search and rescue monies	5,000	5,000	-	(5,000)	(1,704)
Search and rescue tier III	-	7,447	7,447	-	-
Mineral severance tax	750,000	750,000	1,070,363	320,363	1,066,623
Mineral leasing	500,000	500,000	453,803	(46,197)	510,023
DOW Impact assistance (net)	-	-	942	942	1,106
Local Government Limited Gaming grants	251,000	251,000	251,000	-	363,011
Energy Impact Assistance grants	415,000	415,000	290,901	(124,099)	127,385
Veteran's Services	1,200	1,200	3,200	2,000	2,400
Predator Control Reimbursement	2,000	2,000	2,292	292	2,292
Miscellaneous state grants	48,000	48,000	-	(48,000)	-
Courthouse Security Grant	-	-	-	-	17,948
Local Government Revenue:					
Other local government revenue	-	100,000	-	(100,000)	-
Total Intergovernmental Revenue	**4,565,239**	**4,675,086**	**5,003,063**	**327,977**	**4,607,921**
Licenses and Permits					
Liquor licenses	7,500	7,500	7,468	(32)	8,875
Medical Marijuana licenses	24,000	24,000	3,000	(21,000)	-
Building permits	250,000	250,000	427,303	177,303	326,999
Total Licenses and Permits	**281,500**	**281,500**	**437,771**	**156,271**	**335,874**

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Charges for Services					
Treasurer's fees	710,000	710,000	781,562	71,562	761,943
Clerk and recorder's fees	914,000	914,000	1,171,594	257,594	1,114,090
Public trustee's fees	100,000	100,000	89,456	(10,544)	97,006
Planning fees	32,000	32,000	31,756	(244)	35,230
Oil and gas fees	50,000	50,000	61,450	11,450	54,750
Assessor's fees	4,000	4,000	36,183	32,183	14,886
Sheriff's fees	93,200	93,200	110,783	17,583	108,321
Law enforcement assistance fund	-	-	5,977	5,977	5,308
Other security services	10,000	50,410	44,882	(5,528)	7,238
Jail room & board	500,000	500,000	297,481	(202,519)	415,155
Jail bond fees	10,000	10,000	10,570	570	11,018
Other Jail charges	7,000	7,000	7,464	464	6,659
Booking fees	40,000	40,000	38,914	(1,086)	43,476
Prisoner transportation	12,000	12,000	30,170	18,170	25,131
Useful public service program	50,000	50,000	46,398	(3,602)	54,427
Alternatives to incarceration	179,000	179,000	196,859	17,859	162,943
Senior meal donations-Durango	80,000	80,000	81,436	1,436	82,836
Senior meal donations-Bayfield	18,000	18,000	14,866	(3,134)	19,108
Senior home chore	4,500	4,500	9,018	4,518	5,614
Senior transportation income	14,500	14,500	19,692	5,192	20,668
Senior center activities	10,000	10,000	11,050	1,050	13,884
Senior center rentals	3,000	3,000	3,207	207	3,368
Senior services-other	1,000	1,000	2,000	1,000	1,893
Surveyor's fees	6,000	6,000	10,135	4,135	6,540
Indirect cost allocation reimbursement	100,000	100,000	115,507	15,507	123,661
GIS Services reimbursements	3,500	3,500	2,908	(592)	5,184
Election Reimbursements	60,000	60,000	51,977	(8,023)	40,945
Inmate medical/phone reimbursements	65,000	65,000	100,903	35,903	84,158
Maps/code book sales & sign fees	-	-	50	50	171
Jail Behavior Health Contract	-	41,500	82,778	41,278	18,500
CDPHE Air Quality Monitoring Contract	10,000	10,000	6,590	(3,410)	6,275
Total Charges for Services	**3,086,700**	**3,168,610**	**3,473,616**	**305,006**	**3,350,386**
Investment earnings	**425,000**	**425,000**	**346,865**	**(78,135)**	**417,944**
Miscellaneous Revenue					
Building rentals	116,131	116,131	125,025	8,894	166,996
Fairgrounds rentals	63,500	63,500	71,833	8,333	75,476
Forfeitures	5,000	5,000	4,400	(600)	21,733
Senior services-United Way	15,845	15,845	16,673	828	15,846
Senior Services-ColoTrust Healthy Aging Initiative	-	-	22,729	22,729	47,977
Other miscellaneous grants	-	-	4,688	4,688	18,505
Hazardous waste fees and cost share	37,500	37,500	26,237	(11,263)	-
Vehicle inspection fees	32,000	32,000	39,830	7,830	38,952
Prisoner commissary collections	35,000	35,000	50,997	15,997	64,713
Photocopies	1,000	1,000	525	(475)	1,014
Telephone/postage refunds	100	100	939	839	(870)
Sales of assets	-	3,000	3,533	533	-
Parking/Traffic fines	-	-	11,136	11,136	5,325
Animal control fines	1,500	1,500	966	(534)	640
Insurance refunds	1,000	19,000	51,872	32,872	56,341
Other refunds	15,000	15,000	49,213	34,213	35,275
Vending machine commissions	5,000	5,000	940	(4,060)	9,336
Other miscellaneous revenues	36,500	149,000	90,093	(58,907)	762,453
Total Miscellaneous Revenue	**365,076**	**498,576**	**571,629**	**73,053**	**1,319,712**
Total Revenue	**38,302,965**	**38,628,222**	**40,785,620**	**2,157,398**	**39,579,240**

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Expenditures:					
Current					
General Government					
Board of County Commissioners					
Personnel Expenditures	394,632	394,632	385,349	9,283	381,573
Operating Expenditures	66,410	66,410	58,595	7,815	49,962
	461,042	461,042	443,944	17,098	431,535
County Clerk and Recorder-Operations					
Personnel Expenditures	805,749	805,749	805,999	(250)	778,302
Operating Expenditures	401,191	401,191	359,889	41,302	371,970
	1,206,940	1,206,940	1,165,888	41,052	1,150,272
County Clerk and Recorder-Elections					
Personnel Expenditures	177,103	203,103	204,404	(1,301)	92,325
Operating Expenditures	185,325	185,325	161,511	23,814	86,093
	362,428	388,428	365,915	22,513	178,418
County Treasurer					
Personnel Expenditures	319,102	319,102	320,576	(1,474)	312,623
Operating Expenditures	124,119	124,119	124,056	63	264,163
	443,221	443,221	444,632	(1,411)	576,786
Public Trustee's Office					
Personnel Expenditures	15,457	15,457	15,499	(42)	15,362
Operating Expenditures	7,822	7,822	3,684	4,138	5,167
	23,279	23,279	19,183	4,096	20,529
County Assessor					
Personnel Expenditures	1,059,422	1,059,422	1,047,529	11,893	1,016,071
Operating Expenditures	127,904	127,904	113,235	14,669	124,162
	1,187,326	1,187,326	1,160,764	26,562	1,140,233
County Surveyor					
Personnel Expenditures	15,400	15,400	15,269	131	14,317
Operating Expenditures	590	590	640	(50)	860
	15,990	15,990	15,909	81	15,177
Administrative Offices					
Personnel Expenditures	501,765	501,765	427,157	74,608	458,997
Operating Expenditures	340,513	340,513	105,357	235,156	230,722
	842,278	842,278	532,514	309,764	689,719
County Attorney's Office					
Personnel Expenditures	633,326	654,790	636,057	18,733	598,851
Operating Expenditures	384,300	384,300	163,227	221,073	251,465
	1,017,626	1,039,090	799,284	239,806	850,316
Geographic Information Services					
Personnel Expenditures	421,110	421,110	420,517	593	459,230
Operating Expenditures	112,409	112,409	33,833	78,576	36,318
	533,519	533,519	454,350	79,169	495,548
Finance					
Personnel Expenditures	305,947	344,266	319,795	24,471	297,239
Operating Expenditures	187,025	187,026	123,361	63,665	102,126
	492,972	531,292	443,156	88,136	399,365
Information Services					
Personnel Expenditures	688,512	688,512	645,080	43,432	703,500
Operating Expenditures	605,206	605,206	526,304	78,902	631,352
	1,293,718	1,293,718	1,171,384	122,334	1,334,852
Procurement/Warehouse					
Personnel Expenditures	255,477	232,977	221,126	11,851	241,194
Operating Expenditures	32,321	32,321	27,869	4,452	27,757
	287,798	265,298	248,995	16,303	268,951

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Building Maintenance					
Personnel Expenditures	541,937	584,227	585,652	(1,425)	514,558
Operating Expenditures	229,667	284,667	283,468	1,199	270,566
	771,604	868,894	869,120	(226)	785,124
Building Maintenance-OMPO					
Personnel Expenditures	-	-	-	-	-
Operating Expenditures	51,550	51,550	51,183	367	61,065
	51,550	51,550	51,183	367	61,065
Human Resources					
Personnel Expenditures	276,791	276,791	266,389	10,402	367,887
Operating Expenditures	329,360	329,360	228,708	100,652	93,572
	606,151	606,151	495,097	111,054	461,459
Risk Management					
Personnel Expenditures	421,363	436,863	435,111	1,752	396,346
Operating Expenditures	445,173	445,173	435,466	9,707	443,114
	866,536	882,036	870,577	11,459	839,460
Sustainability Office					
Personnel Expenditures	-	-	-	-	65,819
Operating Expenditures	-	-	-	-	1,421
	-	-	-	-	67,240
Budget Contingency/Reserves	334,780	1,414	-	1,414	-
Total General Government	**10,798,758**	**10,641,466**	**9,551,895**	**1,089,571**	**9,766,049**
Public Safety					
Sheriff-Patrol					
Personnel Expenditures	2,552,541	2,592,951	2,592,973	(22)	2,435,017
Operating Expenditures	1,257,077	1,294,077	1,232,161	61,916	1,300,556
	3,809,618	3,887,028	3,825,134	61,894	3,735,573
Sheriff-Detentions					
Personnel Expenditures	3,996,147	3,996,147	4,058,818	(62,671)	3,869,883
Operating Expenditures	1,210,918	1,247,918	1,219,645	28,273	1,205,833
	5,207,065	5,244,065	5,278,463	(34,398)	5,075,716
Sheriff-Special Services					
Personnel Expenditures	1,517,712	1,552,433	1,501,592	50,841	1,413,909
Operating Expenditures	317,629	325,076	259,950	65,126	328,382
	1,835,341	1,877,509	1,761,542	115,967	1,742,291
Sheriff-Special Investigations					
Personnel Expenditures	439,455	439,455	423,081	16,374	413,752
Operating Expenditures	522,701	522,701	272,452	250,249	213,993
	962,156	962,156	695,533	266,623	627,745
Sheriff-Criminal Investigations					
Personnel Expenditures	865,971	888,971	876,050	12,921	811,664
Operating Expenditures	138,390	138,390	137,271	1,119	115,338
	1,004,361	1,027,361	1,013,321	14,040	927,002
Public Safety (Continued)					
Alternatives to Incarceration					
Personnel Expenditures	429,483	435,003	417,631	17,372	399,049
Operating Expenditures	268,142	268,142	240,161	27,981	242,036
	697,625	703,145	657,792	45,353	641,085
County Coroner					
Personnel Expenditures	94,136	94,136	94,665	(529)	91,505
Operating Expenditures	64,102	86,402	78,126	8,276	64,864
	158,238	180,538	172,791	7,747	156,369

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Building Inspection Department					
Personnel Expenditures	470,110	470,110	471,018	(908)	515,284
Operating Expenditures	75,531	75,531	62,610	12,921	63,744
	545,641	545,641	533,628	12,013	579,028
Emergency Management Office					
Personnel Expenditures	118,987	118,987	120,751	(1,764)	111,774
Operating Expenditures	41,095	41,095	31,660	9,435	10,830
	160,082	160,082	152,411	7,671	122,604
Weed and Rodent Control					
Operating Expenditures	-	-	-	-	-
Pmt to Component Unit - District Attorney	1,424,489	1,424,489	1,424,489	-	1,294,000
Total Public Safety	**15,804,616**	**16,012,014**	**15,515,104**	**496,910**	**14,901,413**
Auxiliary Services					
Fairgrounds					
Personnel Expenditures	502,989	484,414	432,459	51,955	484,126
Operating Expenditures	274,930	274,930	242,258	32,672	259,643
	777,919	759,344	674,717	84,627	743,769
Extension Office					
Personnel Expenditures	43,417	43,417	51,474	(8,057)	41,596
Operating Expenditures	37,315	37,315	33,037	4,278	34,322
	80,732	80,732	84,511	(3,779)	75,918
Weed Control					
Personnel Expenditures	118,445	118,445	110,176	8,269	108,018
Operating Expenditures	102,928	102,928	73,008	29,920	78,194
	221,373	221,373	183,184	38,189	186,212
Planning Department					
Personnel Expenditures	913,167	913,167	778,107	135,060	951,159
Operating Expenditures	326,932	576,932	254,305	322,627	246,979
	1,240,099	1,490,099	1,032,412	457,687	1,198,138
Senior Services					
Personnel Expenditures	461,838	486,838	484,320	2,518	442,331
Operating Expenditures	181,265	189,265	188,567	698	236,058
Capital Expenditures	12,702	12,702	10,744	-	-
	655,805	688,805	683,631	5,174	678,389
Senior Services - non Joint Sales Tax Supported					
Personnel Expenditures	44,132	44,132	40,397	3,735	34,956
Operating Expenditures	61,126	65,126	66,573	(1,447)	79,762
	105,258	109,258	106,970	2,288	114,718
Veterans Services					
Personnel Expenditures	67,409	67,409	65,651	1,758	62,897
Operating Expenditures	12,409	12,409	6,206	6,203	8,160
	79,818	79,818	71,857	7,961	71,057
Total Auxilary Services	**3,161,004**	**3,429,429**	**2,837,282**	**592,147**	**3,068,201**
Public Works					
Landfill Closure and Waste Management					
Personnel Expenditures	-	27,300	40,223	(12,923)	-
Operating Expenditures	489,000	461,700	162,404	299,296	142,763
	489,000	489,000	202,627	286,373	142,763
Total Public Works	**489,000**	**489,000**	**202,627**	**286,373**	**142,763**

(Continued)

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for Year Ended December 31, 2011)

	2012				
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget**	**2011 Actual**
Community Programs					
Public Service Agencies					
Durango Public Library	912,414	873,797	847,603	26,194	819,364
Lodger's tax to DATO	155,000	155,000	180,000	(25,000)	196,194
San Juan Basin Health	444,272	444,272	444,272	-	444,272
Other Public Service Agencies	1,291,961	1,327,606	1,270,515	57,091	1,344,774
Total Public Service Agencies	2,803,647	2,800,675	2,742,390	58,285	2,804,604
Payments to Other Governments					
To City of Durango-joint recreation	-	-	-	-	-
To City of Durango-joint sales tax projects	873,797	873,797	847,603	26,194	819,364
Total payments to other governments	873,797	873,797	847,603	26,194	819,364
Pass through of grants received					
of CDBG funds	500,000	500,000	478,933	21,067	504,107
of Climate Showcase grant funds	367,375	367,375	209,485	157,890	96,908
of New Energy Community	275,000	275,000	249,030	25,970	71,674
Total pass throughs	1,142,375	1,142,375	937,448	204,927	672,689
Total Community Programs	**4,819,819**	**4,816,847**	**4,527,441**	**289,406**	**4,296,657**
Total Expenditures	**35,073,197**	**35,388,756**	**32,634,349**	**2,754,407**	**32,175,083**
Excess of Revenues Over Expenditures	**3,229,768**	**3,239,466**	**8,151,271**	**4,911,805**	**7,404,157**
Other Financing Sources (Uses)					
Transfers in-joint sales tax fund	2,052,197	2,052,197	2,052,192	(5)	1,869,614
Transfers out-Road and Bridge fund	(2,770,000)	(2,770,000)	(2,770,000)	-	(2,500,000)
Transfers out-finance authority fund	(921,765)	(923,565)	(923,565)	-	(471,103)
Transfers out-capital improvement	(2,000,000)	(2,000,000)	(2,000,004)	(4)	(2,000,000)
Residual equity transfer in-emergency reserve	-	-	-	-	2,000,000
Residual equity transfer in - landfill closure	-	-	-	-	201,922
Total Other Financing Sources (Uses)	**(3,639,568)**	**(3,641,368)**	**(3,641,377)**	**(9)**	**(899,567)**
Net Change in Fund Balances	$ (409,800)	$ (401,902)	4,509,894	$ 4,911,796	6,504,590
Fund Balance Beginning of Year			48,364,484		41,859,894
Fund Balance End of Year			**$ 52,874,378**		**$ 48,364,484**

(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.

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

La Plata County, Colorado
Road and Bridge Fund
Comparative Balance Sheet
December 31, 2012 and 2011

	2012	2011
Assets		
Cash	$ 800	$ 800
Equity in treasurer's cash and investments	6,791,523	8,825,305
Receivables:		
Accounts	39,908	20,376
Property taxes	1,583,152	1,671,399
Intergovernmental	442,929	334,930
Inventory	422,527	423,774
Total Assets	9,280,839	11,276,584
Liabilities		
Accounts payable	190,755	87,906
Accrued salaries and wages	131,462	96,406
Intergovernmental payable	-	65,718
Total Liabilities	322,217	250,030
Deferred Inflows of Resources		
Property taxes	1,583,152	1,671,399
Total Deferred Inflows of Resources	1,583,152	1,671,399
Fund Balances		
Nonspendable:		
Inventory	422,527	423,774
Restricted for:		
Capital improvements supported by impact fees	2,017,860	2,018,130
Forest Reserves Title III Expenditures	10,649	35,099
Constructon and maintenance of public streets	4,924,434	6,878,152
Total Fund Balances	$ 7,375,470	$ 9,355,155

La Plata County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Revenues					
Taxes	$ 1,602,047	$ 1,602,047	$ 1,640,374	$ 38,327	$ 1,592,477
Intergovernmental	6,050,366	6,050,366	3,166,261	(2,884,105)	3,314,349
Licenses and permits	204,000	204,000	222,601	18,601	52,926
Miscellaneous	279,000	279,000	355,262	76,262	308,635
Total Revenues	8,135,413	8,135,413	5,384,498	(2,750,915)	5,268,387
Expenditures					
Current:					
Public Works					
Maintenance of condition/snow & ice removal	7,394,898	7,477,898	7,097,626	380,272	6,799,115
Engineering	1,193,461	1,193,461	988,832	204,629	837,865
Budget contingency	260,227	157,227	-	157,227	-
Capital Outlay	5,635,000	6,055,000	2,047,725	4,007,275	1,047,319
Total Expenditures	14,483,586	14,883,586	10,134,183	4,749,403	8,684,299
Deficiency of Revenues (Under) Expenditures	(6,348,173)	(6,748,173)	(4,749,685)	1,998,488	(3,415,912)
Other Financing Sources					
Transfers in--General Fund	2,770,000	2,770,000	2,770,000	-	2,500,000
Total Other Financing Sources (Uses)	2,770,000	2,770,000	2,770,000	-	2,500,000
Net Change in Fund Balances	$ (3,578,173)	$ (3,978,173)	(1,979,685)	$ 1,998,488	(915,912)
Fund Balances Beginning of Year			9,355,155		10,271,067
Fund Balances End of Year			$ 7,375,470		$ 9,355,155

La Plata County, Colorado
Social Services Fund
Comparative Balance Sheet
December 31, 2012 and 2011

	2012	2011
Assets		
Cash	$ 400	$ 400
Equity in treasurer's cash and investments	2,434,339	2,768,766
Restricted cash	84,413	95,941
Receivables:		
Accounts	998,377	12,297
Property taxes	847,321	894,552
Intergovernmental	793,858	467,508
Total Assets	5,158,708	4,239,464
Liabilities		
Accounts payable	192,460	123,091
Liabilities payable from restricted assets	84,413	95,941
Interfund payable	80,402	87,847
Intergovernmental payable	1,072,948	71,864
Total Liabilities	1,430,223	378,743
Deferred Inflows of Resources		
Property taxes	847,321	894,552
Total Deferred Inflows of Resources	847,321	894,552
Fund Balances		
Restricted for:		
Human Services - child welfare	1,611,154	1,596,496
Public assistance and welfare	1,270,010	1,369,673
Total Fund Balances	$ 2,881,164	$ 2,966,169

La Plata County. Colorado
Social Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for Year Ended December 31, 2011)

	2012				
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget**	**2011 Actual**
Revenues					
Taxes	$ 1,007,240	$ 1,007,240	$ 964,900	$ (42,340)	$ 976,357
Intergovernmental	6,266,748	6,266,748	4,068,052	(2,198,696)	4,196,773
Miscellaneous	-	-	391,977	391,977	349,949
Total Revenues	7,273,988	7,273,988	5,424,929	(1,849,059)	5,523,079
Expenditures					
Current:					
Health and welfare	8,078,494	8,094,723	5,509,934	2,584,789	5,508,421
Total Expenditures	8,078,494	8,094,723	5,509,934	2,584,789	5,508,421
Excess (Deficiency) of Revenues Over (Under) Expenditures	(804,506)	(820,735)	(85,005)	735,730	14,658
Net Change in Fund Balances	$ (804,506)	$ (820,735)	(85,005)	$ 735,730	14,658
Fund Balances Beginning of Year			2,966,169		2,951,511
Fund Balances End of Year			$ 2,881,164		$ 2,966,169

La Plata County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Joint Sales Tax	Local Improvement Districts	Total Nonmajor Special Revenue Funds
Assets			
Equity in treasurer's cash and investments	$ 208,635	$ 157,203	$ 365,838
Receivables:			
Property taxes receivable	-	74,995	74,995
Intergovernmental receivable	131,565	-	131,565
Total Assets	340,200	232,198	572,398
Deferred Inflows of Resources			
Property Taxes	-	74,995	74,995
Total Deferred Inflows of Resources	-	74,995	74,995
Fund Balances			
Restricted for:			
Joint La Plata County/City of Durango projects	340,200	-	340,200
Construction and maintenance of public streets	-	157,203	157,203
Total Fund Balances	$ 340,200	$ 157,203	$ 497,403

La Plata County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Joint Sales Tax	Local Improvement Districts	Total Nonmajor Special Revenue Funds
Revenues			
Property taxes	$ -	$ 80,314	$ 80,314
Sales taxes	2,008,862	-	2,008,862
Miscellaneous	-	275	275
Total Revenues	2,008,862	80,589	2,089,451
Expenditures			
Current:			
Public works	-	50,071	50,071
Total Expenditures	-	50,071	50,071
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,008,862	30,518	2,039,380
Other Financing Sources (Uses)			
Transfers out	(2,052,192)	-	(2,052,192)
Total Other Financing Sources (Uses)	(2,052,192)	-	(2,052,192)
Net Change in Fund Balances	(43,330)	30,518	(12,812)
Fund Balances Beginning of Year	383,530	126,685	510,215
Fund Balances End of Year	$ 340,200	$ 157,203	$ 497,403

La Plata County, Colorado
Joint Sales Tax Fund
Comparative Balance Sheet
December 31, 2012 and 2011

	2012	2011
Assets		
Equity in treasurer's cash and investments	$ 208,635	$ 383,530
Intergovernmental receivable	131,565	-
Total Assets	340,200	383,530
Fund Balances		
Restricted for:		
Joint La Plata County/City of Durango projects	340,200	383,530
Total Fund Balances	$ 340,200	$ 383,530

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Revenues					
Sales taxes	$ 1,849,056	$ 1,849,056	$ 2,008,862	$ 159,806	$ 1,826,773
Investment income	1,000	1,000	-	(1,000)	732
Total Revenues	1,850,056	1,850,056	2,008,862	158,806	1,827,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,850,056	1,850,056	2,008,862	158,806	1,827,505
Other Financing Sources (Uses)					
Transfers out	(2,052,197)	(2,052,197)	(2,052,192)	5	(1,869,614)
Total Other Financing Sources (Uses)	(2,052,197)	(2,052,197)	(2,052,192)	5	(1,869,614)
Net Change in Fund Balances	$ (202,141)	$ (202,141)	(43,330)	$ 158,811	(42,109)
Fund Balances Beginning of Year			383,530		425,639
Fund Balances End of Year			$ 340,200		$ 383,530

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				
	Original Budget	**Final Budget**	**Actual**	**Variance with Final Budget**	**2011 Actual**
Other Financing Sources (Uses)					
Transfers out	$ -	$ -	$ -	$ -	$ (2,000,000)
Total Other Financing Sources (Uses)	-	-	-	-	(2,000,000)
Net Change in Fund Balances	$ -	$ -	-	$ -	(2,000,000)
Fund Balances Beginning of Year			-		2,000,000
Fund Balances End of Year			$ -		$ -

La Plata County, Colorado
Local Improvement District Fund
Comparative Balance Sheet
December 31, 2012 and 2011

	2012	2011
Assets		
Equity in treasurer's cash and investments	$ 157,203	$ 130,535
Property taxes receivable	74,995	74,753
Total Assets	232,198	205,288
Liabilities		
Accounts payable	-	3,850
Total Liabilities	-	3,850
Deferred Inflows of Resources		
Property taxes	74,995	74,753
Total Deferred Inflows of Resources	74,995	74,753
Fund Balances		
Restricted for:		
Construction and maintenance of public streets	157,203	126,685
Total Fund Balances	$ 157,203	$ 126,685

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Revenues					
Taxes	$ 79,253	$ 79,253	$ 80,314	$ 1,061	$ 77,674
Miscellaneous	2,500	2,500	275	(2,225)	2,750
Total Revenues	81,753	81,753	80,589	(1,164)	80,424
Expenditures					
Current:					
Public works	67,000	67,000	50,071	16,929	52,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 14,753	$ 14,753	30,518	$ 15,765	28,381
Fund Balances Beginning of Year			126,685		98,304
Fund Balances End of Year			$ 157,203		$ 126,685

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Revenues					
Investment income	$ -	$ -	$ -	$ -	$ -
Expenditures					
Current:					
Public works	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers in	-				
Transfers out		-	-	-	(201,922)
Net Change in Fund Balances	$ -	$ -	-	$ -	(201,922)
Fund Balances Beginning of Year			-		201,922
Fund Balances End of Year			$ -		$ -

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, 2012 and 2011

	2012	2011
Assets		
Equity in treasurer's cash and investments	$ 5,391,997	$ 6,360,958
Receivables:		
Intergovernmental	-	72,859
Deposits receivable	52,928	136,862
Total Assets	5,444,925	6,570,679
Liabilities		
Accounts payable	23,549	805
Unearned revenue	150,000	150,000
Total Liabilities	173,549	150,805
Fund Balances		
Nonspendable	52,928	136,862
Restricted for capital improvements	5,218,448	6,283,012
Total Fund Balance	$ 5,271,376	$ 6,419,874

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Revenues					
Intergovernmental	$ 130,000	$ 130,000	$ 43,300	$ (86,700)	$ 136,956
Total Revenues	130,000	130,000	43,300	(86,700)	136,956
Expenditures					
Capital Outlay	6,912,997	6,912,997	3,191,802	3,721,195	1,151,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,782,997)	(6,782,997)	(3,148,502)	3,634,495	(1,014,453)
Other Financing Sources (Uses)					
Transfers in					
From general fund	2,000,000	2,000,000	2,000,004	4	2,000,000
Total Other Financing Sources (Uses)	2,000,000	2,000,000	2,000,004	4	2,000,000
Net Change in Fund Balances	$ (4,782,997)	$ (4,782,997)	(1,148,498)	$ 3,634,499	985,547
Fund Balances Beginning of Year			6,419,874		5,434,327
Fund Balances End of Year			$ 5,271,376		$ 6,419,874

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, 2012 and 2011

	2012	2011
Assets		
Equity in treasurer's cash and investments	$ -	$ 19,005
Cash held by Trustee	-	431,980
Total Assets	-	450,985
Fund Balances		
Restricted for debt service	$ -	$ 450,985

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2011 Actual
Expenditures					
Debt Service:					
Principal retirement	$ 1,350,000	$ 1,350,000	$ 1,350,000	$ -	$ 415,000
Interest and fiscal charges	22,750	24,550	24,550	-	57,853
Total Expenditures	1,372,750	1,374,550	1,374,550	-	472,853
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,372,750)	(1,374,550)	(1,374,550)	-	(472,853)
Other Financing Sources					
Transfers in-County General	921,765	923,565	923,565	-	471,103
Net Change in Fund Balances	$ (450,985)	$ (450,985)	(450,985)	$ -	(1,750)
Fund Balances Beginning of Year			450,985		452,735
Fund Balances End of Year			$ -		$ 450,985

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

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

Capital Equipment Replacement Fund:

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

Employee Health Insurance Fund:

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

La Plata County, Colorado
Internal Service Funds
Combining Statement of Net Position
December 31, 2012

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Assets			
Current Assets:			
Equity in treasurer's cash and investments	$ 6,184,463	$ 2,157,380	$ 8,341,843
Accounts receivable	8,577	-	8,577
Inventory	132,214	-	132,214
Total Current Assets	6,325,254	2,157,380	8,482,634
Noncurrent Assets:			
Capital Assets:			
Depreciable capital assets, net	6,516,552	-	6,516,552
Total Assets	12,841,806	2,157,380	14,999,186
Liabilities			
Current Liabilities:			
Accrued payroll	20,092	-	20,092
Accounts payable	60,843	-	60,843
Accrued claims payable	-	651,610	651,610
Total Current Liabilities	80,935	651,610	732,545
Net Position			
Net investment in capital assets	6,516,552	-	6,516,552
Unrestricted	6,244,319	1,505,770	7,750,089
Total Net Position	$ 12,760,871	$ 1,505,770	$ 14,266,641

La Plata County, Colorado
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2012

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Operating Revenues			
Charges for services	$ 2,769,157	$ -	$ 2,769,157
Insurance deposits	-	2,967,917	2,967,917
Total Operating Revenues	2,769,157	2,967,917	5,737,074
Operating Expenses			
Equipment maintenance	1,181,650	-	1,181,650
Depreciation	893,460	-	893,460
Medical claims	-	3,482,546	3,482,546
Total Operating Expenses	2,075,110	3,482,546	5,557,656
Operating Income (Loss)	694,047	(514,629)	179,418
Non-Operating Revenues			
Gain (loss) on sale of capital assets	79,020	-	79,020
Investment earnings	-	792	792
Total Non-Operating Revenues (Expenses)	79,020	792	79,812
Change in Net Position	773,067	(513,837)	259,230
Net Position Beginning of Year	11,987,804	2,019,607	14,007,411
Net Position End of Year	$ 12,760,871	$ 1,505,770	$ 14,266,641

La Plata County, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2012

	Capital Equiment Replacement	Employee Medical Self Insurance Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	$ 2,766,556	$ 2,967,917	$ 5,734,473
Cash payments for goods and services	(1,146,147)	-	(1,146,147)
Cash payments for claims	-	(3,196,721)	(3,196,721)
Net Cash Provided By (Used In) Operating Activities	1,620,409	(228,804)	1,391,605
Cash Flows from Capital and Related Financing Activities			
Cash sales of capital assets	192,682	-	192,682
Payments for capital acquisitions	(1,086,149)	-	(1,086,149)
Net Cash Used in Capital and Related Financing Activities	(893,467)	-	(893,467)
Cash Flows from Investing Activities			
Investment earnings	-	792	792
Net Increase (Decrease) in Cash and Cash Equivalents	726,942	(228,012)	498,930
Cash and Cash Equivalents Beginning of Year	5,457,521	2,385,392	7,842,913
Cash and Cash Equivalents End of Year	$ 6,184,463	$ 2,157,380	$ 8,341,843

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	$ 694,047	$ (514,629)	$ 179,418
Adjustments:			
Depreciation	893,460	-	893,460
(Increase) Decrease in Assets:			
Accounts receivable	(2,601)	-	(2,601)
Inventory	(6,008)	-	(6,008)
Increase (Decrease) in Liabilities:			
Accounts payable	39,797	-	39,797
Accrued incurred/unreported claims	-	285,825	285,825
Accrued wages	1,714	-	1,714
Net Cash Provided by Operating Activities	$ 1,620,409	$ (228,804)	$ 1,391,605

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Position
December 31, 2012 and 2011

	2012	2011
Assets		
Current Assets:		
Equity in treasurer's cash and investments	$ 6,184,463	$ 5,457,521
Accounts receivable	8,577	5,976
Inventory	132,214	126,206
Total Current Assets	6,325,254	5,589,703
Noncurrent Assets:		
Capital Assets:		
Depreciable capital assets, net	6,516,552	6,437,525
Total Assets	12,841,806	12,027,228
Liabilities		
Current Liabilities:		
Accrued payroll	20,092	18,378
Accounts payable	60,843	21,046
Total Current Liabilities	80,935	39,424
Net Position		
Net investment in capital assets	6,516,552	6,437,525
Unrestricted	6,244,319	5,550,279
Total Net Position	$ 12,760,871	$ 11,987,804

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2012 and 2011

	2012	2011
Operating Revenues		
Charges for services	$ 2,769,157	$ 2,876,202
Operating Expenses		
Equipment maintenance	1,181,650	1,060,740
Depreciation	893,460	996,284
Total Operating Expenses	2,075,110	2,057,024
Operating Income (Loss)	694,047	819,178
Non-Operating Revenues		
Gain (loss) on sale of capital assets	79,020	62,492
Total Non-Operating Revenues (Expenses)	79,020	62,492
Change in Net Position	773,067	881,670
Net Position Beginning of Year	11,987,804	11,106,134
Net Position End of Year	$ 12,760,871	$ 11,987,804

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	$ 2,757,989	$ 2,757,989	$ 2,769,157	$ 11,168
Sales of capital assets	225,000	225,000	192,682	(32,318)
Miscellaneous	-	9,312	-	(9,312)
Total Revenues	2,982,989	2,992,301	2,961,839	(30,462)
Expenditures				
Equipment maintenance	1,095,691	1,095,691	1,181,650	(85,959)
Capital Outlay	1,380,815	1,380,815	1,086,149	294,666
Total Expenditures	2,476,506	2,476,506	2,267,799	208,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	506,483	515,795	694,040	178,245
Net change in Fund Balances	$ 506,483	$ 515,795	694,040	$ 178,245
Reconcilation to GAAP Net Income:				
Less: Capital assets, disposed net of accumulated depreciation			(113,662)	
Add capital expenditures capitalized			1,086,149	
Less depreciation expense			(893,460)	
Change in Net Position			$ 773,067	

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Net Position
December 31, 2012 and 2011

	2012	2011
Assets		
Current Assets:		
Equity in treasurer's cash and investments	$ 2,157,380	$ 2,385,392
Total Current Assets	2,157,380	2,385,392
Liabilities		
Current Liabilities:		
Accrued claims payable	651,610	365,785
Net Position		
Unrestricted	$ 1,505,770	$ 2,019,607

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Years Ended December 31, 2012 and 2011

	2012	2011
Operating Revenues		
Insurance deposits	$ 2,967,917	$ 3,049,615
Operating Expenses		
Medical claims	3,482,546	3,166,303
Operating Income (Loss)	(514,629)	(116,688)
Non-Operating Revenues		
Investment earnings	792	1,452
Change in Net Position	(513,837)	(115,236)
Net Position Beginning of Year	2,019,607	2,134,843
Net Position End of Year	$ 1,505,770	$ 2,019,607

La Plata County, Colorado
Employee Medical Self Insurance Fund
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues				
Insurance deposits	$ 3,465,000	$ 3,465,000	$ 2,967,917	$ (497,083)
Operating Expenses				
Medical claims	3,400,000	3,400,000	3,482,546	(82,546)
Operating Income (Loss)	65,000	65,000	(514,629)	(579,629)
Non-Operating Revenues				
Investment earnings	1,500	1,500	792	(708)
Change in Net Position	$ 66,500	$ 66,500	(513,837)	$ (580,337)
Net Position Beginning of Year			2,019,607	
Net Position End of Year			$ 1,505,770	

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, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Assets				
Equity in treasurer's cash and investments	$ 2,116,437	$ 43,487,786	$ 42,752,882	$ 2,851,341
Liabilities				
Accounts payable	$ 4,454	$ 13,542,208	$ 13,432,175	$ 114,487
Due to component unit	257,957	2,227,487	2,215,709	269,735
Deposits held for others	1,854,026	27,718,091	27,104,998	2,467,119
Total Liabilities	$ 2,116,437	$ 43,487,786	$ 42,752,882	$ 2,851,341

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, 2012

	General Fund	Federal Victim's Compensation	Total Governmental Funds
Assets			
Cash Deposits	$ 99,015	$ 3	$ 99,018
Due from primary government	269,735	-	269,735
Receivables:			
Intergovernmental	207,594	-	207,594
Total Assets	576,344	3	576,347
Liabilities and Fund Balances			
Liabilities			
Accounts payable	27,885	-	27,885
Accrued salaries and benefits	58,899	-	58,899
Due to primary government	300,000	-	300,000
Total Liabilities	386,784	-	386,784
Fund Balances			
Restricted for:			
Law Enforcement	124,187	3	124,190
Economic stabilization (TABOR)	65,373	-	65,373
Total Fund Balances	$ 189,560	$ 3	$ 189,563

Governmental Fund Balance	$ 189,563
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	43,383
Compensated absences are not due and payable in the current period and therefore not reported in the governmental funds	(80,696)
Net position of governmental activities	$ 152,250

Sixth Judicial District Attorney
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General Fund	Federal Victim's Compensation	Total Governmental Funds
Revenues			
Intergovernmental	$ 692,941	$ 61,000	$ 753,941
Intergovernmental - County	1,424,489	-	1,424,489
Miscellaneous	17,468	-	17,468
Total Revenues	2,134,898	61,000	2,195,898
Expenditures			
Current:			
Public safety	2,099,797	61,000	2,160,797
Total Expenditures	2,099,797	61,000	2,160,797
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,101	-	35,101
Net Change in Fund Balances	35,101	-	35,101
Fund Balances Beginning of Year	154,459	3	154,462
Fund Balances End of Year	$ 189,560	$ 3	$ 189,563
Net change in fund balances			$ 35,101
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		$ (9,194)	
Capital outlay		24,848	15,654
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 @ 12/31/12		$ (80,696)	
Liability @ 12/31/11		75,234	(5,462)
Change in net position at the government-wide financial reporting level			$ 45,293

Sixth Judicial District Attorney
Governmental funds (General) with adopted budget
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 616,294	$ 616,294	$ 684,086	$ 67,792
Intergovernmental - County	1,424,489	1,424,489	1,424,489	-
Miscellaneous	48,750	48,750	87,323	38,573
Total Revenues	2,089,533	2,089,533	2,195,898	106,365
Expenditures				
Current:				
Public safety	2,065,534	2,064,684	2,135,949	(71,265)
Capital Outlay	24,000	24,850	24,848	2
Total Expenditures	2,089,534	2,089,534	2,160,797	(71,263)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	(1)	35,101	35,102
Net Change in Fund Balances	$ (1)	$ (1)	35,101	$ 35,102
Fund Balances Beginning of Year (as restated)			154,462	
Fund Balances End of Year			$ 189,563	

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, 2012

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	Total Authorizations & Expenditures By By County Warrant	Total Expenditures
Colorado Works	$ 414,461	$ 132,261	$ 660,254	$ 1,074,715	$ 792,515
Child Care	461,326	55,828	144,570	605,896	200,398
Child Welfare	694,079	139,365	1,453,899	2,147,978	1,593,264
County Administration	-	-	1,059,149	1,059,149	1,059,149
Core Services	320,495	31,307	687,657	1,008,152	718,964
Child Support Administration	-	-	542,184	542,184	542,184
LEAP	265,137	-	36,974	302,111	36,974
AND	154,329	29,992	-	154,329	29,992
Old Age Pension	303,170	-	15,868	319,038	15,868
Food Assistance Fraud	-	-	21,741	21,741	21,741
Food Assistance	6,049,604	-	-	6,049,604	-
Food Assistance Job Search	-	-	75,245	75,245	75,245
Title XX	-	-	6,097	6,097	6,097
CHAFFEE	-	-	35,371	35,371	35,371
General Assistance	-	-	15,943	15,943	15,943
Title IV-B Sup Part 2 (PSSF)	45,000	-	235,241	280,241	235,241
Totals	$ 8,707,601	$ 388,753	$ 4,990,193	$ 13,697,794	$ 5,378,946

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 2012
This Information From The Records Of: County of La Plata, Colorado	Prepared By: Diane K. Sorensen Phone: (970)382-6306

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

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	2,770,000
3. Other local imposts (from page 2)	1,724,751
4. Miscellaneous local receipts (from page 2)	317,340
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)	4,812,091
B. Private Contributions (So Ute Indian Tribe)	63,390
C. Receipts from State government	
(from page 2)	3,253,841
D. Receipts from Federal Government	
(from page 2)	25,175
E. Total receipts (A.7 + B + C + D)	8,154,498

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	2,047,725
2. Maintenance:	6,516,607
3. Road and street services:	
a. Traffic control operations	169,651
b. Snow and ice removal	1,400,200
c. Other	
d. Total (a. through c.)	1,569,851
4. General administration & miscellaneous	0
5. Highway law enforcement and safety	
6. Total (1 through 5)	10,134,183
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)	10,134,183

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
9,355,155	8,154,498	10,134,183	7,375,470	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 2012

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	1,516,294	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	37,964	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	46,413	f. Charges for Services	
5. Specific Ownership &/or Other	124,080	g. Other Misc. Receipts	317,340
6. Total (1. through 5.)	208,457	h. Other	0
c. Total (a. + b.)	1,724,751		

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	2,848,959	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service (dist to schools)	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	176,188	d. Federal Transit Admin	
d. Other EIAF/LGGF	228,695	e. U.S. Corps of Engineers	
e. Other Bridge Funds/Enhancement	0	f. Other Federal	25,175
f. Total (a. through e.)	404,882	g. Total (a. through f.)	25,175
4. Total (1. + 2. + 3.f)	3,253,841	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		278,174	278,174
b. Engineering Costs		265,984	265,984
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		821,390	821,390
(3). System Preservation		682,177	682,177
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	1,503,567	1,503,567
+ 1.c.5)	0	2,047,725	2,047,725
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

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 with 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 form 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 Position by Component
December 31, 2003-2012
(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
Governmental Activities								
Net investment in capital assets	$ 27,295,951	$ 36,815,975	$ 45,072,293	$ 76,413,335	$ 85,872,184	$ 101,427,081	$ 104,785,611	$ 103,05
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	5,4
Emergencies	1,120,000	1,120,000	1,185,000	1,185,000	1,285,000	2,000,000	2,000,000	2,0
Debt Service	36,319	433,756	534,060	425,143	448,522	454,883	452,735	4
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	3,8
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,051,259	44,754,552	57,321,536	70,6
Subtotal Governmental Activities Net Position	$ 63,668,437	$ 72,305,126	85,588,270	$ 125,900,019	$ 145,417,993	$ 159,650,636	$ 172,880,328	$ 185,4
Subtotal Business-type Activities Net Position	$ -	$ -	-	$ -	$ -	$ -	$ -	$
Primary Government								
Net investment in capital assets	$ 27,295,951	$ 36,815,975	$ 45,072,293	$ 76,413,335	$ 85,872,184	$ 101,427,081	$ 104,785,611	$ 103,05
Restricted	18,000,258	18,482,270	19,030,174	23,561,851	26,494,550	13,469,003	10,773,181	11,6
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,051,259	44,754,552	57,321,536	70,6
Total Primary Government Net Position	$ 63,668,437	$ 72,305,126	85,588,270	$ 125,900,019	$ 145,417,993	$ 159,650,636	$ 172,880,328	$ 185,4

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

Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when (1) an external party, 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 Position
Fiscal Years 2003-2012
(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 2
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,
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,
Auxilary services	2,547,884	4,295,664	4,570,764	4,703,319	4,796,460	3,693,219	3,925,467	3,609,
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,
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,
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,
Interest on long-term debt	103,912	120,222	180,491	136,007	104,989	91,633	81,935	70,
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,
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,
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,
Public safety	1,008,565	567,003	612,358	688,195	709,336	845,054	813,731	860,
Auxilary services	269,514	266,798	204,018	487,274	477,721	620,385	264,190	239,
Public works	192,447	125,387	47,106	81,678	270,851	267,910	86,341	60,
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,
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,
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,
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,
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,
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,
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,
General revenues and other changes in net position								
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,
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,
Other taxes	1,296,970	150,766	166,360	176,662	178,160	189,262	168,180	283,
Investment earnings	629,156	495,828	1,045,081	2,106,064	3,175,953	1,927,368	514,724	435,
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,
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,
Subtotal Business-type Activities	-	-	-	-	-	-	-	
Total Primary Government	$ 29,588,325	$ 28,150,368	$ 34,977,939	$ 41,602,679	$ 46,384,811	$ 44,995,982	$ 42,580,958	$ 46,998,
Changes in Net Position								
Governmental activities	$ 11,911,809	$ 8,108,553	$ 13,283,145	$ 15,990,796	$ 19,517,976	$ 14,232,643	$ 13,229,692	$ 12,574,
Business-type activities	(18,211)	-	-	-	-	-	-	
Total Primary Government	$ 11,893,598	$ 8,108,553	$ 13,283,145	$ 15,990,796	$ 19,517,976	$ 14,232,643	$ 13,229,692	$ 12,574,

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)

	Fiscal Year							
Source	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Taxes	$ 27,792,046	$ 25,671,890	$ 31,662,899	$ 36,088,807	$ 41,055,912	$ 41,192,722	$ 40,256,015	$ 45,466,
Intergovernmental	10,900,996	12,091,627	12,627,050	15,979,354	12,735,290	13,997,368	16,538,111	12,935,
Licenses and permits	743,950	995,007	1,023,634	817,770	1,142,078	931,951	520,400	449,
Charges for services	2,998,528	2,824,970	2,854,458	3,290,254	3,393,629	3,530,762	3,302,681	3,313,
Fines and forfeitures	8,605	4,919	6,888	2,518	-	-	-	
Miscellaneous	2,260,049	1,615,915	2,175,017	5,337,037	5,126,793	3,946,848	2,317,105	1,529,
Total revenues	$ 44,704,174	$ 43,204,328	$ 50,349,946	$ 61,515,740	$ 63,453,702	$ 63,599,650	$ 62,934,312	$ 63,694,
% change from prior year	2.5%	-3.4%	16.5%	22.2%	3.2%	0.2%	-1.0%	1

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

	Fiscal Year							
Function	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Current:								
General government	$ 7,148,375	$ 6,879,830	$ 7,569,024	$ 8,494,853	$ 8,918,391	$ 9,574,832	$ 10,629,669	$ 11,636,4
Public safety	9,154,633	10,491,246	11,146,554	12,247,107	13,308,782	13,933,609	14,623,385	14,844,0
Public works	6,321,849	6,300,583	6,982,368	7,861,675	8,981,938	8,974,502	8,005,211	7,942,0
Health and welfare	4,541,852	4,436,225	4,652,902	4,731,187	4,759,169	4,829,459	5,532,693	5,558,4
Auxilary services	2,417,688	2,165,385	2,445,015	2,739,962	3,025,521	3,306,975	3,593,406	3,246,4
Community Programs	2,522,640	2,680,824	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,7
Total Current	32,107,037	32,954,093	36,118,659	42,181,689	43,038,172	44,961,140	47,575,886	47,921,1
% Change From Prior Year	3.5%	2.6%	9.6%	16.8%	2.0%	4.5%	5.8%	0.
Capital Outlay	10,874,580	15,993,081	9,030,115	9,755,183	12,798,486	19,557,767	7,615,183	3,162,1
% Change From Prior Year	66.4%	47.1%	-43.5%	8.0%	31.2%	52.8%	-61.1%	-58.
Debt Service								
Principal	535,000	560,000	930,000 [1]	970,000 [2]	360,000	375,000	385,000	400,0
Interest	107,675	124,405	175,959	141,172	103,839	94,362	83,431	71,2
Total Debt Service	642,925	684,405	1,105,959	1,111,172	463,839	469,362	468,431	471,2
% Change From Prior Year	0.3%	6.5%	61.6%	0.5%	-58.3%	1.2%	-0.2%	0.
Total Expenditures	$ 43,624,542	$ 49,631,579	$ 46,254,733	$ 53,048,044	$ 56,300,497	$ 64,988,269	$ 55,659,500	$ 51,554,5
% Change From Prior Year	14.2%	13.8%	-6.8%	14.7%	6.1%	15.4%	-14.4%	-7.
Debt Service as a Percentage of Total Non-capital Expenditures	2.0%	2.0%	3.0%	2.6%	1.1%	1.0%	1.0%	1.0%

Notes:

[1)] First year of debt service on 2004 Certificates of Purchase, Old Main Professional Building

[2)] 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							
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
General Fund								
Reserved	$ 1,376,847	$ 1,439,011	$ 1,479,821	$ 1,503,670	$ 1,355,569	$ 1,386,509	$ 1,536,887	$ 1,747
Unreserved	8,288,753	5,990,174	8,699,792	12,778,086	16,842,929	23,951,512	28,285,373	40,111
Nonspendable								
Restricted								
Committeed								
Assigned								
Unassigned								
Subtotal General Fund	9,665,600	7,429,185	10,179,613	14,281,756	18,198,498	25,338,021	29,822,260	41,859
General Fund Percentage Change	9.1%	-23.1%	37.0%	40.3%	27.4%	39.2%	17.7%	4
All Other Governmental Funds Combined								
Reserved	11,808,459	10,299,261	11,237,184	16,906,983	20,987,489	12,920,525	9,623,971	10,371
Unreserved	7,029,286	8,974,152	8,547,189	7,263,442	6,482,847	6,021,669	12,108,796	11,464
Nonspendable								
Restricted								
Committed								
Assigned								
Unassigned								
Subtotal All Other Governmental Funds Combined	18,837,745	19,273,413	19,784,373	24,170,425	27,470,336	18,942,194	21,732,767	21,835
Total Governmental Funds								
Reserved	13,185,306	11,738,272	12,717,005	17,985,510	22,343,058	13,852,151	11,160,858	12,119
Unreserved	15,318,039	14,964,326	17,246,981	20,466,671	23,325,776	30,428,064	40,394,169	51,576
Nonspendable								
Restricted								
Committed								
Assigned								
Unassigned								
Total Governmental Funds	$ 28,503,345	$ 26,702,598	$ 29,963,986	$ 38,452,181	$ 45,668,834	$ 44,280,215	$ 51,555,027	$ 63,695
All Governmental Funds Percentage Change	2.0%	-6.3%	12.2%	28.3%	18.8%	-3.0%	16.4%	2

Notes: The County changed fund balance classifications when it implemented GASB Statement No. 54 in fiscal year 2011.

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

Fiscal Year	Property	Specific Ownership	Sales	Cable Franchise	Lodging
2003	16,006,175	1,589,119	10,044,453	-	152,299
2004	13,045,165	1,363,951	11,099,303	-	163,471
2005	18,178,374	1,771,618	11,558,412	-	154,495
2006	21,093,729	1,948,479	12,874,145	-	172,454
2007	25,008,568	2,248,409	13,536,799	59,011 [1]	203,125
2008	25,022,449	2,246,097	13,639,998	94,916	189,262
2009	25,928,320	1,799,726	12,264,867	95,015	168,087
2010	29,902,937	1,751,302	13,528,774 [2]	103,442	180,453
2011	19,872,965	1,484,323	12,363,979	101,201	198,218
2012	20,229,749	1,484,323	13,596,356	109,943	226,754
Percentage Change In Dollars Over 10 Years	26.4%	-6.6%	35.4%		48.9%

[1] Newly enacted.

[2] One-time audit adjustment of $1.7 million

La Plata County, Colorado
Property Tax Levies and Collections
Tax years 2002-2011
Fiscal years 2003-2012

Tax Year	Fiscal Year Collected	Total Tax Levy [1]	Current Tax Collection	% of Levy Collected	Delinquent Tax Collections [2]	Total Tax Collections
2002	2003	$ 15,976,500	$ 15,958,581	99.89%	$ 47,595	$ 16,006,17
2003	2004	13,002,400	12,959,129	99.67%	48,043	13,045,16
2004	2005	18,193,503	18,178,915	99.92%	(541)	18,178,37
2005	2006	21,157,511	21,097,564	99.72%	(3,835)	21,093,72
2006	2007	25,633,946	25,612,223	99.92%	(603,655)	25,008,56
2007	2008	25,153,611	25,093,768	99.76%	(71,319)	25,022,44
2008	2009	25,846,078	25,601,281	99.05%	327,039	25,928,32
2009	2010	30,099,220	29,924,217	99.42%	(21,280)	29,902,93
2010	2011	20,087,943	20,021,809	99.67%	(9,795)	20,012,01
2011	2012	20,425,023	20,388,334	99.82%	(7,309)	20,381,02

(1) As certified by the Board of County Commissioners, includes General, Road and Bridge, and Social Service Local Improvement District funds.

(2) Delinquent taxes are reported in the year collected, not in the year levied. When negative, represents an aba 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

La Plata County, Colorado
Assessed Value and Estimated Actual Value of Taxable Property
Tax Years 2002-2011
Fiscal Years 2003-2012

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 Value Est. Act
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
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
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
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
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
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
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
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
2010/2011	219,829	635,055	400,987	45,774	12,643	11,528	956,182	72,799	2,354,797	7.96%	11,703,823	20
2011/2012	169,770	577,163	375,127	15,006	13,138	10,937	1,163,229	69,779	2,394,149	7.96%	10,306,419	23

Source: La Plata County Assessor's Abstract

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

Notes: La Plata County reassesses property every other year on average. State law adjusts the residential assessment percentage each year, while the assessment percentage for oil & gas (87.5%) and all other properties (29%) has remained consistent.
Estimated actual taxable value is calculated by dividing taxable assessed value by these percentages.

(in thousands of $)

La Plata County, Colorado
Property Tax Rates
Direct and Overlapping Governments
Tax Years 2002-2011
Fiscal Years 2003-2012

Collection Year:		2003	2004	2005	2006	2007	2008	2009	2
La Plata County	mill	8.500	8.500	8.500	8.500	8.500	8.693	8.564	8.
	tax $	15,930,085	12,953,647	18,140,996	21,106,223	25,568,291	25,087,956	25,846,078	30,026,7
Municipalities:									
City of Durango	mill	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.
	tax $	683,120	746,788	774,172	949,080	972,396	1,248,819	1,279,024	1,347,2
Town of Bayfield	mill	5.169	5.950	5.950	5.950	5.950	5.950	5.950	5.
	tax $	80,975	108,161	131,330	157,513	212,115	245,627	240,482	249,0
Town of Ignacio	mill	3.370	3.370	3.337	3.192	3.084	2.978	2.918	2.
	tax $	15,928	15,900	16,342	16,906	16,404	19,335	20,460	21,1
School Districts:									
Durango 9R	mill	17.307	21.553	16.617	16.347	14.556	15.189	14.765	14.
	tax $	25,131,881	25,722,113	26,337,033	29,954,630	30,424,187	30,269,840	29,957,375	31,850,2
Bayfield 10R	mill	25.974	28.100	22.764	19.429	16.450	16.450	16.364	15.
	tax $	5,052,127	4,343,404	5,541,416	5,456,837	6,168,019	6,142,706	6,249,134	7,074,7
Ignacio 11JT	mill	7.598	7.598	4.183	6.217	4.246	4.463	4.032	3.
	tax $	1,728,532	1,336,895	1,279,416	2,299,053	2,305,286	2,319,418	2,448,082	2,914,0
Special Districts:									
Animas Fire Protection-	mill	1.024	1.160	0.692	0.631	0.526	0.486	0.480	0.
Bonded Indebtedness	tax $	527,429	537,020	439,630	506,154	491,804	451,821	452,671	482,6
Animas Fire Protection	mill	3.996	5.069	5.069	5.069	5.207	5.232	5.119	5.
	tax $	1,859,997	2,072,739	2,941,314	3,449,902	4,196,518	3,978,531	3,913,896	4,471,7
Animas La Plata Water	mill	0.290	0.281	0.286	0.249	0.254	0.219	0.226	0.
Conservancy	tax $	135,257	141,825	152,234	160,308	170,545	180,518	191,763	204,6
Animas Mosquito Control	mill	0.550	0.990	0.990	0.990	0.990	0.990	0.990	0.
	tax $	206,500	403,036	419,328	508,366	521,894	646,004	655,768	686,6
Aspen Trails Metro	mill	0.000	0.000	18.650	14.224	13.989	11.777	10.659	10.
	tax $	-	-	21,623	24,835	25,083	28,178	31,144	31,0
Aspen Trails Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
	tax $	-	-	-	-	-	-	-	
Durango Conference Center	mill	0.000	1.500	1.500	1.500	1.500	1.500	1.500	1.
Business Improvement Center	tax $	-	143,457	141,636	150,619	150,021	199,861	203,037	203,0
Durango Hills Local	mill	20.379	18.404	18.573	15.731	16.538	16.369	17.241	16.
Improvement	tax $	45,610	48,753	50,405	51,288	54,304	65,655	68,991	72,4
Durango West Metropolitan I	mill	57.840	48.100	47.200	38.800	22.400	17.960	17.960	17.
	tax $	144,173	137,935	140,033	136,218	79,322	79,703	79,921	79,3
Durango West Metropolitan II	mill	27.695	25.120	25.410	21.822	20.977	17.403	17.469	16.
	tax $	204,501	203,450	208,378	210,544	200,708	205,902	207,581	207,1

La Plata County, Colorado
Property Tax Rates
Direct and Overlapping Governments
Tax Years 2002-2011
Fiscal Years 2003-2012

Collection Year:		2003	2004	2005	2006	2007	2008	2009	2
Durango West Metropolitan II	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
Bonds	tax $	-	-	-	-	-	-	-	
Edgemont Ranch Metropolitan	mill	5.874	5.874	5.874	14.402	12.963	10.892	10.469	10.
	tax $	25,222	29,934	33,666	128,260	148,516	210,138	234,836	226,0
Edgemont Ranch Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
	tax $	-	-	-	-	-	-	-	
El Rancho Florida Metropolitan	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
Bonds	tax $	-	-	-	-	-	-	-	
Florida Mosquito Control	mill	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.
	tax $	226,077	174,119	282,197	360,275	447,073	391,103	389,324	470,2
Florida Water Conservancy	mill	0.185	0.185	0.119	0.099	0.086	0.086	0.086	0.
	tax $	46,370	38,829	40,609	43,691	47,064	42,772	43,231	44,8
Forest Lakes Metropolitan	mill	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.
	tax $	316,982	354,184	378,762	583,157	606,152	827,775	835,635	842,6
Fort Lewis Fire Protection	mill	5.900	5.900	5.900	5.900	5.900	5.900	5.900	5.
	tax $	157,544	163,299	165,150	191,814	204,462	253,809	269,048	290,3
Hermosa Cliffs Fire Protection	mill	10.650	9.979	9.524	8.961	8.643	8.243	8.075	8.
	tax $	381,149	412,564	449,080	544,099	602,874	743,893	796,464	877,2
Hermosa Cliffs Fire Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
	tax $	-	-	-	-	-	-	-	
Ignacio-Allison-Oxford Cemetary	mill	0.244	0.244	0.244	0.244	0.244	0.244	0.244	0.
	tax $	34,635	26,852	50,474	60,738	91,782	88,517	104,681	143,4
Ignacio Community Library	mill	1.000	1.000	1.000	1.500	1.500	1.500	1.500	1.
	tax $	227,498	175,954	305,861	554,702	814,397	779,549	910,745	1,223,0
La Plata Archuleta Water	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
	tax $	-	-	-	-	-	-	-	
La Plata Water Conservancy	mill	0.295	0.295	0.295	0.295	0.295	0.295	0.295	0.
	tax $	6,705	6,856	7,148	8,245	8,817	10,848	11,477	12,0
Los Pinos Fire Protection	mill	3.521	3.520	3.520	3.520	3.520	3.520	3.520	3.
	tax $	1,288,621	1,028,022	1,693,744	1,962,154	2,738,232	2,493,126	2,732,576	3,560,5
Los Pinos Fire/Mt. Allison	mill	0.000	1.500	1.500	1.500	1.500	1.500	1.500	1.
	tax$	-	19,214	31,512	35,061	56,885	65,239	68,657	107,8
Pine River Cemetary	mill	0.186	0.186	0.123	0.112	0.091	0.091	0.091	0.
	tax $	36,178	28,750	29,942	31,456	34,121	33,981	34,751	35,3

La Plata County, Colorado
Property Tax Rates
Direct and Overlapping Governments
Tax Years 2002-2011
Fiscal Years 2003-2012

Collection Year:		2003	2004	2005	2006	2007	2008	2009	2
Pine River Library	mill	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.
	tax $	486,268	386,424	608,572	702,151	937,389	933,542	954,708	1,118,4
Purgatory Metropolitan	mill	27.313	27.313	27.313	27.313	27.313	27.313	27.313	27.
	tax $	237,727	271,678	330,853	399,506	403,027	625,166	688,863	879,3
Purgatory Metropolitan Subdistrict	mill	0.000	0.000	0.000	0.000	0.000	0.000	15.000	15.
	tax $	-	-	-	-	-	-	184,944	253,4
SW Colorado TV Translator	mill	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.
	tax $	18,468	18,738	19,483	22,445	23,944	29,427	31,079	32,8
SW Water Conservancy	mill	0.260	0.305	0.254	0.225	0.205	0.207	0.216	0.
	tax $	487,273	464,807	542,096	558,694	616,647	597,401	651,886	692,3
Tamarron Metro	mill	0.000	0.000	40.000	40.000	50.000	50.000	50.000	50.
	tax $	-	-	205,006	339,136	694,766	717,886	892,058	960,9
Tamarron Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
	tax $	-	-	-	-	-	-	-	
Three Springs Metro #1	mill	0.000	0.000	0.000	0.000	35.000	35.000	35.000	35.
	tax $	-	-	-	-	136,969	358,953	499,689	576,0
Three Springs Metro #1 Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
	tax $	-	-	-	-	-	-	-	
Three Springs Metro #2	mill	0.000	0.000	0.000	0.000	0.000	35.000	35.000	35.
	tax $	-	-	-	-	-	409	436	10,3
Upper Pine River Fire Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.
	tax $	-	-	-	-	-	-	-	
Upper Pine River Fire Protection	mill	4.950	4.950	6.739	6.507	6.132	6.132	6.132	6.
	tax $	1,073,995	858,753	1,835,561	2,035,186	2,524,470	2,511,689	2,543,406	2,958,7
Total tax to be collected		$ 56,796,827	$ 53,374,100	$ 63,745,002	$ 73,699,246	$ 82,694,484	$ 82,885,097	$ 84,723,901	$ 95,238,1

Source: La Plata County Assessor's Abstract

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

	2012				20
Taxpayer	Type of Business	2011 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2002 Assessed Valuation
BP America (formerly Amoco)	Energy	$ 601,785,260	1	25.14%	$ 358,735,380
Samson Resources	Energy	147,291,360	2	6.15%	
XTO Energy Company	Energy	73,114,760	3	3.05%	25,283,820
Conoco Phillips Company	Energy	56,994,870	4	2.38%	54,808,460
Burlington Resources Oil & Gas	Energy	46,028,590	5	1.92%	24,528,260
Williams Gas Processing	Energy	33,500,370	6	1.40%	19,535,650
Red Willow Production Company	Energy	30,780,780	7	1.29%	62,656,420
Red Cedar	Energy	28,140,620	8	1.18%	
Four Star Oil & Gas Co	Energy	28,034,320	9	1.17%	
La Plata Electric Association	Utility	19,400,900	10	0.81%	
Chevron Texaco	Energy	-			58,702,280
Hart Canyon LTD	Energy	-			22,603,410
44 Canyon, LLC	Energy	-			21,736,120
S G Interest I LTD	Energy	-			15,685,620
Total Assessed Valuation for 10 largest taxpayers		$ 1,065,071,830		44.49%	$ 664,275,420
Total Assessed Valuation for all taxpayers		$ 2,394,149,370		100.00%	$ 1,523,958,500

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
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%
2011	2.0%	2.9%
2012	2.0%	2.9%

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

	2012			2003	
Taxpayer - Type of Business	2012 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2003 Sales Tax Collected	Rank
Retail-General Merchandise	$ 1,276,135	1	9.39%	$ 1,163,702	1
Manufacturing - Compressors	559,740	2	4.12%		
Public Utility	552,249	3	4.06%	383,459	2
Retail-Building Supplies	405,436	4	2.98%	281,829	4
Retail-Food Store	385,707	5	2.84%	213,835	6
Retail-Food Store	383,302	6	2.82%	197,525	7
Retail-Food Store	253,576	7	1.87%	159,736	8
Retail-Auto Dealer	214,893	8	1.58%	137,015	10
Retail-Auto Dealer	178,105	9	1.31%	322,825	3
Hotels and Motels	134,364	10	0.99%		
Communication Company				239,023	5
Retail-Building Supplies				156,446	9
Total Sales Taxes Collected by 10 Largest Businesses	$ 4,343,506		31.95%	$ 3,255,395	
Total Sales Taxes Collected by All Businesses	$ 13,596,353		100.00%	$ 10,044,453	

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 substitute

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

La Plata County, Colorado
Ratios of Outstanding Debt by Type
2003-2012

Fiscal Year	General Obligation	Sales Tax Revenue	Certificates of Participation	Total	Per Capita Personal Income	Population	Debt Per Capita	Percentage c Personal Inco
2003	-	1,760,000	-	1,760,000	29,807	46,790	37.61	0.13
2004	-	1,200,000	3,985,000	5,185,000	31,860	47,173	109.91	0.34
2005	-	615,000	3,640,000	4,255,000	33,207	48,019	88.61	0.27
2006	-	-	3,285,000	3,285,000	36,493	48,752	67.38	0.18
2007	-	-	2,925,000	2,925,000	38,263	49,758	58.78	0.15
2008	-	-	2,550,000	2,550,000	40,677	50,735	52.31	0.14
2009	-	-	2,165,000	2,165,000	39,769	51,272	42.23	0.11
2010	-	-	1,765,000	1,765,000	42,638	52,114	33.87	0.08
2011	-	-	1,350,000	1,350,000	43,453	52,485	25.72	0.06
2012	-	-	-	-	43,453 [1]	53,520	-	0.00

Notes:
(1) 2012 percentage calculated using 2011 personal income data, which is the most recent available.

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

	Fiscal Year							
Assessment Year	2002	2003	2004	2005	2006	2007	2008	2009
Fiscal/Budget Year	2003	2004	2005	2006	2007	2008	2009	2010
Assessed Value	$ 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	$ 3,461,698,9
Actual Value	$ 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	$ 13,183,765,0
Legal Debt Margin:								
Debt limitation - 1.5% of total assessed value	$ 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	395,512,9
Debt applicable to limitation:								
Total debt	$ 1,760,000	$ 5,185,000	$ 4,255,000	$ 3,285,000	$ 2,925,000	$ 2,550,000	$ 2,165,000	$ 1,765,0
Less: Certificates of participation	-	3,985,000	3,640,000	3,285,000	2,925,000	2,550,000	2,165,000	1,765,0
Total debt applicable to debt limitation	1,760,000	1,200,000	615,000	-	-	-	-	
Legal debt margin	$ 26,351,905	$ 192,623,386	$ 219,940,278	$ 264,131,594	$ 293,373,843	$ 337,571,610	$ 359,897,284	$ 395,512,9

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
2003-2012

Fiscal Year	Gross Sales Tax Revenue	Revenue Available for Debt Service [1]	Principal	Interest	Total
2003	10,044,453	7,060,385	535,000	107,675	642,67
2004	11,099,304	7,959,382	560,000	83,600	643,60
2005	11,558,412	8,350,657	585,000	57,000	642,00
2006	12,874,145	9,471,990	615,000	29,213	644,21
2007 [2]	13,536,798	N/A	N/A	N/A	N/
2008	13,639,998	N/A	N/A	N/A	N/
2009	12,264,867	N/A	N/A	N/A	N/
2010	13,528,774	N/A	N/A	N/A	N/
2011	12,363,979	N/A	N/A	N/A	N/
2012	13,596,356	N/A	N/A	N/A	N/

(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 Year	Population	Personal Income [1]	Per Capita Personal Income	Unemployment Rate	Median Age	K-12 Sch Enrollme
2003	46,790	1,345,867	29,098	4.7	36.9	
2004	47,354	1,471,070	31,360	3.6	37.2	
2005	48,237	1,603,652	33,548	3.9	37.4	
2006	48,998	1,743,562	35,743	3.4	37.7	
2007	49,758	1,894,805	38,263	2.8	38	
2008	50,735	2,059,599	40,677	3.9	38.2	
2009	51,272	2,046,678	39,769	5.5	38.8	
2010	52,114	2,193,372	42,638	7.2	39.1	
2011	52,485	2,255,966	43,453	7.6	38.5	
2012	53,520	Unavailable	Unavailable	7.5	38.7	

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

		Estimate 2012		Estima
Employer	Type of Business	Employees FT & PT	Percentage of total County Employment	Employees
Southern Ute Indian Tribe	Government	970	3.43%	365
Mercy Medical Center	Health	900	3.19%	728
Fort Lewis College	Education	709	2.51%	629
Durango School District 9-R	Education	573	2.03%	563
City of Durango	Government	475	1.68%	427
Sky Ute Lodge and Casino	Recreation	430	1.52%	365
Mercury Payment Systems	Finance	417	1.48%	N/A
La Plata County	Government	400	1.42%	380
Durango Mountain Resort	Recreation	400	1.42%	376
Wal-Mart	Retail	354	1.25%	449
San Juan Basin Health	Government	226	0.80%	206
Total Principal Employers		**5,854**	**20.72%**	**4,488**
Total County Employment		**28,250**	**100.00%**	**25,280**

Sources:
Region 9 Economic Development District of SW Colorado
* 2003 Estimate not available

La Plata County, Colorado
Full-time Equivalent County Employees by Function/Program
Fiscal Years 2003 - 2012

Department	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	% Change 2012 over 2011
Commissioners	4.1	4.1	3.9	4.1	4.1	5.1	5.1	5.1	5.0	5.1	2.0%
Clerk/Elections	16.7	18.4	16.7	19.4	16.6	18.8	16.9	14.1	16.2	18.5	14.5%
Treasurer/Trustee	5.5	5.4	5.4	5.4	5.1	5.0	5.0	5.3	5.0	5.1	2.0%
Assessor	18.8	19.2	19.2	20.6	20.5	20.5	20.2	18.9	18.8	19.0	1.1%
Administration	3.3	4.5	4.3	5.3	4.2	5.2	5.2	5.0	5.0	6.2	23.3%
Attorney	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0	5.8	5.1	-11.3%
Facilities & Grounds	7.0	8.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	0.0%
Finance	5.3	5.0	5.0	5.0	4.0	4.0	5.0	5.0	3.8	3.8	1.3%
Information Services	8.5	8.5	8.5	8.5	10.0	10.0	10.0	10.0	9.0	9.0	-0.2%
Procurement	4.2	4.0	4.1	4.1	3.8	3.8	4.0	4.0	4.0	4.0	0.0%
GIS	7.0	7.0	8.0	8.0	8.0	8.0	7.0	7.0	5.0	5.0	0.0%
Human Resources/Risk Mgt	4.1	4.3	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	-0.2%
County Surveyor	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Construction Management	0.0	0.0	0.0	0.0	1.2	1.3	0.0	0.0	0.0	0.0	0.0%
Sustainability Office	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0%
General Government Total	**84.5**	**88.4**	**88.1**	**94.5**	**91.7**	**96.8**	**99.6**	**95.7**	**91.7**	**95.0**	**3.6%**
Building Inspection / OEM	12.0	12.0	12.5	11.8	11.8	14.0	14.0	11.0	8.0	7.8	-3.1%
Criminal Investigations	7.4	7.6	8.6	8.6	9.9	10.9	10.7	10.8	10.4	11.0	5.8%
Special Investigations	6.0	6.4	6.7	6.6	5.8	5.8	5.6	5.5	5.5	5.5	0.0%
Special Services	21.8	21.5	23.5	22.5	24.1	23.2	22.4	22.3	21.5	21.7	0.9%
Public Safety	29.7	30.4	31.1	34.9	34.9	34.9	34.1	34.2	33.3	33.5	0.8%
Alternative to Incarceration	4.2	4.2	3.6	4.9	5.3	5.5	5.3	5.3	5.3	5.4	1.9%
Detentions	43.5	41.9	45.6	46.6	49.6	60.6	62.2	62.1	62.5	62.6	0.2%
Coroner	1.3	1.3	1.3	1.3	2.1	1.6	1.5	1.5	1.5	1.5	0.0%
District Attorney	22.1	21.8	23.8	24.3	25.1	25.1	25.1	25.5	25.5	25.0	-2.0%
Public Safety Total	**147.9**	**147.1**	**156.8**	**161.5**	**168.6**	**181.5**	**180.9**	**178.2**	**173.5**	**174.0**	**0.3%**
Road & Bridge, Eng.	67.5	67.0	52.4	53.4	51.9	52.6	53.7	49.9	46.3	48.4	4.5%
Public Works Total	**67.5**	**67.0**	**52.4**	**53.4**	**51.9**	**52.6**	**53.7**	**49.9**	**46.3**	**46.3**	**0.0%**
CERF	0.0	0.0	8.5	9.5	10.1	9.1	9.1	9.1	9.0	9.1	0.7%
Internal Service Funds	**0.0**	**0.0**	**8.5**	**9.5**	**10.1**	**9.1**	**9.1**	**9.1**	**9.0**	**9.1**	**0.7%**
Human Services	54.0	53.6	57.0	58.5	58.4	59.4	58.8	58.8	60.0	63.9	6.6%
Health & Welfare Total	**54.0**	**53.6**	**57.0**	**58.5**	**58.4**	**59.4**	**58.8**	**58.8**	**60.0**	**63.9**	**6.6%**
Extension Office	4.0	3.0	3.0	3.7	1.8	2.4	2.4	0.8	0.0	0.8	0.0%
Weed	2.0	1.4	1.8	1.8	1.5	1.7	1.7	1.5	1.3	1.5	15.4%
Fairgrounds	9.6	10.1	10.4	10.3	10.8	10.6	10.6	10.3	10.0	10.0	0.0%
Senior Center Ops & Act	2.5	2.5	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Planning	10.6	10.7	14.1	15.3	17.2	18.3	18.3	18.3	12.0	11.7	-2.4%
Senior Services	5.3	5.5	5.5	9.2	7.7	8.4	8.7	8.5	8.6	9.5	10.6%
Veterans' Services Office	0.6	0.8	1.0	1.0	1.0	1.0	1.1	1.1	1.0	1.1	10.0%
Auxiliary Services	**34.6**	**34.0**	**38.9**	**41.3**	**40.0**	**42.4**	**42.8**	**40.5**	**32.9**	**34.6**	**5.2%**
Grand Total	**388.6**	**390.1**	**401.6**	**418.6**	**420.6**	**441.9**	**444.9**	**432.2**	**413.4**	**422.9**	**2.3%**

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 2003 - 2012

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

La Plata County, Colorado
Operating Indicators by Function/Program
Fiscal Years 2003 - 2012

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	
# of gallons of highway paint used	12,690	12,600	12,500	12,500	12,500	12,750	12,500	12,000	
Convenience Center									
Customers served - Bayfield	2,954	2,599	2,800	2,800	2,841	2,506	2,116	2,159	Una
Customers served - Marvel	799	716	750	750	713	699	550	421	Una
Health & Welfare									
Human Services									
Child Welfare - # of assessments opened	274	261	260	270	303	283	172	315	
Adult Protective Services - # of investigations	128	135	100	100	90	89	101	88	
Child Support - $ of payments collected	$3,004,853	$3,079,623	$3,150,737	$3,160,000	$3,044,044	$3,570,909	$3,147,432	$3,248,125	$3,
Community Programs									
Conservation Trust Funds	$170,100	$150,447	$178,250	$238,000	$204,000	$234,250	$150,000	$0	
Public Service Agency Funds	$1,662,944	$1,657,274	$2,490,696	$4,650,264	$2,379,166	$3,113,539	$3,155,684	$2,894,774	$2,
Auxiliary Services									
Senior Services									
# of meals provided	36,394	37,204	37,750	38,800	39,899	41,549	43,010	41,247	3
# of transportation rides provided	4,237	4,612	4,646	5,000	6,474	5,571	6,114	6,226	
Veterans Services									
Compensation Claims	50	n/a	n/a	n/a	168	57	144	Unavailable	
Weed Management									
# of miles treated for noxious weeds	1,206	1,206	1,206	1,206	1,309	680	675	**	
# of acres treated for noxious weeds								505	Una
small group bookings (less than 500 participants)	1,500	1,970	1,728	1,800	Unavailable	2,548	3,347	2,562	
large bookings (more than 500 participants)	90	57	64	65	Unavailable	74	31	12	
Planning									
Major projects reviewed	79	101	85	95	119	91	55	28	
Oil & Gas (Major & Minor)	100	83	85	90	232	230	82	31	
Minor/Administrative Projects reviewed	69	52	90	90	106	134	80	92	
Internal Service Funds									
Capital Equipment Replacement Fund									
(prior to 2005, vehicles were in R & B Fleet division)									
Vehicles maintained (self propelled mobile units)	194	201	220	230	233	237	243	246	

La Plata County, Colorado
Capital Asset Statistics by Function/Program
Fiscal Years 2003 - 2012

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

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*

INDEPENDENT AUDITOR'S REPORT

June 10, 2013

To the Board of County Commissioners
La Plata County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado, as of and for the year ended December 31 2012, and the related notes to the financial statements, which collectively comprise La Plata County, Colorado's basic financial statements, and have issued our report thereon dated June 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered La Plata County, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of La Plata County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of La Plata County, Colorado's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether La Plata County, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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CSD

La Plata County, Colorado
June 26, 2013

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

INDEPENDENT AUDITOR'S REPORT

June 26, 2013

Board of County Commissioners
La Plata County, Colorado

Report on Compliance for Each Major Federal Program

We have audited La Plata County, Colorado's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of La Plata County's major federal programs for the year ended December 31, 2012. La Plata County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of La Plata County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about La Plata County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of La Plata County's compliance.

Opinion on Each Major Federal Program

In our opinion, La Plata County, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of La Plata County, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered La Plata County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of La Plata County's internal control over compliance.

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La Plata County, Colorado
June 26, 2013

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB A-133. Accordingly, this report is not suitable for any other purpose.

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

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2012 Expenditures
Department of Agriculture			
Passed through the Colorado Department of Human Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		$ 371,659
Food Stamps SNAP Workfare	10.551		10,110
Emergency Food Assistance Program (Food Commodities)	10.569		32,650
Direct			
Schools and Roads - Grants to States	10.665		264,478
U.S. Forest Service - San Juan National Forest Recovery Act of 2009: Wildland Fire Management	10.688	10-PA-110282B1-088	51,652
Total Department of Agriculture			730,549
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		21,406
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045		100,730
Special Programs for Aging - Title III, Part E - National Family Caregiver Support	93.052		11,666
Nutrition Service Incentive Program	93.053		25,474
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		143,511
Temporary Assistance for Needy Families	93.558		1,225,335
Child Support Enforcement	93.563		346,548
Low-Income Home Energy Assistance	93.568		302,111
Child Care and Development Block Grant	93.575		141,804
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		269,654
Child Welfare Services - State Grants	93.645		14,772
Foster Care Title IV-E	93.658		416,128
Adoption Assistance	93.659		119,656
Social Services Block Grant	93.667		315,389
Chafee Foster Care Independence Program	93.674		35,371
ARRA - TANF	93.714		10,224
Medical Assistance Program	93.778		170,660
Passed through Division of Insurance			
Special Programs for Aging-Title IV and Title II - Discretionary Projects	93.048		4,667
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	93.779		18,062
Total Department of Health and Human Services			3,698,168

(Continued next page)

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Department of Interior			
Direct			
Payments in Lieu of Taxes	15.226		550,567
Total Department of Interior			550,567
Department of Homeland Security			
Passed through the Colorado Department of Local Affairs			
Emergency Management Performance Grants	97.042	10EM09L34	63,300
Total Department of Homeland Security			63,300
Department of Housing and Urban Development			
Passed through the Colorado Department of Local Affairs			
Community Development Block Grants/State's program	14.228	F11CDB11-581	478,933
			478,933
Department of Justice			
Direct			
Office of Justice Programs			
State Criminal Alien Assistance Program	16.606		14,949
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	22,939
Crime Victim Compensation (Sixth Judicial District)	16.576	29-VC-6	41,000
Crime Victim Compensation (Sixth Judicial District)	16.576	10-VC-6	20,000
Total Department of Justice			98,888
Environmental Protection Agency			
Direct			
Colorado - Climate-Wise Community Progam	66.041	AF-83494101-0	209,485
Total Environmental Protection Agency			209,485
Other Federal Assistance			
Direct			
Office of National Drug Control Policy, Dept of Treasury, Dept of Justice			
High Intensity Drug Trafficking Areas Program	95.001	G10RM0023A	310,074
Total Office of National Drug Control Policy			310,074
Total Federal Assistance			$ 6,139,964

(Continued next page)

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

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 thorugh 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:

	CFDA #	Expenditures
Aging Cluster		
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	$ 21,406
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045	100,730
Nutrition Service Incentive Program	93.053	25,474
Total		$ 147,610
CCDF Cluster		
Child Care and Development Block Grant	93.575	$ 141,804
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	269,654
Total		$ 411,458
TANF Cluster		
Temporary Assistance for Needy Families	93.558	$ 1,225,335
ARRA - TANF	93.714	10,224
Total		$ 1,235,559
SNAP Cluster		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	$ 371,659
Food Stamps SNAP Workfare	10.551	10,110
Total		$ 381,769

Awards to subgrantees

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

	CFDA #	Amount Awarded
Community Development Block Grants/State's program	14.228	
Subgrantee--Region 9 Economic Development District		$ 478,933
Colorado - Climate-Wise Community Progam		
Subgrantee--Four Corners Office for Resource Efficiency	66.041	209,485
Total		$ 688,418

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	✓	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	✓	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified Opinion			
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes	✓	no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program
93.558/93.714	TANF Cluster
66.041	Colorado-Climate-Wise Community Program
15.226	Payments in Lieu of Taxes
10.551/10.561	SNAP Cluster
93.667	Social Services Block Grant

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

Auditee qualified as low-risk auditee?	_____	yes	✓	no

SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

No findings under Generally Accepted Government Auditing Standards in 2012.

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

No findings under OMB Circular A-133 in 2012.

La Plata County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2012

2011-01 Internal Control
Community Development Block Grant State's Program 14.228

Criteria: The County is required to match expenditures and revenues for reimbursement based grants and to report the schedule of expenditures of federal awards on the modified accrual basis of accounting as noted in the footnotes to the schedule of expenditures of federal awards.

Condition: During review and testing of expenditures in the Community Development Block Grant it was noted that there was improper cut-off of expenditures between 2010 and 2011.

Questioned Costs: None

Effect: The result in the Community Development Block Grant was the overstatement of expenditures in 2011 and understatement in 2010 in the schedule of expenditures of federal awards.

Recommendation: There should be a review process in place at the end of the reporting period and at the end of each grant period to ensure that proper cut-off has been achieved for all grant expenditures in order to properly state grant expenditures for reporting purposes and to ensure that requests for reimbursement of grant expenditures fall within the period of availability.

Conclusion: The County reviewed expenditures for cut-off at the end of the year. In addition, there were procedures implemented to get timely requests for reimbursement for year-end grant expenditures from the pass through entities.

Resolved.