



**Comprehensive Annual Financial Report**

**for the Year Ended December 31, 2011**

Prepared by the La Plata County Finance Department

## **INTRODUCTORY SECTION**

**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2011**

**TABLE OF CONTENTS**

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

Table of Contents .....	3-7
Letter of Transmittal .....	8-13
GFOA Certificate of Achievement.....	14
List of County Officials .....	15
Organizational Chart .....	16

**Financial Section**

<b>Report of Independent Certified Public Accountants</b> .....	18-19
---	-------

<b>Management’s Discussion and Analysis (Unaudited)</b> .....	20-28
---	-------

**Basic Financial Statements**

**Government-wide Financial Statements:**

Statement of Net Assets.....	30
Statement of Activities .....	31

**Fund Financial Statements:**

**Governmental Funds:**

Balance Sheet .....	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	33
Statement of Revenues, Expenditures and Changes in Fund Balances .....	34
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	35
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>General Fund</i> .....	36
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>Road and Bridge Fund</i> .....	37
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – <i>Social Services Fund</i> .....	38

**Proprietary Funds:**

Statement of Net Assets – Internal Service Funds .....	39
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds .....	40
Statement of Cash Flows – Internal Service Funds .....	41

**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2011**

**Fiduciary Funds:**

Comparative Statement of Fiduciary Assets and Liabilities – Fiduciary Funds.....42

**Notes to the Basic Financial Statements** ..... 43-67

**Supplementary Information**

**Combining and Individual Fund Statements and Schedules:**

**Governmental Funds**

**Nonmajor Governmental Funds:**

Combining Balance Sheet – by Fund Type .....69  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
by Fund Type .....70

**General Fund:**

Comparative Balance Sheet .....72  
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual..... 73-78

**Major Special Revenue Funds:**

*Road and Bridge Fund*

Comparative Balance Sheet .....80  
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual.....81

*Social Services Fund*

Comparative Balance Sheet .....82  
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual .....83

**Nonmajor Special Revenue Funds:**

Combining Balance Sheet .....84  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....85

*Joint Sales Tax Fund*

Comparative Balance Sheet.....86  
Comparative Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual .....87

*Emergency Reserve Fund*

Comparative Balance Sheet .....88  
Comparative Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual .....89

*Local Improvement District Fund*

Comparative Balance Sheet.....90  
Comparative Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual .....91

**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2011**

*Landfill Closure Fund*

Comparative Balance Sheet .....	92
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	93

**Major Capital Project Fund:**

*Capital Improvement Fund*

Comparative Balance Sheet .....	95
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	96

**Non-major Debt Service Fund:**

*Finance Authority Debt Service Fund*

Comparative Balance Sheet .....	98
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	99

**Proprietary Funds**

**Internal Service Funds**

Combining Statement of Net Assets .....	101
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	102
Combining Statement of Cash Flows .....	103

*Capital Equipment Replacement Fund*

Comparative Statement of Net Assets .....	104
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets .....	105
Schedule of Revenues, Expenses, and Changes in Net Assets – Budget and Actual (Non-GAAP Budgetary Basis) .....	106

*Employee Medical Self-insurance Fund*

Comparative Statement of Net Assets .....	107
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets .....	108
Schedule of Revenues, Expenses, and Changes in Net Assets – Budget and Actual .....	109

**Fiduciary Funds**

*General Agency Fund*

Statement of Changes in Fiduciary Assets and Liabilities .....	111
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**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2011**

**Discretely Presented Component Unit**

Balance Sheet .....	113
Statement of Revenues, Expenditures and Changes in Fund Balances .....	114
Schedule of Revenues, Expenses, and Changes in Net Assets for funds with adopted budgets – Budget and Actual (General Fund only).....	115

**Special Reports Section**

Social Services Fund – Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures .....	117
Local Highway Finance Report.....	118-119

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

**Statistical Section Narrative**

**Financial Trends**

Government-wide Net Assets by Component.....	122
Government-wide Changes in Net Assets.....	123-124
General Governmental Revenues by Source.....	125
General Governmental Expenditures by Function.....	126
Governmental Fund Balances .....	127
General Governmental Tax Revenues by Source .....	128

**Revenue Capacity**

Property Tax Levies and Collections.....	129
Assessed Value and Estimated Actual Value of Taxable Property.....	130
Direct and Overlapping Property Tax Revenue and Rates .....	131-134
Principal Property Taxpayers.....	135
Direct and Overlapping Sales Tax Rates .....	136
Principal Sales Tax Remitters.....	137

**Debt Capacity**

Ratios of Outstanding Debt by Type.....	138
Computation of Legal Debt Margin.....	139
Revenue Bond Coverage.....	140

**Economic & Demographic Information**

Demographic and Economic Statistics .....	141
Principal Employers.....	142

**La Plata County, Colorado**  
***Comprehensive Annual Financial Report***  
***For The Year Ended December 31, 2011***

**Operating Information**

Full-time Equivalent Employees by Function/Program.....	143-144
Operating Indicators by Function/Program.....	145-146
Capital Asset Statistics by Function/Program.....	147

**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 <i>Government Auditing Standards</i> .....	149-150
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 <i>OMB Circular A-133</i> .....	151-153
Schedule of Expenditures of Federal Awards .....	154-156
Schedule of Findings and Questioned Costs .....	157-159



*La Plata County*  
Colorado

June 26, 2011

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

State law requires that all general-purpose local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the comprehensive annual financial report (CAFR) of La Plata County (the County) for the fiscal year ended December 31, 2011 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, 2011 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, 2011 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 52,114 (2010 State Demographer’s estimate), an increase of 6,359 (14%) since 2001. 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 3,700 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, will be 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 agency", so each summer La Plata County begins the annual budget preparation process. Every elected official and department head submits a requested budget to the Board of County Commissioners. The 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 recently received an upgrade from an "A" to an "A+" by Standard and Poor's rating service for its 2004 Certificates of Participation. The County has increased fund balances six of the last seven budget years, and increased reserves over the last five years by nearly 50% to more than \$68 million. The unassigned general fund balance is 106% of 2012 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, while for budget year 2011 they declined back down to \$20 million.

Looking forward to budget year 2013 and beyond, we project that assessed valuation will continue to decline as a result of record-low natural gas prices, perhaps by as much as 20% for budget year 2013 and slowly recover to 2005-2008 averages by budget year 2015. Over the last several years we have instituted a number of measures to keep our budget sustainable, including operating budget reductions and staffing adjustments.

Tourism contributes an estimated 28% to the local economy and visitor statistics are still off from the record year of 2008, although Southwest Colorado tourism may have benefited somewhat by being a “drive-to” destination for visitors from neighboring states. County sales tax collections remain below the peak years of 2007 and 2008, although the last several years have showed some recovery. The hardest hit sector is the construction industry, with a continued slowdown in new development and construction. During fiscal years 2002-2006, more than 1,000 building permits were issued each year; by comparison, only 535 were issued in 2011.

Typically, Colorado’s (and La Plata County’s) economy lags national trends by 6-8 months. It took longer for Colorado to see the effects of the national recession, and it will likely take longer for our state to recover. Statewide, the unemployment rate was 8.1 percent as of October 2011 with an expectation of slow job growth in the near future. Personal income is forecast to increase by 5.3 percent in 2011 and 3.5 percent in 2012. 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 3.4% annual inflation rate in 2012. Colorado continues to see fewer overall foreclosures, although statewide housing permits remain low and retail trade continues to suffer the effects of low consumer confidence and unemployment.

### **Long-Term Financial Planning**

The County budget includes a five-year capital improvement program. Projections for capital investment during the next five years include more than \$16 million projected for new facilities and capital equipment and \$26 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 will be acquiring 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 2012, the County intends to complete several major road projects, including a bridge replacement on County Road 207, several asphalt resurfacing projects and the realignment of the Intersections of CRs 513 and 311 at State Highway 172, a very dangerous intersection.

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 offered to lease a portion of the County Courthouse to the General Services Administration (GSA) for use of the United States District Court, United States Marshal Service, United States Probation Office and United States Attorney's 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 are also currently working on an environmental assessment of some Bureau of Land Management property located near Durango to determine if the property could be acquired and utilized for development of a multi-event center and recreational hub. If the environmental assessment is favorable, the next step would be to complete a feasibility study and financial 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.

### **Managing for Accountability and Performance (MAP)**

La Plata County is working toward implementation of an integrated, results-oriented, performance management system that encompasses planning, budgeting, reporting and decision-making. It builds on the County's strategic plan and provides renewed focus on improving County government management practices and service delivery to customers. As a first step, departments develop customer-oriented business plans that identify a set of strategic goals for the next 2-5 years. As of the end of 2011, we have completed business plans for all of the appointed departments: Planning, Human Services, Building Inspection, Public Works, General Services, Information Technology, Human Resources, Administration and Finance. We have also completed plans for the Elected County Assessor, County Clerk and Recorder, County Treasurer and County Coroner. In 2012 and 2013, we hope to complete plans for the County Sheriff and District Attorney. We have also begun implementation of a web-based performance data reporting system, MFR Live. MFR Live will enable us to provide our managers, elected officials and constituents with data about results, outputs and costs and the issues and trends that are being impacted by the County's strategic planning process. We believe this new management system will help us continue to demonstrate our accountability for the investments that our citizens make in their government.

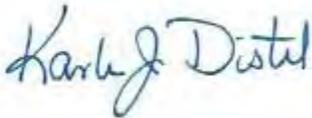
## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to La Plata County for its comprehensive annual financial report for the fiscal year ended December 31, 2010. 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-two (22) consecutive fiscal years (1989-2010) ended December 31st. We believe the 2011 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,

A handwritten signature in blue ink that reads "Karla J. Distel". The signature is written in a cursive, flowing style.

Karla J. Distel  
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, 2010

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.



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

## LIST OF COUNTY OFFICIALS

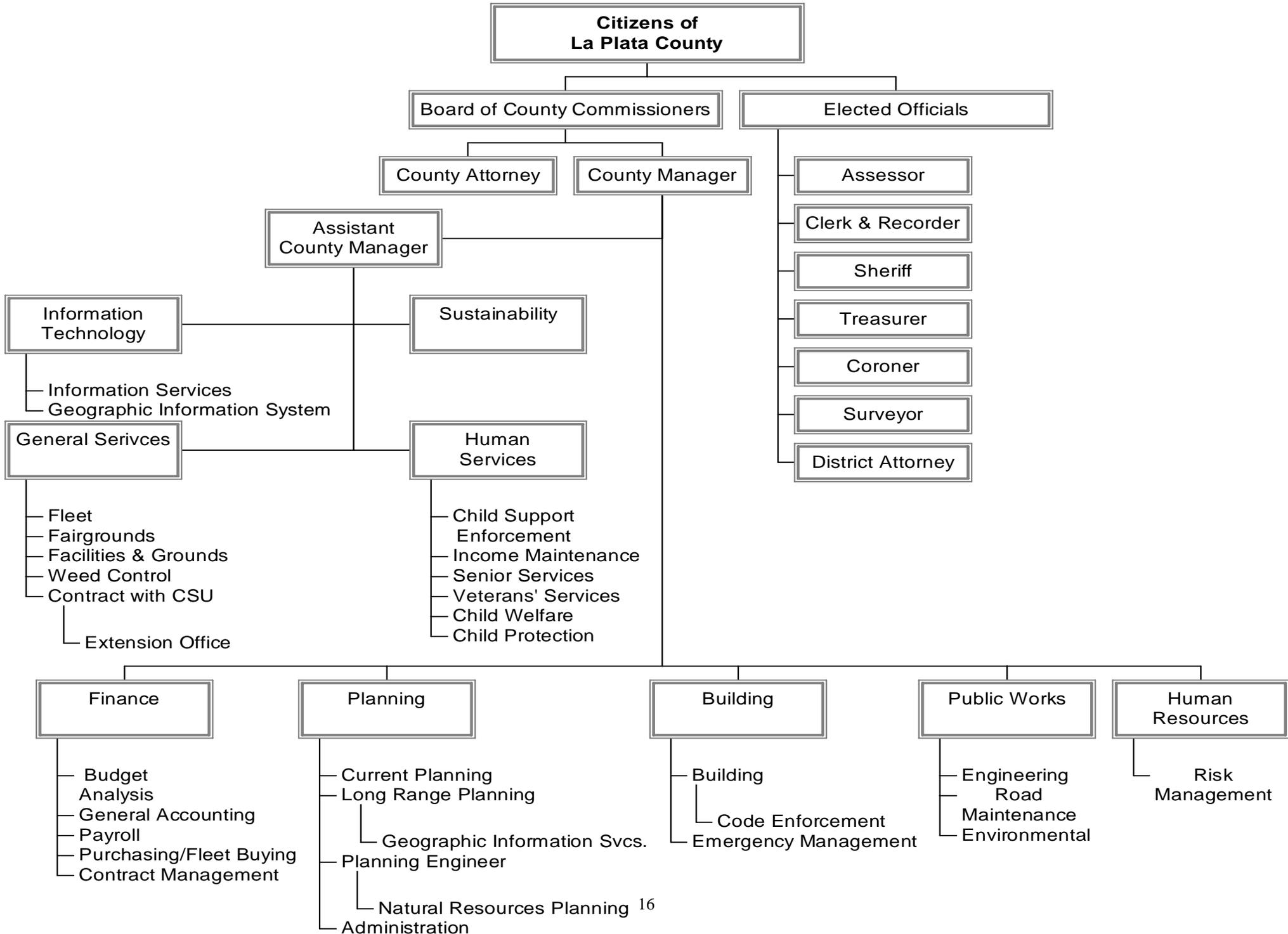
### ELECTED OFFICIALS

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

### APPOINTED OFFICIALS

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

# La Plata County Organizational Chart



## **FINANCIAL SECTION**

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 14, 2012

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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of La Plata County, Colorado's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Road and Bridge Fund, and the Social Services Fund for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2012, on our consideration of La Plata County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



La Plata County, Colorado  
June 14, 2012

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 28 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 inquires 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.

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

*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, 2011. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Financial Highlights

- The County's assets exceeded its liabilities by \$188,908,987 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - 1) Capital assets, net of related debt of \$100,077,282 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - 2) Net assets of \$22,625,359 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  - 3) Net assets of \$18,293,810 are unrestricted, but are invested in a joint venture.
  - 4) The balance of unrestricted net assets of \$47,912,536 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 \$68,066,882 this year. This compares to the prior year ending fund balance of \$63,695,399 showing an increase of \$4,371,483, during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$43,188,909 or 106% of 2012 budgeted General Fund expenditures and transfers out to other funds.
- Overall, the County continues to maintain a strong financial position.

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

### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

### Government-wide Financial Statements

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

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

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

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

The government-wide financial statements are presented on pages 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 68. 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 assets may be observed and used to discuss the changing financial position of the County as a whole. Overall, the County's financial position continues to remain strong, and has improved over the prior year. This improvement can be demonstrated in a number of different areas, as detailed below.

The County's net assets at calendar year-end are \$188,908,987. The following table provides a summary of the County's net assets:

	<b>Summary of Net Assets</b>				
	<b>Governmental Activities 2011</b>	<b>Percentage of Total 2011</b>	<b>Governmental Activities 2010</b>	<b>Governmental Activities 2009</b>	<b>Governmental Activities 2008</b>
<b>Assets:</b>					
Current assets	\$ 98,942,733	45.2%	\$ 93,084,398	\$ 90,849,763	\$ 79,514,431
Investment in joint venture	18,293,810	8.4%	17,538,966	17,046,240	12,593,961
Capital assets	101,427,282	46.4%	104,822,349	106,950,611	103,977,081
<b>Total assets</b>	<b>218,663,825</b>	<b>100.0%</b>	<b>215,445,713</b>	<b>214,846,614</b>	<b>196,085,473</b>
<b>Liabilities:</b>					
Current liabilities	25,463,820	85.6%	24,246,720	35,075,492	32,015,969
Long-term liabilities	4,291,018	14.4%	5,771,444	6,890,794	4,418,868
<b>Total liabilities</b>	<b>29,754,838</b>	<b>100.0%</b>	<b>30,018,164</b>	<b>41,966,286</b>	<b>36,434,837</b>
<b>Net assets:</b>					
Invested in capital assets, net of debt	100,077,282	53.0%	103,057,349	104,785,611	101,427,081
Restricted	22,625,359	12.0%	11,688,162	10,773,181	13,444,227
Unrestricted	66,206,346	35.0%	70,682,038	57,321,536	44,779,328
<b>Total net assets</b>	<b>\$ 188,908,987</b>	<b>100.0%</b>	<b>\$ 185,427,549</b>	<b>\$ 172,880,328</b>	<b>\$ 159,650,636</b>

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

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

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.87 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 2012 with an offsetting amount reported in deferred revenue as a current liability. If you remove those amounts from the current ratio calculation, the adjusted ratio is 14.44 to 1, which demonstrates the real liquid position of the County.

The County reported positive balances in net assets. Net assets increased \$3,481,439 for governmental activities, a 1.9% increase.

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

Summary of Changes in Net Assets

	<b>Governmental Activities 2011</b>	<b>Percentage of Total 2011</b>	<b>Governmental Activities 2010</b>	<b>(Decrease) Increase</b>	<b>2009</b>
Revenue:					
Program:					
Charges for services	\$ 3,916,835	7.3%	\$ 3,913,424	\$ 3,411	\$ 3,984,285
Operating grants	12,753,984	23.9%	12,765,925	(11,941)	18,162,203
Capital grants	308,532	0.6%	662,256	(353,724)	2,828,191
General:					
Taxes	33,919,485	63.6%	45,466,908	(11,547,423)	40,256,014
Other	2,469,199	4.6%	1,531,460	937,739	2,324,944
Total revenues	<u>53,368,035</u>	<u>100.0%</u>	<u>64,339,973</u>	<u>(10,971,938)</u>	<u>67,555,637</u>
Program Expenses:					
General government	10,570,951	21.2%	12,590,925	(2,019,974)	11,324,542
Public safety	15,426,187	30.9%	15,228,090	198,097	14,921,662
Auxiliary services	3,382,410	6.8%	3,609,635	(227,225)	3,925,467
Public works	10,572,032	21.2%	9,946,369	625,663	13,329,071
Health and welfare	5,581,089	11.2%	5,653,873	(72,784)	5,551,746
Community programs	4,296,657	8.6%	4,693,722	(397,065)	5,191,522
Interest and fiscal charges	57,270	0.1%	70,139	(12,869)	81,935
Total expenses	<u>49,886,596</u>	<u>100.0%</u>	<u>51,792,753</u>	<u>(1,906,157)</u>	<u>54,325,945</u>
Change in net assets	3,481,439		12,547,220	<u>\$ (9,065,781)</u>	13,229,692
Beginning net assets	185,427,548		172,880,328		159,650,636
Ending net assets	<u>\$ 188,908,987</u>		<u>\$ 185,427,548</u>		<u>\$ 172,880,328</u>

**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 more than \$12.3 million of revenues or 23% of the total. Also, note that program revenues cover only about 34% 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 \$15.4 million dollars or 31% of the total expenditures. General government makes up approximately 21% 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 2011			2010 Net Cost	Decrease (Increase)	2009 Net Cost
	Total Cost of Services	Net Cost of Services	Net Cost % of Total			
General government	\$ 10,570,951	\$ 4,817,013	14.6%	\$ 6,772,508	\$ 1,955,495	\$ 3,377,933
Public safety	15,426,187	13,754,974	41.8%	13,858,701	103,727	13,146,714
Auxiliary services	3,382,410	2,762,784	8.4%	3,027,666	264,882	3,271,874
Public works	10,572,032	7,190,090	21.8%	6,286,202	(903,888)	8,537,802
Change in joint venture <sup>1</sup>	-	(754,844)	-2.3%	(492,726)	262,118	(4,452,279)
Health and welfare	5,581,089	1,384,316	4.2%	1,217,143	(167,173)	1,259,338
Community programs	4,296,657	3,695,642	11.2%	3,711,515	15,873	4,127,949
Interest	57,270	57,270	0.2%	70,139	12,869	81,935
<b>Total</b>	<b>\$ 49,886,596</b>	<b>\$ 32,907,245</b>	<b>100.0%</b>	<b>\$ 34,451,148</b>	<b>\$ 1,543,903</b>	<b>\$ 29,351,266</b>

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

After reducing gross expenses by program revenues, public safety totals nearly 42% 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 15% of the total net cost of services.

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## 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 \$68,066,882. Of this year-end total, \$482,185 represents inventories held for future consumption and \$438,862 are long-term receivables and deposits; neither category represents available, spendable resources. A total of \$22,625,359 is legally restricted for specific purposes, including economic stabilization, programming spending, capital improvements, joint projects, public assistance and debt service. A total of \$1,331,567 is assigned for 2012 budget requirements, including \$921,765 for debt service and \$409,802 to cover planned deficit expenditures in the general fund. Finally, more than \$43 million is unassigned, representing availability for continuing County service requirements.

The total ending fund balances of governmental funds show an increase of \$4,371,483 or nearly 7% 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 2013-2015.

### *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 \$6.5 million. This followed a \$12 million increase in 2010.

Property tax collections in the General Fund decreased in 2011 by nearly \$9 million to slightly more than \$17 million as the result of a significant decline in assessed value related to natural gas prices. In 2011, net sales taxes totaled about \$10.5 million, a moderate increase over the adjusted 2010 collections of \$10.2 million (the reported amount of \$11.5 million in 2010 included a one-time audit adjustment of \$1.3 million). State and federal revenues were slightly less than calendar 2010. We received an increased direct distribution of severance tax and federal mineral leasing funds awarded through the State of Colorado but saw slightly less funding in a pass-through Community Development Block grant. Most other revenue streams were consistent with that of calendar 2010. In 2011, the County received approximately \$420,000 in interest income, with an average yield on investments of 0.48%. The large increase in miscellaneous revenues primarily resulted from a court judgment related to pollution liability at the County jail site totaling approximately \$630,000 and which is explained in footnote 3-J. Expenditures in the general fund dropped by about 10%, some of that related to an early-2011 staffing reduction in the building, planning and GIS departments, and related to operating budget reductions in response to the declining property taxes.

The General Fund's ending unassigned fund balance of more than \$48 million is considered more than adequate, representing nearly 106% of 2012 budgeted general fund expenditures and transfers out to other funds. The County has a policy that requires a general fund unreserved balance of 20%-25% of the annual appropriation amount, and the current unreserved fund balance more than exceeds that level.

The Road and Bridge fund's fund balance decreased by nearly \$1 million in 2011, primarily due to declining property taxes related to natural gas pricing. Other revenues were approximately the same as 2010. This fund spent nearly \$8.7 million building, improving and maintaining County roads and bridges, which was about \$1.3 million less than in 2010, primarily because of the lack of funding for capital projects due to the suspension of the State's energy impact assistance grants program.

The social services fund spent more than \$5.5 million in providing services to clients, about the same level as in 2010. Again, because of property tax declines, tax revenues in the social services fund decreased by approximately \$500,000, leading to an almost flat fund balances over the prior year.

The capital improvement fund balance increased by nearly \$1 million in 2011. This was primarily due to setting aside funds for a planned acquisition of a property adjacent to the downtown Courthouse that will allow for future expansion of County facilities.

**Budgetary Highlights**

*The General Fund* – In order to comply with new guidance on fund types, revenues and reporting of reserves, the general fund budget was modified to show the receipt of a portion of the County’s sales tax directly into the Joint Sales tax fund, instead of a receipt into the general fund and then a corresponding transfer out. The revenue budget was increased by approximately \$200,000 over the original budget for several grants. The 2011 budget was adopted with a cautionary allowance of 2% for uncollectible property taxes, which ultimately did not prove necessary and overall, property, sales, and other tax collections were \$0.5 million more than the final budget. Intergovernmental revenues were very close to budget, while building permits were only about 75% of budgeted. Fees and charges for services were generally higher than budgeted. Investment earnings in the General Fund came in slightly more than the \$400,000 that was budgeted, and as previously noted, the County received about \$630,000 in unanticipated revenues related to the jail pollution award. 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 \$400,000 for landfill closure expenses that had previously been budgeted for in a separate special revenue fund, and by almost \$200,000 for several grants that were awarded after budget adoption. In 2011, the County placed \$1.8 million in a budget reserve account and transferred about \$522,000 of that out to other General Fund line items, such as professional services and software and technology. The County spent 87% 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, 2011, was \$101,427,282. Because of depreciation, net capital assets decreased by about 3%. 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.

<b>Governmental Activities</b>	<u>@ 12/31/2011</u>	<u>@ 12/31/2010</u>
Non-depreciable assets:		
Land	\$ 8,220,251	\$ 7,269,698
Construction in progress	185,360	185,360
Total non-depreciable	<u>8,405,611</u>	<u>7,455,058</u>
Depreciable assets:		
Buildings	48,163,484	47,999,169
Improvements	9,077,536	9,049,520
Machinery and equipment	15,625,169	15,353,730
Infrastructure	<u>80,781,633</u>	<u>80,039,347</u>
Total depreciable assets	153,647,822	152,441,766
Less accumulated depreciation	<u>60,626,151</u>	<u>55,074,475</u>
Book value - depreciable assets	<u>93,021,671</u>	<u>97,367,291</u>
Percentage depreciated	<u>39%</u>	<u>36%</u>
Book value - all assets	<u>\$ 101,427,282</u>	<u>\$ 104,822,349</u>

The change to the land asset class relates to the purchase of property adjacent to the current County Courthouse to allow for future expansion, at a cost of slightly more than \$950,000. The existing buildings located on the site will be demolished and a temporary parking lot will be constructed on the site in 2012.

The County has capitalized current year infrastructure costs of over \$700,000 including the following major projects:

- Design of safety improvements to the intersection of State Highway 172 and County Road 311
- Design of a replacement bridge on CR 207 at Lightner Creek
- Completion of the reconstruction of the intersection of CR 309 at the Durango/LaPlata County Airport

***Long-term Debt***

At the end of the current fiscal year, La Plata County had no bonded debt. During 2011, the County retired \$415,000 in certificates of participation issued by the La Plata County Finance Authority in 2004 for the acquisition of the Old Main Professional Building, leaving an outstanding balance of \$1,350,000. See Note 3-G for additional information about the County's long-term debt. We discuss the pollution remediation costs in Note 3-J and the landfill closure and postclosure care liability in Note 3-K. A summary of outstanding debt at year-end is as follows:

Long Term Debt--Governmental Activities	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>\$ Change</u>	<u>% Change</u>
Certificates of Participation	\$ 1,350,000	\$ 1,765,000	\$ (415,000)	-24%
Compensated Absences	1,385,056	1,422,959	(37,903)	-3%
Pollution remediation costs	2,844,725	2,945,725	(101,000)	-3%
Landfill closure and postclosure care costs	<u>865,000</u>	<u>937,500</u>	<u>(72,500)</u>	<u>-8%</u>
Total Governmental Activities	<u>\$ 6,444,781</u>	<u>\$ 7,071,184</u>	<u>\$ (626,403)</u>	<u>-9%</u>

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

For budget year 2012, the County's assessed valuation increased by about 2%, resulting in about \$400,000 in additional property tax revenue. This follows a decrease of about \$10 million from the record high property tax levels of almost \$30 million in budget year 2010. These dramatic changes arise because property tax valuation related to the extraction of coal-bed methane gas comprises a very large percentage of the County's overall property tax collections. While production levels remain consistent with the normal declines expected as a field ages, prices can and do fluctuate dramatically from the record high levels of 2008 (which translated to the 2010 property tax collections) to the lows of early 2009 (which resulted in the declines in the 2011 and 2012 budgets).

The national recession and the instability in the housing and financial markets have continued to affect the La Plata County economy, although adjusted County sales tax collections increased by approximately 4% in 2011 compared to 2010. We have projected a 2% increase for 2012. The local construction sector continues to struggle, reflected in the continuing low number of building and planning permits requested. The County's 2012 budget has been prepared with consideration of these and other economic factors and community needs, and over the last few years, we have made reductions to the County's staffing and operational budgets.

Because of the County's practice of multi-year fiscal planning and forecasting, the decline in property tax collections in fiscal 2011 was identified and prepared for well in advance, and the planned increases to the County's liquid reserve levels in 2009-2011 will help us to avoid a dramatic reduction in service levels going forward. As part of the 2012 budget process, we added only two additional positions; a caseworker/manager in our Human Services Department and the retention of a previously grant funded domestic violence prosecutor. We adjusted salaries across-the-board by +2% for all employees who successfully completed their most recent performance review. We continue to do executive review of all expenditures for capital and professional services agreements before contracting, as well as most travel and training requests. Our

management team reviews position vacancies prior to recruitment. Of concern are the record low prices we are seeing in natural gas, which we expect to impact the 2013 budget, perhaps by as much as a 20% reduction in property tax collections, although we project a slow recovery back to 2005 levels by budget year 2015. Our adopted 2012 budget shows a dip of about \$9.6 million into fund balance reserves, with about \$5.5 million of that being for the purchase and remodel of a nearby office building, and remodel of the County Courthouse to accommodate the lease of space to the federal courts. We also plan to do an early redemption of our 2004 Certificates of Participation, which will require an additional \$900,000 in debt service in 2012, but which will save us approximately \$45,000 in interest costs over the next two years. 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. 2<sup>nd</sup> Avenue, Durango, CO 81301, or via email [distelkj@co.laplata.co.us](mailto:distelkj@co.laplata.co.us).

## **BASIC FINANCIAL STATEMENTS**

**La Plata County, Colorado**  
**Statement of Net Assets**  
**December 31, 2011**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 235,139	\$ 100,228
Equity in treasurer's cash and investments	73,486,616	-
Restricted cash and investments	165,055	-
Cash held by Trustee	431,980	-
Receivables:		
Accounts	860,595	6,089
Taxes	20,084,463	-
Deposits	138,862	-
Intergovernmental	2,631,632	151,699
Due from component unit	300,000	-
Due from primary government	-	257,957
Inventory	608,391	-
Investment in joint venture	18,293,810	-
<b>Capital Assets</b>		
Nondepreciable capital assets	8,405,611	-
Depreciable capital assets, net	93,021,671	27,729
<b>Total Assets</b>	<b>218,663,825</b>	<b>543,702</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	755,575	3,147
Accrued expenses	731,471	58,363
Intergovernmental payable	922,655	-
Accrued interest payable	4,092	-
Due to primary government	-	300,000
Deposits payable	130,961	-
Unearned revenue	20,234,463	-
Liabilities payable from restricted assets	165,055	-
Claims payable	365,785	-
Current portion-certificates of participation payable	1,350,000	-
Current portion-compensated absences payable	346,263	18,809
Current portion-pollution remediation obligations	170,000	-
Current portion-landfill closure and post-closure care costs payable	287,500	-
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	1,038,793	56,426
Pollution remediation obligations (net of current portion)	2,674,725	-
Landfill closure/post-closure costs (net of current portion)	577,500	-
<b>Total Liabilities</b>	<b>29,754,838</b>	<b>436,745</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	100,077,282	27,729
Restricted for:		
Capital improvements	6,283,012	-
Debt service	450,985	-
Required legal fund segregations	14,349,826	-
Economic stabilization (TABOR)	1,541,536	61,117
Unrestricted	66,206,346	18,111
<b>Total Net Assets</b>	<b>\$ 188,908,987</b>	<b>\$ 106,957</b>

See accompanying notes to the basic financial statements

La Plata County, Colorado  
Statement of Activities  
For the Year Ended December 31, 2011

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	
<b>Primary Government</b>						
<b>Governmental Activities</b>						
General government	\$ 10,570,951	\$ 2,689,737	\$ 2,927,245	\$ 136,956	\$ (4,817,013)	\$ -
Public safety	15,426,187	930,281	740,932	-	(13,754,974)	-
Auxiliary services	3,382,410	243,891	375,735	-	(2,762,784)	-
Public works	10,572,032	52,926	3,157,440	171,576	(7,190,090)	-
Public works-increase (decrease) in joint venture	-	-	754,844	-	754,844	-
Health and welfare	5,581,089	-	4,196,773	-	(1,384,316)	-
Community programs	4,296,657	-	601,015	-	(3,695,642)	-
Interest and fiscal charges	57,270	-	-	-	(57,270)	-
<b>Total Governmental Activities</b>	<b>\$ 49,886,596</b>	<b>\$ 3,916,835</b>	<b>\$ 12,753,984</b>	<b>\$ 308,532</b>	<b>\$ (32,907,245)</b>	<b>\$ -</b>
<b>Component Unit</b>						
Office of the District Attorney	\$ 2,115,982	\$ -	\$ 764,299	\$ -	\$ -	\$ (1,351,683)
<b>General Revenues</b>						
Property taxes levied for general government purposes					21,357,288	-
Sales taxes					12,363,979	-
Lodgers taxes					198,218	-
Cable franchise fees					101,201	-
Operational funding from primary government--unrestricted					-	1,294,000
Investment earnings					420,128	-
Miscellaneous					1,947,870	41,424
<b>Total General Revenues</b>					<b>36,388,684</b>	<b>1,335,424</b>
<b>Change in Net Assets</b>					<b>3,481,439</b>	<b>(16,259)</b>
<b>Beginning Net Assets (Component Unit Restated)</b>					<b>185,427,548</b>	<b>123,216</b>
<b>Net Assets End of Year</b>					<b>\$ 188,908,987</b>	<b>\$ 106,957</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2011**

	<u>General</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash	\$ 233,939	\$ 800	\$ 400	\$ -	\$ -	\$ 235,139
Equity in treasurer's cash and investments	47,155,604	8,825,305	2,768,766	6,360,958	533,070	65,643,703
Restricted cash and investments	69,114	-	95,941	-	-	165,055
Cash held by Trustee	-	-	-	-	431,980	431,980
Receivables:						
Accounts	821,946	20,376	12,297	-	-	854,619
Taxes	17,443,759	1,671,399	894,552	-	74,753	20,084,463
Deposits	2,000	-	-	136,862	-	138,862
Intergovernmental	1,756,335	334,930	467,508	72,859	-	2,631,632
Component unit	300,000	-	-	-	-	300,000
Interfund	87,847	-	-	-	-	87,847
Inventory	58,411	423,774	-	-	-	482,185
<b>Total Assets</b>	<u>\$ 67,928,955</u>	<u>\$ 11,276,584</u>	<u>\$ 4,239,464</u>	<u>\$ 6,570,679</u>	<u>\$ 1,039,803</u>	<u>\$ 91,055,485</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 518,877	\$ 87,906	\$ 123,091	\$ 805	\$ 3,850	\$ 734,529
Accrued salaries and wages	616,687	96,406	-	-	-	713,093
Intergovernmental payable	785,073	65,718	71,864	-	-	922,655
Interfund payable	-	-	87,847	-	-	87,847
Deposits payable	130,961	-	-	-	-	130,961
Deferred revenues	17,443,759	1,671,399	894,552	150,000	74,753	20,234,463
Liabilities payable from restricted assets	69,114	-	95,941	-	-	165,055
<b>Total Liabilities</b>	<u>19,564,471</u>	<u>1,921,429</u>	<u>1,273,295</u>	<u>150,805</u>	<u>78,603</u>	<u>22,988,603</u>
<b>Fund Balances</b>						
Nonspendable fund balances:						
Inventory	58,411	423,774	-	-	-	482,185
Long term receivables and deposits	302,000	-	-	136,862	-	438,862
Restricted for:						
Economic stabilization (TABOR)	1,541,536	-	-	-	-	1,541,536
Law enforcement	226,439	-	-	-	-	226,439
Conservation trust fund program expenditures	1,715,622	-	-	-	-	1,715,622
Construction and maintenance of public streets	-	6,878,152	-	-	126,685	7,004,837
Capital improvements supported by impact fees	-	2,018,130	-	-	-	2,018,130
Forest Reserves Title III Expenditures	-	35,099	-	-	-	35,099
Joint La Plata County/City of Durango projects	-	-	-	-	383,530	383,530
Public assistance and welfare	-	-	1,369,673	-	-	1,369,673
Child welfare	-	-	1,596,496	-	-	1,596,496
General capital improvements	-	-	-	6,283,012	-	6,283,012
Debt service	-	-	-	-	450,985	450,985
Assigned to:						
Debt service	921,765	-	-	-	-	921,765
Next year's budget deficit	409,802	-	-	-	-	409,802
Unassigned	43,188,909	-	-	-	-	43,188,909
<b>Total Fund Balances</b>	<u>48,364,484</u>	<u>9,355,155</u>	<u>2,966,169</u>	<u>6,419,874</u>	<u>961,200</u>	<u>68,066,882</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 67,928,955</u>	<u>\$ 11,276,584</u>	<u>\$ 4,239,464</u>	<u>\$ 6,570,679</u>	<u>\$ 1,039,803</u>	<u>\$ 91,055,485</u>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**December 31, 2011**

<b>Total Governmental Fund Balances</b>	\$	68,066,882
 <b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the government-wide statement of net assets, the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	\$ 162,053,433	
Less accumulated depreciation	<u>(60,626,151)</u>	101,427,282
 Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets:		
Interfund receivables	\$ 87,847	
Interfund payables	<u>(87,847)</u>	-
 The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net assets.		
		18,293,810
 An internal service fund is used by management to charge the costs of employee medical self-insurance and fleet management costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		
Non-capital assets	\$ 7,975,095	
Non-capital liabilities	<u>(405,209)</u>	7,569,886
 Accrued interest on certificates of participation is not accrued at the fund level but is reported on the government-wide statement of net assets.		
		(4,092)
 Liabilities that are not due and payable in the current period and therefore are not reported in the funds but are reported on the government-wide statement of net assets.		
Certificates of participation	\$ (1,350,000)	
Compensated absences	(1,385,056)	
Pollution remediation obligations	(2,844,725)	
Landfill closure and postclosure care costs	<u>(865,000)</u>	<u>(6,444,781)</u>
 <b>Net Assets Of Governmental Activities</b>	 \$	 <u><u>188,908,987</u></u>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2011**

	<b>General</b>	<b>Road and Bridge</b>	<b>Social Services</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Taxes	\$ 29,547,403	\$ 1,592,477	\$ 976,357	\$ -	\$ 1,904,447	\$ 34,020,684
Intergovernmental	4,607,921	3,314,349	4,196,773	136,956	-	12,255,999
Licenses and permits	335,874	52,926	-	-	-	388,800
Charges for services	3,350,386	-	-	-	-	3,350,386
Investment earnings	417,944	-	-	-	732	418,676
Miscellaneous	1,319,712	308,635	349,949	-	2,750	1,981,046
<b>Total Revenues</b>	<b>39,579,240</b>	<b>5,268,387</b>	<b>5,523,079</b>	<b>136,956</b>	<b>1,907,929</b>	<b>52,415,591</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	9,766,049	-	-	-	-	9,766,049
Public safety	14,901,413	-	-	-	-	14,901,413
Auxiliary services	3,068,201	-	-	-	-	3,068,201
Public works	142,763	7,636,980	-	-	52,043	7,831,786
Health and welfare	-	-	5,508,421	-	-	5,508,421
Community programs	4,296,657	-	-	-	-	4,296,657
<b>Capital Outlay</b>	-	1,047,319	-	1,151,409	-	2,198,728
<b>Debt Service:</b>						
Principal retirement	-	-	-	-	415,000	415,000
Interest and fiscal charges	-	-	-	-	57,853	57,853
<b>Total Expenditures</b>	<b>32,175,083</b>	<b>8,684,299</b>	<b>5,508,421</b>	<b>1,151,409</b>	<b>524,896</b>	<b>48,044,108</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>7,404,157</b>	<b>(3,415,912)</b>	<b>14,658</b>	<b>(1,014,453)</b>	<b>1,383,033</b>	<b>4,371,483</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	4,071,536	2,500,000	-	2,000,000	471,103	9,042,639
Transfers out	(4,971,103)	-	-	-	(4,071,536)	(9,042,639)
<b>Total Other Financing Sources (Uses)</b>	<b>(899,567)</b>	<b>2,500,000</b>	<b>-</b>	<b>2,000,000</b>	<b>(3,600,433)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>6,504,590</b>	<b>(915,912)</b>	<b>14,658</b>	<b>985,547</b>	<b>(2,217,400)</b>	<b>4,371,483</b>
<b>Fund Balances Beginning of Year</b>	<b>41,859,894</b>	<b>10,271,067</b>	<b>2,951,511</b>	<b>5,434,327</b>	<b>3,178,600</b>	<b>63,695,399</b>
<b>Fund Balances End of Year</b>	<b>\$ 48,364,484</b>	<b>\$ 9,355,155</b>	<b>\$ 2,966,169</b>	<b>\$ 6,419,874</b>	<b>\$ 961,200</b>	<b>\$ 68,066,882</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Reconciliation of the Governmental Funds Statement of Revenues**  
**Expenditures and Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2011**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		\$ 4,371,483
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
Internal service funds are used by management to charge the costs of fleet management and self insurance to individual funds. The net revenue of certain activities (excluding depreciation) of internal service funds is reported with governmental activities.		
Operating revenues	\$ 5,925,817	
Operating expense (excl depr)	(4,227,043)	
Investment earnings	<u>1,452</u>	1,700,226
Internal service funds capital asset activity:		
Depreciation expense	\$ (996,284)	
Cash received from sales of assets	160,830	
Assets disposed-net of accum depreciation	<u>(98,338)</u>	(933,792)
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)	\$ (4,929,096)	
Capital outlay (excl internal service funds)	<u>1,890,788</u>	(3,038,308)
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		
		754,844
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.		
Transfers in	\$ 9,042,639	
Transfers out	<u>(9,042,639)</u>	-
Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12/31/11	\$ (4,092)	
Liability @ 12/31/10	<u>4,675</u>	583
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 @ 12/31/11	\$ (2,844,725)	
Liability @ 12/31/10	<u>2,945,725</u>	101,000
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 @ 12/31/11	\$ (865,000)	
Liability @ 12/31/10	<u>937,500</u>	72,500
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Liability @ 12/31/11	\$ (1,350,000)	
Liability @ 12/31/10	<u>1,765,000</u>	415,000
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 @ 12/31/11	\$ (1,385,056)	
Liability @ 12/31/10	<u>1,422,959</u>	37,903
<b>Change In Net Assets of Governmental Activities</b>		<u><u>\$ 3,481,439</u></u>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**General Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 30,747,065	\$ 28,987,067	\$ 29,547,403	\$ 560,336
Intergovernmental	4,410,573	4,632,731	4,607,921	(24,810)
Licenses and permits	440,410	440,410	335,874	(104,536)
Charges for services	2,704,784	2,704,784	3,350,386	645,602
Investment earnings	400,000	400,000	417,944	17,944
Miscellaneous	393,674	393,674	1,319,712	926,038
<b>Total Revenues</b>	<u>39,096,506</u>	<u>37,558,666</u>	<u>39,579,240</u>	<u>2,020,574</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	12,820,400	12,543,164	9,766,049	2,777,115
Public safety	15,366,132	15,532,395	14,901,413	630,982
Auxiliary services	3,473,831	3,636,786	3,068,201	568,585
Public works	-	398,000	142,763	255,237
Community programs	4,783,282	4,985,602	4,296,657	688,945
<b>Total Current</b>	<u>36,443,645</u>	<u>37,095,947</u>	<u>32,175,083</u>	<u>4,920,864</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,652,861</u>	<u>462,719</u>	<u>7,404,157</u>	<u>6,941,438</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,054,639	4,266,562	4,071,536	(195,026)
Transfers out	(7,031,101)	(4,971,103)	(4,971,103)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(4,976,462)</u>	<u>(704,541)</u>	<u>(899,567)</u>	<u>(195,026)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,323,601)</u>	<u>\$ (241,822)</u>	6,504,590	<u>\$ 6,746,412</u>
<b>Fund Balances Beginning of Year</b>			<u>41,859,894</u>	
<b>Fund Balances End of Year</b>			<u>\$ 48,364,484</u>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Road and Bridge Fund**  
*Statement of Revenues, Expenditures and*  
*Changes in Fund Balances - Budget and Actual*  
*For the Year Ended December 31, 2011*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 1,568,765	\$ 1,568,765	\$ 1,592,477	\$ 23,712
Intergovernmental	5,973,085	6,024,961	3,314,349	(2,710,612)
Licenses and permits	44,000	44,000	52,926	8,926
Miscellaneous	289,500	239,500	308,635	69,135
<b>Total Revenues</b>	<u>7,875,350</u>	<u>7,877,226</u>	<u>5,268,387</u>	<u>(2,608,839)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public works	8,652,039	8,949,446	7,636,980	1,312,466
<b>Capital Outlay</b>	<u>4,733,333</u>	<u>4,777,042</u>	<u>1,047,319</u>	<u>3,729,723</u>
<b>Total Expenditures</b>	<u>13,385,372</u>	<u>13,726,488</u>	<u>8,684,299</u>	<u>5,042,189</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(5,510,022)</u>	<u>(5,849,262)</u>	<u>(3,415,912)</u>	<u>2,433,350</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ (3,010,022)</u>	<u>\$ (3,349,262)</u>	<u>(915,912)</u>	<u>\$ 2,433,350</u>
<b>Fund Balances Beginning of Year</b>			<u>10,271,067</u>	
<b>Fund Balances End of Year</b>			<u>\$ 9,355,155</u>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Social Services Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 989,594	\$ 989,594	\$ 976,357	\$ (13,237)
Intergovernmental	5,968,531	5,968,531	4,196,773	(1,771,758)
Miscellaneous	-	-	349,949	349,949
<b>Total Revenues</b>	<u>6,958,125</u>	<u>6,958,125</u>	<u>5,523,079</u>	<u>(1,435,046)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Health and welfare	<u>7,672,393</u>	<u>7,672,393</u>	<u>5,508,421</u>	<u>2,163,972</u>
<b>Total Expenditures</b>	<u>7,672,393</u>	<u>7,672,393</u>	<u>5,508,421</u>	<u>2,163,972</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(714,268)</u>	<u>(714,268)</u>	<u>14,658</u>	<u>728,926</u>
<b>Net Change in Fund Balances</b>	<u>\$ (714,268)</u>	<u>\$ (714,268)</u>	<u>14,658</u>	<u>\$ 728,926</u>
<b>Fund Balances Beginning of Year</b>			<u>2,951,511</u>	
<b>Fund Balances End of Year</b>			<u>\$ 2,966,169</u>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
*Statement of Net Assets*  
*Internal Service Funds*  
*December 31, 2011*

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets</b>	
<b>Current Assets:</b>	
Equity in treasurer's cash and investments	\$ 7,842,913
Accounts receivable	5,976
Inventory	126,206
<b>Total Current Assets</b>	<b>7,975,095</b>
<b>Noncurrent Assets:</b>	
<b>Capital Assets:</b>	
Depreciable capital assets, net	6,437,525
<b>Total Assets</b>	<b>\$ 14,412,620</b>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accrued payroll	18,378
Accounts payable	21,046
Accrued claims payable	365,785
<b>Total Current Liabilities</b>	<b>405,209</b>
<b>Net Assets</b>	
Invested in capital assets	6,437,525
Unrestricted	7,569,886
<b>Total Net Assets</b>	<b>\$ 14,007,411</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2011**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 2,876,202
Insurance deposits	3,049,615
<b>Total Operating Revenues</b>	<b>5,925,817</b>
<b>Operating Expenses</b>	
Equipment maintenance	1,060,740
Depreciation	996,284
Medical claims	3,166,303
<b>Total Operating Expenses</b>	<b>5,223,327</b>
<b>Operating Income (Loss)</b>	<b>702,490</b>
<b>Non-Operating Revenues</b>	
Gain (loss) on sale of capital assets	62,492
Investment earnings	1,452
<b>Total Non-Operating Revenues (Expenses)</b>	<b>63,944</b>
<b>Change in Net Assets</b>	<b>766,434</b>
<b>Net Assets Beginning of Year</b>	<b>13,240,977</b>
<b>Net Assets End of Year</b>	<b>\$ 14,007,411</b>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2011**

	<b>Governmental Activities - Internal Service Funds</b>
<hr/>	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 6,020,551
Cash payments for goods and services	(1,074,626)
Cash payments for claims	(2,994,969)
	<u>1,950,956</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	
<b>Cash Flows from Capital and Related Financing Activities</b>	
Cash sales of capital assets	160,830
Payments for capital acquisitions	(737,863)
	<u>(577,033)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	
<b>Cash Flows from Investing Activities</b>	
Investment earnings	1,452
	<u>1,452</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,375,375
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>6,467,538</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 7,842,913</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>	
<b>Operating Income (Loss)</b>	\$ 702,490
<b>Adjustments:</b>	
Depreciation	996,284
<b>(Increase) Decrease in Assets:</b>	
Accounts receivable	94,735
Inventory	(17,898)
<b>Increase (Decrease) in Liabilities:</b>	
Accounts payable	4,740
Accrued incurred/unreported claims	171,334
Accrued wages	(728)
	<u>1,950,956</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,950,956</u>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Comparative Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 2,116,437	\$ 2,470,639
<b>Liabilities</b>		
Accounts payable	\$ 4,454	\$ 2,307
Due to component unit	257,957	272,561
Deposits held for others	1,854,026	2,195,771
<b>Total Liabilities</b>	<u>\$ 2,116,437</u>	<u>\$ 2,470,639</u>

See accompanying notes to the basic financial statements

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Index**

<b>Summary of Significant Accounting Policies .....</b>	<b>1</b>
Reporting Entity .....	1-A
Basis of Presentation .....	1-B
Measurement Focus and Basis of Accounting.....	1-C
Assets, Liabilities and Fund Equity .....	1-D
Cash, Cash Equivalents and Investments .....	1-D-1
Receivables.....	1-D-2
Interfund Balances .....	1-D-3
Consumable Inventories.....	1-D-4
Restricted Assets .....	1-D-5
Capital Assets.....	1-D-6
Compensated Absences.....	1-D-7
Accrued Liabilities and Long-term Obligations.....	1-D-8
Fund Equity.....	1-D-9
Operating Revenues and Expenses .....	1-D-10
Interfund Activity.....	1-D-11
Estimates .....	1-D-12
Comparative Data .....	1-D-13
Accounting Change.....	1-D-14
<b>Stewardship, Compliance and Accountability .....</b>	<b>2</b>
Budgetary Information.....	2-A
<b>Detailed Notes on All Funds .....</b>	<b>3</b>
Deposits and Investments.....	3-A
Receivables .....	3-B
Property Taxes .....	3-C
Capital Assets.....	3-D
Interfund Balances and Transfers.....	3-E
Liabilities – DIA Defaults .....	3-F
Changes in Long-Term Debt.....	3-G
Certificates of Participation.....	3-H
Compensated Absences.....	3-I
Pollution Remediation.....	3-J
Landfill Closure and Postclosure Care Costs .....	3-K
Conduit Debt.....	3-L
Lease Obligations.....	3-M
Pensions .....	3-N
Fund Balance Reserves .....	3-O
<b>Other Notes</b>	
Risk Management .....	4
Contingent Liabilities.....	5
Joint Venture .....	6
Tax, Spending and Debt Limitations.....	7
Subsequent Events .....	8
Restatement.....	9

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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

**Note 1 - Summary of Significant Accounting Policies**

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental entities. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The County has implemented the provisions of GASB Statement 20 with regard to the application of Financial Accounting Standards Board (FASB) pronouncements to its proprietary funds. In accordance with the provisions of GASB Statement 20, the County has elected not to apply those FASB statements and interpretations issued after November 30, 1989. A summary of significant policies is as follows:

**1-A. Reporting Entity**

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

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

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

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

A brief description of the blended component units follows:

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

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

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

for financial reporting purposes it is considered part of the County and is reported in the La Plata County Finance Authority Debt Service Fund.

A brief description of the discretely presented component unit follows:

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

**1-B. Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

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

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

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

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

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

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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***. Two other special revenues funds were closed in 2011.

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

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

***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 assets. All transactions and events that affect the total economic resources (net assets) during the period are reported. Under the full accrual basis of

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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

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 assets or balance sheets as "Equity in treasurer's cash and investments."

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

For the purposes of cash flow statements, cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Equity in the 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.

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

***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 assets, 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 \$95,941 and La Plata County jail inmate commissary funds of \$69,114.

***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 assets but does not report these assets in the government fund financial statements.

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

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

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

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, 2011, 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. Certificates of participation, landfill closure and post-closure care costs and pollution remediation costs are recognized as a liability in the governmental fund financial statements when due.

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

***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 assets.” 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 according to limitations imposed by the Board of County Commissioners, the County’s highest level of decision making authority. The constraint may be removed or changed only through formal action of the Board.
- Assigned fund balance – the portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of County Commissioners or other individuals authorized to assign funds to be used for a specific purpose. 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 Assets*** - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. It should be noted that while the “Investment in Joint Venture” is a component of unrestricted net assets, it does not represent available, spendable resources, since the dissolution of the airport joint venture is highly unlikely.

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

***1-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.

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

***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, 2010, 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 and the remaining fund balance of \$2,000,000 was transferred into the General fund. The special revenue Landfill Closure Fund was also closed 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 2011 (and in comparative data for 2010) the amounts have been shown as direct sales tax revenue in the Joint Sales Tax Fund.

***Note 2 - Stewardship, Compliance and Accountability***

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

Colorado State Statutes require the adoption of annual budgets for all funds, including proprietary funds. The annual budget adoption and appropriation resolutions provide that expenditures in excess of the amounts appropriated by fund are considered to be a violation of State law, and thus the highest level of budgetary control (the level at which the Board of County Commissioners must approve any over expenditures of appropriations or transfers of appropriated amounts) is considered to be at the fund level. In further accordance with the annual budget adoption

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

and appropriation resolutions, line item budgets are grouped into departments and departments are assigned to a "spending authority", which is typically an elected official or department head. More than one department may be assigned to a spending authority. Management is able to amend the budget by transferring monies within the individual line items within a spending authority without seeking approval of the Board of County Commissioners. Thus, there is a secondary legal level of control at the spending authority. The annual budget and appropriation resolutions also limit amounts reserved for personnel, operating and capital expenditures to those categories of expenditures unless otherwise approved by the Director of Finance and County Manager in accordance with County policy. All unexpended annual appropriations lapse at year end.

In accordance with state statute, the Board of County Commissioners may, by resolution, authorize supplemental expenditures during the year, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. They may also transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another. In the General, Road and Bridge and Capital Improvement funds, a budget contingency is appropriated from which funds can be transferred, with Board approval, for unanticipated expenditures. Several supplemental appropriations and budget contingency transfers were adopted during 2011.

***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 \$2,711,067 and the bank balance was \$3,719,454. Of the bank balance, \$574,620 was covered by federal depository insurance and \$3,144,834 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 \$100,222 and the bank balance was \$109,130. Of the bank balance, \$109,130 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

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

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

As of December 31, 2011, 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.colotruster.com](http://www.colotruster.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, 2011, the County's investments were as follows:

	Weighted Avg Mkt Dur (Yrs)	S&P/ Moody Rating	% of Portfolio	Fair Value/ Carrying Amount
Local government investment pool-ColoTrust Plus	-	AAA/Aaa	23.31	\$ 17,130,057
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	40.67	29,887,514
Local government investment pool-ColoTrust Prime	-	AAA/Aaa	3.26	2,395,301
Federal Home Loan Bank (FHLB)	1.08	AAA/Aaa	8.23	6,046,435
Federal National Mortgage Association (FNMA)	1.06	AAA/Aaa	5.48	4,026,739
Federal Home Loan Mortgage Corporation (FHLMC)	0.77	AAA/Aaa	5.47	4,023,573
United States Treasury notes	1.05	AAA/Aaa	4.10	3,014,571
Federal Farm Credit Bank (FFCB)	0.77	AA+/Aaa	1.41	1,035,357
Commercial Paper - Sheffield Receivable	-	A-1	2.72	1,999,288
Corporate - GE Capital	1.00	AA+	0.69	509,500
Corporate - GE Capital	1.96	AA+	0.69	507,485
Corporate - Met Life Global	1.01	AA-	1.38	1,012,115
Corporate - New York Life Global	0.95	AA+	0.62	455,968
Corporate - New York Life Global	1.91	AA+	0.69	504,476
Corporate - TIAA Global Markets	0.76	AA+	0.70	515,878
Held by US Bank as Trustee:				
First American Government Obligation Fund Cl A	-	AAAm/Aaa-mf	0.59	431,980
<b>Total</b>			<b>100.00</b>	<b>\$ 73,496,237</b>

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**Cash & Investment Reconciliation:**

<u>Description</u>	<u>Carrying Amounts</u>		<u>Cash and Cash Equivalents</u>
		From Statement of Net Assets:	
Cash on hand	\$ 201,103	Cash & Cash Deposits	\$ 235,139
Deposits	2,711,067	Equity in treasurer's cash and investments	73,486,615
Investments	73,496,237	Cash held by Trustee	431,980
Interest Receivable	6,250	Restricted cash and investments	165,055
Other Receivable	20,569	From Statement of Fiduciary Assets and Liabilities	2,116,437
Total	<u>\$ 76,435,226</u>	Total	<u>\$ 76,435,226</u>

**3-B. Receivables**

Receivables at December 31, 2011, consisted of taxes, interest, accounts (billings for user charges) and intergovernmental receivables arising from grants.

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

**3-C. Property Taxes**

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

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**3-D. Capital Assets**

Capital asset activity for governmental activities (including internal service funds) for the year ended December 31, 2011, was as follows:

	Balance 1/1/2011	Additions	Deletions	Balance 12/31/2011
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,269,698	\$ 950,553	\$ -	\$ 8,220,251
Construction in progress	185,360	-	-	185,360
Total capital assets not being depreciated	<u>7,455,058</u>	<u>950,553</u>	<u>-</u>	<u>8,405,611</u>
Depreciable capital assets:				
Buildings	47,999,169	164,315	-	48,163,484
Improvements	9,049,520	28,016	-	9,077,536
Machinery and equipment	15,353,730	743,481	472,042	15,625,169
Infrastructure	80,039,347	742,286	-	80,781,633
Total depreciable capital assets	<u>152,441,766</u>	<u>1,678,098</u>	<u>472,042</u>	<u>153,647,822</u>
Total capital assets	<u>159,896,824</u>	<u>2,628,651</u>	<u>472,042</u>	<u>162,053,433</u>
Accumulated depreciation:				
Buildings	8,205,402	1,031,741	-	9,237,143
Improvements	1,810,631	323,406	-	2,134,037
Machinery and equipment	7,079,310	1,399,579	373,704	8,105,185
Infrastructure	37,979,132	3,170,654	-	41,149,786
Total accumulated depreciation	<u>55,074,475</u>	<u>5,925,380</u>	<u>373,704</u>	<u>60,626,151</u>
Governmental activities capital assets, net	<u>\$ 104,822,349</u>	<u>\$ (3,296,729)</u>	<u>\$ 98,338</u>	<u>\$ 101,427,282</u>

Governmental activities depreciation expense

	Total
General government	\$ 739,700
Public safety	830,494
Auxiliary services	398,074
Public works	3,916,566
Health and welfare	40,546
Total governmental activities depreciation expense	<u>\$ 5,925,380</u>

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2011:

	Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011
Depreciable capital assets:				
Improvements	\$ 23,334	\$ -	\$ -	\$ 23,334
Machinery and equipment	150,388	-	-	150,388
Less accumulated depreciation	<u>(130,597)</u>	<u>(15,396)</u>	<u>-</u>	<u>(145,993)</u>
Component units capital assets, net	<u>\$ 43,125</u>	<u>\$ (15,396)</u>	<u>\$ -</u>	<u>\$ 27,729</u>

**3-E. Interfund Balances and Transfers**

Interfund balances at December 31, 2011, 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 to:	Payable from:	
	Social Services Fund	Total
General fund	\$ 87,847	\$ 87,847
Total	<u>\$ 87,847</u>	<u>\$ 87,847</u>

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

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

Interfund transfers for the year ended December 31, 2011, consisted of the following:

	Transfers from:		
	General fund	Non-major governmental fund	Total
Transfers to:			
General fund	\$ -	\$ 4,071,536	\$ 4,071,536
Road and bridge fund	2,500,000	-	2,500,000
Capital projects fund	2,000,000	-	2,000,000
Non-major governmental funds	471,103	-	471,103
Total	<u>\$ 4,971,103</u>	<u>\$ 4,071,536</u>	<u>\$ 9,042,639</u>

**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, 2011:

	Outstanding 1/1/2011	Additions	Reductions	Outstanding 12/31/2011	Amounts Due in One Year
	Governmental Activities				
Certificates of Participation	\$ 1,765,000	\$ -	\$ 415,000	\$ 1,350,000	\$ 1,350,000
Compensated Absences	1,422,959	2,097,171	2,135,074	1,385,056	346,263
Pollution remediation obligations	2,945,725		101,000	2,844,725	170,000
Landfill closure and postclosure care costs	937,500	116,500	189,000	865,000	287,500
Total Governmental Activities	<u>\$ 7,071,184</u>	<u>\$ 2,213,671</u>	<u>\$ 2,840,074</u>	<u>\$ 6,444,781</u>	<u>\$ 2,153,763</u>
Component Unit:					
Compensated absences	<u>\$ 72,276</u>	<u>\$ 81,016</u>	<u>\$ 78,057</u>	<u>\$ 75,235</u>	<u>\$ 18,809</u>

The certificates of participation will be paid in the form of annual base rentals paid by the County's governmental funds. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The County has 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.

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**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 01, 2012.

Interest rates on the Certificates of Participation (COPs) range from 2.00% to 3.750%. Funding is to be provided for by base rentals paid by the County to the Authority. Annual debt service requirements to amortize all obligations as of December 31, 2011 follow:

Year	Principal	Interest	Total
2012	\$ 430,000	\$ 41,575	\$ 471,575
2013	450,000	25,837	475,837
2014	470,000	8,813	478,813
	\$ 1,350,000	\$ 76,225	\$ 1,426,225

A schedule, by years, of future minimum lease payments under the lease agreement, together with the present value of the net minimum lease payments as of December 31, 2011 follows:

Year	Facility Lease
2012	\$ 471,575
2013	475,837
2014	478,813
Total minimum lease payments	1,426,225
Less amounts representing interest	76,225
Present value of minimum lease payments	\$ 1,350,000

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.

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**3-J. Pollution Investigation and Remediation**

The County owns property (the County jail site) that has been environmentally contaminated by chlorinated solvents by prior owners who are responsible, pursuant to a federal court order, for 75% of costs of mitigating any environmental issues. 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 \$3,120,000, but could be as low as \$1,915,000 or as high as \$5,750,000, depending upon the option selected and the long-term monitoring costs associated with the selected option. It is estimated that the County will incur approximately \$150,000 in legal services in 2012 associated with the remediation effort and \$20,000 in additional pre-cleanup activities in 2012.

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 recoverable investigative and clean-up/remediation costs incurred to date and expected to be incurred by the County in the future, including attorney's fees related to the cost of remediation. The County will be responsible for the remaining 25% of costs. The judge's ruling required 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 \$32,747 and \$75,805 in trial costs, for a recovery of prior costs of \$629,642.

The Court's ruling 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 which meets the Court's starting point ruling has been developed and will be submitted to the Colorado Department of Public Health and Environment (CDPHE) for their approval. Because the County and the County's consultant believe this initial plan will not be adequate to bring the site into compliance with 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 \$20,000, legal services in the amount of \$150,000, and remedial/corrective actions at the most likely present value of \$3,120,000, for a total of \$3,290,000. 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 \$2,844,725. By order of the Court, Brown Group advanced La Plata County the \$445,275 in future cleanup costs in April 2012 and this deposit will be held to cover future recovery costs.

The estimated total current cost of cleanup/remediation activities of \$2,844,725 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, 2011. 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 ruling provides that the County may return to the Court for additional recovery of future costs from Brown Group if the starting point plan does not bring the site into compliance.

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.

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**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 \$865,000 as of December 31, 2011, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 3,500	100%	\$ 3,500
Marvel	3,500	100%	3,500
Gun Club	3,500	100%	3,500
Durango	362,000	100%	362,000
Bayfield	492,500	100%	492,500
Totals	\$ 865,000		\$ 865,000

The estimated total current cost of the landfill closure and postclosure care of \$865,000 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, 2011. 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, 2011 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.

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**3-M. Lease Obligations**

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

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

**3-N. Pensions**

The County provides pension benefits for its full-time employees through an agent multi-employer public retirement system, the Colorado County Officials and Employee Retirement Association (CCOERA) a defined contribution plan. The Retirement Plan was adopted according to section 401(a) of the Internal Revenue Code, and is also referred to as a Defined Contribution Money Purchase Pension Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. La Plata County's contributions to the plan are defined by an agreement between CCOERA and La Plata County. Pursuant to the terms of the agreement, employees are required to participate from date of hire and the employee and employer contribution percentages are equal and vary based upon length of service from 5% to 8%. The County's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous plan participation. The participants in this plan are offered various investment options through the plan and are allowed to invest all monies in their account, at their own discretion, among the options. Contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce current contribution requirements. Ten year historical trend information about the plan is available in a separately issued financial report available through CCOERA at [www.ccoera.org](http://www.ccoera.org).

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 \$14,658 and \$12,600 was contributed by the District Attorney via payroll deduction.

The total payroll for the County and the District Attorney in calendar year 2011 was \$21,380,401. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$20,153,905. Both the employer and the covered employees made the required contributions, amounting to \$1,259,854 from the employer and \$1,259,854 from employees, or \$2,519,708 total.

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**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, 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 use 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

Debt service – Pursuant to the terms of the 2004 Certificates of Participation, a debt reserve of \$398,500 plus accumulated interest is held exclusively for payment of the 2004 COPs

**Assigned fund balance:**

*LaPlata County, Colorado*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

Debt service – as part of the 2012 budget adoption process and by subsequent action of the Board of Commissioners, the 2004 Certificates of Participation will be redeemed in full in June 2012. The amount of the additional base rentals required to early redeem the COPs and exercise the purchase option was identified in the 2012 budget and is considered an assignment of fund balance.

Next year’s budget deficit – as part of the 2012 budget adoption process, the 2012 general fund revenues and transfers in were estimated at \$40,355,162 and expenditures and transfers out were estimated at \$40,764,964, demonstrating a projected deficit of \$409,802. 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, permit budgetary adjustments when anticipated revenues are reduced or anticipated expenditures are elevated, meet unexpected increases in service delivery costs, 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 12/31/2011 are:

	Base	Reserve Amount
General fund - cash flow reserve at 10% of annual appropriation	\$ 40,764,964	\$ 4,076,496
General fund - cyclical reserve at 10% of annual appropriation	40,764,964	4,076,496
General fund - minimum reserve		<b>8,152,993</b>
General fund - cyclical reserve at 15% of annual appropriation	40,764,964	6,114,745
General fund - maximum reserve		<b>10,191,241</b>
Road and Bridge fund - at 25% of annual payroll	3,294,923	<b>823,731</b>
Human Services - at 25% of annual payroll	4,057,258	<b>1,014,315</b>

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**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 \$365,785 reported in the employee medical self insurance fund represents the amount due to the County's third party administrators at December 31, 2011 for the 2011 claims year and an estimate for incurred but not reported claims.

Changes in the funds claims liability amount in calendar 2011 and 2010 were:

	<u>2011</u>	<u>2010</u>
Liability at January 1	\$ 194,451	\$ 348,546
Add: Current year claims & changes in estimates	3,028,021	2,821,582
Less: Claim Payments	<u>(2,856,687)</u>	<u>(2,975,677)</u>
Balance at December 31	<u>\$ 365,785</u>	<u>\$ 194,451</u>

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

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

For both the CWCP and CAPP pools, losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. Both pools have indicated the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. There also exists the potential for return of contributions should the results of pool operations result in surpluses in excess of those required by State law and the bylaws of the pools. Any refunds of excess contributions are used to reduce the current year contribution. As such, the contributions to both pools have been reported as expenditures or expenses. Separately issued financial reports for both pools are available by contacting the administrative agent, County Technical Services, Inc. at their headquarters in Denver, Colorado or at [www.ctsi.org](http://www.ctsi.org). The County's discretely presented and blended component units are included within the County's coverage through CWCP and CAPP. There were no 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.

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**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 2011, 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:

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

**Legal Issues** -- The County was a defendant in several lawsuits at December 31, 2011. In the opinion of the County attorney and County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

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

**Humane Society Operations** – In 1993 the County and the La Plata County Humane Society entered into an agreement in which the Humane Society provides animal control and sheltering services in the County and the County contributes toward the costs of services provided. The agreement provides for ongoing renewals and requires a year advance notice to cancel. For 2011, the amount of funding provided pursuant to the agreement was \$246,703.

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

***LaPlata County, Colorado***  
***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2011***

***Commitment to Purchase Property*** – The County has entered into a real estate purchase agreement for the purchase of a property located in downtown Durango, across the street from the current County Courthouse known as the Vectra Bank property. The contracted purchase price is \$2,700,000 and the closing is scheduled for August 2012. The County placed \$75,000 in earnest payment in escrow, and the balance of \$2,625,000 will be paid at closing. The County intends to use the property for expanded County facilities.

***Commitment to Lease Space*** – The County is currently in negotiations with the federal General Services Administration (GSA) for the lease and remodel of a portion of the Courthouse to the GSA for use of the United States District Court, US Marshals office, US Probation Office and US Attorneys. The County believes that locating federal court office in the County Courthouse will increase access to the federal courts for local citizens. The remodel of the Courthouse will cost about \$1.8 million, with approximately \$1.17 to be directly reimbursed by the GSA over a 10 year period. The remaining costs are considered landlord costs and will be paid for by the County out of general revenues. The GSA will pay about \$250,000 annually to rent the 12,000 square feet they will be occupying on the first floor. The offices of the County Commissioners, County Assessor, Administration and Finance departments will be moved into alternate space. The proposed timeline for the project will be for relocation of County offices in late 2012, remodel of the Courthouse in 2013 and occupancy by the GSA tenants in early 2014.

***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 \$18,293,810 at December 31, 2011. 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, 2011, 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.

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2011**

**Note 8 – Subsequent Events**

As noted above in 3-H, in April 2012, the County chose to early redeem the outstanding balance of the 2004 Certificates of Participation that were issued for the purchase of the Old Main Post Office. The redemption was completed by transferring the balance of base rentals from the County to the Finance Authority and use of the reserves held by the Trustee. The total payoff was \$1,374,550, which included interest. The ownership of the OMPO transferred from the La Plata County Finance Authority to the Board of County Commissioners on June 01, 2012.

**Intergovernmental Agreement with the City of Durango for Road Improvement Cost Share** – The County has agreed, in concept, to a cost share arrangement with the City of Durango for the construction of Wilson Gulch Road, representing 33% of actual construction costs up to a maximum of \$1,980,000. The Wilson Gulch Road project will extend an existing road into an area within the City limit of Durango which is proposed for development. The road extension will also provide additional capacity for development in nearby areas and may mitigate the traffic impacts on a nearby County road. The road improvements are likely a year or more into the future.

**Note 9 – Restatement**

The beginning net assets and fund balance of the component unit District Attorney Fund have been restated to reflect a change in accounting procedure. In prior years, the DA component unit reporting has included two special revenue funds: State Victims Compensation and Victims Assistance and Law Enforcement. In mid-2011, the State provided guidance that these funds were not the property or responsibility of the District Attorney and should not have been reported in the component unit's statements for 2010 and prior years. Therefore, the net assets and fund balance of the fund have been restated for the year ended 12/31/2010.

	Net Assets	Fund Balance
As previously reported for 12/31/10	\$324,708	\$353,859
As restated for 12/31/2010	123,216	152,366

## **SUPPLEMENTARY INFORMATION**

**La Plata County, Colorado**  
**Combining Balance Sheet - by Fund Type**  
**Nonmajor Governmental Funds**  
**December 31, 2011**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Equity in treasurer's cash and investments	\$ 514,065	\$ 19,005	\$ 533,070
Cash held by Trustee	-	431,980	431,980
Receivables:			
Property taxes	74,753	-	74,753
<b>Total Assets</b>	<b>\$ 588,818</b>	<b>\$ 450,985</b>	<b>\$ 1,039,803</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 3,850	\$ -	\$ 3,850
Deferred revenues	74,753	-	74,753
<b>Total Liabilities</b>	<b>78,603</b>	<b>-</b>	<b>78,603</b>
<b>Fund Balances</b>			
Restricted for:			
Debt service	-	450,985	450,985
Construction and maintenance of public streets	126,685	-	126,685
Joint La Plata County/City of Durango projects	383,530	-	383,530
<b>Total Fund Balances</b>	<b>510,215</b>	<b>450,985</b>	<b>961,200</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 588,818</b>	<b>\$ 450,985</b>	<b>\$ 1,039,803</b>

**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, 2011**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ 77,674	\$ -	\$ 77,674
Sales taxes	1,826,773	-	1,826,773
Investment earnings	732	-	732
Miscellaneous	2,750	-	2,750
<b>Total Revenues</b>	<b>1,907,929</b>	<b>-</b>	<b>1,907,929</b>
<b>Expenditures</b>			
<b>Current:</b>			
Public works	52,043	-	52,043
<b>Debt Service:</b>			
Principal retirement	-	415,000	415,000
Interest and fiscal charges	-	57,853	57,853
<b>Total Expenditures</b>	<b>52,043</b>	<b>472,853</b>	<b>524,896</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,855,886</b>	<b>(472,853)</b>	<b>1,383,033</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	471,103	471,103
Transfers out	(4,071,536)	-	(4,071,536)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,071,536)</b>	<b>471,103</b>	<b>(3,600,433)</b>
<b>Net Change in Fund Balances</b>	<b>(2,215,650)</b>	<b>(1,750)</b>	<b>(2,217,400)</b>
<b>Fund Balances Beginning of Year</b>	<b>2,725,865</b>	<b>452,735</b>	<b>3,178,600</b>
<b>Fund Balances End of Year</b>	<b>\$ 510,215</b>	<b>\$ 450,985</b>	<b>\$ 961,200</b>

## **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, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash and cash deposits	\$ 233,939	\$ 222,417
Equity in treasurer's cash and investments	47,155,604	41,198,508
Restricted cash and investments	69,114	80,076
Receivables:		
Accounts	821,946	136,518
Property taxes	17,443,759	17,100,065
Deposits	2,000	2,000
Intergovernmental	1,756,335	1,883,612
Component unit	300,000	300,000
Interfund	87,847	115,151
Inventory	<u>58,411</u>	<u>65,965</u>
<b>Total Assets</b>	<u><u>\$ 67,928,955</u></u>	<u><u>\$ 61,104,312</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 518,877	\$ 610,242
Accrued salaries and benefits	616,687	633,767
Intergovernmental payable	785,073	507,416
Interfund payable	-	133,535
Deposits payable	130,961	138,840
Deferred revenue	17,443,759	17,140,542
Liabilities payable from restricted assets	<u>69,114</u>	<u>80,076</u>
<b>Total Liabilities</b>	<u>19,564,471</u>	<u>19,244,418</u>
<b>Fund Balances</b>		
Nonspendable:		
Inventory	58,411	65,965
Long term receivables and deposits	302,000	302,000
Restricted for:		
Economic stabilization (TABOR)	1,541,536	2,000,000
Law enforcement	226,439	214,374
Conservation trust fund program expenditures	1,715,622	1,441,513
Assigned to:		
Debt service	921,765	-
Next year's budget deficit	409,802	2,263,999
Unassigned	<u>43,188,909</u>	<u>35,572,043</u>
<b>Total Fund Balances</b>	<u>48,364,484</u>	<u>41,859,894</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 67,928,955</u></u>	<u><u>\$ 61,104,312</u></u>

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2011  
(With Comparative Actual Amounts for Year Ended December 31, 2010)

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues:</b>					
<b>Taxes</b>					
General property & delinquent taxes	\$ 17,135,065	\$ 17,135,065	\$ 17,421,446	\$ 286,381	\$ 26,143,440
Specific ownership	1,440,000	1,440,000	1,289,332	(150,668)	1,523,186
Sales tax (net)	11,912,000	10,152,002	10,537,206	385,204	11,529,900
Cable franchise fees	80,000	80,000	101,201	21,201	103,442
Lodger's tax	180,000	180,000	198,218	18,218	180,453
<b>Total Taxes</b>	<b>30,747,065</b>	<b>28,987,067</b>	<b>29,547,403</b>	<b>560,336</b>	<b>39,480,421</b>
<b>Intergovernmental Revenue</b>					
Federal Revenue:					
Senior Services-Older American Act	285,298	288,253	170,509	(117,744)	144,253
Senior Services-NSIP	12,000	12,000	28,609	16,609	17,552
Senior Services-FEMA	-	-	-	-	1,638
Senior Services-Division of Insurance	-	-	15,000	15,000	17,085
Community Services Block Grant-for Sr. Svcs	5,000	5,000	10,000	5,000	5,000
Payment In Lieu of Taxes	591,030	591,030	576,994	(14,036)	552,252
HIDTA grant	252,734	252,734	262,142	9,408	229,648
Bulletproof vest grant	6,000	6,000	-	(6,000)	6,340
State Criminal Alien Assistance	10,000	10,000	18,855	8,855	16,491
Forest Service joint project reimbursements	76,050	76,050	57,947	(18,103)	18,090
EPA Climate Showcase grant	-	132,626	96,908	(35,718)	-
Other miscellaneous federal grants	-	-	5,180	5,180	6,440
Office of Emergency Management	50,000	50,000	57,000	7,000	54,000
Community Development Block Grant	900,000	900,000	504,107	(395,893)	727,104
Southern Ute Payment in Lieu of Taxes	50,000	50,000	327,517	277,517	987,706
State Revenues:					
Lottery Funds	270,000	270,000	265,848	(4,152)	256,237
Senior Services-State Funding	-	-	91,270	91,270	136,010
Cigarette taxes	30,000	30,000	30,951	951	33,330
Search and rescue monies	5,000	5,000	(1,704)	(6,704)	10,570
Mineral severance tax	640,000	640,000	1,066,623	426,623	637,728
Mineral leasing	440,000	440,000	510,023	70,023	440,666
DOW Impact assistance (net)	-	-	1,106	1,106	1,011
Local Government Limited Gaming grants	363,011	363,011	363,011	-	184,506
Energy Impact Assistance grants	420,250	420,250	127,385	(292,865)	255,103
Veteran's Services	1,200	1,200	2,400	1,200	1,200
Predator Control Reimbursement	2,000	2,000	2,292	292	2,060
Planning Department Grant	-	-	-	-	2,115
Miscellaneous state grants	-	62,217	-	(62,217)	-
Courthouse Security Grant	1,000	25,360	17,948	(7,412)	950
State Land Board property project reimbursement	-	-	-	-	89,900
<b>Total Intergovernmental Revenue</b>	<b>4,410,573</b>	<b>4,632,731</b>	<b>4,607,921</b>	<b>(24,810)</b>	<b>4,834,985</b>
<b>Licenses and Permits</b>					
Liquor licenses	5,410	5,410	8,875	3,465	6,480
Building permits	435,000	435,000	326,999	(108,001)	383,087
<b>Total Licenses and Permits</b>	<b>440,410</b>	<b>440,410</b>	<b>335,874</b>	<b>(104,536)</b>	<b>389,567</b>

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2011*  
*(With Comparative Actual Amounts for Year Ended December 31, 2010)*

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Charges for Services</b>					
Treasurer's fees	\$ 660,100	\$ 660,100	\$ 761,943	\$ 101,843	\$ 842,351
Clerk and recorder's fees	714,000	714,000	1,114,090	400,090	1,052,568
Public trustee's fees	100,000	100,000	97,006	(2,994)	109,435
Planning fees	30,000	30,000	35,230	5,230	32,117
Oil and gas fees	60,000	60,000	54,750	(5,250)	68,100
Assessor's fees	4,000	4,000	14,886	10,886	10,538
Sheriff's fees	66,200	66,200	108,321	42,121	110,930
Law enforcement assistance fund	-	-	5,308	5,308	5,999
Other security services	10,000	10,000	7,238	(2,762)	31,605
Jail room & board	500,000	500,000	415,155	(84,845)	378,616
Jail bond fees	9,000	9,000	11,018	2,018	9,024
Other Jail charges	9,000	9,000	6,659	(2,341)	7,282
Booking fees	50,000	50,000	43,476	(6,524)	32,316
Prisoner transportation	9,000	9,000	25,131	16,131	11,525
Useful public service program	45,000	45,000	54,427	9,427	49,430
Alternatives to incarceration	210,100	210,100	162,943	(47,157)	154,669
Senior meal donations-Durango	69,000	69,000	82,836	13,836	70,746
Senior meal donations-Bayfield	15,000	15,000	19,108	4,108	19,257
Senior home chore	4,401	4,401	5,614	1,213	9,522
Senior transportation income	18,800	18,800	20,668	1,868	13,356
Senior center activities	7,133	7,133	13,884	6,751	10,585
Senior center rentals	1,550	1,550	3,368	1,818	1,600
Senior services-other	7,500	7,500	1,893	(5,607)	5,532
Surveyor's fees	6,000	6,000	6,540	540	8,212
Indirect cost allocation reimbursement	-	-	123,661	123,661	141,639
GIS Services reimbursements	4,000	4,000	5,184	1,184	5,008
Election Reimbursements	25,000	25,000	40,945	15,945	52,715
Inmate medical/phone reimbursements	62,000	62,000	84,158	22,158	57,640
Maps/code book sales & sign fees	-	-	171	171	331
Jail Behavior Health Contract	-	-	18,500	18,500	-
CDPHE Air Quality Monitoring Contract	8,000	8,000	6,275	(1,725)	11,077
<b>Total Charges for Services</b>	<b>2,704,784</b>	<b>2,704,784</b>	<b>3,350,386</b>	<b>645,602</b>	<b>3,313,725</b>
<b>Investment earnings</b>	<b>400,000</b>	<b>400,000</b>	<b>417,944</b>	<b>17,944</b>	<b>430,730</b>
<b>Miscellaneous Revenue</b>					
Building rentals	141,131	141,131	166,996	25,865	149,900
Fairgrounds rentals	67,000	67,000	75,476	8,476	71,903
Forfeitures	5,000	5,000	21,733	16,733	9,846
Senior services-United Way	17,543	17,543	15,846	(1,697)	17,568
Senior services-ColoTrust Healthy Aging Initiative	30,500	30,500	47,977	17,477	22,122
Other miscellaneous grants	-	-	18,505	18,505	16,118
Hazardous waste fees and cost share	46,000	46,000	-	(46,000)	26,911
Vehicle inspection fees	35,000	35,000	38,952	3,952	33,850
Prisoner commissary collections	30,000	30,000	64,713	34,713	31,385
Photocopies	1,000	1,000	1,014	14	1,091
Telephone/postage refunds	-	-	(870)	(870)	2,348
Parking/Traffic fines	-	-	5,325	5,325	2,535
Animal control fines	3,000	3,000	640	(2,360)	1,649
Insurance refunds	1,000	1,000	56,341	55,341	22,482
Other refunds	15,000	15,000	35,275	20,275	37,781
Vending machine commissions	-	-	9,336	9,336	-
Other miscellaneous revenues	1,500	1,500	762,453	760,953	65,371
<b>Total Miscellaneous Revenue</b>	<b>393,674</b>	<b>393,674</b>	<b>1,319,712</b>	<b>926,038</b>	<b>512,860</b>
<b>Total Revenue</b>	<b>39,096,506</b>	<b>37,558,666</b>	<b>39,579,240</b>	<b>2,020,574</b>	<b>48,962,288</b>

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2011*  
*(With Comparative Actual Amounts for Year Ended December 31, 2010)*

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>Expenditures:</b>					
<b>Current</b>					
General Government					
Board of County Commissioners					
Personnel Expenditures	\$ 403,145	\$ 403,145	\$ 381,573	\$ 21,572	\$ 382,769
Operating Expenditures	69,300	69,300	49,962	19,338	56,580
	<u>472,445</u>	<u>472,445</u>	<u>431,535</u>	<u>40,910</u>	<u>439,349</u>
County Clerk and Recorder-Operations					
Personnel Expenditures	789,864	789,864	778,302	11,562	762,782
Operating Expenditures	379,740	484,740	371,970	112,770	337,465
	<u>1,169,604</u>	<u>1,274,604</u>	<u>1,150,272</u>	<u>124,332</u>	<u>1,100,247</u>
County Clerk and Recorder-Elections					
Personnel Expenditures	130,671	130,671	92,325	38,346	178,093
Operating Expenditures	98,000	98,000	86,093	11,907	147,567
	<u>228,671</u>	<u>228,671</u>	<u>178,418</u>	<u>50,253</u>	<u>325,660</u>
County Treasurer					
Personnel Expenditures	314,698	314,698	312,623	2,075	299,005
Operating Expenditures	271,459	315,089	264,163	50,926	171,836
	<u>586,157</u>	<u>629,787</u>	<u>576,786</u>	<u>53,001</u>	<u>470,841</u>
Public Trustee's Office					
Personnel Expenditures	15,594	15,594	15,362	232	15,349
Operating Expenditures	10,550	10,550	5,167	5,383	4,603
	<u>26,144</u>	<u>26,144</u>	<u>20,529</u>	<u>5,615</u>	<u>19,952</u>
County Assessor					
Personnel Expenditures	1,149,087	1,149,087	1,016,071	133,016	1,060,826
Operating Expenditures	148,237	148,237	124,162	24,075	122,642
	<u>1,297,324</u>	<u>1,297,324</u>	<u>1,140,233</u>	<u>157,091</u>	<u>1,183,468</u>
County Surveyor					
Personnel Expenditures	15,403	15,403	14,317	1,086	13,055
Operating Expenditures	900	900	860	40	700
	<u>16,303</u>	<u>16,303</u>	<u>15,177</u>	<u>1,126</u>	<u>13,755</u>
Administrative Offices					
Personnel Expenditures	465,346	479,095	458,997	20,098	453,334
Operating Expenditures	418,258	510,664	230,722	279,942	352,568
	<u>883,604</u>	<u>989,759</u>	<u>689,719</u>	<u>300,040</u>	<u>805,902</u>
County Attorney's Office					
Personnel Expenditures	603,259	615,559	598,851	16,708	591,593
Operating Expenditures	407,280	427,280	251,465	175,815	1,644,014
	<u>1,010,539</u>	<u>1,042,839</u>	<u>850,316</u>	<u>192,523</u>	<u>2,235,607</u>
Geographic Information Services					
Personnel Expenditures	552,596	552,596	459,230	93,366	540,857
Operating Expenditures	51,649	51,649	36,318	15,331	37,193
	<u>604,245</u>	<u>604,245</u>	<u>495,548</u>	<u>108,697</u>	<u>578,050</u>
Finance					
Personnel Expenditures	299,555	299,555	297,239	2,316	301,308
Operating Expenditures	186,500	186,500	102,126	84,374	126,256
	<u>486,055</u>	<u>486,055</u>	<u>399,365</u>	<u>86,690</u>	<u>427,564</u>
Information Services					
Personnel Expenditures	756,000	756,000	703,500	52,500	742,296
Operating Expenditures	881,690	881,690	631,352	250,338	582,342
	<u>1,637,690</u>	<u>1,637,690</u>	<u>1,334,852</u>	<u>302,838</u>	<u>1,324,638</u>

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2011*  
*(With Comparative Actual Amounts for Year Ended December 31, 2010)*

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
General Government (Continued)					
Procurement/Warehouse					
Personnel Expenditures	\$ 251,014	\$ 251,014	\$ 241,194	\$ 9,820	\$ 242,665
Operating Expenditures	32,480	32,480	27,757	4,723	29,312
	<u>283,494</u>	<u>283,494</u>	<u>268,951</u>	<u>14,543</u>	<u>271,977</u>
Building Maintenance					
Personnel Expenditures	521,848	521,848	514,558	7,290	509,660
Operating Expenditures	241,967	241,967	270,566	(28,599)	246,169
	<u>763,815</u>	<u>763,815</u>	<u>785,124</u>	<u>(21,309)</u>	<u>755,829</u>
Building Maintenance-OMPO					
Operating Expenditures	56,000	56,000	61,065	(5,065)	57,653
	<u>56,000</u>	<u>56,000</u>	<u>61,065</u>	<u>(5,065)</u>	<u>57,653</u>
Central Services					
Personnel Expenditures	-	-	-	-	2,345
Operating Expenditures	-	-	-	-	79,023
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,368</u>
Human Resources					
Personnel Expenditures	405,546	405,546	367,887	37,659	397,380
Operating Expenditures	101,892	101,892	93,572	8,320	76,879
	<u>507,438</u>	<u>507,438</u>	<u>461,459</u>	<u>45,979</u>	<u>474,259</u>
Risk Management					
Personnel Expenditures	409,131	409,131	396,346	12,785	402,671
Operating Expenditures	450,236	450,236	443,114	7,122	491,694
	<u>859,367</u>	<u>859,367</u>	<u>839,460</u>	<u>19,907</u>	<u>894,365</u>
Sustainability Office					
Personnel Expenditures	105,873	92,134	65,819	26,315	102,865
Operating Expenditures	49,700	20,690	1,421	19,269	73,089
	<u>155,573</u>	<u>112,824</u>	<u>67,240</u>	<u>45,584</u>	<u>175,954</u>
Budget Contingency/Reserves	1,775,932	1,254,360	-	1,254,360	-
<b>Total General Government</b>	<b><u>12,820,400</u></b>	<b><u>12,543,164</u></b>	<b><u>9,766,049</u></b>	<b><u>2,777,115</u></b>	<b><u>11,636,438</u></b>
<b>Public Safety</b>					
Sheriff-Patrol					
Personnel Expenditures	2,490,788	2,490,788	2,435,017	55,771	2,435,017
Operating Expenditures	1,164,175	1,239,175	1,300,556	(61,381)	1,237,459
	<u>3,654,963</u>	<u>3,729,963</u>	<u>3,735,573</u>	<u>(5,610)</u>	<u>3,672,476</u>
Sheriff-Detentions					
Personnel Expenditures	3,940,177	3,940,177	3,869,883	70,294	3,744,867
Operating Expenditures	1,146,994	1,202,949	1,205,833	(2,884)	1,228,667
	<u>5,087,171</u>	<u>5,143,126</u>	<u>5,075,716</u>	<u>67,410</u>	<u>4,973,534</u>
Sheriff-Special Services					
Personnel Expenditures	1,472,416	1,472,416	1,413,909	58,507	1,413,909
Operating Expenditures	308,387	332,747	328,382	4,365	278,459
	<u>1,780,803</u>	<u>1,805,163</u>	<u>1,742,291</u>	<u>62,872</u>	<u>1,692,368</u>
Sheriff-Special Investigations					
Personnel Expenditures	431,071	431,071	413,752	17,319	400,097
Operating Expenditures	383,567	383,567	213,993	169,574	251,327
	<u>814,638</u>	<u>814,638</u>	<u>627,745</u>	<u>186,893</u>	<u>651,424</u>
Sheriff-Criminal Investigations					
Personnel Expenditures	843,795	849,307	811,664	37,643	811,664
Operating Expenditures	132,820	134,536	115,338	19,198	135,395
	<u>976,615</u>	<u>983,843</u>	<u>927,002</u>	<u>56,841</u>	<u>947,059</u>

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2011*  
*(With Comparative Actual Amounts for Year Ended December 31, 2010)*

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Public Safety (Continued)					
Alternatives to Incarceration					
Personnel Expenditures	\$ 419,648	\$ 419,648	\$ 399,049	\$ 20,599	\$ 401,174
Operating Expenditures	264,920	268,640	242,036	26,604	241,940
	<u>684,568</u>	<u>688,288</u>	<u>641,085</u>	<u>47,203</u>	<u>643,114</u>
County Coroner					
Personnel Expenditures	96,448	96,448	91,505	4,943	89,555
Operating Expenditures	65,394	65,394	64,864	530	61,222
	<u>161,842</u>	<u>161,842</u>	<u>156,369</u>	<u>5,473</u>	<u>150,777</u>
Building Inspection Department					
Personnel Expenditures	606,392	606,392	515,284	91,108	594,788
Operating Expenditures	86,876	86,876	63,744	23,132	64,921
	<u>693,268</u>	<u>693,268</u>	<u>579,028</u>	<u>114,240</u>	<u>659,709</u>
Emergency Management Office					
Personnel Expenditures	112,307	112,307	111,774	533	113,446
Operating Expenditures	44,470	44,470	10,830	33,640	27,111
	<u>156,777</u>	<u>156,777</u>	<u>122,604</u>	<u>34,173</u>	<u>140,557</u>
Pmt to Component Unit - District Attorney	1,355,487	1,355,487	1,294,000	61,487	1,313,035
<b>Total Public Safety</b>	<b>15,366,132</b>	<b>15,532,395</b>	<b>14,901,413</b>	<b>630,982</b>	<b>14,844,053</b>
Auxiliary Services					
Fairgrounds					
Personnel Expenditures	500,866	500,866	484,126	16,740	472,317
Operating Expenditures	303,663	303,663	259,643	44,020	293,007
	<u>804,529</u>	<u>804,529</u>	<u>743,769</u>	<u>60,760</u>	<u>765,324</u>
Extension Office					
Personnel Expenditures	40,147	40,147	41,596	(1,449)	33,657
Operating Expenditures	38,223	38,223	34,322	3,901	33,036
	<u>78,370</u>	<u>78,370</u>	<u>75,918</u>	<u>2,452</u>	<u>66,693</u>
Weed Control					
Personnel Expenditures	117,308	117,308	108,018	9,290	97,858
Operating Expenditures	109,218	109,218	78,194	31,024	61,823
	<u>226,526</u>	<u>226,526</u>	<u>186,212</u>	<u>40,314</u>	<u>159,681</u>
Planning Department					
Personnel Expenditures	1,203,663	1,203,663	951,159	252,504	1,179,502
Operating Expenditures	293,196	453,196	246,979	206,217	234,868
	<u>1,496,859</u>	<u>1,656,859</u>	<u>1,198,138</u>	<u>458,721</u>	<u>1,414,370</u>
Senior Services					
Personnel Expenditures	451,178	451,178	442,331	8,847	429,911
Operating Expenditures	227,006	229,961	236,058	(6,097)	249,883
	<u>678,184</u>	<u>681,139</u>	<u>678,389</u>	<u>2,750</u>	<u>679,794</u>
Senior Services - non Joint Sales Tax Supported					
Personnel Expenditures	37,518	37,518	34,956	2,562	39,990
Operating Expenditures	75,677	75,677	79,762	(4,085)	51,412
	<u>113,195</u>	<u>113,195</u>	<u>114,718</u>	<u>(1,523)</u>	<u>91,402</u>
Veterans Services					
Personnel Expenditures	65,928	65,928	62,897	3,031	60,892
Operating Expenditures	10,240	10,240	8,160	2,080	8,310
	<u>76,168</u>	<u>76,168</u>	<u>71,057</u>	<u>5,111</u>	<u>69,202</u>
<b>Total Auxiliary Services</b>	<b>3,473,831</b>	<b>3,636,786</b>	<b>3,068,201</b>	<b>568,585</b>	<b>3,246,466</b>

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2011*  
*(With Comparative Actual Amounts for Year Ended December 31, 2010)*

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>Public Works</b>					
Landfill Closure and Waste Management Operating Expenditures	\$ -	\$ 398,000	\$ 142,763	\$ 255,237	\$ -
<b>Total Public Works</b>	<b>-</b>	<b>398,000</b>	<b>142,763</b>	<b>255,237</b>	<b>-</b>
<b>Community Programs</b>					
Public Service Agencies					
Durango Public Library	881,612	881,612	819,364	62,248	819,600
Lodger's tax to DATO	180,000	180,000	196,194	(16,194)	180,453
San Juan Basin Health	444,272	444,272	444,272	-	444,272
Other Public Service Agencies	1,263,036	1,332,730	1,344,774	(12,044)	1,516,304
Total Public Service Agencies	2,768,920	2,838,614	2,804,604	34,010	2,960,629
Payments to Other Governments					
To City of Durango-joint sales tax projects	881,612	881,612	819,364	62,248	904,180
Total payments to other governments	881,612	881,612	819,364	62,248	904,180
Pass through of grants received of CDBG funds	900,000	900,000	504,107	395,893	727,103
of Climate Showcase grant funds	-	132,626	96,908	35,718	-
of Energy Impact funds	232,750	232,750	71,674	161,076	101,810
Total pass throughs	1,132,750	1,265,376	672,689	592,687	828,913
<b>Total Community Programs</b>	<b>4,783,282</b>	<b>4,985,602</b>	<b>4,296,657</b>	<b>688,945</b>	<b>4,693,722</b>
<b>Total Expenditures</b>	<b>36,443,645</b>	<b>37,095,947</b>	<b>32,175,083</b>	<b>4,920,864</b>	<b>34,420,679</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,652,861</b>	<b>462,719</b>	<b>7,404,157</b>	<b>6,941,438</b>	<b>14,541,609</b>
Other Financing Sources (Uses)					
Transfers in-joint sales tax fund	2,054,639	2,064,640	1,869,614	(195,026)	2,067,281
Transfers out-Road and Bridge fund	(2,500,000)	(2,500,000)	(2,500,000)	-	(2,500,000)
Transfers out-joint sales tax	(1,759,998)	-	-	-	-
Transfers out-finance authority debt service fund	(471,103)	(471,103)	(471,103)	-	(471,256)
Transfers out-capital improvement	(2,000,000)	(2,000,000)	(2,000,000)	-	(1,500,000)
Transfers out-landfill closure	(300,000)	-	-	-	(100,000)
Residual equity transfer in - emergency reserve	-	2,000,000	2,000,000	-	-
Residual equity transfer in - landfill closure	-	201,922	201,922	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,976,462)</b>	<b>(704,541)</b>	<b>(899,567)</b>	<b>(195,026)</b>	<b>(2,503,975)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,323,601)</b>	<b>\$ (241,822)</b>	<b>6,504,590</b>	<b>\$ 6,746,412</b>	<b>12,037,634</b>
<b>Fund Balance Beginning of Year</b>			<b>41,859,894</b>		<b>29,822,260</b>
<b>Fund Balance End of Year</b>			<b>\$ 48,364,484</b>		<b>\$ 41,859,894</b>

(Continued)

## **SPECIAL REVENUE FUNDS**

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

Major Special Revenue Funds:

*Road and Bridge Fund:*

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

*Social Services Fund:*

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

Non-Major Special Revenue Funds:

*Joint Sales Tax Fund:*

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

*Emergency Reserve Fund:*

On November 3, 1992, Colorado voters approved an amendment to the State Constitution known as the Taxpayer's Bill of Rights or Amendment 1. The amendment is a tax, revenue, spending and debt limitation. In addition, the amendment requires that the County establish a separate reserve fund to cover expenditures for declared emergencies. It requires that the County reserve 3% of its fiscal year spending for such emergencies. As the result of guidance provided by GASB-54, this fund was closed in 2011.

*Local Improvement Districts Fund:*

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

*Landfill Closure Fund:*

There are several former landfill sites in La Plata County for which the County has ongoing responsibility for long-term maintenance, closure and monitoring costs. The activity in this fund represents the County liability for the continuing closure and postclosure care costs. As the result of guidance provided by GASB-54, this fund was closed in 2011.

**La Plata County, Colorado**  
**Road and Bridge Fund**  
**Comparative Balance Sheet**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 800	\$ 800
Equity in treasurer's cash and investments	8,825,305	9,402,921
Receivables:		
Accounts	20,376	2,670
Property taxes	1,671,399	1,638,468
Intergovernmental	334,930	932,232
Inventory	<u>423,774</u>	<u>365,151</u>
<b>Total Assets</b>	<u>\$ 11,276,584</u>	<u>\$ 12,342,242</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 87,906	\$ 161,289
Accrued salaries and wages	96,406	123,995
Contracts payable	-	115,641
Intergovernmental payable	65,718	31,782
Deferred revenues	<u>1,671,399</u>	<u>1,638,468</u>
<b>Total Liabilities</b>	<u>1,921,429</u>	<u>2,071,175</u>
<b>Fund Balances</b>		
Nonspendable:		
Inventory	423,774	365,151
Restricted for:		
Capital improvements supported by impact fees	2,018,130	2,061,000
Forest Reserves Title III Expenditures	35,099	58,069
Construction and maintenance of public streets	<u>6,878,152</u>	<u>7,786,847</u>
<b>Total Fund Balances</b>	<u>9,355,155</u>	<u>10,271,067</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 11,276,584</u>	<u>\$ 12,342,242</u>

**La Plata County, Colorado**  
**Road and Bridge Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2011*  
*(With Comparative Actual Amounts for Year Ended December 31, 2010)*

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes	\$ 1,568,765	\$ 1,568,765	\$ 1,592,477	\$ 23,712	\$ 2,443,940
Intergovernmental	5,973,085	6,024,961	3,314,349	(2,710,612)	3,600,057
Licenses and permits	44,000	44,000	52,926	8,926	60,110
Miscellaneous	289,500	239,500	308,635	69,135	343,013
<b>Total Revenues</b>	<u>7,875,350</u>	<u>7,877,226</u>	<u>5,268,387</u>	<u>(2,608,839)</u>	<u>6,447,120</u>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Public Works</b>					
Maintenance of condition/snow & ice removal	7,323,599	7,366,006	6,799,115	566,891	6,594,041
Engineering	1,079,112	1,334,112	837,865	496,247	973,121
Budget contingency	249,328	249,328	-	249,328	-
<b>Capital Outlay</b>	4,733,333	4,777,042	1,047,319	3,729,723	2,380,281
<b>Total Expenditures</b>	<u>13,385,372</u>	<u>13,726,488</u>	<u>8,684,299</u>	<u>5,042,189</u>	<u>9,947,443</u>
<b>Deficiency of Revenues (Under) Expenditures</b>	<u>(5,510,022)</u>	<u>(5,849,262)</u>	<u>(3,415,912)</u>	<u>2,433,350</u>	<u>(3,500,323)</u>
<b>Other Financing Sources</b>					
Transfers in--General Fund	2,500,000	2,500,000	2,500,000	-	2,500,000
<b>Total Other Financing Sources (Uses)</b>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (3,010,022)</u>	<u>\$ (3,349,262)</u>	<u>(915,912)</u>	<u>\$ 2,433,350</u>	<u>(1,000,323)</u>
<b>Fund Balances Beginning of Year</b>			<u>10,271,067</u>		<u>11,271,390</u>
<b>Fund Balances End of Year</b>			<u>\$ 9,355,155</u>		<u>\$ 10,271,067</u>

**La Plata County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	2,768,766	2,759,840
Restricted cash	95,941	89,873
Receivables:		
Accounts	12,297	70,933
Property taxes	894,552	876,926
Intergovernmental	467,508	520,284
<b>Total Assets</b>	<b>\$ 4,239,464</b>	<b>\$ 4,318,256</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 123,091	\$ 212,931
Liabilities payable from restricted assets	95,941	89,873
Interfund payable	87,847	115,151
Intergovernmental payable	71,864	71,864
Deferred revenues	894,552	876,926
<b>Total Liabilities</b>	<b>1,273,295</b>	<b>1,366,745</b>
<b>Fund Balances</b>		
Restricted for:		
Human Services - child welfare	1,596,496	1,596,496
Public assistance and welfare	1,369,673	1,355,015
<b>Total Fund Balances</b>	<b>2,966,169</b>	<b>2,951,511</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,239,464</b>	<b>\$ 4,318,256</b>

**La Plata County, Colorado**  
**Social Service Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended December 31, 2011*  
*(With Comparative Actual Amounts for Year Ended December 31, 2010)*

	2011				2010 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>Revenues</b>					
Taxes	\$ 989,594	\$ 989,594	\$ 976,357	\$ (13,237)	\$ 1,466,727
Intergovernmental	5,968,531	5,968,531	4,196,773	(1,771,758)	4,436,730
Miscellaneous	-	-	349,949	349,949	237,149
<b>Total Revenues</b>	<u>6,958,125</u>	<u>6,958,125</u>	<u>5,523,079</u>	<u>(1,435,046)</u>	<u>6,140,606</u>
<b>Expenditures</b>					
<b>Current:</b>					
Health and welfare	7,672,393	7,672,393	5,508,421	2,163,972	5,558,455
<b>Total Expenditures</b>	<u>7,672,393</u>	<u>7,672,393</u>	<u>5,508,421</u>	<u>2,163,972</u>	<u>5,558,455</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(714,268)</u>	<u>(714,268)</u>	<u>14,658</u>	<u>728,926</u>	<u>582,151</u>
<b>Net Change in Fund Balances</b>	<u>\$ (714,268)</u>	<u>\$ (714,268)</u>	<u>14,658</u>	<u>\$ 728,926</u>	<u>582,151</u>
<b>Fund Balances Beginning of Year</b>			<u>2,951,511</u>		<u>2,369,360</u>
<b>Fund Balances End of Year</b>			<u>\$ 2,966,169</u>		<u>\$ 2,951,511</u>

La Plata County, Colorado  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2011

	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Landfill Closure	Total Nonmajor Special Revenue Funds
<b>Assets</b>					
Equity in treasurer's cash and investments	\$ 383,530	\$ -	\$ 130,535	\$ -	\$ 514,065
Receivables:					
Property taxes	-	-	74,753	-	74,753
<b>Total Assets</b>	<u>\$ 383,530</u>	<u>\$ -</u>	<u>\$ 205,288</u>	<u>\$ -</u>	<u>\$ 588,818</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 3,850	\$ -	\$ 3,850
Deferred revenues	-	-	74,753	-	74,753
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>78,603</u>	<u>-</u>	<u>78,603</u>
<b>Fund Balances</b>					
Restricted for:					
Joint La Plata County/City of Durango projects	383,530	-	-	-	383,530
Construction and maintenance of public streets	-	-	126,685	-	126,685
<b>Total Fund Balances</b>	<u>383,530</u>	<u>-</u>	<u>126,685</u>	<u>-</u>	<u>510,215</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 383,530</u>	<u>\$ -</u>	<u>\$ 205,288</u>	<u>\$ -</u>	<u>\$ 588,818</u>

**La Plata County, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2011**

	<b>Joint Sales Tax</b>	<b>Emergency Reserve</b>	<b>Local Improvement Districts</b>	<b>Landfill Closure</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 77,674	\$ -	\$ 77,674
Sales Taxes	1,826,773	-	-	-	1,826,773
Investment earnings	732	-	-	-	732
Miscellaneous	-	-	2,750	-	2,750
<b>Total Revenues</b>	<b>1,827,505</b>	<b>-</b>	<b>80,424</b>	<b>-</b>	<b>1,907,929</b>
<b>Expenditures</b>					
<b>Current:</b>					
Public works	-	-	52,043	-	52,043
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>52,043</b>	<b>-</b>	<b>52,043</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,827,505</b>	<b>-</b>	<b>28,381</b>	<b>-</b>	<b>1,855,886</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(1,869,614)	(2,000,000)	-	(201,922)	(4,071,536)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,869,614)</b>	<b>(2,000,000)</b>	<b>-</b>	<b>(201,922)</b>	<b>(4,071,536)</b>
<b>Net Change in Fund Balances</b>	<b>(42,109)</b>	<b>(2,000,000)</b>	<b>28,381</b>	<b>(201,922)</b>	<b>(2,215,650)</b>
<b>Fund Balances Beginning of Year</b>	<b>425,639</b>	<b>2,000,000</b>	<b>98,304</b>	<b>201,922</b>	<b>2,725,865</b>
<b>Fund Balances End of Year</b>	<b>\$ 383,530</b>	<b>\$ -</b>	<b>\$ 126,685</b>	<b>\$ -</b>	<b>\$ 510,215</b>

**La Plata County, Colorado**  
**Joint Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 383,530	\$ 292,104
Interfund receivable	-	133,535
<b>Total Assets</b>	<b>\$ 383,530</b>	<b>\$ 425,639</b>
<b>Liabilities and Fund Balances</b>		
<b>Fund Balances</b>		
<b>Restricted for:</b>		
Joint La Plata County/City of Durango projects	\$ 383,530	\$ 425,639
<b>Total Liabilities and Fund Balances</b>	<b>\$ 383,530</b>	<b>\$ 425,639</b>

**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, 2011**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2010)*

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Sales Taxes	\$ -	\$ 1,759,998	\$ 1,826,773	\$ 66,775	\$ 1,998,874
Investment income	1,000	1,000	732	(268)	1,043
<b>Total Revenues</b>	<u>1,000</u>	<u>1,760,998</u>	<u>1,827,505</u>	<u>66,507</u>	<u>1,999,917</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,000</u>	<u>1,760,998</u>	<u>1,827,505</u>	<u>66,507</u>	<u>1,999,917</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,759,998	-	-	-	-
Transfers out	(2,064,639)	(2,064,639)	(1,869,614)	195,025	(2,077,281)
<b>Total Other Financing Sources (Uses)</b>	<u>(304,641)</u>	<u>(2,064,639)</u>	<u>(1,869,614)</u>	<u>195,025</u>	<u>(2,077,281)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (303,641)</u>	<u>\$ (303,641)</u>	(42,109)	<u>\$ 261,532</u>	(77,364)
<b>Fund Balances Beginning of Year</b>			<u>425,639</u>		<u>503,003</u>
<b>Fund Balances End of Year</b>			<u>\$ 383,530</u>		<u>\$ 425,639</u>

**La Plata County, Colorado**  
*Emergency Reserve Fund*  
*Comparative Balance Sheet*  
*December 31, 2011 and 2010*

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	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ -</u>	<u>\$ 2,000,000</u>
<b>Fund Balances</b>		
Reserved for emergencies	<u>\$ -</u>	<u>\$ 2,000,000</u>

**La Plata County, Colorado**  
**Emergency Reserve Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2011**  
 (With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010 Actual
	Original Budget	Final Budget	Actual	
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ -	\$ (2,000,000)	\$ (2,000,000)	\$ -
<b>Total Other Financing Sources (Uses)</b>	-	(2,000,000)	(2,000,000)	-
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ (2,000,000)</u>	(2,000,000)	<u>\$ -</u>
<b>Fund Balances Beginning of Year</b>			2,000,000	2,000,000
<b>Fund Balances End of Year</b>			<u>\$ -</u>	<u>\$ 2,000,000</u>

**La Plata County, Colorado**  
**Local Improvement District Fund**  
**Comparative Balance Sheet**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 130,535	\$ 108,486
Property taxes receivable	<u>74,753</u>	<u>72,168</u>
<b>Total Assets</b>	<u>\$ 205,288</u>	<u>\$ 180,654</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,850	\$ 7,432
Deferred revenues	<u>74,753</u>	<u>74,918</u>
<b>Total Liabilities</b>	<u>78,603</u>	<u>82,350</u>
<b>Fund Balances</b>		
Restricted for:		
Construction and maintenance of public streets	<u>126,685</u>	<u>98,304</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 205,288</u>	<u>\$ 180,654</u>

**La Plata County, Colorado**  
**Local Improvement District Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2011**  
 (With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes	\$ 76,668	\$ 76,668	\$ 77,674	\$ 1,006	\$ 76,946
Miscellaneous	2,500	2,500	2,750	250	2,750
<b>Total Revenues</b>	<u>79,168</u>	<u>79,168</u>	<u>80,424</u>	<u>1,256</u>	<u>79,696</u>
<b>Expenditures</b>					
<b>Current:</b>					
Public works	<u>63,500</u>	<u>63,500</u>	<u>52,043</u>	<u>11,457</u>	<u>72,513</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 15,668</u>	<u>\$ 15,668</u>	28,381	<u>\$ 12,713</u>	7,183
<b>Fund Balances Beginning of Year</b>			<u>98,304</u>		<u>91,121</u>
<b>Fund Balances End of Year</b>			<u>\$ 126,685</u>		<u>\$ 98,304</u>

**La Plata County, Colorado**  
**Landfill Closure Fund**  
**Comparative Balance Sheet**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ -	\$ 201,924
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 201,924</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 2
<b>Fund Balances</b>		
Unreserved, undesignated	-	201,922
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 201,924</u>

**La Plata County, Colorado**  
**Landfill Closure Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2011**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2010)*

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Investment income	\$ 500	\$ -	\$ -	\$ -	\$ 1,603
<b>Expenditures</b>					
<b>Current:</b>					
Public works	369,000	-	-	-	302,371
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(368,500)	-	-	-	(300,768)
<b>Other Financing Sources (Uses)</b>					
Transfers in	110,000	-	-	-	-
Transfers out	-	(201,922)	(201,922)	-	110,000
<b>Net Change in Fund Balances</b>	<u>\$ (258,500)</u>	<u>\$ (201,922)</u>	(201,922)	<u>\$ -</u>	(190,768)
<b>Fund Balances Beginning of Year</b>			201,922		392,690
<b>Fund Balances End of Year</b>			<u>\$ -</u>		<u>\$ 201,922</u>

## **CAPITAL PROJECTS FUND**

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

*Capital Improvement Fund:*

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

**La Plata County, Colorado**  
**Capital Improvement Fund**  
**Comparative Balance Sheet**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 6,360,958	\$ 5,540,576
Receivables:		
Intergovernmental	72,859	-
Deposits receivable	136,862	90,189
<b>Total Assets</b>	<u>\$ 6,570,679</u>	<u>\$ 5,630,765</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 805	\$ 41,179
Contracts payable	-	5,259
Deferred revenue	150,000	150,000
<b>Total Liabilities</b>	<u>150,805</u>	<u>196,438</u>
<b>Fund Balances</b>		
Nonspendable	136,862	90,189
Restricted for capital improvements	6,283,012	5,344,138
<b>Total Fund Balance</b>	<u>6,419,874</u>	<u>5,434,327</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,570,679</u>	<u>\$ 5,630,765</u>

**La Plata County, Colorado**  
**Capital Improvement Fund**  
*Schedule of Revenues, Expenditures and*  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2011**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2010)*

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Intergovernmental	\$ 336,125	\$ 336,125	\$ 136,956	\$ (199,169)	\$ 63,683
<b>Total Revenues</b>	<u>336,125</u>	<u>336,125</u>	<u>136,956</u>	<u>(199,169)</u>	<u>63,683</u>
<b>Expenditures</b>					
Capital Outlay	2,183,725	2,183,725	1,151,409	1,032,316	781,824
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,847,600)</u>	<u>(1,847,600)</u>	<u>(1,014,453)</u>	<u>833,147</u>	<u>(718,141)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in					
From general fund	2,000,000	2,000,000	2,000,000	-	1,500,000
<b>Total Other Financing Sources (Uses)</b>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>1,500,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ 152,400</u>	<u>\$ 152,400</u>	985,547	<u>\$ 833,147</u>	781,859
<b>Fund Balances Beginning of Year</b>			<u>5,434,327</u>		<u>4,652,468</u>
<b>Fund Balances End of Year</b>			<u>\$ 6,419,874</u>		<u>\$ 5,434,327</u>

## **Debt Service Fund**

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

**La Plata County, Colorado**  
**Finance Authority Debt Service Fund**  
**Comparative Balance Sheet**  
**December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 19,005	\$ 20,755
Cash held by Trustee	431,980	431,980
<b>Total Assets</b>	<b>\$ 450,985</b>	<b>\$ 452,735</b>
<b>Fund Balances</b>		
Restricted for debt service	<b>\$ 450,985</b>	<b>\$ 452,735</b>

*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, 2011*  
*(With Comparative Actual Amounts for the Year Ended December 31, 2010)*

	2011			Variance with Final Budget	2010 Actual
	Original Budget	Final Budget	Actual		
<b>Expenditures</b>					
<b>Debt Service:</b>					
Principal retirement	\$ 415,000	\$ 415,000	\$ 415,000	\$ -	\$ 400,000
Interest and fiscal charges	57,853	57,853	57,853	-	71,256
<b>Total Expenditures</b>	<u>472,853</u>	<u>472,853</u>	<u>472,853</u>	<u>-</u>	<u>471,256</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(472,853)	(472,853)	(472,853)	-	(471,256)
<b>Other Financing Sources</b>					
Transfers in-County General	471,103	471,103	471,103	-	471,256
<b>Net Change in Fund Balances</b>	<u>\$ (1,750)</u>	<u>\$ (1,750)</u>	(1,750)	<u>\$ -</u>	-
<b>Fund Balances Beginning of Year</b>			<u>452,735</u>		<u>452,735</u>
<b>Fund Balances End of Year</b>			<u>\$ 450,985</u>		<u>\$ 452,735</u>

# PROPRIETARY FUNDS

## INTERNAL SERVICE FUNDS

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

### *Capital Equipment Replacement Fund:*

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

### *Employee Health Insurance Fund:*

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

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**December 31, 2011**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets:</b>			
Equity in treasurer's cash and investments	\$ 5,457,521	\$ 2,385,392	\$ 7,842,913
Accounts receivable	5,976	-	5,976
Inventory	126,206	-	126,206
<b>Total Current Assets</b>	<b>5,589,703</b>	<b>2,385,392</b>	<b>7,975,095</b>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Depreciable capital assets, net	6,437,525	-	6,437,525
<b>Total Assets</b>	<b>12,027,228</b>	<b>2,385,392</b>	<b>14,412,620</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accrued payroll	18,378	-	18,378
Accounts payable	21,046	-	21,046
Accrued claims payable	-	365,785	365,785
<b>Total Current Liabilities</b>	<b>39,424</b>	<b>365,785</b>	<b>405,209</b>
<b>Net Assets</b>			
Invested in capital assets	6,437,525	-	6,437,525
Unrestricted	5,550,279	2,019,607	7,569,886
<b>Total Net Assets</b>	<b>\$ 11,987,804</b>	<b>\$ 2,019,607</b>	<b>\$ 14,007,411</b>

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Year Ended December 31, 2011**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 2,876,202	\$ -	\$ 2,876,202
Insurance deposits	-	3,049,615	3,049,615
<b>Total Operating Revenues</b>	<u>2,876,202</u>	<u>3,049,615</u>	<u>5,925,817</u>
<b>Operating Expenses</b>			
Equipment maintenance	1,060,740	-	1,060,740
Depreciation	996,284	-	996,284
Medical claims	-	3,166,303	3,166,303
<b>Total Operating Expenses</b>	<u>2,057,024</u>	<u>3,166,303</u>	<u>5,223,327</u>
<b>Operating Income (Loss)</b>	<u>819,178</u>	<u>(116,688)</u>	<u>702,490</u>
<b>Non-Operating Revenues</b>			
Gain (loss) on sale of capital assets	62,492	-	62,492
Investment earnings	-	1,452	1,452
<b>Total Non-Operating Revenues (Expenses)</b>	<u>62,492</u>	<u>1,452</u>	<u>63,944</u>
<b>Change in Net Assets</b>	881,670	(115,236)	766,434
<b>Net Assets Beginning of Year</b>	<u>11,106,134</u>	<u>2,134,843</u>	<u>13,240,977</u>
<b>Net Assets End of Year</b>	<u>\$ 11,987,804</u>	<u>\$ 2,019,607</u>	<u>\$ 14,007,411</u>

**La Plata County, Colorado**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2011**

	<b>Capital Equipment Replacement Fund</b>	<b>Employee Medical Self Insurance Fund</b>	<b>Total</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 2,953,771	\$ 3,066,780	\$ 6,020,551
Cash payments for goods and services	(1,074,626)	-	(1,074,626)
Cash payments for claims	-	(2,994,969)	(2,994,969)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>1,879,145</b>	<b>71,811</b>	<b>1,950,956</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Cash sales of capital assets	160,830	-	160,830
Payments for capital acquisitions	(737,863)	-	(737,863)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(577,033)</b>	<b>-</b>	<b>(577,033)</b>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	-	1,452	1,452
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,302,112</b>	<b>73,263</b>	<b>1,375,375</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>4,155,409</b>	<b>2,312,129</b>	<b>6,467,538</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 5,457,521</b>	<b>\$ 2,385,392</b>	<b>\$ 7,842,913</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
<b>Operating Income (Loss)</b>	<b>\$ 819,178</b>	<b>\$ (116,688)</b>	<b>\$ 702,490</b>
<b>Adjustments:</b>			
Depreciation	996,284	-	996,284
<b>(Increase) Decrease in Assets:</b>			
Accounts receivable	77,570	17,165	94,735
Inventory	(17,898)	-	(17,898)
<b>Increase (Decrease) in Liabilities:</b>			
Accounts payable	4,740	-	4,740
Accrued incurred/unreported claims	-	171,334	171,334
Accrued wages	(728)	-	(728)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,879,145</b>	<b>\$ 71,811</b>	<b>\$ 1,950,956</b>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 5,457,521	\$ 4,155,409
Accounts receivable	5,976	83,546
Inventory	126,206	108,308
<b>Total Current Assets</b>	<u>5,589,703</u>	<u>4,347,263</u>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b>		
Depreciable capital assets, net	6,437,525	6,794,283
<b>Total Assets</b>	<u>\$ 12,027,228</u>	<u>\$ 11,141,546</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued payroll	\$ 18,378	\$ 19,106
Accounts payable	21,046	16,306
<b>Total Current Liabilities</b>	<u>39,424</u>	<u>35,412</u>
<b>Net Assets</b>		
Invested in capital assets	6,437,525	6,794,283
Unrestricted	5,550,279	4,311,851
<b>Total Net Assets</b>	<u>\$ 11,987,804</u>	<u>\$ 11,106,134</u>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Operating Revenues</b>		
Charges for services	\$ 2,876,202	\$ 2,838,985
<b>Operating Expenses</b>		
Equipment maintenance	1,060,740	1,007,473
Depreciation	996,284	964,366
<b>Total Operating Expenses</b>	<u>2,057,024</u>	<u>1,971,839</u>
<b>Operating Income (Loss)</b>	<u>819,178</u>	<u>867,146</u>
<b>Non-Operating Revenues</b>		
Gain (loss) on sale of capital assets	62,492	38,239
<b>Total Non-Operating Revenues (Expenses)</b>	<u>62,492</u>	<u>38,239</u>
<b>Change in Net Assets</b>	881,670	905,385
<b>Net Assets Beginning of Year</b>	<u>11,106,134</u>	<u>10,200,749</u>
<b>Net Assets End of Year</b>	<u>\$ 11,987,804</u>	<u>\$ 11,106,134</u>

**La Plata County, Colorado**  
**Capital Equipment Replacement Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - (Non-GAAP Budgetary Basis)**  
**For the Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Charges for services	\$ 2,854,131	\$ 2,854,131	\$ 2,876,202	\$ 22,071
Sales of capital assets	50,000	50,000	160,830	110,830
<b>Total Revenues</b>	<u>2,904,131</u>	<u>2,904,131</u>	<u>3,037,032</u>	<u>132,901</u>
<b>Expenditures</b>				
Equipment maintenance	1,093,258	1,093,258	1,060,740	32,518
Capital Outlay	766,412	766,412	737,863	28,549
<b>Total Expenditures</b>	<u>1,859,670</u>	<u>1,859,670</u>	<u>1,798,603</u>	<u>61,067</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,044,461</u>	<u>1,044,461</u>	<u>1,238,429</u>	<u>193,968</u>
<b>Net change in Fund Balances</b>	<u>\$ 1,044,461</u>	<u>\$ 1,044,461</u>	<u>1,238,429</u>	<u>\$ 193,968</u>
<b>Reconciliation to GAAP Net Income:</b>				
Less: Capital assets, disposed net of accumulated depreciation			(98,338)	
Add capital expenditures capitalized			737,863	
Less depreciation expense			<u>(996,284)</u>	
<b>Change in Net Assets</b>			<u>\$ 881,670</u>	

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 2,385,392	\$ 2,312,129
Accounts receivable	-	17,165
<b>Total Current Assets</b>	<u>\$ 2,385,392</u>	<u>\$ 2,329,294</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued claims payable	<u>\$ 365,785</u>	<u>\$ 194,451</u>
<b>Net Assets</b>		
Unrestricted	<u>\$ 2,019,607</u>	<u>\$ 2,134,843</u>

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>Operating Revenues</b>		
Insurance deposits	\$ 3,049,615	\$ 2,770,522
<b>Operating Expenses</b>		
Medical claims	<u>3,166,303</u>	<u>2,975,677</u>
<b>Operating Income (Loss)</b>	<u>(116,688)</u>	<u>(205,155)</u>
<b>Non-Operating Revenues</b>		
Investment earnings	<u>1,452</u>	<u>2,312</u>
<b>Change in Net Assets</b>	(115,236)	(202,843)
<b>Net Assets Beginning of Year</b>	<u>2,134,843</u>	<u>2,337,686</u>
<b>Net Assets End of Year</b>	<u>\$ 2,019,607</u>	<u>\$ 2,134,843</u>

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**For the Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Operating Revenues</b>				
Insurance deposits	\$ 3,783,704	\$ 3,783,704	\$ 3,049,615	\$ (734,089)
<b>Operating Expenses</b>				
Medical claims	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,166,303</u>	<u>233,697</u>
<b>Operating Income (Loss)</b>	383,704	383,704	(116,688)	(500,392)
<b>Non-Operating Revenues</b>				
Investment earnings	<u>2,000</u>	<u>2,000</u>	<u>1,452</u>	<u>(548)</u>
<b>Change in Net Assets</b>	<u>\$ 385,704</u>	<u>\$ 385,704</u>	(115,236)	<u>\$ (500,940)</u>
<b>Net Assets Beginning of Year</b>			<u>2,134,843</u>	
<b>Net Assets End of Year</b>			<u>\$ 2,019,607</u>	

## **TRUST AND AGENCY FUNDS**

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

### *General Agency Fund:*

This fund is used to account for the property taxes collected for and remitted to other taxing entities by the La Plata County Treasurer.

**La Plata County, Colorado**  
**General Agency Fund**  
*Statement of Changes in Fiduciary Assets and Liabilities*  
*For The Year Ended December 31, 2011*

	<b>Balance</b> <b>January 1, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance</b> <b>December 31, 2011</b>
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 2,470,639	\$ 77,809,214	\$ 78,163,416	\$ 2,116,437
<b>Liabilities</b>				
Accounts payable	\$ 2,307	\$ 13,216,070	\$ 13,213,923	\$ 4,454
Due to component unit	272,561	1,993,236	2,007,840	257,957
Deposits held for others	2,195,771	62,599,908	62,941,653	1,854,026
<b>Total Liabilities</b>	<b>\$ 2,470,639</b>	<b>\$ 77,809,214</b>	<b>\$ 78,163,416</b>	<b>\$ 2,116,437</b>

## **Discretely Presented Component Units**

Discretely presented component units are those entities that are legally separate from the primary government (the County) but for which the elected officials of the County are financially accountable, or where the nature and significance of their relationship with 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, 2011**

	<u>General Fund</u>	<u>Federal Victim's Compensation</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash Deposits	\$ 100,225	\$ 3	\$ 100,228
Due from primary government	257,957	-	257,957
Receivables:			
Accounts	6,089	-	6,089
Intergovernmental	151,699	-	151,699
<b>Total Assets</b>	<u>\$ 515,970</u>	<u>\$ 3</u>	<u>\$ 515,973</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 3,147	\$ -	\$ 3,147
Accrued salaries and benefits	58,363	-	58,363
Due to primary government	300,000	-	300,000
<b>Total Liabilities</b>	<u>361,510</u>	<u>-</u>	<u>361,510</u>
<b>Fund Balances</b>			
<b>Restricted for:</b>			
Law Enforcement	93,343	3	93,346
Economic stabilization (TABOR)	61,117	-	61,117
<b>Total Fund Balances</b>	<u>154,460</u>	<u>3</u>	<u>154,463</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 515,970</u>	<u>\$ 3</u>	<u>\$ 515,973</u>
Governmental Fund Balance			\$ 154,463
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds			27,729
Compensated absences are not due and payable in the current period and therefore not reported in the funds			<u>(75,235)</u>
Net assets of governmental activities			<u>\$ 106,957</u>

**Sixth Judicial District Attorney**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2011**

	<b>General Fund</b>	<b>Federal Victim's Compensation</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 673,299	\$ 91,000	\$ 764,299
Intergovernmental - County	1,294,000	-	1,294,000
Miscellaneous	41,424	-	41,424
<b>Total Revenues</b>	<b>2,008,723</b>	<b>91,000</b>	<b>2,099,723</b>
<b>Expenditures</b>			
<b>Current:</b>			
Public safety	2,006,541	91,086	2,097,627
<b>Total Expenditures</b>	<b>2,006,541</b>	<b>91,086</b>	<b>2,097,627</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,182</b>	<b>(86)</b>	<b>2,096</b>
<b>Net Change in Fund Balances</b>	<b>2,182</b>	<b>(86)</b>	<b>2,096</b>
<b>Fund Balances Beginning of Year (as restated)</b>	<b>152,277</b>	<b>89</b>	<b>152,366</b>
<b>Fund Balances End of Year</b>	<b>\$ 154,459</b>	<b>\$ 3</b>	<b>\$ 154,462</b>
Net change in fund balances			\$ 2,096
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		\$ (15,396)	
Capital outlay		-	(15,396)
Governmental funds do not report compensated absences at the fund financial reporting level but they are reported at the government-wide financial reporting level.			
Liability @ 12/31/11		\$ (75,235)	
Liability @ 12/31/10		72,276	(2,959)
Change in net assets at the government-wide financial reporting level			<b>\$ (16,259)</b>

**Sixth Judicial District Attorney**  
**Governmental funds (General) with adopted budget**  
*Schedule of Revenues, Expenses and*  
**Changes in Fund Balance - Budget and Actual**  
*For the Year Ended December 31, 2011*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 629,077	\$ 649,077	\$ 764,299	\$ 115,222
Intergovernmental - County	1,355,487	1,355,487	1,294,000	(61,487)
Miscellaneous	38,500	38,500	41,424	2,924
<b>Total Revenues</b>	<u>2,023,064</u>	<u>2,043,064</u>	<u>2,099,723</u>	<u>56,659</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety	<u>2,023,064</u>	<u>2,043,064</u>	<u>2,097,627</u>	<u>(54,563)</u>
<b>Total Expenditures</b>	<u>2,023,064</u>	<u>2,043,064</u>	<u>2,097,627</u>	<u>(54,563)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>2,096</u>	<u>2,096</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>2,096</u>	<u>\$ 2,096</u>
<b>Fund Balances Beginning of Year (as restated)</b>			<u>152,366</u>	
<b>Fund Balances End of Year</b>			<u>\$ 154,462</u>	

## **SPECIAL REPORTS SECTION**

**La Plata County, Colorado**  
**Social Services Fund**  
**Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures**  
**For the Year Ended December 31, 2011**

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	Total Authorizations & Expenditures By By County Warrant	Total Expenditures
Colorado Works	\$ 426,662	\$ 138,856	\$ 618,884	\$ 1,045,546	\$ 757,740
Child Care	230,281	56,716	201,032	431,313	257,748
Child Welfare	713,842	139,645	1,451,479	2,165,321	1,591,124
County Administration	-	-	942,466	942,466	942,466
Core Services	508,083	55,982	607,288	1,115,371	663,270
Child Support Administration	-	-	611,959	611,959	611,959
LEAP	451,739	-	45,165	496,904	45,165
AND	227,811	42,891	-	227,811	42,891
Old Age Pension	303,017	23	18,043	321,060	18,066
Food Assistance Fraud	-	-	21,705	21,705	21,705
Food Assistance	5,827,099	-	-	5,827,099	-
Food Assistance Job Search	-	-	56,885	56,885	56,885
Title XX	-	-	3,315	3,315	3,315
CHAFFEE	-	-	48,715	48,715	48,715
General Assistance	-	-	21,930	21,930	21,930
Title IV-B Sup Part 2 (PSSF)	25,000	-	40,377	65,377	40,377
<b>Totals</b>	<b>\$ 8,713,534</b>	<b>\$ 434,113</b>	<b>\$ 4,689,243</b>	<b>\$ 13,402,777</b>	<b>\$ 5,123,356</b>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: County
This Information From The Records Of: County of La Plata, Coloradc	YEAR ENDING : December 2011
Prepared By: Karla Distel Phone: (970)382-6306	

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,885,184
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,439,292
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	2,500,000	b. Snow and ice removal	1,359,822
3. Other local imposts (from page 2)	1,711,078	c. Other	
4. Miscellaneous local receipts (from page 2)	323,240	d. Total (a. through c.)	1,359,822
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	8,684,299
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	4,534,318	b. Redemption	
<b>B. Private Contributions (So Ute Indian Tribe)</b>	32,064	c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	3,140,425	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	61,580	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	7,768,387	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	8,684,299

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	10,271,067	7,768,387	8,684,299	9,355,155	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 2011

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1,468,938	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	65,675	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	52,926	f. Charges for Services	
5. Specific Ownership &/or Other	123,539	g. Other Misc. Receipts	323,240
6. Total (1. through 5.)	242,140	h. Other	0
c. Total (a. + b.)	1,711,078		

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,806,490	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	174,592	d. Federal Transit Admin	
d. Other EIAF/LGGF	119,503	e. U.S. Corps of Engineers	
e. Other Bridge Funds/Enhancement	39,840	f. Other Federal	61,580
f. Total (a. through e.)	333,935	g. Total (a. through f.)	61,580
4. Total (1. + 2. + 3.f)	3,140,425	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		142,261	142,261
b. Engineering Costs		1,003,286	1,003,286
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		463,850	463,850
(3). System Preservation		173,715	173,715
(4). System Enhancement & Operation		102,072	102,072
(5). Total Construction (1) + (2) + (3) + (4)	0	739,637	739,637
+ 1.c.5)	0	1,885,184	1,885,184

(Carry forward to page 1)

**Notes and Comments:**

## **STATISTICAL SECTION**

# Statistical Section

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

<b>Contents</b>	<b>Tables</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time	1-5
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future	13-15
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place and to help make comparisons over time and with other governments	16-17
<b>Operating Information</b> These schedules contain information about the County’s operations and resources to help the reader understand how the County’s financial performance relates to the services the County provides and the activities it performs	18-20

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

**La Plata County, Colorado**  
**Government-wide Net Assets by Component**  
**December 31, 2003-2011**  
*(accrual basis of accounting)*

	<u>December 31, 2003</u>	<u>December 31, 2004</u>	<u>December 31, 2005</u>	<u>December 31, 2006</u>	<u>December 31, 2007</u>	<u>December 31, 2008</u>	<u>December 31, 2009</u>	<u>December 31, 2010</u>	<u>December 31, 2011</u>
<b>Governmental Activities</b>									
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 101,427,081	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282
Restricted for:									
Capital projects	9,474,624	7,891,609	7,900,944	11,759,657	15,086,883	5,440,161	4,652,468	5,434,327	6,283,012
Emergencies	1,120,000	1,120,000	1,185,000	1,185,000	1,285,000	2,000,000	2,000,000	2,000,000	1,541,536
Debt Service	36,319	433,756	534,060	425,143	448,522	454,883	452,735	452,735	450,985
Specific projects and programs	7,369,315	9,036,905	9,410,170	10,192,051	9,674,145	5,573,959	3,667,978	3,801,100	14,349,826
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,051,259	44,754,552	57,321,536	70,682,038	66,206,346
<b>Subtotal Governmental Activities Net Assets</b>	<u>\$ 63,668,437</u>	<u>\$ 72,305,126</u>	<u>\$ 85,588,270</u>	<u>\$ 125,900,019</u>	<u>\$ 145,417,993</u>	<u>\$ 159,650,636</u>	<u>\$ 172,880,328</u>	<u>\$ 185,427,549</u>	<u>\$ 188,908,987</u>
<b>Subtotal Business-type Activities Net assets</b>	<u>\$ -</u>								
<b>Primary Government</b>									
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975	\$ 45,072,293	\$ 76,413,335	\$ 85,872,184	\$ 101,427,081	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282
Restricted	18,000,258	18,482,270	19,030,174	23,561,851	26,494,550	13,469,003	10,773,181	11,688,162	22,625,359
Unrestricted	18,372,228	17,006,881	21,485,803	25,924,833	33,051,259	44,754,552	57,321,536	70,682,038	66,206,346
<b>Total primary government net assets</b>	<u>\$ 63,668,437</u>	<u>\$ 72,305,126</u>	<u>\$ 85,588,270</u>	<u>\$ 125,900,019</u>	<u>\$ 145,417,993</u>	<u>\$ 159,650,636</u>	<u>\$ 172,880,328</u>	<u>\$ 185,427,549</u>	<u>\$ 188,908,987</u>

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

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

**La Plata County, Colorado**  
**Government-wide Changes in Net Assets**  
**Fiscal Years 2003-2011**  
**(accrual basis of accounting)**

	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2005</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>
<b>Expenses</b>									
<b>Governmental Activities</b>									
General government	\$ 7,754,452	\$ 6,973,916	\$ 7,985,491	\$ 8,776,033	\$ 9,310,267	\$ 10,081,860	\$ 11,324,542	\$ 12,590,925	\$ 10,570,951
Public safety	10,227,758	10,363,443	11,205,953	12,529,335	13,408,383	13,909,083	14,921,662	15,228,090	15,426,187
Auxiliary services	2,547,884	4,295,664	4,570,764	4,703,319	4,796,460	3,693,219	3,925,467	3,609,635	3,382,410
Public works	7,998,659	2,301,220	2,740,837	3,055,270	3,290,009	12,532,719	13,329,071	9,946,369	10,572,032
Health and welfare	4,471,450	7,692,460	8,407,331	11,240,436	11,690,024	4,896,385	5,551,746	5,653,873	5,581,089
Community programs	2,522,640	2,680,824	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,722	4,296,657
Interest on long-term debt	103,912	120,222	180,491	136,007	104,989	91,633	81,935	70,139	57,270
<b>Total Governmental Activities</b>	<u>35,626,755</u>	<u>34,427,749</u>	<u>38,413,663</u>	<u>46,547,305</u>	<u>46,644,503</u>	<u>49,546,662</u>	<u>54,325,945</u>	<u>51,792,753</u>	<u>49,886,596</u>
<b>Business-type Activities</b>	-	-	-	-	-	-	-	-	-
<b>Total Primary Government Expenses</b>	<u>\$ 35,626,755</u>	<u>\$ 34,427,749</u>	<u>\$ 38,413,663</u>	<u>\$ 46,547,305</u>	<u>\$ 46,644,503</u>	<u>\$ 49,546,662</u>	<u>\$ 54,325,945</u>	<u>\$ 51,792,753</u>	<u>\$ 49,886,596</u>
<b>Program Revenues</b>									
<b>Governmental Activities</b>									
Charges for Services									
General government	\$ 2,717,321	\$ 1,926,114	\$ 2,025,210	\$ 2,895,256	\$ 3,122,679	\$ 2,742,547	\$ 2,820,023	\$ 2,753,843	\$ 2,689,737
Public safety	1,008,565	567,003	612,358	688,195	709,336	845,054	813,731	860,444	930,281
Auxiliary services	269,514	266,798	204,018	487,274	477,721	620,385	264,190	239,027	243,891
Public works	192,447	125,387	47,106	81,678	270,851	267,910	86,341	60,110	52,926
Total Charges for Services	4,187,847	2,885,302	2,888,692	4,152,403	4,580,587	4,475,896	3,984,285	3,913,424	3,916,835
Operating Grants and Contributions	8,335,012	8,558,442	12,056,298	12,390,828	11,291,178	10,280,747	18,162,203	12,765,925	12,753,984
Capital Grants and Contributions	5,427,383	3,533,185	1,773,879	4,392,191	3,905,903	4,026,680	2,828,191	662,256	308,532
<b>Total Governmental Activities Program Revenues</b>	<u>17,950,242</u>	<u>14,976,929</u>	<u>16,718,869</u>	<u>20,935,422</u>	<u>19,777,668</u>	<u>18,783,323</u>	<u>24,974,679</u>	<u>17,341,605</u>	<u>16,979,351</u>
<b>Total Business-type Activities Program Revenues</b>	-	-	-	-	-	-	-	-	-
<b>Total Primary Government Program Revenue</b>	<u>\$ 17,950,242</u>	<u>\$ 14,976,929</u>	<u>\$ 16,718,869</u>	<u>\$ 20,935,422</u>	<u>\$ 19,777,668</u>	<u>\$ 18,783,323</u>	<u>\$ 24,974,679</u>	<u>\$ 17,341,605</u>	<u>\$ 16,979,351</u>
<b>Net (Expense) Revenue</b>									
Governmental activities	\$ (17,676,513)	\$ (19,450,820)	\$ (21,694,794)	\$ (25,611,883)	\$ (26,866,835)	\$ (30,763,339)	\$ (29,351,266)	\$ (34,451,148)	\$ (32,907,245)
Business activities	-	-	-	-	-	-	-	-	-
<b>Total Primary Government</b>	<u>\$ (17,676,513)</u>	<u>\$ (19,450,820)</u>	<u>\$ (21,694,794)</u>	<u>\$ (25,611,883)</u>	<u>\$ (26,866,835)</u>	<u>\$ (30,763,339)</u>	<u>\$ (29,351,266)</u>	<u>\$ (34,451,148)</u>	<u>\$ (32,907,245)</u>
<b>General revenues and other changes in net assets</b>									
<b>Governmental Activities:</b>									
Taxes									
Property taxes levied for general purposes	\$ 16,450,626	\$ 14,421,821	\$ 19,938,128	\$ 23,038,002	\$ 27,340,954	\$ 27,363,462	\$ 27,822,967	\$ 31,654,239	\$ 21,357,288
Sales taxes	10,044,453	11,099,303	11,558,412	12,874,145	13,536,799	13,639,998	12,264,867	13,528,774	12,363,979
Other taxes	1,296,970	150,766	166,360	176,662	178,160	189,262	168,180	283,895	299,419
Investment earnings	629,156	495,828	1,045,081	2,106,064	3,175,953	1,927,368	514,724	435,688	420,128
Gain (loss) on disposition of capital assets	-	(152,835)	-	17,057	6,592	(261,944)	-	-	-
Miscellaneous	1,148,909	2,135,485	2,269,958	3,390,749	2,146,353	2,137,836	1,810,220	1,095,772	1,947,870
Transfer from (to) business-type activities	18,211	-	-	-	-	-	-	-	-
<b>Subtotal Governmental Activities</b>	<u>29,588,325</u>	<u>28,150,368</u>	<u>34,977,939</u>	<u>41,602,679</u>	<u>46,384,811</u>	<u>44,995,982</u>	<u>42,580,958</u>	<u>46,998,368</u>	<u>36,388,684</u>
<b>Subtotal Business-type Activities</b>	-	-	-	-	-	-	-	-	-
<b>Total Primary Government</b>	<u>\$ 29,588,325</u>	<u>\$ 28,150,368</u>	<u>\$ 34,977,939</u>	<u>\$ 41,602,679</u>	<u>\$ 46,384,811</u>	<u>\$ 44,995,982</u>	<u>\$ 42,580,958</u>	<u>\$ 46,998,368</u>	<u>\$ 36,388,684</u>

La Plata County, Colorado  
 Government-wide Changes in Net Assets  
 Fiscal Years 2003-2011  
 (accrual basis of accounting)

	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2005</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2011</u>
<b>Changes in Net Assets</b>									
Governmental activities	\$ 11,911,809	\$ 8,108,553	\$ 13,283,145	\$ 15,990,796	\$ 19,517,976	\$ 14,232,643	\$ 13,229,692	\$ 12,574,220	\$ 3,481,439
Business-type activities	(18,211)	-	-	-	-	-	-	-	-
<b>Total Primary Government</b>	<u>\$ 11,893,598</u>	<u>\$ 8,108,553</u>	<u>\$ 13,283,145</u>	<u>\$ 15,990,796</u>	<u>\$ 19,517,976</u>	<u>\$ 14,232,643</u>	<u>\$ 13,229,692</u>	<u>\$ 12,574,220</u>	<u>\$ 3,481,439</u>

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

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

Source	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Taxes	\$ 26,218,122	\$ 27,792,046	\$ 25,671,890	\$ 31,662,899	\$ 36,088,807	\$ 41,055,912	\$ 41,192,722	\$ 40,256,015	\$ 45,466,908	\$ 34,020,684
Intergovernmental	11,910,774	10,900,996	12,091,627	12,627,050	15,979,354	12,735,290	13,997,368	16,538,111	12,935,455	12,255,999
Licenses and permits	761,470	743,950	995,007	1,023,634	817,770	1,142,078	931,951	520,400	449,677	388,800
Charges for services	2,647,593	2,998,528	2,824,970	2,854,458	3,290,254	3,393,629	3,530,762	3,302,681	3,313,725	3,350,386
Fines and forfeitures	2,792	8,605	4,919	6,888	2,518	-	-	-	-	-
Miscellaneous	2,070,870	2,260,049	1,615,915	2,175,017	5,337,037	5,126,793	3,946,848	2,317,105	1,529,148	2,399,722
Total revenues	<u>\$ 43,611,621</u>	<u>\$ 44,704,174</u>	<u>\$ 43,204,328</u>	<u>\$ 50,349,946</u>	<u>\$ 61,515,740</u>	<u>\$ 63,453,702</u>	<u>\$ 63,599,650</u>	<u>\$ 62,934,312</u>	<u>\$ 63,694,913</u>	<u>\$ 52,415,591</u>
% change from prior year	<u>19.9%</u>	<u>2.5%</u>	<u>-3.4%</u>	<u>16.5%</u>	<u>22.2%</u>	<u>3.2%</u>	<u>0.2%</u>	<u>-1.0%</u>	<u>1.2%</u>	<u>-17.7%</u>

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

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Current:</b>										
General government	\$ 7,279,623	\$ 7,148,375	\$ 6,879,830	\$ 7,569,024	\$ 8,494,853	\$ 8,918,391	\$ 9,574,832	\$ 10,629,669	\$ 11,636,438	\$ 9,766,049
Public safety	7,833,806	9,154,633	10,491,246	11,146,554	12,247,107	13,308,782	13,933,609	14,623,385	14,844,053	14,901,413
Public works	6,040,436	6,321,849	6,300,583	6,982,368	7,861,675	8,981,938	8,974,502	8,005,211	7,942,046	7,831,786
Health and welfare	4,453,787	4,541,852	4,436,225	4,652,902	4,731,187	4,759,169	4,829,459	5,532,693	5,558,455	5,508,421
Auxiliary services	2,372,646	2,417,688	2,165,385	2,445,015	2,739,962	3,025,521	3,306,975	3,593,406	3,246,466	3,068,201
Community Programs	3,049,666	2,522,640	2,680,824	3,322,796	6,106,905	4,044,371	4,341,763	5,191,522	4,693,722	4,296,657
<b>Total Current</b>	<b>31,029,964</b>	<b>32,107,037</b>	<b>32,954,093</b>	<b>36,118,659</b>	<b>42,181,689</b>	<b>43,038,172</b>	<b>44,961,140</b>	<b>47,575,886</b>	<b>47,921,180</b>	<b>45,372,527</b>
<b>% Change From Prior Year</b>	<b>15.2%</b>	<b>3.5%</b>	<b>2.6%</b>	<b>9.6%</b>	<b>16.8%</b>	<b>2.0%</b>	<b>4.5%</b>	<b>5.8%</b>	<b>0.7%</b>	<b>-5.3%</b>
<b>Capital Outlay</b>	<b>6,534,194</b>	<b>10,874,580</b>	<b>15,993,081</b>	<b>9,030,115</b>	<b>9,755,183</b>	<b>12,798,486</b>	<b>19,557,767</b>	<b>7,615,183</b>	<b>3,162,105</b>	<b>2,198,728</b>
<b>% Change From Prior Year</b>	<b>-1.6%</b>	<b>66.4%</b>	<b>47.1%</b>	<b>-43.5%</b>	<b>8.0%</b>	<b>31.2%</b>	<b>52.8%</b>	<b>-61.1%</b>	<b>-58.5%</b>	<b>-30.5%</b>
<b>Debt Service</b>										
Principal	510,000	535,000	560,000	930,000 <sup>1</sup>	970,000 <sup>2</sup>	360,000	375,000	385,000	400,000	415,000
Interest	130,625	107,675	124,405	175,959	141,172	103,839	94,362	83,431	71,256	57,853
<b>Total Debt Service</b>	<b>640,875</b>	<b>642,925</b>	<b>684,405</b>	<b>1,105,959</b>	<b>1,111,172</b>	<b>463,839</b>	<b>469,362</b>	<b>468,431</b>	<b>471,256</b>	<b>472,853</b>
<b>% Change From Prior Year</b>	<b>-0.6%</b>	<b>0.3%</b>	<b>6.5%</b>	<b>61.6%</b>	<b>0.5%</b>	<b>-58.3%</b>	<b>1.2%</b>	<b>-0.2%</b>	<b>0.6%</b>	<b>0.3%</b>
<b>Total Expenditures</b>	<b>\$38,205,033</b>	<b>\$ 43,624,542</b>	<b>\$ 49,631,579</b>	<b>\$ 46,254,733</b>	<b>\$ 53,048,044</b>	<b>\$ 56,300,497</b>	<b>\$ 64,988,269</b>	<b>\$ 55,659,500</b>	<b>\$ 51,554,541</b>	<b>\$ 48,044,108</b>
<b>% Change From Prior Year</b>	<b>11.6%</b>	<b>14.2%</b>	<b>13.8%</b>	<b>-6.8%</b>	<b>14.7%</b>	<b>6.1%</b>	<b>15.4%</b>	<b>-14.4%</b>	<b>-7.4%</b>	<b>-6.8%</b>
<b>Debt Service as a Percentage of Total Non-capital Expenditures</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>

Notes:

<sup>1)</sup> First year of debt service on 2004 Certificates of Purchase, Old Main Professional Building

<sup>2)</sup> 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Reserved	\$ 520,554	\$ 1,376,847	\$ 1,439,011	\$ 1,479,821	\$ 1,503,670	\$ 1,355,569	\$ 1,386,509	\$ 1,536,887	\$ 1,747,996	
Unreserved	8,340,333	8,288,753	5,990,174	8,699,792	12,778,086	16,842,929	23,951,512	28,285,373	40,111,898	
Nonspendable										\$ 360,411
Restricted										3,483,597
Committed										-
Assigned										1,331,567
Unassigned										43,188,909
<b>Subtotal General Fund</b>	<u>8,860,887</u>	<u>9,665,600</u>	<u>7,429,185</u>	<u>10,179,613</u>	<u>14,281,756</u>	<u>18,198,498</u>	<u>25,338,021</u>	<u>29,822,260</u>	<u>41,859,894</u>	<u>48,364,484</u>
<b>General Fund Percentage Change</b>	<u>20.4%</u>	<u>9.1%</u>	<u>-23.1%</u>	<u>37.0%</u>	<u>40.3%</u>	<u>27.4%</u>	<u>39.2%</u>	<u>17.7%</u>	<u>40.4%</u>	<u>15.5%</u>
<b>All Other Governmental Funds Combined</b>										
Reserved	11,090,759	11,808,459	10,299,261	11,237,184	16,906,983	20,987,489	12,920,525	9,623,971	10,371,282	
Unreserved	7,979,630	7,029,286	8,974,152	8,547,189	7,263,442	6,482,847	6,021,669	12,108,796	11,464,223	
Nonspendable										560,636
Restricted										19,141,762
Committed										-
Assigned										-
Unassigned										-
<b>Subtotal All Other Governmental Funds Combined</b>	<u>19,070,389</u>	<u>18,837,745</u>	<u>19,273,413</u>	<u>19,784,373</u>	<u>24,170,425</u>	<u>27,470,336</u>	<u>18,942,194</u>	<u>21,732,767</u>	<u>21,835,505</u>	<u>19,702,398</u>
<b>Total Governmental Funds</b>										
Reserved	11,611,313	13,185,306	11,738,272	12,717,005	17,985,510	22,343,058	13,852,151	11,160,858	12,119,278	
Unreserved	16,319,963	15,318,039	14,964,326	17,246,981	20,466,671	23,325,776	30,428,064	40,394,169	51,576,121	
Nonspendable										921,047
Restricted										22,625,359
Committed										-
Assigned										1,331,567
Unassigned										43,188,909
<b>Total Governmental Funds</b>	<u>\$ 27,931,276</u>	<u>\$ 28,503,345</u>	<u>\$ 26,702,598</u>	<u>\$ 29,963,986</u>	<u>\$ 38,452,181</u>	<u>\$ 45,668,834</u>	<u>\$ 44,280,215</u>	<u>\$ 51,555,027</u>	<u>\$ 63,695,399</u>	<u>\$ 68,066,882</u>
<b>All Governmental Funds Percentage Change</b>	<u>18.4%</u>	<u>2.0%</u>	<u>-6.3%</u>	<u>12.2%</u>	<u>28.3%</u>	<u>18.8%</u>	<u>-3.0%</u>	<u>16.4%</u>	<u>23.5%</u>	<u>6.9%</u>

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)*

<b>Fiscal Year</b>	<b>Property</b>	<b>Specific Ownership</b>	<b>Sales</b>	<b>Cable Franchise</b>	<b>Lodging</b>	<b>Total</b>
2002	\$ 14,884,093	\$ 1,513,981	\$ 9,675,960	\$ -	\$ 144,088	\$ 26,218,122
2003	16,006,175	1,589,119	10,044,453	-	152,299	27,792,046
2004	13,045,165	1,363,951	11,099,303	-	163,471	25,671,890
2005	18,178,374	1,771,618	11,558,412	-	154,495	31,662,899
2006	21,093,729	1,948,479	12,874,145	-	172,454	36,088,807
2007	25,008,568	2,248,409	13,536,799	59,011	203,125	41,055,912
2008	25,022,449	2,246,097	13,639,998	94,916	189,262	41,192,722
2009	25,928,320	1,799,726	12,264,867	95,015	168,087	40,256,015
2010	29,902,937	1,751,302	13,528,774	103,442	180,453	45,466,908
2011	19,872,963	1,484,323	12,363,979	101,201	198,218	34,020,684
Percentage Change						
In Dollars Over						
10 Years	33.5%	-2.0%	27.8%		37.6%	29.8%

<sup>1</sup> Newly enacted.

<sup>2</sup> One-time audit adjustment of \$1.7 million

**La Plata County, Colorado**  
**Property Tax Levies and Collections**  
**Tax years 2001-2010**  
**Fiscal years 2002-2011**

Tax Year	Fiscal Year Collected	Total Tax Levy <sup>1</sup>	Current Tax Collection	% of Levy Collected	Delinquent Tax Collections <sup>2</sup>	Total Tax Collections	% of Total Tax Collection To Levy
2001	2002	10,339,617	10,324,889	99.86%	(29,648)	10,295,241	99.57%
2002	2003	\$ 15,976,500	\$ 15,958,581	99.89%	\$ 47,595	\$ 16,006,175	100.19%
2003	2004	13,002,400	12,959,129	99.67%	48,043	13,045,165	100.33%
2004	2005	18,193,503	18,178,915	99.92%	(541)	18,178,374	99.92%
2005	2006	21,157,511	21,097,564	99.72%	(3,835)	21,093,729	99.70%
2006	2007	25,568,291	25,612,223	100.17%	(603,655)	25,008,568	97.81%
2007	2008	25,153,611	25,093,768	99.76%	(71,319)	25,022,449	99.48%
2008	2009	25,846,078	25,601,281	99.05%	327,039	25,928,320	100.32%
2009	2010	30,099,220	29,924,217	99.42%	(21,280)	29,902,937	99.35%
2010	2011	20,087,943	19,884,929	98.99%	(11,966)	19,872,963	98.93%

(1) Includes General, Road and Bridge, and Social Services Funds, as well as Local Improvement District funds.

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

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

**La Plata County, Colorado**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Tax Years 2001-2010**  
**Fiscal Years 2002-2011**

Assessment/ Fiscal Year	Vacant Property	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Oil & Gas	Other	Total Assessed	Residential Assessment Rate	Estimated Actual Value	Ratio of Assessed Value to Total Est. Actual Value	Oil and Gas As % of Total	La Plata County only Mill Levy
2001/2002	\$ 102,290	\$ 279,953	\$ 216,354	\$ 37,037	\$ 11,859	\$ 2,953	\$ 1,032,568	\$ 61,301	1,744,315	9.15%	\$ 5,728,618	30.4%	59.2%	8.500
2002/2003	98,945	296,609	218,164	41,603	12,199	2,917	1,146,165	57,525	1,874,127	9.15%	6,038,955	31.0%	61.2%	8.500
2003/2004	121,616	316,552	236,548	43,050	12,267	2,649	728,491	62,786	1,523,959	7.96%	6,460,780	23.6%	47.8%	8.500
2004/2005	121,040	333,398	240,521	42,219	12,473	2,614	1,321,390	60,580	2,134,235	7.96%	7,351,843	29.0%	61.9%	8.500
2005/2006	164,537	408,600	280,577	46,065	12,750	2,783	1,510,431	57,342	2,483,085	7.96%	8,804,386	28.2%	60.8%	8.500
2006/2007	165,544	436,296	289,643	50,881	13,002	3,765	1,982,319	66,595	3,008,045	7.96%	9,779,128	30.8%	65.9%	8.500
2007/2008	230,111	546,744	369,900	46,304	12,666	4,909	1,597,384	77,977	2,885,995	7.96%	11,252,387	25.6%	55.3%	8.693 <sup>1</sup>
2008/2009	217,035	588,523	386,761	50,875	12,767	4,440	1,637,188	120,402	3,017,991	7.96%	11,996,568	25.2%	54.2%	8.564 <sup>1</sup>
2009/2010	218,947	627,914	403,858	52,575	12,633	5,028	1,941,632	199,112	3,461,699	7.96%	13,183,765	26.3%	56.1%	8.674 <sup>1</sup>
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	20.1%	40.6%	8.500

Source: La Plata County Assessor's Abstract

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

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

(in thousands of \$)

**La Plata County, Colorado**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Tax Years 2001-2010**  
**Fiscal Years 2002-2011**

Collection Year:		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
La Plata County	mill	8.500	8.500	8.500	8.500	8.500	8.500	8.693	8.564	8.674	8.500
	tax \$	14,826,677	15,930,085	12,953,647	18,140,996	21,106,223	25,568,291	25,087,956	25,846,078	30,026,777	20,015,775
<i>Municipalities:</i>											
City of Durango	mill	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507
	tax \$	651,163	683,120	746,788	774,172	949,080	972,396	1,248,819	1,279,024	1,347,238	1,344,677
Town of Bayfield	mill	5.950	5.169	5.950	5.950	5.950	5.950	5.950	5.950	5.950	5.950
	tax \$	77,784	80,975	108,161	131,330	157,513	212,115	245,627	240,482	249,010	229,066
Town of Ignacio	mill	3.370	3.370	3.370	3.337	3.192	3.084	2.978	2.918	2.747	2.780
	tax \$	16,066	15,928	15,900	16,342	16,906	16,404	19,335	20,460	21,153	22,184
<i>School Districts:</i>											
Durango 9R	mill	15.394	17.307	21.553	16.617	16.347	14.556	15.189	14.765	14.484	16.368
	tax \$	21,275,601	25,131,881	25,722,113	26,337,033	29,954,630	30,424,187	30,269,840	29,957,375	31,850,209	26,847,994
Bayfield 10R	mill	28.847	25.974	28.100	22.764	19.429	16.450	16.450	16.364	15.814	17.045
	tax \$	4,850,340	5,052,127	4,343,404	5,541,416	5,456,837	6,168,019	6,142,706	6,249,134	7,074,726	4,979,766
Ignacio 11JT	mill	8.825	7.598	7.598	4.183	6.217	4.246	4.463	4.032	3.574	7.761
	tax \$	1,712,965	1,728,532	1,336,895	1,279,416	2,299,053	2,305,286	2,319,418	2,448,082	2,914,008	2,010,902
<i>Special Districts:</i>											
Animas Fire Protection- Bonded Indebtedness	mill	1.230	1.024	1.160	0.692	0.631	0.526	0.486	0.480	0.454	0.373
	tax \$	569,446	527,429	537,020	439,630	506,154	491,804	451,821	452,671	482,698	300,908
Animas Fire Protection	mill	4.112	3.996	5.069	5.069	5.069	5.207	5.232	5.119	5.069	5.069
	tax \$	1,701,189	1,859,997	2,072,739	2,941,314	3,449,902	4,196,518	3,978,531	3,913,896	4,471,782	3,128,438
Animas La Plata Water Conservancy	mill	0.319	0.290	0.281	0.286	0.249	0.254	0.219	0.226	0.229	0.243
	tax \$	144,336	135,257	141,825	152,234	160,308	170,545	180,518	191,763	204,647	215,908
Animas Mosquito Control	mill	0.550	0.550	0.990	0.990	0.990	0.990	0.990	0.990	0.990	0.990
	tax \$	200,845	206,500	403,036	419,328	508,366	521,894	646,004	655,768	686,670	678,815
Aspen Trails Metro	mill	0.000	0.000	0.000	18.650	14.224	13.989	11.777	10.659	10.391	5.000
	tax \$	-	-	-	21,623	24,835	25,083	28,178	31,144	31,065	14,909
Aspen Trails Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.405
	tax \$	-	-	-	-	-	-	-	-	-	16,117
Durango Conference Center Business Improvement Center	mill	0.000	0.000	1.500	1.500	1.500	1.500	1.500	1.500	1.500	2.000
	tax \$	-	-	143,457	141,636	150,619	150,021	199,861	203,037	203,037	277,177
Durango Fire Protection	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

**La Plata County, Colorado**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Tax Years 2001-2010**  
**Fiscal Years 2002-2011**

Collection Year:		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	tax \$	-	-	-	-	-	-	-	-	-	-
Durango Hills Local	mill	18.525	20.379	18.404	18.573	15.731	16.538	16.369	17.241	16.515	15.951
Improvement	tax \$	41,007	45,610	48,753	50,405	51,288	54,304	65,655	68,991	72,443	72,168
Durango West Metropolitan I	mill	55.140	57.840	48.100	47.200	38.800	22.400	17.960	17.960	17.540	17.430
	tax \$	135,672	144,173	137,935	140,033	136,218	79,322	79,703	79,921	79,319	79,628
Durango West Metropolitan II	mill	28.769	27.695	25.120	25.410	21.822	20.977	17.403	17.469	16.726	17.361
	tax \$	210,036	204,501	203,450	208,378	210,544	200,708	205,902	207,581	207,126	214,760
Edgemont Ranch Metropolitan	mill	5.874	5.874	5.874	5.874	14.402	12.963	10.892	10.469	10.605	7.874
	tax \$	21,339	25,222	29,934	33,666	128,260	148,516	210,138	234,836	226,086	170,386
Edgemont Ranch Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.691
	tax \$	-	-	-	-	-	-	-	-	-	58,231
Elbert Creek Water & Sanitation	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
El Rancho Florida Metropolitan	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
Florida Mosquito Control	mill	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
	tax \$	195,340	226,077	174,119	282,197	360,275	447,073	391,103	389,324	470,256	281,547
Florida Water Conservancy	mill	0.201	0.185	0.185	0.119	0.099	0.086	0.086	0.086	0.074	0.074
	tax \$	43,421	46,370	38,829	40,609	43,691	47,064	42,772	43,231	44,834	27,948
Forest Lakes Metropolitan	mill	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524
	tax \$	306,189	316,982	354,184	378,762	583,157	606,152	827,775	835,635	842,619	845,208
Fort Lewis Fire Protection	mill	5.900	5.900	5.900	5.900	5.900	5.900	5.900	5.900	5.900	7.400
	tax \$	156,715	157,544	163,299	165,150	191,814	204,462	253,809	269,048	290,386	407,806
Hermosa Cliffs Fire Protection	mill	10.650	10.650	9.979	9.524	8.961	8.643	8.243	8.075	8.021	6.890
	tax \$	375,538	381,149	412,564	449,080	544,099	602,874	743,893	796,464	877,210	758,217
Hermosa Cliffs Fire Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.029
	tax \$	-	-	-	-	-	-	-	-	-	113,237
Hermosa Sanitation	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-

**La Plata County, Colorado**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Tax Years 2001-2010**  
**Fiscal Years 2002-2011**

Collection Year:	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Ignacio-Allison-Oxford Cemetary mill tax \$	0.244 28,850	0.244 34,635	0.244 26,852	0.244 50,474	0.244 60,738	0.244 91,782	0.244 88,517	0.244 104,681	0.244 143,426	0.244 72,928
Ignacio Community Library mill tax \$	0.560 108,698	1.000 227,498	1.000 175,954	1.000 305,861	1.500 554,702	1.500 814,397	1.500 779,549	1.500 910,745	1.500 1,223,003	1.500 633,554
Ignacio Sanitation mill tax \$	0.000 -									
La Plata Archuleta Water mill tax \$	0.000 -	5.000 2,589,468								
La Plata Water Conservancy mill tax \$	0.295 6,623	0.295 6,705	0.295 6,856	0.295 7,148	0.295 8,245	0.295 8,817	0.295 10,848	0.295 11,477	0.295 12,008	0.295 13,802
Loma Linda Sanitation mill tax \$	0.000 -									
Los Pinos Fire Protection mill tax \$	3.721 1,235,110	3.521 1,288,621	3.520 1,028,022	3.520 1,693,744	3.520 1,962,154	3.520 2,738,232	3.520 2,493,126	3.520 2,732,576	3.520 3,560,534	3.520 1,800,840
Los Pinos Fire/Mt. Allison mill tax\$	0.000 -	0.000 -	1.500 19,214	1.500 31,512	1.500 35,061	1.500 56,885	1.500 65,239	1.500 68,657	1.500 107,897	1.500 71,325
Pine River Cemetary mill tax \$	0.203 34,132	0.186 36,178	0.186 28,750	0.123 29,942	0.112 31,456	0.091 34,121	0.091 33,981	0.091 34,751	0.079 35,342	0.079 23,080
Pine River Library mill tax \$	2.500 420,351	2.500 486,268	2.500 386,424	2.500 608,572	2.500 702,151	2.500 937,389	2.500 933,542	2.500 954,708	2.500 1,118,428	2.500 730,385
Purgatory Metropolitan mill tax \$	27.313 234,196	27.313 237,727	27.313 271,678	27.313 330,853	27.313 399,506	27.313 403,027	27.313 625,166	27.313 688,863	27.313 879,343	27.313 888,728
Purgatory Metropolitan Subdistic mill tax \$	0.000 -	15.000 184,944	15.000 253,484	15.000 255,821						
Rafter J Fire Protection mill tax \$	0.000 -									
South Durango Sanitation mill tax \$	0.000 -									

**La Plata County, Colorado**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Tax Years 2001-2010**  
**Fiscal Years 2002-2011**

Collection Year:		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
South Durango Water	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
SW Colorado TV Translator	mill	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777	0.777
	tax \$	18,260	18,468	18,738	19,483	22,445	23,944	29,427	31,079	32,865	37,682
SW Water Conservancy	mill	0.260	0.260	0.305	0.254	0.225	0.205	0.207	0.216	0.200	0.272
	tax \$	453,521	487,273	464,807	542,096	558,694	616,647	597,401	651,886	692,339	640,505
Tamarron Metro	mill	0.000	0.000	0.000	40.000	40.000	50.000	50.000	50.000	50.079	37.000
	tax \$	-	-	-	205,006	339,136	694,766	717,886	892,058	960,989	710,535
Tamarron Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.006
	tax \$	-	-	-	-	-	-	-	-	-	249,763
Three Springs Metro #1	mill	0.000	0.000	0.000	0.000	0.000	35.000	35.000	35.000	35.000	44.000
	tax \$	-	-	-	-	-	136,969	358,953	499,689	576,021	684,619
Three Springs Metro #2	mill	0.000	0.000	0.000	0.000	0.000	0.000	35.000	35.000	35.000	44.000
	tax \$	-	-	-	-	-	-	409	436	10,398	35,070
Three Springs Metro #3	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
Upper Pine River Fire Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.182
	tax \$	-	-	-	-	-	-	-	-	-	374,399
Upper Pine River Fire Protection	mill	4.950	4.950	4.950	6.739	6.507	6.132	6.132	6.132	6.132	4.950
	tax \$	931,564	1,073,995	858,753	1,835,561	2,035,186	2,524,470	2,511,689	2,543,406	2,958,796	1,567,915
<b>Total tax to be collected</b>		<u>\$ 50,982,974</u>	<u>\$ 56,796,827</u>	<u>\$ 53,374,100</u>	<u>\$ 63,745,002</u>	<u>\$ 73,699,246</u>	<u>\$ 82,694,484</u>	<u>\$ 82,885,097</u>	<u>\$ 84,723,901</u>	<u>\$ 95,238,172</u>	<u>\$ 74,492,191</u>

Source: La Plata County Assessor's Abstract

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

Taxpayer	Type of Business	2011			2002		
		2010 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2001 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BP America (formerly Amoco)	Energy	\$ 497,818,470	1	21.14%	\$ 427,513,970	1	24.51%
Samson Resources	Energy	109,939,880	2	4.67%			
Conoco Phillips Company	Energy	49,910,680	3	2.12%	55,869,040	5	
XTO Energy Company	Energy	45,212,580	4	1.92%			
Burlington Resources Oil & Gas	Energy	41,027,370	5	1.74%	31,728,610	7	1.82%
Williams Gas Processing	Energy	33,334,180	6	1.42%	23,282,940	10	1.33%
Four Star Oil & Gas Co	Energy	33,326,740	7	1.42%			
Red Cedar	Energy	30,268,780	8	1.29%			
Red Willow Production Company	Energy	28,529,580	9	1.21%	58,196,400	4	3.34%
La Plata Electric Association	Utility	20,285,300	10	0.86%			
Chevron Texaco	Energy	-		0.00%	90,922,920	3	5.21%
Vastar Resources, Inc	Energy	-		0.00%	234,942,010	2	13.47%
Hart Canyon LTD	Energy	-		0.00%	49,711,090	6	2.85%
J M Huber Corp	Energy	-		0.00%	31,078,720	8	1.78%
44 Canyon, LLC	Energy	-		0.00%	26,517,960	9	1.52%
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 889,653,560</u>		<u>37.78%</u>	<u>\$ 1,029,763,660</u>		<u>55.83%</u>
Total Assessed Valuation for all taxpayers		<u>\$ 2,354,797,050</u>		<u>100.00%</u>	<u>\$ 1,744,314,830</u>		<u>100.00%</u>

Source: La Plata County Assessor's Office

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

<u>Fiscal Year</u>	<u>County Direct Rate</u>	<u>State of Colorado</u>
2002	2.0%	2.9%
2003	2.0%	2.9%
2004	2.0%	2.9%
2005	2.0%	2.9%
2006	2.0%	2.9%
2007	2.0%	2.9%
2008	2.0%	2.9%
2009	2.0%	2.9%
2010	2.0%	2.9%
2011	2.0%	2.9%

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

Taxpayer - Type of Business	2011			2002		
	2011 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2002 Sales Tax Collected	Rank	Percentage of Total Taxes Collected
Retail-General Merchandise	\$ 1,279,810	1	10.35%	\$ 1,094,151	1	11.31%
Public Utility	546,482	2	4.42%	346,775	2	3.58%
Retail-Food Store	419,432	3	3.39%	271,122	4	2.80%
Retail-Building Supplies	385,932	4	3.12%	123,261	10	1.27%
Retail-Food Store	352,553	5	2.85%	225,218	6	2.33%
Retail-Auto Dealer	218,683	6	1.77%	309,236	3	3.20%
Retail-Food Store	214,683	7	1.74%	187,249	7	1.94%
Retail-Auto Dealer	198,951	8	1.61%	127,576	9	1.32%
Government - Auto Sales Tax	165,802	9	1.34%			
Retail - Convenience Stores	124,864	10	1.01%			
Public Utility				247,543	5	2.56%
Public Utility				140,656	8	1.45%
Total Sales Taxes Collected by 10 Largest Businesses	<u>\$ 3,907,192</u>		<u>31.60%</u>	<u>\$ 3,072,787</u>		<u>31.76%</u>
Total Sales Taxes Collected by All Businesses	<u>\$ 12,363,974</u>		<u>100.00%</u>	<u>\$ 9,675,960</u>		<u>100.00%</u>

Source: Colorado State Department of Revenue

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

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

**La Plata County, Colorado**  
**Ratios of Outstanding Debt by Type**  
**2002-2011**

Fiscal Year	General Obligation	Sales Tax Revenue	Certificates of Participation	Total	Per Capita Personal Income	Population	Debt Per Capita	Percentage of Personal Income	Percentage of Actual Taxable Value of Property
2002	\$ -	\$ 2,295,000	\$ -	\$ 2,295,000	\$ 29,127	46,281	\$ 49.59	0.17%	0.04%
2003	-	1,760,000	-	1,760,000	29,807	46,790	37.61	0.13%	0.03%
2004	-	1,200,000	3,985,000	5,185,000	31,860	47,173	109.91	0.34%	0.08%
2005	-	615,000	3,640,000	4,255,000	33,207	48,019	88.61	0.27%	0.06%
2006	-	-	3,285,000	3,285,000	36,493	48,752	67.38	0.18%	0.04%
2007	-	-	2,925,000	2,925,000	38,263	49,758	58.78	0.15%	0.03%
2008	-	-	2,550,000	2,550,000	40,677	50,735	52.31	0.14%	0.02%
2009	-	-	2,165,000	2,165,000	39,769	51,272	42.23	0.11%	0.02%
2010	-	-	1,765,000	1,765,000	42,638	52,114	33.87	0.08%	0.01%
2011	-	-	1,350,000	1,350,000	42,638 <sup>1</sup>	52,485	25.72	0.06%	0.01%

## Notes:

(1) 2011 percentage calculated using 2010 personal income data, which is the most recent available.

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

Assessment Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Fiscal/Budget Year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed Value	\$ 1,744,315,000	\$ 1,874,127,000	\$ 1,523,959,000	\$ 2,134,235,000	\$ 2,483,085,000	\$ 3,008,045,050	\$ 2,885,995,180	\$ 3,017,991,395	\$ 3,461,698,940	\$ 2,354,797,050
Actual Value	\$ 5,728,618,170	\$ 6,038,955,410	\$ 6,460,779,545	\$ 7,351,842,603	\$ 8,804,386,479	\$ 9,779,128,089	\$ 11,252,386,999	\$ 11,996,568,139	\$ 13,183,765,037	\$ 11,703,822,835
Legal Debt Margin:										
Debt limitation - 1.5% of total assessed value	\$ 26,164,725	\$ 28,111,905								
Debt limitation - 3% of total actual value			193,823,386	220,555,278	264,131,594	293,373,843	337,571,610	359,897,284	395,512,951	351,114,685
Debt applicable to limitation:										
Total debt	\$ 2,295,000	\$ 1,760,000	\$ 5,185,000	\$ 4,255,000	\$ 3,285,000	\$ 2,925,000	\$ 2,550,000	\$ 2,165,000	\$ 1,765,000	\$ 1,350,000
Less: Certificates of participation	-	-	3,985,000	3,640,000	3,285,000	2,925,000	2,550,000	2,165,000	1,765,000	1,350,000
Total debt applicable to debt limitation	<u>2,295,000</u>	<u>1,760,000</u>	<u>1,200,000</u>	<u>615,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	\$ 23,869,725	\$ 26,351,905	\$ 192,623,386	\$ 219,940,278	\$ 264,131,594	\$ 293,373,843	\$ 337,571,610	\$ 359,897,284	\$ 395,512,951	\$ 351,114,685

**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**  
**2002-2011**

Fiscal Year	Gross Sales Tax Revenue	Revenue Available for Debt Service <sup>1</sup>	Principal	Interest	Total	Coverage
2002	\$ 9,675,960	\$ 6,746,337	\$ 510,000	\$ 130,625	\$ 640,625	10.5
2003	10,044,453	7,060,385	535,000	107,675	642,675	11.0
2004	11,099,304	7,959,382	560,000	83,600	643,600	12.4
2005	11,558,412	8,350,657	585,000	57,000	642,000	13.0
2006	12,874,145	9,471,990	615,000	29,213	644,213	14.7
2007 <sup>2</sup>	13,536,798	N/A	N/A	N/A	N/A	N/A
2008	13,639,998	N/A	N/A	N/A	N/A	N/A
2009	12,264,867	N/A	N/A	N/A	N/A	N/A
2010	13,528,774	N/A	N/A	N/A	N/A	N/A
2011	12,363,979	N/A	N/A	N/A	N/A	N/A

(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 <sup>1</sup>	Per Capita Personal Income	Unemployment Rate	Median Age	K-12 School Enrollment <sup>2</sup>	Higher Education Enrollment <sup>3</sup>
2002	46,288	\$ 1,298,736	\$ 29,127	4.4	36.5	6,898	3,961
2003	46,790	1,345,867	29,098	4.7	36.9	6,621	4,182
2004	47,354	1,471,070	31,360	3.6	37.2	6,636	4,190
2005	48,237	1,603,652	33,548	3.9	37.4	6,628	3,946
2006	48,998	1,743,562	35,743	3.4	37.7	6,704	3,907
2007	49,758	1,894,805	38,263	2.8	38	6,989	3,935
2008	50,735	2,059,599	40,677	3.9	38.2	6,737	3,746
2009	51,272	2,046,678	39,769	5.5	38.8	6,788	3,685
2010	52,114	2,193,372	42,638	7.2	39.1	6,710	3,864
2011	52,485	Unavailable	Unavailable	7.6	38.5	5,589	3,853

**Notes:**

(1) in thousands of dollars

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

(3) Higher Education Enrollment is for Fort Lewis College

**Sources:**

CO Department of Local Affairs

Bureau of Economic Analysis

CO Department of Labor & Employment

Bayfield, Durango, & Ignacio School Districts

Fort Lewis College

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

<u>Employer</u>	<u>Type of Business</u>	<u>Estimate 2011</u>		<u>Estimate 2002</u>	
		<u>Employees FT &amp; PT</u>	<u>Percentage of total County Employment</u>	<u>Employees</u>	<u>Percentage of total County Employment</u>
Southern Ute Indian Tribe	Government	1,500	5.45%	365	1.40%
Mercy Medical Center	Health	625	2.27%	728	2.79%
Durango School District 9-R	Education	544	1.98%	563	2.16%
Fort Lewis College	Education	535	1.94%	629	2.41%
City of Durango	Government	500	1.82%	427	1.64%
Mercury Payment Systems	Finance	442	1.61%	N/A	
La Plata County	Government	412	1.50%	380	1.46%
Wal-Mart	Retail	353	1.28%	449	1.72%
Durango Mountain Resort	Recreation	346	1.26%	376	1.44%
San Juan Basin Health	Government	226	0.82%	206	0.79%
Sky Ute Lodge and Casino	Recreation	N/A		365	1.40%
<b>Total Principal Employers</b>		<b>5,483</b>	<b>19.91%</b>	<b>4,488</b>	<b>17.21%</b>
<b>Total County Employment</b>		<b>27,534</b>	<b>100.00%</b>	<b>26,071</b>	<b>100.00%</b>

Sources:

Region 9 Economic Development District of SW Colorado

**La Plata County, Colorado**  
**Full-time Equivalent County Employees by Function/Program**  
**Fiscal Years 2002 - 2011**

<b>Department</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>% Change 2011 over 2010</b>
Commissioners	4.1	4.1	4.1	3.9	4.1	4.1	5.1	5.1	5.1	5.0	-2.5%
Clerk/Elections	19.3	16.7	18.4	16.7	19.4	16.6	18.8	16.9	14.1	16.2	14.6%
Treasurer/Trustee	5.5	5.5	5.4	5.4	5.4	5.1	5.0	5.0	5.3	5.0	-5.5%
Assessor	18.3	18.8	19.2	19.2	20.6	20.5	20.5	20.2	18.9	18.8	-0.7%
Administration	4.0	3.3	4.5	4.3	5.3	4.2	5.2	5.2	5.0	5.0	0.4%
Attorney	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0	5.8	-4.2%
Facilities & Grounds	7.0	7.0	8.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	0.0%
Finance	5.0	5.3	5.0	5.0	5.0	4.0	4.0	5.0	5.0	3.8	-25.0%
Information Services	8.5	8.5	8.5	8.5	8.5	10.0	10.0	10.0	10.0	9.0	-9.8%
Procurement	4.0	4.2	4.0	4.1	4.1	3.8	3.8	4.0	4.0	4.0	-0.5%
GIS	7.0	7.0	7.0	8.0	8.0	8.0	8.0	7.0	7.0	5.0	-28.6%
Human Resources/Risk Mgt	4.3	4.1	4.3	4.1	4.1	4.1	4.1	4.1	4.1	4.1	0.0%
County Surveyor	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0%
Construction Management	0.0	0.0	0.0	0.0	0.0	1.2	1.3	0.0	0.0	0.0	0.0%
Sustainability Office	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	-100.0%
<b>General Government Total</b>	<b>87.0</b>	<b>84.5</b>	<b>88.4</b>	<b>88.1</b>	<b>94.5</b>	<b>91.7</b>	<b>96.8</b>	<b>99.6</b>	<b>95.7</b>	<b>91.7</b>	<b>-4.2%</b>
Building Inspection / OEM	10.7	12.0	12.0	12.5	11.8	11.8	14.0	14.0	11.0	8.0	-27.3%
Criminal Investigations	7.3	7.4	7.6	8.6	8.6	9.9	10.9	10.7	10.8	10.4	-3.6%
Special Investigations	5.0	6.0	6.4	6.7	6.6	5.8	5.8	5.6	5.5	5.5	-0.5%
Special Services	21.0	21.8	21.5	23.5	22.5	24.1	23.2	22.4	22.3	21.5	-3.5%
Public Safety	30.2	29.7	30.4	31.1	34.9	34.9	34.9	34.1	34.2	33.3	-2.6%
Alternative to Incarceration	4.2	4.2	4.2	3.6	4.9	5.3	5.5	5.3	5.3	5.3	-0.7%
Detentions	40.5	43.5	41.9	45.6	46.6	49.6	60.6	62.2	62.1	62.5	0.6%
Coroner	0.6	1.3	1.3	1.3	1.3	2.1	1.6	1.5	1.5	1.5	0.0%
District Attorney	22.1	22.1	21.8	23.8	24.3	25.1	25.1	25.1	25.5	25.5	0.0%
<b>Public Safety Total</b>	<b>141.6</b>	<b>147.9</b>	<b>147.1</b>	<b>156.8</b>	<b>161.5</b>	<b>168.6</b>	<b>181.5</b>	<b>180.9</b>	<b>178.2</b>	<b>173.5</b>	<b>-2.7%</b>
Road & Bridge, Eng.	65.8	67.5	67.0	52.4	53.4	51.9	52.6	53.7	49.9	46.3	-7.1%
<b>Public Works Total</b>	<b>65.8</b>	<b>67.5</b>	<b>67.0</b>	<b>52.4</b>	<b>53.4</b>	<b>51.9</b>	<b>52.6</b>	<b>53.7</b>	<b>49.9</b>	<b>46.3</b>	<b>-7.1%</b>

**La Plata County, Colorado**  
**Full-time Equivalent County Employees by Function/Program**  
**Fiscal Years 2002 - 2011**

Department	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% Change 2011 over 2010
CERF	0.0	0.0	0.0	8.5	9.5	10.1	9.1	9.1	9.1	9.0	-0.7%
<b>Internal Service Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.5</b>	<b>9.5</b>	<b>10.1</b>	<b>9.1</b>	<b>9.1</b>	<b>9.1</b>	<b>9.0</b>	<b>-0.7%</b>
Human Services	54.1	54.0	53.6	57.0	58.5	58.4	59.4	58.8	58.8	60.0	2.1%
<b>Health &amp; Welfare Total</b>	<b>54.1</b>	<b>54.0</b>	<b>53.6</b>	<b>57.0</b>	<b>58.5</b>	<b>58.4</b>	<b>59.4</b>	<b>58.8</b>	<b>58.8</b>	<b>60.0</b>	<b>2.1%</b>
Extension Office	4.9	4.0	3.0	3.0	3.7	1.8	2.4	2.4	0.8	0.0	-100.0%
Weed	2.1	2.0	1.4	1.8	1.8	1.5	1.7	1.7	1.5	1.3	-12.8%
Fairgrounds	9.7	9.6	10.1	10.4	10.3	10.8	10.6	10.6	10.3	10.0	-3.3%
Senior Center Ops & Act	2.5	2.5	2.5	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Community Dev. Svcs.	10.5	10.6	10.7	14.1	15.3	17.2	18.3	18.3	18.3	12.0	-34.4%
Riverbend Youth	8.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Senior Services	5.0	5.3	5.5	5.5	9.2	7.7	8.4	8.7	8.5	8.6	0.8%
Veterans' Services Office	0.4	0.6	0.8	1.0	1.0	1.0	1.0	1.1	1.1	1.0	-7.4%
<b>Auxiliary Services</b>	<b>43.9</b>	<b>34.6</b>	<b>34.0</b>	<b>38.9</b>	<b>41.3</b>	<b>40.0</b>	<b>42.4</b>	<b>42.8</b>	<b>40.5</b>	<b>32.9</b>	<b>-18.8%</b>
<b>Grand Total</b>	<b>392.4</b>	<b>388.6</b>	<b>390.1</b>	<b>401.6</b>	<b>418.6</b>	<b>420.6</b>	<b>441.9</b>	<b>444.9</b>	<b>432.2</b>	<b>413.4</b>	<b>-4.3%</b>

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 2002 - 2011**

<b>Function/Program</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>General Government</b>										
<u>Clerk &amp; Recorder</u>										
# Vehicle Transactions Processed	92,353	93,216	95,336	121,218	96,000	98,829	98,951	89,672	91,592	100,468
# Titles Issued (69% printed by staff)	21,804	19,117	19,631	20,146	20,600	23,230	19,083	14,472	13,624	14,955
# documents recorded	26,866	27,434	24,406	24,904	25,000	20,874	18,969	19,550	16,500	15,889
# of registered voters	35,051	32,600	36,160	36,160	36,000	33,658	37,615	37,185	37,243	38,590
# of votes cast	22,423	10,287	31,718	13,265	24,000	1,485	28,117	4,644	20,892	11,694
# of marriage licenses issued	562	540	512	550	550	526	528	515	506	554
<u>Treasurer</u>										
Receipts processed	57,597	56,699	56,500	57,000	58,000	36,913	37,980	37,740	37,954	Unavailable
<u>Assessor</u>										
# of property accounts maintained/assessed	39,600	59,128	58,949	60,100	61,000	Unavailable	46,293	Unavailable	46,589	46,503
Assessed value (in thousands)	1,744,314	1,523,858	2,134,234	2,487,511	3,008,034	2,885,995	3,017,991	3,461,699	2,354,797	2,394,149
<u>Geographic Information Services</u>										
# of recorded documents processed	4,897	8,500	5,881	5,790	6,000	5,429	4,024	1,196	325	5,440
# of rural addresses assigned	358	400	800	800	850	481	314	191	182	565
<b>Public Safety</b>										
<u>Building Inspection</u>										
# of permits issued	1,190	1,122	1,064	1,001	1,050	951	781	601	577	535
# of inspections completed	5,620	5,724	5,620	4,974	5,000	4,662	4,651	3,553	2,632	2,414
<u>Emergency Management</u>										
Search & Rescue Missions	36	32	33	36	38	Unavailable	37	14	Unavailable	38
<u>Sheriff - Public Safety</u>										
# of incidents investigated	21,069	18,662	20,522	20,000	21,000	Unavailable	25,530	3,552	23,652	23,227
# of arrests	739	672	679	900	950	Unavailable	946	Unavailable	594	705
# of citations	213	123	27	150	200	Unavailable	223	Unavailable	134	131
<u>Alternative to Incarceration</u>										
# of inmates under Day Reporting Supervision	112	99	88	140	125	88	93	89	102	124
# of inmates in Community Custody program	n/a	25	93	125	140	178	185	145	298	55
Pretrial management						245	255	222	270	371
<u>Detentions</u>										
Total # of inmates booked into facility	3,049	2,734	2,769	2,995	3,200	3,087	2,900	Unavailable	3,020	2,943
average daily inmate population	118	166	144	175	180	186	181	140	149	166
<b>Public Works</b>										
<u>Maintenance Support</u>										
gallons of dust palliative applied	86,500	875,000	1,103,545	975,605	1,100,000	1,000,000	1,200,000	1,098,307	920,642	1,100,000
tons of road base hauled and placed	150,000	125,000	124,585	132,080	125,000	120,000	120,000	101,608	105,297	106,676

**La Plata County, Colorado**  
**Operating Indicators by Function/Program**  
**Fiscal Years 2002 - 2011**

<b>Function/Program</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
# of gallons of highway paint used	12,690	12,690	12,600	12,500	12,500	12,500	12,750	12,500	12,000	9,500
<u>Convenience Center</u>										
Customers served - Bayfield	3,217	2,954	2,599	2,800	2,800	2,841	2,506	2,116	2,159	Unavailable
Customers served - Marvel	843	799	716	750	750	713	699	550	421	Unavailable
<b>Health &amp; Welfare</b>										
<u>Human Services</u>										
Child Welfare - # of assessments opened	284	274	261	260	270	303	283	172	315	266
Adult Protective Services - # of investigations	215	128	135	100	100	90	89	101	88	99
Child Support - \$ of payments collected	\$2,926,697	\$3,004,853	\$3,079,623	\$3,150,737	\$3,160,000	\$3,044,044	\$3,570,909	\$3,147,432	\$3,248,125	\$3,302,905
<b>Community Programs</b>										
Conservation Trust Funds	\$131,000	\$170,100	\$150,447	\$178,250	\$238,000	\$204,000	\$234,250	\$150,000	\$0	\$0
Public Service Agency Funds	\$1,461,921	\$1,662,944	\$1,657,274	\$2,490,696	\$4,650,264	\$2,379,166	\$3,113,539	\$3,155,684	\$2,894,774	\$2,935,706
<b>Auxiliary Services</b>										
<u>Senior Services</u>										
# of meals provided	28,000	36,394	37,204	37,750	38,800	39,899	41,549	43,010	41,247	37,745
# of transportation rides provided	2,028	4,237	4,612	4,646	5,000	6,474	5,571	6,114	6,226	5,584
<u>Veterans Services</u>										
Compensation Claims	47	50	n/a	n/a	n/a	168	57	144	Unavailable	201
<u>Weed Management</u>										
# of miles treated for noxious weeds	250*	1,206	1,206	1,206	1,206	1,309	680	675	**	Unavailable
# of acres treated for noxious weeds									505	Unavailable
<i>** miles not available, measure changed to acres</i>										
<u>Fairgrounds</u>										
small group bookings (less than 500 participants)	1,500	1,500	1,970	1,728	1,800	Unavailable	2,548	3,347	2,562	1,633
large bookings (more than 500 participants)	120	90	57	64	65	Unavailable	74	31	12	365
<u>Planning</u>										
Major projects reviewed	72	79	101	85	95	119	91	55	28	48
Oil & Gas (Major & Minor)	76	100	83	85	90	232	230	82	31	35
Minor/Administrative Projects reviewed	70	69	52	90	90	106	134	80	92	62

**La Plata County, Colorado**  
**Capital Asset Statistics by Function/Program**  
**Fiscal Years 2002 - 2011**

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Government</b>											
Clerk	Number of business locations	3	3	3	3	3	3	3	3	2	2
Facilities & Grounds	Facilities maintained	4	4	4	5	7	17	17	17	17	17
Procurement	Warehouses operated	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>											
Detentions	Jail bed capacity	140	140	194	194	197	197	197	293	293	293
<b>Public Works</b>											
	Miles of Roadways maintained	679.25	659.69	658.44	659.15	654.68	654.68	658	658	658	658
	Bridges	52	52	53	53	53	53	53	53	53	53
<b>Internal Service Funds</b>											
CERF	Number of fleet vehicles maintained	194	194	201	220	230	233	237	243	246	305

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

## **SINGLE AUDIT SECTION**



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

June 14, 2012

Board of County Commissioners  
La Plata County, Colorado

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 14, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

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



La Plata County, Colorado  
June 14, 2012

Compliance and Other Matters

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

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

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



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

June 14, 2012

Board of County Commissioners  
La Plata County, Colorado

Compliance

We have audited the compliance of La Plata County, Colorado with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, La Plata County, Colorado, complied, in all material respects, with the 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, 2011.



La Plata County, Colorado  
June 14, 2012

Internal Control Over Compliance

Management of La Plata County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered La Plata County, Colorado's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of La Plata County, Colorado's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questions costs as item 2011-01 to be a significant deficiency.



La Plata County, Colorado  
June 14, 2012

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and accordingly, we express no opinion on the responses.

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

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

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2011**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2011 Expenditures</u>
Department of Agriculture			
Passed through the Colorado Department of Human Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 326,704
Emergency Food Assistance Program (Administrative Costs)	10.568		215
Emergency Food Assistance Program (Food Commodities)	10.569		20,321
Direct			
Schools and Roads - Grants to States	10.665		272,643
U.S. Forest Service - San Juan National Forest Recovery Act of 2009: Wildland Fire Management	10.688	10-PA-110282B1-088	57,947
Total Department of Agriculture			<u>677,830</u>
Department of Health and Human Services			
Passed through the Area Agency on Aging			
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		38,358
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045		124,408
Special Programs for Aging - Title III, Part E - National Family Caregiver Support	93.052		7,742
Nutrition Service Incentive Program	93.053		28,609
Passed through Housing Solutions for the Southwest			
Community Services Block Grant	93.569		10,000
Passed through the Colorado Department of Human Services			
Promoting Safe and Stable Families	93.556		201,391
Temporary Assistance for Needy Families	93.558		1,194,283
Child Support Enforcement	93.563		353,850
Low-Income Home Energy Assistance	93.568		496,904
Child Care and Development Block Grant	93.575		(101,033)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		326,545
Child Welfare Services - State Grants	93.645		24,249
Foster Care Title IV-E	93.658		386,194
Adoption Assistance	93.659		125,409
Social Services Block Grant	93.667		240,905
Chafee Foster Care Independence Program	93.674		46,376
Medical Assistance Program	93.778		163,646
Passed through Division of Insurance			
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	93.779		15,000
Total Department of Health and Human Services			<u>3,682,836</u>

(Continued next page)

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2011**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2011 Expenditures</u>
Department of Interior			
Direct			
Payments in Lieu of Taxes	15.226		\$ 576,994
Total Department of Interior			<u>576,994</u>
Department of Homeland Security			
Direct			
Federal Emergency Management Agency			
Emergency Food and Shelter National Board Program	97.024		1,638
Passed through the Colorado Department of Local Affairs			
Emergency Management Performance Grants	97.042	10EM09L34	57,000
Total Department of Homeland Security			<u>58,638</u>
Department of Housing and Urban Development			
Passed through the Colorado Department of Local Affairs			
Community Development Block Grants/State's program	14.228	F8CDB98791	254,297
Community Development Block Grants/State's program	14.228	F11CDB11-581	249,810
			<u>504,107</u>
Department of Justice			
Direct			
Office of Justice Programs			
State Criminal Alien Assistance Program	16.606		18,855
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	65,187
Crime Victim Compensation (Sixth Judicial District)	16.576	29-VC-6	18,000
Crime Victim Compensation (Sixth Judicial District)	16.576	10-VC-6	73,000
Total Department of Justice			<u>175,042</u>
Environmental Protection Agency			
Direct			
Colorado - Climate-Wise Community Program	66.041	AF-83494101-0	<u>96,908</u>
Other Federal Assistance			
Direct			
Office of National Drug Control Policy, Dept of Treasury, Dept of Justice			
High Intensity Drug Trafficking Areas Program	95.001	G10RM0023A	14,726
High Intensity Drug Trafficking Areas Program	95.001	G11RM0023A	247,406
Total Office of National Drug Control Policy			<u>262,132</u>
Total Federal Assistance			<u>\$ 6,034,487</u>

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**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2011**

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Notes to Schedule:

Basis of Presentation

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

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

Clusters of Programs

The following programs are reported as clusters:

	<u>CFDA #</u>	<u>Expenditures</u>
<b>Emergency Food Assistance Cluster</b>		
Emergency Food Assistance Program (Administrative Costs)	10.568	\$ 215
Emergency Food Assistance Program (Food Commodities)	10.569	20,321
Total		<u>\$ 20,536</u>
 <b>Aging Cluster</b>		
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 38,358
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045	124,408
Nutrition Service Incentive Program	93.053	28,609
Total		<u>\$ 191,375</u>
 <b>CCDF Cluster</b>		
Child Care and Development Block Grant	93.575	\$ (101,033)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	326,545
Total		<u>\$ 225,512</u>

Awards to subgrantees

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

	<u>CFDA #</u>	<u>Amount Awarded</u>
Community Development Block Grants/State's program Subgrantee--Region 9 Economic Development District	14.228	<u>\$ 504,107</u>

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ <input checked="" type="checkbox"/>	yes	_____ none reported

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

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program
93.558	Temporary Assistance for Needy Families
93.658	Foster Care Title IV-E
15.226	Payments in Lieu of Taxes
95.001	High Intensity Drug Trafficking Areas Program
93.575/93.596/93.713R	CCDF Cluster

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended December 31, 2011

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SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

No findings under Generally Accepted Government Auditing Standards in 2011.

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

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.

View of Responsible Officials: The County acknowledges the error in the 2010/2011 cut-off. The County will further develop procedures as recommended for end of year review.

La Plata County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2011

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

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

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

Questioned Costs: None

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

Resolution: The County implemented monitoring procedures in 2011.

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

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

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

Questioned Costs: None

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

Resolution: There were no instances of noncompliance noted with regards to immunization records during testing of child care files in the current year.