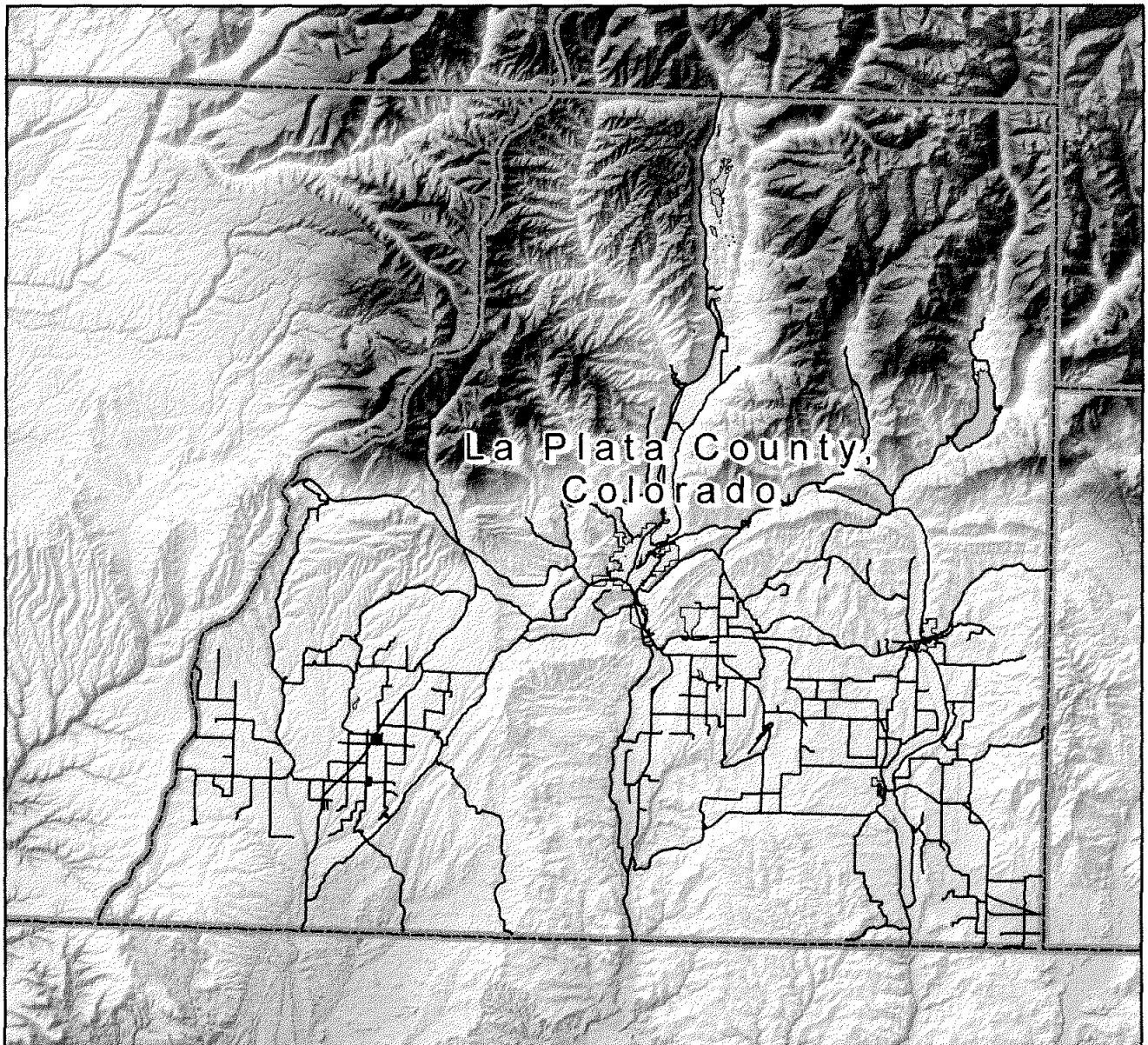


# *La Plata County, Colorado*

## *Comprehensive Annual Financial Report For the Year Ended December 31, 2003*



# **LA PLATA COUNTY, COLORADO**

## **Comprehensive Annual Financial Report**

**for the Year Ended December 31, 2003**

Prepared by the La Plata County Finance Department



## **INTRODUCTORY SECTION**

**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2003**

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**(Unaudited)**

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FINANCE/INFORMATION SERVICES  
303.382.6300 • FAX 303.382.6299

October 29, 2004

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

State law required that all general-purpose local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issued the comprehensive annual financial report (CAFR) of the County (the County) for the fiscal year ended December 31, 2003. This year's report is late in being submitted due to the complexities of complying with the new requirements of Governmental Accounting Standards Board (GASB) Statement No. 34.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in accordance with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2003 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, 2003 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the CAFR.

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

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

### **Profile of the Government**

The County, incorporated in 1874, is located in the southwestern part of Colorado, and has been experiencing considerable economic and population growth the past 14 years. The County has an area of 1,683 square miles and a population of 47,467 (2003 State Demographer's estimate), an increase of 15,183 (47%) since 1990. The County is empowered to levy a property tax on both real and personal property located within its boundaries. The economy is primarily tourism-based, and Durango, the County seat, is the home of Fort Lewis College, a four year liberal arts state institution of approximately 4,400 students. The County operates as a statutory County, with a three-member Board of Commissioners (the Board). Board members are elected by district but represent the entire County and serve up to two four-year staggered terms. Additionally, there are six other elected officials: the Sheriff, Clerk and Recorder, Assessor, Treasurer, Coroner, and Surveyor. The Board is responsible, among other things, for passing resolutions, adopting the budget, appointing committees, and hiring the County manager, County attorney, and selecting the external auditor. The County manager is responsible for carrying out the policies and resolutions of the Board, for overseeing the day-to-day operations of the non-elected departments, including hiring of department heads.

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

Some legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government as blended component units. Accordingly, the Durango Hills Road Improvement District is reported as a special revenue fund of the primary government. In contrast, the District Attorney of the Sixth Judicial District is reported as a discrete component unit of the primary government.

**Budgetary Controls.** La Plata County maintains budgetary controls to ensure compliance with the annual budget. State law requires the adoption of budgets for all anticipated expenditures. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. However, the Board further monitors expenditures at the spending authority (elected official/department head) level within individual funds. Department heads have the flexibility to transfer funding within their respective budgets with county manager and finance coordination. The Finance Department also monitors expenditures and informs the department heads, the county manager and the Board if there is potential for expenditure overruns. The statements and schedules included in the financial section of this report demonstrate that the County remains successful in meeting its responsibility for sound financial management.

## **Factors Affecting Financial Condition**

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

**Local economy.** The La Plata County economy continued to recover from the prior years' recession as tourism rebounded from the fires of 2002. County lodgers' tax increased by 5.7% and county sales tax collections rebounded from a first time in 14 years decline in 2002 of 0.41% to an increase of 3.8% in 2003, collections topping \$10.0 million for the first time. The County building inspection department experienced a 6% decline in number of permits issued in 2003; however, the value of those structures increased by \$1,339,060 million or 1.3% over 2002, again demonstrating that construction remains the second strongest segment of the local economy after tourism. Development continues unabated in the county with developers bringing projects with more than 2,000 lots to the County's planning department for review in 2003 compared to just over 700 lots in 2002. Three key tourism indicators increased in 2003 over 2002: 1) skier days at Durango Mountain Resort, 2) rider ship on the Durango & Silverton Narrow Gauge Railroad and 3) Mesa Verde National Park visitors. Retail sales as well as the employment numbers for 2003 are both ahead of the 2002. Further substantiating the County's economic recovery claims are that bank deposits increased in 2003 over 2004 and energy prices are higher than in 2002. Accordingly, the general economic health of La Plata County strengthened in 2003 versus 2002.

The **Colorado** economy is still very weak and continued to lose jobs for the third consecutive year totaling 87,000 in 2003 from the high in 2000. The most severe loss was 61,000 in 2001 followed by 11,900 in 2002. There was some strengthening in the job market in the early part of 2003; however, the remainder of the year has remained soft for labor. Since the national economy has begun to add jobs, Colorado's turnaround is expected to strengthen in 2004. Colorado economists expect the Colorado economy to follow the nation's recovery, perhaps following the pattern of the recovery in the 1980s whereby it took the State's recovery six years to achieve the national long-term trend. Manufacturing will continue to be weak in 2004 and government employment will also be affected as budgetary issues continue to suppress governmental job growth. The Colorado unemployment rate will average 5.7% in 2003 and 5.6% in 2004. Personal income will increase a modest 4.1% in 2003; the highest since an 11.4% increase in 2000. Retail trade spending has slumped since 2001, increasing only 0.7% in 2002 but is expected to record a 0.9% increase in 2003. Housing construction experienced a peak in 2001; however, the next milestone is the 105% decline in 2003 and then another 2.5% in 2004. Weak job growth has slowed in-migration. Overall population growth in 2003 will be 1.2% and 1.3% in 2004 and 2005. Due to the weak economy, the Denver-Boulder inflation rate will be 1.5% in 2003, the lowest since 1.8% in 1989. It will increase slightly to 2.2% in 2004 and 2.5% in 2005. In summary, the Colorado economy was still soft in 2003 and will only be slightly better in 2004 and 2005.

**TABOR (Taxpayers Bill of Rights).** On November 4, 1992 the Colorado electorate passed the TABOR Amendment, now known as Article X Section 20 to the State Constitution. This Amendment limits the growth of taxes, revenues, spending and debt of the state and local government entities. It also limits the growth of revenue or expenditures and reserve increases to the annual Denver-Boulder inflation index and local growth based on new real property construction. New debt and changes to taxation such as an increased mill levy and expenditure/revenue growth above the growth index require voter approval. The County and other local government entities as well as the state are concerned regarding the fiscal constraints of the Amendment. It is in the long term that officials are expressing concern that the

Amendment will limit governments' ability to be responsive to the needs of its citizens. La Plata County voters relieved County government of both the TABOR restrictions and the 5.5% property tax growth limitation in 1994 for the period 1994-1997, in 1997 for the period 1998-2002 and finally in 2002 the relief was granted to the County into perpetuity.

**Cash Management.** Cash that is temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury and government agencies, and local government investment pools. The County's investment policy places highest priority on legality, safety, liquidity and lastly on yield. Since minimizing risk is of the highest priority, all deposits were either insured by the federal depository insurance or were collateralized. The Treasurer earned investment income of \$629,157 in 2003, which was \$478,671 less than in 2002 and about \$1.2 million less than in 2001. This reflects the much lower interest rates that have prevailed during 2003 than 2001-2002 even though cash balances invested were higher in 2003 than in the two previous years.

**Risk Management.** The County is a member of two self funded insurance pools administered by County Technical Services, Incorporated (CTSI): The County Workers' Compensation Pool, and Colorado Counties Casualty and Property Pool. Each pool is governed by a board of directors elected by County representatives of the pool. CTSI requires that loss prevention programs be implemented on becoming a member. La Plata County participates in the seminar and workshop program, which provides loss prevention information and teaches County employees safety work skills.

The County is partially self-insured for employee health and medical insurance. The County also provides life insurance and vision and dental care. The Medical Fund pays all medical claims for employees and covered dependents up to \$50,000 per individual per illness in a calendar year. Aggregate and individual stop-loss coverage is carried with Blue Advantage/HMO Colorado, who also acts as the County's administrator and processes claims.

**Pension and other post-employment benefits.** The County participates in a multi-employer defined contribution plan administered by Colorado County Officials and Employees Retirement Association (CCOERA). The employee is required to contribute five percent of their base income, and the County matches a corresponding five percent. The County does not provide any post-employment benefits.

**Fiduciary Responsibilities:** The County acts as an agent in collecting property taxes for other governments located in La Plata County. These funds are held until disbursement to the appropriate agency in the general agency fund.

## **MAJOR INITIATIVES OF COUNTY GOVERNMENT**

During 2003 the County's elected and appointed officials focused their efforts on the following programs:

- The Board of County Commissioners had a very busy year in 2003 working on issues at the state level on matters important to County residents including transportation, human services, and oil and gas development.
- The Road and Bridge and Engineering Departments experienced another very productive year: The \$3.8 million CR 213 Bridge project was commenced and will be completed in

September 2004. The project was partially funded with a \$1,200,000 Energy Impact Assistance Fund grant from the Department of Local Affairs. A small \$235,000 bridge was completed on CR 501 and was partially paid with a \$150,000 contiguous counties gaming impact fund and a major intersection improvement was completed at the intersection of CRs 328 and 329. More than 875,000 gallons of dust palliative was applied to 161 miles of gravel roads and 125,500 tons of crushed aggregate was placed on county roads. About 6,500 tons of asphalt hot mix was applied, 4,180 tons of chips were used on 15.5 miles of road and 1,366 linear feet of culverts were replaced. The Shenandoah curves were realigned on CR 141 and the paving project on CR 211 is nearing completion. The CR 211 project was mostly funded with a \$1.1 million federal grant. The Engineering Department also supervised about 6.5 miles of overlays on CRs 250, 141 and 302.

- The Assessor appraised about 52,600 land parcels and interpreted nearly 7,000 deeds in 2003. There were about 640 land projects worked and 1,500 permits reviewed. The Assessor again passed the very demanding state audit of assessors' operations.
- The Sheriff's Office Public Safety Division responded to 18,663 incidents and made 672 arrests in 2003. The Services Division transported 3,244 prisoners and served 1,982 civil papers. The Detentions Division processed 2,734 prisoner bookings compared to 3,049 in 2002 and housed an average of 118 prisoners a day, which was a small decline from 2002. The Sheriff's alternatives to incarceration program introduced in 2001 continues to strengthen services by increasing the numbers of inmates released from custody and the number of defendants placed under the Day Reporting Center for supervision. A major mold cleanup was begun on the jail in September 2003 and by the time it was cleaned up it cost the County in excess of \$600,000.
- The Clerk and Recorder processed 93,216 vehicle transactions within the County. The Clerk also recorded 29,614 documents, registered 33,000 voters and issued 600 marriage licenses in 2003.
- The District Attorney's Office opened 4500 cases in 2003, which was 9% more than the 4,143 in 2002.
- The Finance and Central Services Department generated \$1.8 million in energy impact grants for road projects on CRs 213, 234 and 521 and \$613,396 in Local Government Limited Gaming Impact Grants in 2003 offsetting some road and bridge, sheriff's office and district attorney's capital and operating expenses. The Information Services Division continued its efforts to assist and guide all County offices and departments to implement technology solutions to operational problems which included the Bean pole state funded project connecting a number of government offices in La Plata County. Facilities and grounds had a challenging year with a major mold clean up at the jail and cleaning up after a water main break in the north end basement of the courthouse. The Finance Division garnered Government Finance Officer Association Awards for both its 2003 budget and its 2002 CAFR. The procurement division continued improving its service level particularly on assisting with major County construction projects and in a support role of helping out on the jail mold cleanup, the courthouse cleanup and furnishing of the communications center and the new fleet maintenance facility.
- The Human Services Department collected \$2,961,349 in child support payments in 2003. The department also investigated 269 cases of alleged welfare fraud and 219 cases

of child abuse in 2003. Social services continued to expand and improve senior programs at the senior center.

- The Treasurer's office receipted \$56.8 million in collections in 2003 that was apportioned to 33 taxing entities. The treasurer generated \$621,329 in interest earnings on the County's cash assets during 2003, a decline of about \$978,000 annually in receipts due to the much lower interest rates currently being paid on County deposits than in 2001.
- The Planning Services Department reviewed 58 Class II projects, 114 oil and gas projects, and 60 Class I projects in 2003, exceeding 200 projects for the 10<sup>th</sup> year in a row. The size and complexity of the development projects continues to increase.
- In 2003, the Building Inspection and Emergency Services Department issued 1,190 building permits, a modest nine-permit increase over 2002. This entailed five building inspectors providing 5,620 on-site inspections of residential and commercial properties and traveling 112,000 miles to the sites. The additional property added to the tax rolls was \$103,320,302, an increase of \$1.3 million (3%) over 2002. This compares to 673 permits valued at \$23,070,985 in 1990.
- The Human Resources and Risk Management Department contracted for a number of training classes for County employees in an attempt to improve supervisory skills, communication, team-building skills and myriad other organizational development traits. The Risk Manager assisted in filing a claim with Road and Bridge in gas spill remediation.
- The Fairgrounds staff continued their progress on the execution of the master plan, which included completion of the north ball fields and additional landscaping on the grounds.

## **FUTURE YEARS**

- In 2004 the Board of County Commissioners will remain an active partner at the state level in matters effecting County governments. At the local level, the BOCC will work with other local governments to maximize resources and maintain strong intergovernmental working relationships. The Board will continue its strong commitment to County infrastructure improvement while working toward a strategic vision of the direction for County government.
- The Road and Bridge and Engineering Departments will continue their transportation systems improvement efforts. The road maintenance staff will continue its aggressive efforts to keep the County roads at the highest maintenance level possible.
- The Planning Department will continue to refine its land use policies and procedures to address current planning issues such as the down spacing of gas wells, going from one well to two per 320 acres. Also, it will continue working on issues such as a trails system and major development projects like the location of the new hospital out near Grandview and in the unincorporated area of the County southeast of Durango and the 20 year Durango Mountain Resort development which will add more than 2,000 housing units in the north part of the County.
- Finance and Central Services will continue supporting automation efforts in many of the county's departments and offices and will guide and assist the Technology Team in

government initiatives. The Department will continue to seek and grow revenues outside the County's traditional tax resources like the \$14 million in Energy Impact Grants and the \$3.0 million in Gaming Impact grants that have been garnered in the last ten years. The department will also work toward integrating the social services financial records into the rest of the county's financial operations. Continuing efforts will be made to expand and improve workspace for the county workforce.

- The Sheriff's Office will continue its priority to provide mandated services to County citizens. It will also be an active force in the County's campaign to reduce wear and tear on county roads by enforcing speed and weight limits. The sheriff will work closely with the BOCC to provide alternatives to incarceration in response to the public's expectations of evolution in the county's justice system. The SO will continue placing pressure on local drug trafficking and will take the lead on preparing for and leading the fight against wildfires in the County.
- The Building Inspection and Emergency Services Department will continue implementing City View software and attempt to retroactively input much of the inspection data from prior years. It will continue partnering with the construction industry with its award winning contractor education program and increase the level of involvement with the Home Builders Association of SW Colorado and the Colorado Chapter of the International Conference of National Building Officials. The Emergency Services function will continue its efforts to fight wildfires in the County in cooperation with other community agencies and the County Sheriff.
- The District Attorney will increase community and victim awareness of the criminal justice system through participation in the "restorative justice" program. The Office will also continue working toward containment of domestic violence and provide efficient and professional prosecution of all criminal cases.
- The Assessor's Office will continue its efforts to ensure all properties are valued correctly. This prodigious task is made more challenging with the ongoing growth and construction in the County. The Assessor will also work closely with IS, planning, building inspection and others to improve information flow of the property based County records.
- The Human Services Department will have to deal with the continued major reductions in the State's allocations of funding for human services in this community. It will also provide leadership and oversight to some of its relatively new services: senior services and veteran's services. Their direction may be dictated by lower federal and state funding levels rather than local initiatives.
- The Fairgrounds will complete the south baseball field and its surrounding parking. The 2005 construction should be the last to complete the master plan.

### **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 financial report for the fiscal year ended December 31, 2002. The Certificate of

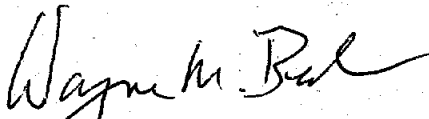


Achievement is a prestigious international award recognizing conformance with the highest standards for preparation of state and local government financial reports.

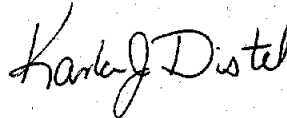
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. La Plata County has received a Certificate of Achievement for the last fourteen (14) consecutive fiscal years (1989-2002) ended December 31st. We believe the 2003 report conforms to the Certificate of Achievement requirements and we are submitting it to the GFOA for review.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended 12/31/2003. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

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



Wayne M. Bedor, Director  
Finance and Central Services



Karla J. Distel, CMA  
Controller

# 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, 2002

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.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

## LIST OF COUNTY OFFICIALS

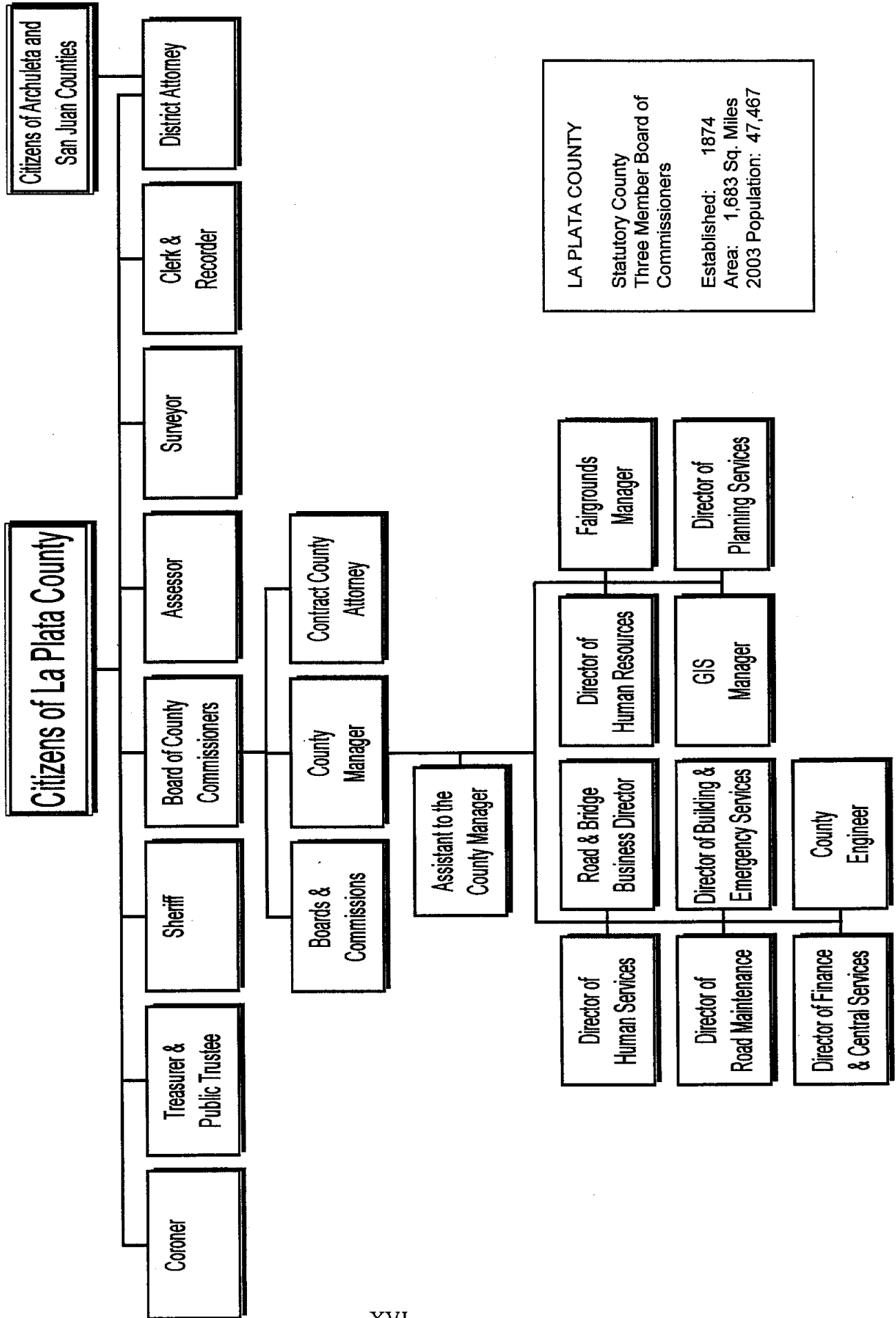
### ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Commissioner	Frank "Josh" Joswick
Commissioner	Robert A. Lieb
Commissioner	Sheryl Ayers
Assessor	Craig Larson
Clerk & Recorder	Linda Daley
Coroner	Carol Huser, MD
Sheriff	Sidney "Duke" Schirard
Surveyor	Larry Connolly
Treasurer & Public Trustee	Ed Murray

### APPOINTED OFFICIALS

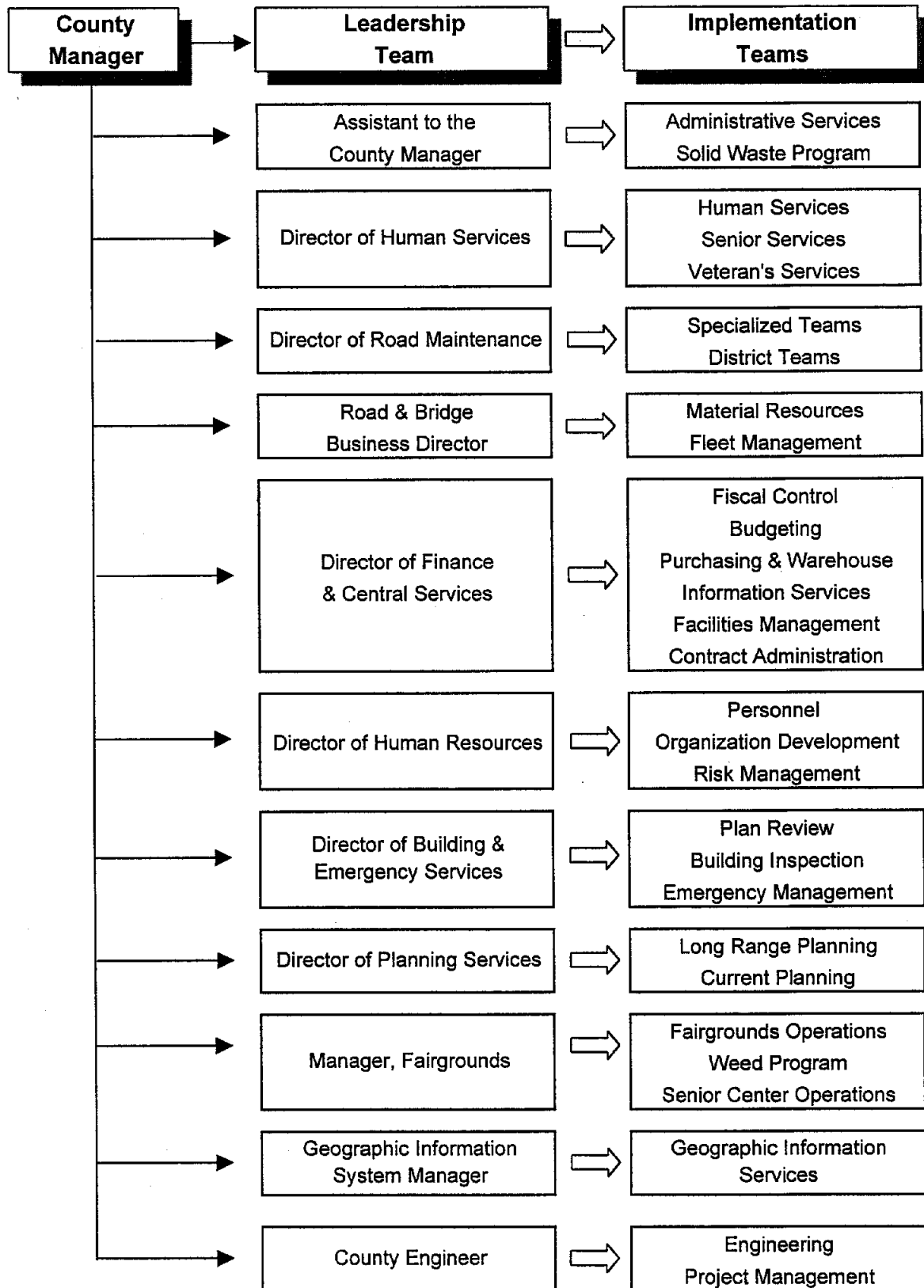
<u>Title</u>	<u>Name</u>
County Manager	Michael Scannell
Manager of Geographic Information Services	Alan Andrews
Fairgrounds Manager	Peter Barrington
Director of Finance & Central Services	Wayne Bedor
Director of Social Services	Pat Carlson
County Engineer	Jim Davis
Director of Building & Emergency Services	Butch Knowlton
Director of Planning Services	Nancy Lauro
Director of Human Resources	Phylis Mattice
Road & Bridge Business Director	Walt Serfoss
Assistant to County Manager	Joanne Spina
Director of Road Maintenance	Doyle Villers
County Attorney (Contracted)	Goldman, Robbins & Rogers LLC

# La Plata County Organizational Chart



LA PLATA COUNTY  
 Statutory County  
 Three Member Board of Commissioners  
 Established: 1874  
 Area: 1,683 Sq. Miles  
 2003 Population: 47,467

## La Plata County Manager Organization Chart



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## **FINANCIAL SECTION**



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

May 27, 2004

Honorable Board of County Commissioners  
La Plata County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type 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, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Road and Bridge Fund, and the Social Services Fund for the year then ended in conformity with U.S. generally accepted accounting principles.

La Plata County, Colorado  
May 27, 2004  
Page Two

As discussed in Note 2 to the basic financial statements, during 2003 the County adopted Government Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended. This results in a change in the format and content of the County’s financial statements.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eagle County’s basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is 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 financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2004 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Chadwick, Stankrechner, 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, 2003. 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 \$63,668,437 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$36,259,293 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 \$18,000,258 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net assets of \$9,408,886 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 \$28,503,345 this year. This compares to the prior year restated ending fund balance of \$28,420,676 showing a minor increase of \$82,669 during the current year.
- At the end of the current calendar year, unreserved fund balance for the General Fund was \$8,288,753, or 36.8% of total General Fund expenditures
- Overall, the County continues to maintain a strong financial position, in spite of a somewhat depressed national and state economy.

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. All applicable tables will present comparative data in calendar year 2004.

### 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 sales taxes 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, and streets. Business-type activities include the gas, water and sewer systems.

The government-wide financial statements are presented on pages 12 & 13 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.

The County has two kinds of funds:

*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 14 through 21 of this report.

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

*Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County closed its only enterprise fund in calendar 2003 but maintains an employee medical self-insurance fund (i.e., an internal service fund). The internal service fund accounts for the County's self-insured medical plan.

The basic proprietary fund financial statements are presented on pages 22-25 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 27 of this report.

### ***Other Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the County's other budget presentations. Budgetary comparison schedules for all governmental funds

(other than those referenced above) can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 50.

### Financial Analysis of the County as a Whole

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

The County's net assets at calendar year-end are \$ 63,668,437. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities	Percentage of Total
Assets:		
Current assets	\$ 47,132,143	55%
Capital assets	38,019,293	45%
Total assets	85,151,436	100%
Liabilities:		
Current liabilities	19,024,749	89%
Long-term liabilities	2,458,250	11%
Total liabilities	21,482,999	100%
Net assets:		
Invested in capital assets, net of debt	36,259,293	57%
Restricted	18,000,258	28%
Unrestricted	9,408,886	15%
Total net assets	\$ 63,668,437	100%

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 2.5 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 calendar year 2004 with an offsetting amount reported in deferred revenue as a current liability. If you remove those amounts from the current ratio calculation, you have a ratio of 5.7 to 1, which demonstrates the liquid position of the County.

The County reported positive balances in net assets. Net assets increased \$11,911,809 for governmental activities, which results in a 23% increase.

Note that approximately 57% of the governmental activities' net assets are tied up in capital. The County uses these capital assets to provide services to its citizens.

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years. The following table provides a summary of the County's changes in net assets (note that we have not included the enterprise fund's transfer out since that is the only transaction for the business-type activities:

Summary of Changes in Net Assets

	Governmental Activities	Percentage of Total
Revenues:		
Program:		
Charges for services	\$ 4,187,847	9%
Operating grants	8,335,012	18%
Capital grants	2,864,900	6%
General:		
Taxes	27,792,046	58%
Increase in joint venture	2,562,483	5%
Other	1,778,065	4%
Total revenues	47,520,353	100%
Program Expenses:		
General government	7,754,452	22%
Public safety	10,227,758	29%
Auxiliary services	2,547,884	7%
Public works	7,998,659	22%
Health and welfare	4,471,450	13%
Community programs	2,522,640	7%
Interest	103,912	0%
Total expenses	35,626,755	100%
Excess (deficiency)	11,893,598	
Transfers	18,211	
Change in net assets	11,911,809	
Beginning net assets	51,756,628	
Ending net assets	\$ 63,668,437	

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes provided 34.6% of the County's total governmental revenues. Sales taxes are the second largest revenue source with over \$10 million of revenues or 21.1% of the total. Because of the County's healthy financial position, we have been able to earn \$629,156 in interest earnings to support governmental activities. Also, note that program revenues cover 43.2% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 56.8% of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

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**GOVERNMENTAL FUNCTIONAL EXPENSES**

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The public safety, general government and the public works functions make up approximately three-fourth of the total governmental activities expenses. Public safety costs total over \$10 million dollars or 29% of the total expenditures. General government and public works each make up 22% of total costs.

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

**Governmental Activities**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	7,754,452	\$ 2,559,564
Public safety	10,227,758	8,825,470
Auxiliary services	2,547,884	1,542,200
Public works	7,998,659	3,810,695
Health and welfare	4,471,450	1,286,997
Community programs	2,522,640	2,110,158
Interest	103,912	103,912
Total	<u>\$ 35,626,755</u>	<u>\$ 20,238,996</u>

After reducing gross expenses by program revenues, public safety totals 43.6% of the net cost of services and public works totals 18.8% of these costs. The general government function's net costs are only 12.6%.

**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 \$28,503,345. Of this year-end total, \$15,874,633 is unreserved indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include: \$1,229,144 committed to fund program purposes, \$1,120,000 set aside for emergency purposes and \$9,474,624 committed to capital projects.

The total ending fund balances of governmental funds show a small increase of \$82,669 or two tenths of 1% over the prior year.

***Major Governmental Funds***

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by over \$800,000. In calendar year 2002, the fund balance increased over \$1.1 million.

Property taxes increased 11.2% over that of calendar 2002. This increase relates to the County's assessed valuation increasing from \$1,744,314,830 in 2002 to \$1,874,127,630 in 2003 (related to increased valuation in the oil & gas industry). In prior years, sales taxes were reported in the sales tax fund but this fund was closed and sales taxes are now reported in the general fund. Sales taxes totaled over \$10 million. State and federal revenues were \$1.2 million under calendar 2002, primarily because in 2002, the County received a CDBG grant to assist in the economic recovery from a major forest fire in 2002. Most other revenue streams were consistent with that of calendar 2002.

The General Fund's ending unreserved fund balance was similar to the prior year, it is considered more than adequate, representing the equivalent of 36.8% of annual expenditures.

The road and bridge fund's fund balance decreased \$721,485, after a \$2 million transfer of sales taxes from the general fund. This fund received over \$400 thousand of property taxes less than calendar 2002. The total mill levy that the County levied for calendar 2003 was the same as the prior year; however, a smaller portion of the overall mill levy was allocated to this fund. This fund spent over \$10 million building, improving and maintaining County roads and bridges. The social services fund spent \$4.2 million or approximately the same amounts as calendar 2002.

#### **Budgetary Highlights**

*The General Fund* – The revenue budget was increased only \$35 thousand over the original budget. Property taxes were over \$546,000 above the final budget. This increase relates to an increased car sales activity (ownership taxes) and identification of taxable properties after County Commissioners certified the mill levy and adopted the budget.

Charges for services were \$774,254 over the final budget. The largest overage related to County Clerk fees caused by increased activity due to new car sales and increased mortgage refinancing.

Investment earnings only met 60% of budget expectations. This reduction relates to a somewhat depressed investment market.

In total, the County realized 105.7% of the final revenue budget.

The expenditure side of the original budget for the General Fund was revised approximately \$700,000 or 3%. The public safety budget was amended upward about \$330 thousand due to a mold cleanup and renovation of the existing jail facility, which resulted in housing of inmates in other facilities, causing increased detentions' costs.

The County spent 96.4% of the final amended budget.



Capital Assets and Debt Administration

*Capital Assets*

The County's investment in capital assets, net of accumulated depreciation (i.e., including the County's investment in the City and County airport), for governmental activities as of December 31, 2003, was \$38,019,293. The total increase in this net investment was 40.5% for governmental activities. See Note 4-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>	
	<b>2003</b>	<b>2002</b>
Non-depreciable assets:		
Land	\$ 885,943	\$ 587,027
Construction in progress	4,398,432	170,901
Total non-depreciable	5,284,375	757,928
Depreciable assets:		
Buildings	14,015,108	14,180,803
Improvements	3,876,307	2,445,631
Machinery and equipment	10,704,587	10,027,656
Investment in joint venture	8,963,342	6,400,859
Infrastructure	2,396,093	-
Total depreciable assets	39,955,437	33,054,949
Less accumulated depreciation	7,220,519	6,758,968
Book value - depreciable assets	32,734,918	26,295,981
Percentage depreciated	18%	20%
Book value - all assets	\$ 38,019,293	\$ 27,053,909

At December 31, 2003, the depreciable capital assets for governmental activities were 18% depreciated. This compares equally to the December 31, 2002 percentage. This comparison indicates that the County is replacing its assets at the same rate as they are depreciating which is a positive indicator. In addition, this percentage is considered very low which is also a positive factor.

The major addition to the construction in progress asset class relates to the following two projects:

- A Road and Bridge fleet facility \$2,270,547
- An addition to the jail, \$1,956,984.

The increase of \$2 million in the joint venture relates to major runway reconstruction and resurfacing. Finally, for the first time, the County has capitalized their current year infrastructure costs (i.e., eight projects) of over \$2.3 million including the following major projects:

- Reconstruction of CR 141 at "Shenandoah Curve", \$923,052.

- Relocation of CR 211, at \$600,171.
- CR 213 Animas River Bridge" \$456,210
- CR 501 Wommer Draw Box Culvert" \$233,882.

### Long-term Debt

At the end of the calendar year, the County had sales tax revenue bonds outstanding of \$1,760,000. These bonds were issued to refinance prior outstanding bonded debt in order to reduce the interest rates and save the County money. During the year, the County retired \$535,000 or 23.3% of the beginning outstanding sales tax revenue bonds.

### Outstanding Borrowings

	Governmental Activities		% Change
	2003	2002	
Sales tax revenue bonds	\$ 1,760,000	\$ 2,295,000	23%
Landfill closure and postclosure care	575,514	582,776	1%
Compensated absences	853,420	827,520	-3%
Total	<u>\$ 3,188,934</u>	<u>\$ 3,705,296</u>	14%

See Note 4-H for additional information about the County's long-term debt. We discuss the landfill closure and postclosure care liability in Note 4-G.

### Economic Conditions Affecting the County

The County, incorporated in 1874, is located in the southwestern part of Colorado, and has been experiencing considerable economic and population growth the past 14 years. The County has an area of 1,683 square miles and a population of 47,467 (2003 State Demographer's estimate), an increase of 15,183 (47%) since 1990. The County is empowered to levy a property tax on both real and personal property located within its boundaries. The economy is primarily tourism-based, and Durango, the County seat, is the home of Fort Lewis College, a four-year liberal arts state institution of approximately 4,400 students. The County operates as a statutory County, with a three-member Board of Commissioners. Board members are elected by district but represent the entire County and serve up to two four-year staggered terms. Additionally, there are six other elected officials: the Sheriff, Clerk and Recorder, Assessor, Treasurer, Coroner, and Surveyor. There are no term limits on these elected positions.

The La Plata County economy continued to recover from the prior year's recession as tourism rebounded from the forest fires of 2002. County lodgers' tax increased by 5.7% and county sales tax collections rebounded from a first time in 14 years decline in 2002 of 0.41% to an increase of 3.8% in 2003, collections topping \$10.0 million for the first time. The County building inspection department experienced a 6% decline in number of permits issued in 2003; however, the value of those structures increased by \$1,339,060 million or 1.3% over 2002, again demonstrating that construction remains the second strongest segment of the local economy after tourism.

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Development continues unabated in the county with developers bringing projects with more than 2,000 lots to the County's planning department for review in 2003 compared to just over 700 lots in 2002. Three key tourism indicators increased in 2003 over 2002: 1) skier days at Durango Mountain Resort, 2) ridership on the Durango & Silverton Narrow Gauge Railroad and 3) Mesa Verde National Park visitors. Retail sales as well as the employment numbers for 2003 are both ahead of the 2002. Further substantiating the County's economic recovery claim is that bank deposits increased in 2003 over 2004 and energy prices are higher than in 2002. Accordingly, the general economic health of the County strengthened in 2003 versus 2002.

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

This financial report is designed 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.

**BASIC FINANCIAL  
STATEMENTS**

## **BASIC FINANCIAL STATEMENTS**

**La Plata County, Colorado**  
**Statement of Net Assets**  
**December 31, 2003**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 1,222,687	\$ 144,389
Equity in treasurer's cash and investments	27,950,791	-
Restricted cash and investments	92,336	-
Receivables:		
Accounts	315,969	51,397
Taxes	13,002,400	-
Loans	88,000	-
Intergovernmental	3,965,686	85,701
Due from component unit	100,000	-
Other	30,288	-
Inventory	363,986	-
<b>Capital Assets</b>		
Nondepreciable capital assets	5,284,375	-
Depreciable capital assets, net	32,734,918	77,195
<b>Total Assets</b>	<b>85,151,436</b>	<b>358,682</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	2,761,325	7,657
Accrued expenses	160,534	12,188
Contracts payable	348,810	-
Intergovernmental payable	352,792	-
Accrued interest payable	13,933	-
Due to primary government	-	100,000
Unearned revenue	14,081,412	-
Liabilities payable from restricted assets	92,336	-
Claims payable	482,923	-
Compensated absences payable	170,684	7,792
Sales tax revenue bonds payable	560,000	-
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	682,736	31,169
Landfill closure and post-closure care costs payable	575,514	-
Sales tax revenue bonds payable (net of current portion)	1,200,000	-
<b>Total Liabilities</b>	<b>21,482,999</b>	<b>158,806</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	36,259,293	77,195
Restricted for:		
Capital improvements	9,474,624	-
Debt service	36,319	-
Program purposes	7,369,315	-
Emergencies	1,120,000	42,960
Unrestricted	9,408,886	79,721
<b>Total Net Assets</b>	<b>\$ 63,668,437</b>	<b>\$ 199,876</b>

See accompanying notes to the basic financial statements

La Plata County, Colorado  
Statement of Activities  
For the Year Ended December 31, 2003

Function/Program	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Primary Government			
				Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 7,754,452	\$ 2,717,321	\$ 1,606,689	\$ 870,878	\$ (2,559,564)	\$ (2,559,564)	\$ -
Public safety	10,227,758	1,008,565	243,043	150,680	(8,825,470)	(8,825,470)	-
Auxiliary services	2,547,884	269,514	261,170	475,000	(1,542,200)	(1,542,200)	-
Public works	7,998,659	192,447	2,627,175	1,368,342	(3,810,695)	(3,810,695)	-
Health and welfare	4,471,450	-	3,184,453	-	(1,286,997)	(1,286,997)	-
Community programs	2,522,640	-	412,482	-	(2,110,158)	(2,110,158)	-
Interest and fiscal charges	103,912	-	-	-	(103,912)	(103,912)	-
<b>Total Governmental Activities</b>	<b>35,626,755</b>	<b>4,187,847</b>	<b>8,335,012</b>	<b>2,864,900</b>	<b>(20,238,996)</b>	<b>(20,238,996)</b>	<b>-</b>
<b>Business-Type Activities:</b>							
Prisoner commissary	-	-	-	-	-	-	-
<b>Total - Primary Government</b>	<b>\$ 35,626,755</b>	<b>\$ 4,187,847</b>	<b>\$ 8,335,012</b>	<b>\$ 2,864,900</b>	<b>(20,238,996)</b>	<b>(20,238,996)</b>	<b>-</b>
<b>Component Unit</b>	<b>\$ 1,879,454</b>	<b>\$ -</b>	<b>\$ 729,919</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>(1,149,535)</b>
Office of the District Attorney							
<b>General Revenues</b>							
Property taxes levied for general government purposes					16,450,623	16,450,623	-
Sales taxes					10,044,453	10,044,453	-
Other taxes					1,296,970	1,296,970	-
County aid					-	-	1,015,173
Increase in interest in joint venture					2,562,483	2,562,483	-
Investment earnings					629,156	629,156	-
Miscellaneous					1,148,909	1,148,909	87,465
<b>Total General Revenues</b>					<b>32,132,594</b>	<b>32,132,594</b>	<b>1,102,638</b>
Transfers					18,211	(18,211)	-
<b>Total General Revenues and Transfers</b>					<b>32,150,805</b>	<b>32,132,594</b>	<b>1,102,638</b>
<b>Change in Net Assets</b>					<b>11,911,809</b>	<b>11,893,598</b>	<b>(46,897)</b>
<b>Net Assets Beginning of Year - (Note 2D)</b>					<b>51,756,628</b>	<b>51,774,839</b>	<b>246,773</b>
<b>Net Assets End of Year</b>					<b>\$ 63,668,437</b>	<b>\$ 63,668,437</b>	<b>\$ 199,876</b>

See accompanying notes to the basic financial statements

La Plata County, Colorado  
Balance Sheet  
Governmental Funds  
December 31, 2003

	General	Road and Bridge	Social Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash	\$ 390,856	\$ 1,100	\$ 400	\$ -	\$ -	\$ 392,356
Equity in treasurer's cash and investments	8,783,281	5,757,436	1,592,526	9,860,669	1,956,879	27,950,791
Restricted cash and investments	33,095	-	59,241	-	-	92,336
Receivables:						
Accounts	224,655	5,341	-	84,715	-	314,711
Taxes	10,480,263	1,757,124	716,260	-	48,753	13,002,400
Loans	88,000	-	-	-	-	88,000
Intergovernmental	1,146,168	1,313,144	208,072	1,298,302	-	3,965,686
Component unit	100,000	-	-	-	-	100,000
Interfund	107,591	-	17,807	-	110,941	236,339
Other	30,288	-	-	-	-	30,288
Inventory	62,109	301,877	-	-	-	363,986
<b>Total Assets</b>	<b>\$ 21,446,306</b>	<b>\$ 9,136,022</b>	<b>\$ 2,594,306</b>	<b>\$ 11,243,686</b>	<b>\$ 2,116,573</b>	<b>\$ 46,536,893</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 555,045	\$ 474,881	\$ 243,509	\$ 1,468,125	\$ 19,765	\$ 2,761,325
Accrued salaries and wages	125,690	34,844	-	-	-	160,534
Contracts payable	-	47,873	-	300,937	-	348,810
Intergovernmental payable	206,660	17,364	-	-	128,768	352,792
Interfund payable	110,941	-	107,591	-	17,807	236,339
Deferred revenues	10,749,275	1,967,124	1,316,260	-	48,753	14,081,412
Liabilities payable from restricted assets	33,095	-	59,241	-	-	92,336
<b>Total Liabilities</b>	<b>11,780,706</b>	<b>2,542,086</b>	<b>1,726,601</b>	<b>1,769,062</b>	<b>215,093</b>	<b>18,033,548</b>
<b>Fund Balances</b>						
Reserved for:						
Inventory	62,109	301,877	-	-	-	363,986
Revolving loan activities	404,639	-	-	-	-	404,639
Emergencies	-	-	-	-	1,120,000	1,120,000
Program purposes	910,099	319,045	-	-	-	1,229,144
Capital improvements	-	-	-	9,474,624	-	9,474,624
Debt service	-	-	-	-	36,319	36,319
Unreserved:						
Undesignated, reported in:						
General fund	8,288,753	-	-	-	-	8,288,753
Special revenue funds	-	5,973,014	867,705	-	745,161	7,585,880
<b>Total Fund Balances</b>	<b>9,665,600</b>	<b>6,593,936</b>	<b>867,705</b>	<b>9,474,624</b>	<b>1,901,480</b>	<b>28,503,345</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,446,306</b>	<b>\$ 9,136,022</b>	<b>\$ 2,594,306</b>	<b>\$ 11,243,686</b>	<b>\$ 2,116,573</b>	<b>\$ 46,536,893</b>

See accompanying notes to the basic financial statements



**La Plata County, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**December 31, 2003**

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<b>Total Governmental Fund Balances</b>	<b>\$</b>	<b>28,503,345</b>
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**Amounts reported for governmental activities in the  
statement of net assets are different because:**

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

Cost of capital assets	\$ 45,239,812	
Less accumulated depreciation	<u>(7,220,519)</u>	38,019,293

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	\$ (236,339)	
Interfund payables	<u>236,339</u>	-

An internal service fund is used by management to charge the costs of employee medical self-insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.

348,666

Accrued interest on sales tax revenue bonds is not accrued at the fund level but is reported on the government-wide statement of net assets.

(13,933)

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.

Sales tax revenue bonds	\$ (1,760,000)	
Landfill closure and post-closure care	(575,514)	
Compensated absences	<u>(853,420)</u>	<u>(3,188,934)</u>

<b>Net Assets Of Governmental Activities</b>	<b>\$</b>	<b><u>63,668,437</u></b>
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See accompanying notes to the basic financial statements

La Plata County, Colorado  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2003

	General	Road and Bridge	Social Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 23,697,015	\$ 3,069,397	\$ 976,303	\$ -	\$ 49,331	\$ 27,792,046
Intergovernmental	2,225,250	3,696,601	3,184,453	1,496,558	298,134	10,900,996
Licenses and permits	689,002	54,948	-	-	-	743,950
Charges for services	2,862,061	136,467	-	-	-	2,998,528
Fines and forfeitures	8,605	-	-	-	-	8,605
Investment earnings	605,597	-	-	-	17,284	622,881
Miscellaneous	917,964	299,228	274,307	67,276	3,300	1,562,075
<b>Total Revenues</b>	<b>31,005,494</b>	<b>7,256,641</b>	<b>4,435,063</b>	<b>1,563,834</b>	<b>368,049</b>	<b>44,629,081</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	7,019,609	-	-	-	128,767	7,148,376
Public safety	10,169,806	-	-	-	-	10,169,806
Auxiliary services	2,417,688	-	-	-	-	2,417,688
Public works	51,279	6,212,375	-	-	58,195	6,321,849
Health and welfare	336,474	-	4,205,378	-	-	4,541,852
Community programs	2,522,640	-	-	-	-	2,522,640
Capital Outlay	-	3,821,787	-	7,015,385	37,408	10,874,580
<b>Debt Service:</b>						
Principal retirement	-	-	-	-	535,000	535,000
Interest and fiscal charges	-	-	-	-	107,675	107,675
Agent fees	-	-	-	-	250	250
<b>Total Expenditures</b>	<b>22,517,496</b>	<b>10,034,162</b>	<b>4,205,378</b>	<b>7,015,385</b>	<b>867,295</b>	<b>44,639,716</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>8,487,998</b>	<b>(2,777,521)</b>	<b>229,685</b>	<b>(5,451,551)</b>	<b>(499,246)</b>	<b>(10,635)</b>
<b>Other Financing Sources (Uses)</b>						
Sale of capital assets	-	-	-	75,093	-	75,093
Transfers in	2,150,783	2,056,036	17,807	6,300,000	2,189,068	12,713,694
Transfers out	(9,834,068)	-	-	(640,000)	(2,221,415)	(12,695,483)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,683,285)</b>	<b>2,056,036</b>	<b>17,807</b>	<b>5,735,093</b>	<b>(32,347)</b>	<b>93,304</b>
<b>Net Change in Fund Balances</b>	<b>804,713</b>	<b>(721,485)</b>	<b>247,492</b>	<b>283,542</b>	<b>(531,593)</b>	<b>82,669</b>
<b>Fund Balances Beginning of Year</b>						
- As Restated (Note 2D)	8,860,887	7,315,421	620,213	9,191,082	2,433,073	28,420,676
<b>Fund Balances End of Year</b>	<b>\$ 9,665,600</b>	<b>\$ 6,593,936</b>	<b>\$ 867,705</b>	<b>\$ 9,474,624</b>	<b>\$ 1,901,480</b>	<b>\$ 28,503,345</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, 2003*

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Net Changes In Fund Balances - Total Governmental Funds	\$	82,669
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Amounts reported for governmental activities in the  
statement of activities are different because

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 by which capitalized  
capital outlay exceeded depreciation expense in the current period.

Depreciation expense	\$ (799,051)	
Capital outlay	<u>9,289,385</u>	8,490,334

Governmental funds do not report the cost of capital assets disposed of but the cost is reported on the statement of activities		(386,349)
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Contributions of capital assets from solid waste fund		298,916
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Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		2,562,483
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Transfers between governmental funds are reported on the governmental fund  
operating statement but eliminated on the government-wide  
statement of activities.

Transfers in	\$ (12,695,483)	
Transfers out	<u>12,695,483</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 @ 12/31/03	\$ (13,933)	
Liability @ 12/31/02	<u>17,946</u>	4,013

The internal service fund used by management to charge the the costs of self-insurance to individual funds reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		337,106
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The internal service fund investment earnings are not duplicated, therefore, they are not eliminated and are reported in statement of activities		6,275
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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.

Sales tax revenue bonds	\$ 535,000	
Landfill closure and post-closure care	<u>7,262</u>	542,262

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 @ 12/31/03	\$ (853,420)	
Liability @ 12/31/02	<u>827,520</u>	(25,900)

Change In Net Assets of Governmental Activities	\$	<u><u>11,911,809</u></u>
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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, 2003**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 23,075,862	\$ 23,075,862	\$ 23,697,015	\$ 621,153
Intergovernmental	2,005,588	2,032,933	2,225,250	192,317
Licenses and permits	623,000	623,000	689,002	66,002
Charges for services	2,087,807	2,087,807	2,862,061	774,254
Fines and forfeitures	3,000	3,000	8,605	5,605
Investment earnings	1,004,000	1,004,000	605,597	(398,403)
Miscellaneous	493,513	506,563	917,964	411,401
<b>Total Revenues</b>	<u>29,292,770</u>	<u>29,333,165</u>	<u>31,005,494</u>	<u>1,672,329</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	7,479,289	7,673,922	7,019,609	654,313
Public safety	9,723,931	10,067,784	10,169,806	(102,022)
Auxiliary services	2,282,210	2,394,850	2,417,688	(22,838)
Public works	58,500	71,550	51,279	20,271
Health and welfare	336,474	336,474	336,474	-
Community programs	2,794,618	2,810,001	2,522,640	287,361
<b>Total Expenditures</b>	<u>22,675,022</u>	<u>23,354,581</u>	<u>22,517,496</u>	<u>837,085</u>
<b>Excess of Revenues Over Expenditures</b>	<u>6,617,748</u>	<u>5,978,584</u>	<u>8,487,998</u>	<u>835,244</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,668,403	2,360,430	2,150,783	(209,647)
Transfers out	(9,820,113)	(9,820,113)	(9,834,068)	(13,955)
<b>Total Other Financing Sources (Uses)</b>	<u>(8,151,710)</u>	<u>(7,459,683)</u>	<u>(7,683,285)</u>	<u>(223,602)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,533,962)</u>	<u>\$ (1,481,099)</u>	<u>804,713</u>	<u>\$ 611,642</u>
<b>Fund Balances Beginning of Year</b>			<u>8,860,887</u>	
<b>Fund Balances End of Year</b>			<u>\$ 9,665,600</u>	

**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, 2003**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 2,982,538	\$ 2,982,538	\$ 3,069,397	\$ 86,859
Intergovernmental	4,617,700	5,467,700	3,696,601	(1,771,099)
Licenses and permits	61,000	61,000	54,948	(6,052)
Charges for services	148,706	148,706	136,467	(12,239)
Miscellaneous	154,800	154,800	299,228	144,428
<b>Total Revenues</b>	<u>7,964,744</u>	<u>8,814,744</u>	<u>7,256,641</u>	<u>(1,558,103)</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Public works</b>				
Engineering	721,277	721,277	662,460	58,817
General administration	734,618	734,618	707,426	27,192
Maintenance of condition/snow & ice removal	3,755,059	3,747,059	3,581,571	165,488
Vehicle garage	919,223	919,223	817,542	101,681
Flood mitigation/debris removal	874,800	874,800	214,909	659,891
Traffic	278,590	278,590	228,467	50,123
<b>Capital Outlay</b>	<u>7,292,999</u>	<u>8,480,000</u>	<u>3,821,787</u>	<u>4,658,213</u>
<b>Total Expenditures</b>	<u>14,576,566</u>	<u>15,755,567</u>	<u>10,034,162</u>	<u>5,721,405</u>
<b>(Deficiency) of Revenue (Under) Expenditures</b>	<u>(6,611,822)</u>	<u>(6,940,823)</u>	<u>(2,777,521)</u>	<u>(7,279,508)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,043,500	2,043,500	2,056,036	12,536
<b>Net Change in Fund Balances</b>	<u>\$ (4,568,322)</u>	<u>\$ (4,897,323)</u>	<u>(721,485)</u>	<u>\$ (7,266,972)</u>
<b>Fund Balances Beginning of Year</b>			<u>7,315,421</u>	
<b>Fund Balances End of Year</b>			<u>\$ 6,593,936</u>	

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, 2003*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 944,723	\$ 944,723	\$ 976,303	\$ 31,580
Intergovernmental	4,740,190	4,740,190	3,184,453	(1,555,737)
Miscellaneous	-	-	274,307	274,307
<b>Total Revenues</b>	5,684,913	5,684,913	4,435,063	(1,249,850)
<b>Expenditures</b>				
<b>Current:</b>				
Health and welfare	5,911,147	5,911,147	4,205,378	1,705,769
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(226,234)	(226,234)	229,685	455,919
<b>Other Financing Sources</b>				
Transfers in	13,824	13,824	17,807	3,983
<b>Net Change in Fund Balances</b>	<u>\$ (212,410)</u>	<u>\$ (212,410)</u>	247,492	<u>\$ 459,902</u>
<b>Fund Balances Beginning of Year</b>			<u>620,213</u>	
<b>Fund Balances End of Year</b>			<u>\$ 867,705</u>	

**La Plata County, CO**  
**Capital Improvement Fund**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balances - Budget and Actual*  
*For the Year Ended December 31, 2003*

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ 1,230,000	\$ 1,496,558	\$ 1,496,558	\$ -
Miscellaneous revenue	48,000	18,000	67,276	49,276
<b>Total Revenues</b>	1,278,000	1,514,558	1,563,834	49,276
<b>Expenditures</b>				
Capital Outlay	14,548,550	14,478,872	7,015,385	7,463,487
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(13,270,550)	(12,964,314)	(5,451,551)	7,512,763
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,300,000	6,300,000	6,300,000	-
Transfers out	(640,000)	(640,000)	(640,000)	-
Sale of capital assets	-	30,000	75,093	45,093
<b>Total Other Financing Sources (Uses)</b>	5,660,000	5,690,000	5,735,093	45,093
<b>Net Change in Fund Balances</b>	<u>\$ (7,610,550)</u>	<u>\$ (7,274,314)</u>	283,542	<u>\$ 7,557,856</u>
<b>Fund Balances Beginning of Year</b>			9,191,082	
<b>Fund Balances End of Year</b>			<u>\$ 9,474,624</u>	

**La Plata County, Colorado**  
***Statement of Net Assets***  
***Internal Service Fund***  
***December 31, 2003***

	<b>Governmental Activities</b>
<b>Assets</b>	
<b>Current Assets:</b>	
Equity in pooled cash and investments	\$ 830,331
Accounts receivable	<u>1,258</u>
<b>Total Current Assets</b>	<u>831,589</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accrued incurred/unreported claims	<u>482,923</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$ 348,666</u></u>

See accompanying notes to the basic financial statements



**La Plata County, Colorado**  
**Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	<b>Business- Type Activities Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating Revenues</b>		
Insurance deposits	\$ -	\$ 1,927,110
<b>Operating Expenses</b>		
Medical claims	-	1,590,004
<b>Operating Income</b>	-	337,106
<b>Non-Operating Revenues</b>		
Investment earnings	-	6,275
<b>Income Before Transfers Out</b>	-	343,381
Transfers out	(18,211)	-
<b>Change in Net Assets</b>	(18,211)	343,381
<b>Net Assets Beginning of Year</b>	18,211	5,285
<b>Net Assets End of Year</b>	\$ -	\$ 348,666

See accompanying notes to the basic financial statements

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La Plata County, Colorado  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2003

	Business- Type Activities Enterprise Fund	Governmental Activities - Internal Service Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 5,186	\$ 2,006,089
Cash payments for goods and services	(2,189)	-
Cash payments for claims	-	(1,731,335)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>2,997</u>	<u>274,754</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers out	<u>(18,211)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>		
Investment earnings	<u>-</u>	<u>6,275</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(15,214)	281,029
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>15,214</u>	<u>549,302</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ -</u>	<u>\$ 830,331</u>

(continued)

La Plata County, Colorado  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2003

(continued)

	Business- Type Activities Enterprise Funds	Governmental Activities - Internal Service Funds
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>		
Operating Income	\$ -	\$ 337,106
(Increase) Decrease in Assets:		
Accounts receivable	5,186	78,979
Increase (Decrease) in Liabilities:		
Accounts payable	(2,189)	-
Claims payable	-	(141,331)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 2,997</u>	<u>\$ 274,754</u>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Comparative Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 1,672,365	\$ 1,516,128
<b>Liabilities</b>		
Accounts payable	\$ 75,168	\$ 124,258
Due to component unit	44,791	63,468
Deposits held for others	1,552,406	1,328,402
<b>Total Liabilities</b>	\$ 1,672,365	\$ 1,516,128

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**Index**

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**La Plata County, Colorado**  
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La Plata County, Colorado (the County) was formed in 1874 and operates under Colorado State Statutes as a statutory county. The County has a governing board of three elected Commissioners. The offices of Assessor, Clerk, Coroner, Sheriff, Surveyor and Treasurer also are elected positions. The County provides the following services as authorized by State Statutes: public safety (police and jail), highway, health and social services, planning, property tax assessment, property tax collection and distribution, extension services, 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 (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise fund at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

***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. 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 identify the financial data of the County's discretely presented component unit. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the blended component unit 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."

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A brief description of the discretely presented component unit follows:

The *Office of the District Attorney of the Sixth Judicial District (the Office)*, a legally separate entity from the County, is governed by a separately elected District Attorney, however the Office's budget is approved by the Boards of County Commissioners of La Plata, Archuleta and San Juan Counties. Since the County provides over 80% of the operational funding for the Office's activities, it is considered fiscally dependent upon the County. This District does not issue separate financial statements.

**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.

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** - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and the major enterprise fund are reported in separate columns.



**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**Fund Accounting** - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

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

**The General Fund** - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Colorado.

**Road and Bridge Fund** - State law requires Colorado counties to maintain this individual fund. This fund records costs related to County road and bridge construction and maintenance. By state law, a portion of the road and bridge property taxes is allocated to cities and towns for use in their road and street activities.

**Social Services Fund** - State law requires Colorado counties to maintain this individual fund. This fund accounts for numerous state and federal public welfare programs that the County administers.

**Capital Projects Fund** - The County established this fund in 1985 to provide for continuing capital improvements. The sales tax fund transfers at least \$1.5 million annually to fund these improvements. The expenditures are limited to continuing capital and major capital improvements determined by the Board of County Commissioners.

In addition, the County reports the following fund types:

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The proprietary funds are classified as an enterprise fund and an internal service fund.

**Enterprise Fund** - the only enterprise fund used in calendar 2003 was the prisoner commissary fund which was closed in this year.

**Internal Service Fund** - the County's internal service fund is used to accumulate and account for the County self-insured medical and dental program for the County's employees and covered dependents.

**Fiduciary Funds** - Fiduciary fund reporting focuses on net assets. The County's fiduciary fund is an agency fund.

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

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

**Victim's Assistance Fund** - This fund accounts for monies received from the United States government to provide direct services and compensatory payments to victims of crime.

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

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

**1-C. Measurement Focus**

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

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

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

**1-D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The agency fund reports its assets and liabilities on the accrual basis.

**Revenues – Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenues - Non-exchange Transactions** - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the tax collections are remitted by the collector to the collection agency. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 4-C) Delinquent property taxes are considered fully collectible. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

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

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

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

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

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

**1-E. Assets, Liabilities and Fund Equity**

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

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. With the exception of certain restricted funds, the County pools all cash on an entity-wide basis for management and investment purposes. Each fund has an interest in the pool which is available upon demand. Equity in the pool has been treated the same as any other demand deposit or investment with a maturity of three months or less.

The County maintains centralized bank accounts to maximize investment yields. Investment earnings are attributed, with few exceptions, to the general fund regardless of the source of the funds. Exceptions are determined by law, bond covenants, or official board action.

Investments are stated at fair value based on quoted market prices.

The Treasurer is authorized by Colorado statutes and resolutions of the Board of County Commissioners to invest in the following investment instruments, subject to certain limitations:

- U.S. Treasury Obligations
- Federal Instrumentality Securities
- Prime Commercial Paper
- Eligible Banker's Acceptances
- Repurchase Agreements
- Local Government Investment Pools

Statutes require that any public depository which accepts and holds public funds maintain, as security for public

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deposits accepted and held by it, 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. Pledged collateral, usually in the form of mortgages, must be held by a third party institution for the benefit of the Commissioner.

***1-E-2 Receivables***

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

***1-E-3 Interfund Balances***

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

***1-E-4 Consumable Inventories***

On the government-wide financial statements, inventories are presented on an average cost basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at an average cost basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

***1-E-5 Restricted Assets***

These assets primarily consist of cash being held in trust by the Department of Social Services for individuals totaling \$59,241 and La Plata County jail inmate commissary funds of \$33,095.

***1-E-6 Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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. The County's infrastructure consists of roads constructed in calendar 2003. The County has capitalized roads prospective, beginning January 1, 2003. All other infrastructure will be capitalized no later than calendar year 2007. Improvements to capital assets are capitalized. 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.

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

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
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the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

**1-E-7 Compensated Absences**

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

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

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

**1-E-8 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 the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and landfill closure and post-closure care costs are recognized as a liability in the governmental fund financial statements when due.

**1-E-9 Bond Premiums, Discounts and Issuance Costs**

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

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**1-E-10 Fund Equity**

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

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

**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. This net asset amount also is adjusted by any bond issuance deferral amounts. 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.

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

**1-E-11 Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are commissary sales and insurance deposits. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

**1-E-12 Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the 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 governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

**1-E-13 Estimates**

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

**1-E-14 Comparative Data**

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

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**Notes to the Basic Financial Statements**  
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Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

**Note 2 – Changes in Accounting Principles, Fund Reclassifications and Restatement of Equity and Capital Asset Balances**

**2-A Changes in Accounting Principles**

For 2003, the Government has implemented GASB Statement No. 34, "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*," GASB Statement No. 36, "*Recipient Reporting for Certain Shared Non-exchange Revenues, an amendment of GASB Statement No. 33*," GASB Statement No. 37, "*Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*," GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*" and GASB Interpretation No. 6, "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*."

GASB Statement No. 34 creates new basic financial statements for reporting the County's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in a single column.

The government-wide financial statements classify the County's programs between Government activities and business-type. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from the prior year. The beginning net asset amount for County programs reflects the change in fund balance for governmental funds at December 31, 2002, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

**2-B. Fund Reclassifications**

As of January 1, 2003, the following funds were reclassified:

**2002 Fund Classification**

Enterprise Fund – Landfill Closure Fund

**2003 Fund Classification**

Special Revenue Fund – Landfill Closure Fund

**2-C. Restatement of Capital Asset Balances**

The December 31, 2002 capital asset balances were restated as a result of raising the capital asset threshold to \$5,000.

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

Asset Class	Balance December 31, 2002	December 31, 2002 Data	Balance December 31, 2002
Primary Government:			
Land	\$ 587,027	\$ -	\$ 587,027
Buildings	14,182,093	(1,290)	14,180,803
Improvements	2,780,293	(334,662)	2,445,631
Machinery and equipment	11,250,904	(1,223,248)	10,027,656
Construction in progress	170,901	-	170,901
Total	<u>\$ 28,971,218</u>	<u>\$ (1,559,200)</u>	<u>\$ 27,412,018</u>
Component Unit:			
Land improvements	<u>\$ 130,379</u>	<u>\$ (41,906)</u>	<u>\$ 88,473</u>

**2-D. Restatement of Equity Balances**

These restatements, as a result of reclassifying landfill closure fund as a special revenue fund had the following effects on equity of the major and nonmajor governmental funds of the County as they were previously reported.

	Major Governmental Funds	Non-Major Governmental Funds	Total	Landfill Closure Fund
Fund equity December 31, 2002	\$ 25,987,603	\$ 1,943,673	\$ 27,931,276	\$ 205,536
Reclassify land to the government-wide financial reporting level	-	-	-	(298,912)
Reclassify closure/postclosure care costs to the government-wide financial reporting level	-	-	-	582,776
Reclassification of landfill closure fund	-	489,400	489,400	(489,400)
Adjusted fund equity December 31, 2003	<u>\$ 25,987,603</u>	<u>\$ 2,433,073</u>	<u>\$ 28,420,676</u>	<u>\$ -</u>

The following restatements, as a result of implementing GASB Statement No. 34, had the following effects on the December 31, 2002 equity, as restated above, of the major and nonmajor governmental funds of the County as they were previously reported.



**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

All Governmental Funds		
Adjusted fund balance, December 31, 2002 (see above)		\$ 28,420,676
GASB Statement No. 34 adjustments:		
Capital assets (net of accumulated depreciation)		27,053,909
Add internal service fund equity		5,285
Accrued interest expense		(17,946)
Long-term liabilities:		
Sales tax revenue bonds	\$ (2,295,000)	
Landfill closure and postclosure care costs	(582,776)	
Compensated absences	(827,520)	(3,705,296)
Governmental Activities, Net Assets, December 31, 2002		<u>\$ 51,756,628</u>

**Discretely Presented Component Unit:**

All Governmental Funds		
Fund balance, December 31, 2002		\$ 222,044
Add capital assets (net of accumulated depreciation)		66,000
Less compensated absences		(41,271)
Governmental activities, net assets December 31, 2002		<u>\$ 246,773</u>

**Note 3 – Stewardship, Compliance and Accountability**

**3-A. Budgetary Information** – Colorado State Statutes require the adoption of annual budgets for all funds, including the enterprise fund. The budgets for all funds except the enterprise fund are legally adopted on a basis consistent with GAAP.

The legal 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 maintained at the fund level in all funds. For management purposes, 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. The Board of County Commissioners may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one department, office or agency to another.

All unexpended annual appropriations lapse at year-end.

In accordance with state statute, the Board of County Commissioners may 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. Several supplemental appropriations were adopted during 2003.

**3-B. Excess of Expenditures over Appropriations**

**La Plata County, Colorado**  
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During 2003, the tribal impact mitigation fund had expenditures in excess of appropriations in the amount of \$48,767.

**Note 4 - Detailed Notes on All Funds**

**4-A. Deposits and Investments**

**Deposits** - At year end, the carrying amount of the County's deposits was \$3,192,142 and the bank balance was \$3,691,141. Of the bank balance, \$333,877 was covered by federal depository insurance and \$3,357,264 was collateralized with securities held by a third party in the name of the Colorado Public Deposit Protection Act.

The carrying amount of deposits for the Office of the District Attorney of the Sixth Judicial District, a discretely presented component unit was \$144,389 and the bank balance was \$187,422. Of the bank balance, \$138,309 was covered by federal depository insurance and \$49,404 was collateralized with securities held by a third party in the name of the Colorado Public Deposit Protection Act.

**Investments** - The investments that are represented by specific identifiable investments securities are classified as to credit risk within the following three categories:

**Category 1** - Insured and unregistered, with securities held by the County or its agent in the County's name.

**Category 2** - Uninsured and unregistered, with securities held by the counterparty's trust department/agent in the County's name.

**Category 3** - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

	Category			Fair Value/ Carrying Amount
	1	2	3	
Investments				
U.S. Treasury Securities	\$ -	\$ -	\$ 1,534,944	\$ 1,534,944
Other U.S. Governmental Agencies Securities	-	-	16,726,638	16,726,638
Total investments	\$ -	\$ -	\$ 18,261,582	\$ 18,261,582
Investments in local government investment pools				
Colo-Trust				2,556,904
C-Safe				5,681,136
C-Safe Employee Health				837,702
Governmental Asset Pool				329
Colorado Diversified Trust				315,660
Total				<u>\$ 27,653,313</u>

**Cash & Investment Reconciliation:**

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

	Cash and Cash Equivalents	Description	Carrying Amounts
Fund Reporting Level:			
Governmental Funds - Balance Sheet			
Cash	\$ 392,356	Deposits	\$ 3,192,142
Equity in treasurer's cash and investments	27,950,791	Investments	<u>27,653,313</u>
Restricted cash and investments	92,336		
Proprietary Fund Type Statement of Net Assets	830,331	Total	<u>\$ 30,845,455</u>
Statement of Fiduciary Assets and Liabilities	1,672,365		
Less cash on hand and petty cash	(90,943)		
Less interest receivable	<u>(1,781)</u>		
Total	<u>\$ 30,845,455</u>		

**4-B. Receivables**

Receivables at December 31, 2003, 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.

**4-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.

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**4-D. Capital Assets**

Capital asset activity for the year ended December 31, 2003, was as follows:

	Adjusted Balance 01/1/2003	Additions	Deductions	Balance 12/31/2003
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 587,027	\$ 298,916	\$ -	\$ 885,943
Construction in progress	170,901	4,227,531	-	4,398,432
Total capital assets not being depreciated	757,928	4,526,447	-	5,284,375
Depreciable capital assets:				
Buildings	14,180,803	-	165,695	14,015,108
Improvements	2,445,631	1,430,676	-	3,876,307
Machinery and equipment	10,027,656	1,235,085	558,154	10,704,587
Investment in joint venture	6,400,859	2,562,483	-	8,963,342
Infrastructure	-	2,396,093	-	2,396,093
Total depreciable capital assets	33,054,949	7,624,337	723,849	39,955,437
Total capital assets	33,812,877	12,150,784	723,849	45,239,812
Accumulated depreciation:				
Buildings	3,639,428	213,861	86,131	3,767,158
Improvements	82,073	77,604	-	159,677
Machinery and equipment	3,037,467	467,651	251,369	3,253,749
Infrastructure	-	39,935	-	39,935
Total accumulated depreciation	6,758,968	799,051	337,500	7,220,519
Governmental activities capital assets, net	\$ 27,053,909	\$ 11,351,733	\$ 386,349	\$ 38,019,293
Governmental activities depreciation expense				
General government		\$ 187,765		
Public safety		153,737		
Auxiliary services		142,869		
Public works		312,370		
Health and welfare		2,310		
Total governmental activities depreciation expense		\$ 799,051		

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

	Adjusted Balance 01/1/2003	Additions	Deductions	Balance 12/31/2003
Discretely presented component unit:				
Depreciable capital assets:				
Machinery and equipment	\$ 88,473	\$ 20,093	\$ -	\$ 108,566
Less accumulated depreciation	22,473	8,898	-	31,371
Component units capital assets, net	<u>\$ 66,000</u>	<u>\$ 11,195</u>	<u>\$ -</u>	<u>\$ 77,195</u>

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

Interfund balances at December 31, 2003, 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:			
	General fund	Social services fund	Non-major governmental funds	Total
General fund	\$ -	\$ 107,591	\$ -	\$ 107,591
Social services fund	-		17,807	17,807
Non-major governmental funds	110,941	-	-	110,941
Total	<u>\$ 110,941</u>	<u>\$ 107,591</u>	<u>\$ 17,807</u>	<u>\$ 236,339</u>

Interfund transfers for the year ended December 31, 2003, consisted of the following:

Transfer to	Transfers From:				Total
	General fund	Capital projects funds	Non-major governmental fund	Commissary enterprise fund	
General fund	\$ -	\$ -	\$ 2,132,572	\$ 18,211	\$ 2,150,783
Road and bridge fund	2,000,000	-	56,036	-	2,056,036
Social services fund	-	-	17,807	-	17,807
Capital projects fund	6,300,000	-	-	-	6,300,000
Non-major governmental funds	1,534,068	640,000	15,000	-	2,189,068
Totals	<u>\$ 9,834,068</u>	<u>\$ 640,000</u>	<u>\$ 2,221,415</u>	<u>\$ 18,211</u>	<u>\$ 12,713,694</u>

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

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.

**4-F. 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. Career status employees may convert sick leave to annual leave on a four to one ratio after more than 720 hours of sick leave have been accumulated. Varying amounts, ranging from 200 hours to 320 hours of annual leave may be carried over from one year to the next.

**Note 4-G - Landfill Closure and Postclosure Care Costs**

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. In addition to operating expenditures related to current activities of the landfills, an expense provision and related liability (reported at the government-wide financial reporting level) are being recognized based on the estimated future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. The estimated liability for landfill closure and postclosure care costs has a balance of \$575,514 as of December 31, 2003, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$39,645	100%	\$39,645
Marvel	39,270	100%	39,270
Van-Dal	202,181	100%	202,181
Bayfield	294,418	100%	294,418
Totals	\$575,514		\$575,514

The estimated total current cost of the landfill closure and postclosure care of \$575,514 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, 2003. 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 landfill users, taxpayers, or both.

The Tiffany, Marvel and Van Dal landfills were all closed prior to January 11, 1992, and the Bayfield landfill was closed in April 1994.

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

**4-H. Long-Term Debt**

**2000 Sales Tax Revenue Bonds** - \$3,290,000, Series 2000 Sales tax revenue bonds, proceeds used to refund 1992 sales tax refunding bonds, which were used to refinance 1986 Sales tax revenue bonds. Interest rates range from 4.5% to 4.75%. Funding to be provided for by sales tax revenue and accounted for in the debt service fund. Annual debt service requirements to amortize all obligations outstanding, as of December 31, 2003 follow:

Year	Principal	Interest	Total
2004	\$ 560,000	\$ 83,600	\$ 643,600
2005	585,000	57,000	642,000
2006	615,000	29,213	644,213
Total	<u>\$ 1,760,000</u>	<u>\$ 169,813</u>	<u>\$ 1,929,813</u>

**Changes in Long-term Debt** - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2003:

Governmental Activities	Outstanding 1/1/2003	Additions	Reductions	Outstanding 12/31/2003	Amounts Due in One Year
2000 sales tax revenue bonds	\$ 2,295,000	\$ -	\$ 535,000	\$ 1,760,000	\$ 560,000
Compensated absences	827,520	1,713,282	1,687,382	853,420	170,684
Landfill closure and postclosure care costs	582,776	-	7,262	575,514	-
Total Governmental Activities	<u>\$ 3,705,296</u>	<u>\$ 1,713,282</u>	<u>\$ 2,229,644</u>	<u>\$ 3,188,934</u>	<u>\$ 730,684</u>
Component Unit:					
Compensated absences	<u>\$ 41,271</u>	<u>\$ -</u>	<u>\$ 2,310</u>	<u>\$ 38,961</u>	<u>\$ 7,792</u>

Principal and interest payments related to the County's 2000 sales tax revenue bonds are being retired by the debt service fund. The landfill closure and postclosure care liability is being retired by the landfill closure fund. The compensated absences liability will be paid from the fund from which the employees' salaries are paid.

**Prior Years' Debt Defeasance** - In 2000, and also in prior years, the County has defeased various bonds issues by creating separate irrevocable trust funds. New debt has been issued, and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the County's government-wide financial statements. As of December 31, 2003, the amount of defeased debt outstanding totaled \$2,440,000 for the 1992 Sales Tax Revenue Refunding Bonds and \$1,800,000 for the 1986 Revenue Refunding Bonds.

**Conduit Debt** - In November of 2001, the County participated in the refunding of the previously issued Recreational Facilities Refunding Revenue Bonds (Durango Ski Corporation Project) Series 1989A and the Taxable Mortgage Revenue Bonds (Purgatory Ski Area Project) Series 1989B for the purpose of financing Purgatory Ski Corporation expansion and development. The proceeds of the bonds were loaned to Durango Mountain Resort Project, Inc., pursuant to a loan agreement. The agreement requires the Project to repay the loan in monthly installments in

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

amounts corresponding to the principal and interest payments as the same become due on the bonds. The bonds are 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 are not reported as liabilities in the accompanying financial statements. The principal amount outstanding at December 31, 2003 is \$11,845,000.

**4-I. 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. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate upon completion of one year of employment. The County has established that employees contribute 5% and the County contributes a matching 5% of the employee's base salary each month. 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 5 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.

The County's total payroll in 2003 was \$14,661,168. The County's contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$13,365,960. Both the County and the covered employees made the required contributions, amounting to \$668,298 (5%) from the County and \$668,298 (5%) from employees, or \$1,336,596 total.

**4-J. Net Assets/Fund Balances**

**Net Assets** - Net assets on the government-wide statement of net assets as of December 31, 2003 are as follows:

	Governmental Activities	Discretely Presented Component Unit
Investments in capital assets, net of related debt:		
Cost of capital assets	\$ 45,239,812	\$ 108,566
Less accumulated depreciation	7,220,519	31,371
Book value	38,019,293	77,195
Less capital related debt	1,760,000	-
Investments in capital assets, net of related debt	<u>\$ 36,259,293</u>	<u>\$ 77,195</u>

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

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

**Reserve for Revolving Loan Activities** - used to segregate that portion of fund balance restricted by Board action for Revolving Loan Activities, specifically those intended to provide moderately priced housing.

**Reserve for Emergencies** - a reserve for declared emergencies. On November 3, 1992, Colorado voters approved an amendment to the State Constitution known as the Taxpayer's Bill of Rights (TABOR). The amendment is a tax



**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

limitation, revenue and spending limitation and a debt limitation. This amendment requires that the County reserve a certain percentage of its fiscal year spending, as defined in the amendment, for declared emergencies. Emergency, as defined in the amendment, excludes economic conditions, revenue shortfalls or salary or fringe benefits increases. For 2003, the amount of fiscal year spending to be reserved is three percent of non-federal revenues. Unused reserves carry over to subsequent years. The County carries its emergency reserve, as required and defined in TABOR, in the special revenue fund "emergency reserve fund."

*Reserve for Program Purposes* - used to segregate that portion of fund balance restricted specifically for law purpose of the particular fund.

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

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

**Note 5 - Other Notes**

**5-A. 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. Medical claims exceeding \$50,000 per covered individual or 120% of the annual contributions for the group are covered by a private insurance carrier. 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. The claims are funded through payroll withholdings from employees and County matching funds. 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 \$624,254 reported in the employee medical self insurance fund is based upon claims reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred as of December 31, 2003 and the amount of the loss can be reasonably estimated.

Changes in the funds claims liability amount in calendar 2003 and 2002 were:

	<u>2003</u>	<u>2002</u>
Liability at January 1	\$ 624,254	\$ 392,146
Current year claims & changes in estimates	1,448,673	1,070,221
Claim Payments	<u>1,590,004</u>	<u>2,086,621</u>
Balance at December 31	<u>\$ 482,923</u>	<u>\$ 624,254</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. During 1986, the County was unable to obtain property and liability insurance at a cost

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2003**

it considered to be economically justifiable. Therefore, 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; however, any return of contribution is not probable. 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. 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.

**5-B. 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 Health, and Department of Social Services 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 1984 was conducted for the calendar year 2002, 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.

The County was a defendant in several lawsuits at December 31, 2003. In the opinion of 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 1979, the County entered into a contract with the La Plata County Humane Society and the City of Durango to provide necessary funding for operations and facilities at the animal shelter. The County and City provide equal funding for operations. Additionally, in 1993 the County and the Humane Society entered into an agreement in which the Humane Society provides dog control services in the County, and the County contributes toward the costs of services provided. In 2003, funding by the County for both responsibilities totaled \$166,345.

**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**  
**For the Year Ended December 31, 2003**

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

Grant	Period	County Funds	Grant Funds	Description
EIAF #3574	1/20/99-12/31/03	\$ 1,573,445	\$ 600,000	Construction of road and bridge shop
EIAF #4291	11/26/02-6/30/04	3,515,830	1,200,000	Construction of new bridge over Animas River at CR 213
EIAF #4384	11/29/02-12/31/04	362,000	600,000	Assistance with post-fire mudslides
EIAF #4432	08/01/03-12/30/04	424,000	300,000	Purchase of equipment
EIAF #4490	10/30/03-12/31/04	550,000	600,000	Road maintenance & improvement
LGGF 03-284	2/21/03-12/31/04	2,400,000	200,000	Expansion of La Plata County detention facility
LGGF 03-316	1/16/04-12/31/04	72,121	288,484	Sheriff Public Safety
LGGF 03-317	1/16/04-12/31/04	0	24,912	District attorney
LGGF 03-318	11/25/03-12/31/04	182,600	300,000	Road Improvements
Totals		\$9,079,996	\$4,113,396	

**5-C. Joint Venture**

The County is a participant with the City of Durango (the City) in a joint venture to operate the Durango-LaPlata 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 airport is reported in the government-wide capital assets. The County's equity interest in the Durango-LaPlata County Airport was \$8,963,342 at December 31, 2003. 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, 2003.

**Note 5-D - Tax, Spending and Debt Limitations**

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

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

**Note 5-E - Schedule of Expenditures of Federal Awards**

The County, pursuant to the requirements of the Single Audit Act Amendments of 1996 and the US Office of Management and Budget Circular A-133, prepares a "Schedule of Expenditures of Federal Awards". This schedule is

**LaPlata County, Colorado**  
**For the Year Ended December 31, 2003**

prepared on a basis inconsistent with the County's financial statements. The financial statements at the fund reporting level are prepared using the modified accrual basis for governmental funds, while the "Schedule of Expenditures of Federal Awards" is prepared on the cash basis. Specifically, the "Schedule of Expenditures of Federal Awards" 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 components units (the reporting entity), while the "Schedule of Expenditures of Federal Awards" consolidates all expenditures of federal awards within the reporting entity.

La Plata awards some federal funds to subgrantees, as shown below:

CFDA & Program	Subgrantee	Amount Awarded
93.031--Community Services Block Grant	San Juan Basin Health	\$14,844
93.031--Community Services Block Grant	Volunteers of America	10,656
93.031--Community Services Block Grant	La Plata Family Centers Coalition	2,320
14.219--Community Development Block Grant	Region 9 Economic Development District	384,652
16.523--Juvenile Accountability Incentive Block	Colorado Judicial Department	56,735
Total		\$469,207

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La Plata County, Colorado  
Combining Balance Sheet - by Fund Type  
Nonmajor Governmental Funds  
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in treasurer's cash and investments	1,920,560	36,319	1,956,879
Receivables:			
Property taxes	48,753	-	48,753
Interfund	110,941	-	110,941
<b>Total Assets</b>	<u>\$ 2,080,254</u>	<u>\$ 36,319</u>	<u>\$ 2,116,573</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 19,765	\$ -	\$ 19,765
Intergovernmental payable	128,768	-	128,768
Interfund payable	17,807	-	17,807
Deferred revenues	48,753	-	48,753
<b>Total Liabilities</b>	<u>215,093</u>	<u>-</u>	<u>215,093</u>
<b>Fund Balances</b>			
Reserved for:			
Emergencies	1,120,000	-	1,120,000
Debt service	-	36,319	36,319
Unreserved, undesignated	745,161	-	745,161
<b>Total Fund Balances</b>	<u>1,865,161</u>	<u>36,319</u>	<u>1,901,480</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,080,254</u>	<u>\$ 36,319</u>	<u>\$ 2,116,573</u>

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, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 49,331	\$ -	\$ 49,331
Intergovernmental	298,134	-	298,134
Investment earnings	13,967	3,317	17,284
Miscellaneous	3,300	-	3,300
<b>Total Revenues</b>	<b>364,732</b>	<b>3,317</b>	<b>368,049</b>
<b>Expenditures</b>			
<b>Current:</b>			
General government	128,767	-	128,767
Public works	58,195	-	58,195
<b>Capital Outlay</b>	<b>37,408</b>	<b>-</b>	<b>37,408</b>
<b>Debt Service:</b>			
Principal retirement	-	535,000	535,000
Interest and fiscal charges	-	107,675	107,675
Agent fees	-	250	250
<b>Total Expenditures</b>	<b>224,370</b>	<b>642,925</b>	<b>867,295</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>140,362</b>	<b>(639,608)</b>	<b>(499,246)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,549,068	640,000	2,189,068
Transfers out	(2,221,415)	-	(2,221,415)
<b>Total Other Financing Sources (Uses)</b>	<b>(672,347)</b>	<b>640,000</b>	<b>(32,347)</b>
<b>Net Change in Fund Balances</b>	<b>(531,985)</b>	<b>392</b>	<b>(531,593)</b>
<b>Fund Balances Beginning of Year</b>	<b>2,397,146</b>	<b>35,927</b>	<b>2,433,073</b>
<b>Fund Balances End of Year</b>	<b>\$ 1,865,161</b>	<b>\$ 36,319</b>	<b>\$ 1,901,480</b>

**La Plata County, Colorado**  
**General Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Cash and cash deposits	\$ 390,856	\$ 76,823
Equity in treasurer's cash and investments	8,783,281	8,996,652
Restricted cash and investments	33,095	-
Receivables:		
Accounts	224,655	179,805
Property taxes	10,480,263	12,277,410
Loans	88,000	-
Intergovernmental	1,146,168	684,110
Component unit	100,000	100,000
Interfund	107,591	37,414
Other	30,288	-
Inventory	62,109	60,477
<b>Total Assets</b>	<u>\$ 21,446,306</u>	<u>\$ 22,412,691</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 555,045	\$ 397,614
Accrued salaries and benefits	125,690	454,669
Contracts payable	-	-
Intergovernmental payable	206,660	44,380
Interfund payable	110,941	-
Deferred revenue	10,749,275	12,655,141
Liabilities payable from restricted assets	33,095	-
<b>Total Liabilities</b>	<u>11,780,706</u>	<u>13,551,804</u>
<b>Fund Balances</b>		
Reserved for:		
Inventory	62,109	60,477
Public trustee	24,121	22,261
Prisoner commissary	18,210	-
Law enforcement	383,261	67,728
Revolving loan activities	404,639	370,088
Conservation trust	484,507	-
Unreserved, undesignated	8,288,753	8,340,333
<b>Total Fund Balances</b>	<u>9,665,600</u>	<u>8,860,887</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 21,446,306</u>	<u>\$ 22,412,691</u>



La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for Year Ended December 31, 2002)

	2003				2002 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	As Adopted	Final			
Revenues:					
Taxes					
General property & delinquent taxes	\$ 12,046,862	\$ 12,046,862	\$ 12,355,592	\$ 308,730	\$ 11,115,460
Specific ownership	900,000	900,000	1,138,229	238,229	1,068,363
Sales tax	9,950,000	9,950,000	10,044,453	94,453	-
Lodger's tax	179,000	179,000	158,741	(20,259)	140,097
Total Taxes	23,075,862	23,075,862	23,697,015	621,153	12,323,920
Intergovernmental Revenue					
Federal Revenue:					
Payment In Lieu of Taxes	382,500	382,500	510,549	128,049	479,683
Local Law Enforcement Block Grant	5,000	14,345	9,345	(5,000)	11,318
Senior Services-Older American Act	93,000	93,000	174,878	81,878	83,352
Senior Services-USDA	13,000	13,000	13,965	965	18,110
HIDTA grant	190,926	190,926	184,062	(6,864)	165,956
Bulletproof vest grant	-	-	5,996	5,996	229
Senior Services-FEMA Disaster Asst	-	-	-	-	6,599
State Revenues:	-	-	-	0	-
Civil Defense	8,000	8,000	35,220	27,220	15,250
Minority Over Representation Grant	-	-	56,735	56,735	24,319
Lottery Funds	175,000	175,000	250,704	75,704	-
Byrne Grant-Pretrial release coordinator	-	-	-	-	4,578
Community Services Block Grant-passed thru	23,000	23,000	27,820	4,820	32,255
Community Services Block Grant-for Sr. Svcs	-	-	5,801	5,801	5,167
Community Development Block Grant	500,000	518,000	384,662	(133,338)	1,028,161
Emergency Medical Services Grant	16,000	16,000	-	(16,000)	-
Juvenile Accountability Incentive Block	-	-	-	-	32,362
Meth Enforcement Grant	17,000	17,000	-	(17,000)	33,985
VALE Grant	2,500	2,500	1,250	(1,250)	3,750
Cigarette taxes	26,500	26,500	29,263	2,763	31,401
Search and rescue monies	5,000	5,000	650	(4,350)	6,500
Search and rescue tier III	13,500	13,500	6,520	(6,980)	9,884
Mineral severance tax	127,500	127,500	60,837	(66,663)	205,077
DOW Impact assistance	2,500	2,500	3,251	751	1,974
Law Enforcement Funds	-	-	-	-	8,399
Contiguous Counties Gaming	196,412	196,412	196,412	-	196,412
Energy Impact Grant	-	-	-	-	84,505
Beanpole (MNT) grant	68,750	68,750	179,328	110,578	948,160
Senior Services state funds	25,000	25,000	9,791	(15,209)	-
Local Government Revenue:					
Dissolution of hospital district	-	-	3,039	3,039	-
Southern Ute Payment in Lieu of Taxes	22,500	22,500	72,986	50,486	-
Southwest Water Conservation District	-	-	-	-	20,000
Planning Department Grants	90,000	90,000	-	(90,000)	-
Predator Control Reimbursement	2,000	2,000	2,186	186	1,960
Total Intergovernmental Revenue	2,005,588	2,032,933	2,225,250	192,317	3,459,346

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for Year Ended December 31, 2002)

	2003				
	Budget			Variance	2002
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
<b>Licenses and Permits</b>					
Liquor licenses	\$ 8,000	\$ 8,000	\$ 7,668	\$ (332)	\$ 5,426
Building permits	615,000	615,000	681,334	66,334	683,637
<b>Total Licenses and Permits</b>	<b>623,000</b>	<b>623,000</b>	<b>689,002</b>	<b>66,002</b>	<b>689,063</b>
<b>Fines and Forfeitures</b>					
Parking/Traffic fines	-	-	1,125	1,125	105
Animal control fines	3,000	3,000	7,480	4,480	2,687
<b>Total Fines and Forfeitures</b>	<b>3,000</b>	<b>3,000</b>	<b>8,605</b>	<b>5,605</b>	<b>2,792</b>
<b>Charges for Services</b>					
Treasurer's fees	388,000	388,000	452,507	64,507	412,687
Clerk and recorder's fees	900,000	900,000	1,221,770	321,770	1,112,344
Public trustee's fees	50,000	50,000	127,778	77,778	110,856
Planning fees	136,000	136,000	111,937	(24,063)	73,849
Oil and gas fees	41,030	41,030	35,155	(5,875)	31,900
Assessor's fees	10,000	10,000	13,120	3,120	8,249
Sheriff's fees	45,700	45,700	72,355	26,655	51,552
Airport security reimbursement	10,000	10,000	-	(10,000)	29,756
Other security services	3,000	3,000	53,331	50,331	3,935
Jail room & board	80,000	80,000	210,202	130,202	128,141
Other Jail charges	89,500	89,500	55,660	(33,840)	12,153
Prisoner transportation	3,100	3,100	9,609	6,509	7,105
Useful public service program	45,500	45,500	50,518	5,018	39,700
Work release/Community service	-	-	-	-	59,120
Alternatives to incarceration	103,250	103,250	54,415	(48,835)	36,430
Senior meal donations	-	-	74,437	74,437	60,043
Senior home chore/other revenue	38,927	38,927	19,804	(19,123)	
Senior center activities	12,000	12,000	12,949	949	12,659
Senior center rentals	3,800	3,800	1,226	(2,574)	2,013
Surveyor's fees	2,500	2,500	7,405	4,905	5,120
Youth Home reimbursements	-	-	6,600	6,600	125,129
Indirect cost allocation reimbursement	75,000	75,000	57,497	(17,503)	57,028
Administrative fee reimb	-	-	-	-	90,000
GIS Services reimbursements	12,000	12,000	112,429	100,429	12,504
Election Reimbursements	3,000	3,000	43,218	40,218	4,987
Inmate medical/phone reimbursements	34,500	34,500	57,107	22,607	44,393
Tipping fees	1,000	1,000	1,032	32	960
Employee equipment reimbursements	-	-	-	-	34,813
<b>Total Charges for Services</b>	<b>2,087,807</b>	<b>2,087,807</b>	<b>2,862,061</b>	<b>774,254</b>	<b>2,567,426</b>

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for Year Ended December 31, 2002)

	2003					
	Budget			Variance	2002	
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual	
Miscellaneous Revenue						
Building rentals	\$ 29,613	\$ 29,613	\$ 29,613	\$ -	\$ 40,671	
Fairgrounds rentals	65,000	65,000	61,687	(3,313)	134,778	
Advertising taxes	-	-	-	-	14,388	
Forfeitures	2,000	2,000	413,167	411,167	11,097	
Investment earnings	1,004,000	1,004,000	605,597	(398,403)	902,028	
Refunds	13,300	13,300	60,987	47,687	73,857	
Senior services-other revenues	50,000	50,000	-	(50,000)	25,353	
Senior services-home chore donations	7,100	7,100	3,316	(3,784)	71,600	
Maps/code book sales & sign fees	2,000	2,000	1,515	(485)	888	
Vehicle inspection fees	43,000	43,000	37,620	(5,380)	39,845	
Prisoner commissary collections	45,000	45,000	39,278	(5,722)		
Photocopies	500	500	1,129	629	2,966	
Telephone/postage refunds	1,500	1,500	5,112	3,612	-	
Expenditure reimbursements	14,500	14,500	61,686	47,186	214,854	
Sales of assets	-	-	9,514	9,514		
Other miscellaneous revenues	220,000	233,050	193,340	(39,710)	67,669	
Total Miscellaneous Revenue	1,497,513	1,510,563	1,523,561	12,998	1,599,994	
Total Revenue	29,292,770	29,333,165	31,005,494	1,672,329	20,642,541	
Expenditures:						
Current						
General Government						
Board of County Commissioners						
Personnel Expenditures	243,736	243,736	236,585	7,151	225,445	
Operating Expenditures	114,700	114,700	130,616	(15,916)	37,977	
	358,436	358,436	367,200	(8,764)	263,422	
County Attorney's Office						
Personnel Expenditures	-	-	-	-	-	
Operating Expenditures	140,975	200,975	182,322	18,653	504,276	
	140,975	200,975	182,322	18,653	504,276	
Administrative Offices						
Personnel Expenditures	260,457	325,335	329,991	(4,656)	250,935	
Operating Expenditures	231,700	266,700	189,106	77,594	173,346	
	492,157	592,035	519,097	72,938	424,281	
County Clerk and Recorder-Operations						
Personnel Expenditures	688,671	688,671	645,667	43,004	606,900	
Operating Expenditures	151,550	156,450	173,406	(16,956)	152,535	
	840,221	845,121	819,073	26,048	759,435	

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for Year Ended December 31, 2002)

	2003				
	Budget			Variance	2002
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
General Government (Continued)					
County Clerk and Recorder-Elections					
Personnel Expenditures	\$ 19,536	\$ 19,536	\$ 10,265	\$ 9,271	\$ 43,568
Operating Expenditures	40,500	40,500	55,770	(15,270)	51,755
	60,036	60,036	66,035	(5,999)	95,323
County Treasurer					
Personnel Expenditures	259,613	259,613	247,360	12,253	226,866
Operating Expenditures	149,961	168,816	153,279	15,537	126,141
	409,574	428,429	400,639	27,790	353,007
Public Trustee's Office					
Personnel Expenditures	14,081	14,081	15,546	(1,465)	9,969
Operating Expenditures	8,180	8,180	3,526	4,654	1,451
	22,261	22,261	19,072	3,189	11,420
County Assessor					
Personnel Expenditures	819,258	819,258	808,633	10,625	776,378
Operating Expenditures	110,111	110,111	93,131	16,980	79,719
	929,369	929,369	901,764	27,605	856,097
Building Maintenance					
Personnel Expenditures	297,662	297,662	295,468	2,194	277,364
Operating Expenditures	186,150	186,150	170,888	15,262	147,153
	483,812	483,812	466,356	17,456	424,517
Finance					
Personnel Expenditures	338,343	338,343	335,589	2,754	312,957
Operating Expenditures	93,700	93,700	57,469	36,231	35,809
	432,043	432,043	393,058	38,985	348,766
Information Services					
Personnel Expenditures	491,922	491,922	481,109	10,813	455,548
Operating Expenditures	733,185	733,185	535,905	197,280	1,113,831
	1,225,107	1,225,107	1,017,014	208,093	1,569,379
Geographic Information Services					
Personnel Expenditures	378,586	378,586	370,942	7,644	353,401
Operating Expenditures	278,350	278,350	256,786	21,564	22,774
	656,936	656,936	627,728	29,208	376,175
Human Resources					
Personnel Expenditures	214,181	214,181	195,833	18,348	183,462
Operating Expenditures	119,400	119,400	133,422	(14,022)	96,602
	333,581	333,581	329,255	4,326	280,064

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for Year Ended December 31, 2002)

	2003				
	Budget			Variance	2002
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
General Government (Continued)					
Risk Management					
Personnel Expenditures	\$ 270,944	\$ 270,944	\$ 262,970	\$ 7,974	\$ 201,021
Operating Expenditures	398,420	398,420	284,324	114,096	347,205
	669,364	669,364	547,294	122,070	548,226
Central Services					
Personnel Expenditures	-	11,000	10,481	519	-
Operating Expenditures	190,300	190,300	120,433	69,867	172,359
	190,300	201,300	130,914	70,386	172,359
Purchasing/Warehouse					
Personnel Expenditures	194,237	194,237	192,394	1,843	171,820
Operating Expenditures	40,880	40,880	40,394	486	27,969
	235,117	235,117	232,788	2,329	199,789
<b>Total General Government</b>	<b>7,479,289</b>	<b>7,673,922</b>	<b>7,019,609</b>	<b>654,313</b>	<b>7,186,536</b>
Public Safety					
Sheriff-Public Safety					
Personnel Expenditures	1,658,420	1,658,420	1,727,900	(69,480)	1,628,139
Operating Expenditures	587,579	619,507	615,533	3,974	481,734
	2,245,999	2,277,927	2,343,433	(65,506)	2,109,873
Fire Control Expenses					
Personnel Expenditures	-	-	-	-	105,681
Operating Expenditures	-	-	1,022	(1,022)	29,518
	-	-	1,022	(1,022)	135,199
NRCS Assistance					
Personnel Expenditures	-	13,925	13,913	12	10,343
Operating Expenditures	-	-	-	-	6,887
	-	13,925	13,913	12	17,230
Sheriff-Special Investigations					
Personnel Expenditures	320,071	320,071	279,562	40,509	266,349
Operating Expenditures	196,929	196,929	245,987	(49,058)	211,826
	517,000	517,000	525,549	(8,549)	478,175
Sheriff-Criminal Investigations					
Personnel Expenditures	428,884	428,884	461,459	(32,575)	430,399
Operating Expenditures	58,527	58,527	47,957	10,570	50,904
	487,411	487,411	509,416	(22,005)	481,303

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for Year Ended December 31, 2002)

	2003				
	Budget			Variance	2002
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Public Safety (Continued)					
Sheriff-Detentions					
Personnel Expenditures	\$ 2,022,832	\$ 2,022,832	\$ 2,033,217	\$ (10,385)	\$ 1,817,055
Operating Expenditures	725,750	1,023,750	1,205,467	(181,717)	591,998
	<u>2,748,582</u>	<u>3,046,582</u>	<u>3,238,684</u>	<u>(192,102)</u>	<u>2,409,053</u>
Alternatives to Incarceration					
Personnel Expenditures	220,070	227,070	234,968	(7,898)	211,562
Operating Expenditures	141,400	134,400	130,885	3,515	153,654
	<u>361,470</u>	<u>361,470</u>	<u>365,853</u>	<u>(4,383)</u>	<u>365,216</u>
Sheriff-Special Services					
Personnel Expenditures	1,089,131	1,089,131	1,127,441	(38,310)	1,001,105
Operating Expenditures	194,850	194,850	187,021	7,829	193,590
	<u>1,283,981</u>	<u>1,283,981</u>	<u>1,314,462</u>	<u>(30,481)</u>	<u>1,194,695</u>
County Coroner					
Personnel Expenditures	48,348	48,348	44,296	4,052	18,797
Operating Expenditures	45,960	45,960	64,082	(18,122)	40,623
	<u>94,308</u>	<u>94,308</u>	<u>108,378</u>	<u>(14,070)</u>	<u>59,420</u>
Building Inspection Department					
Personnel Expenditures	563,079	563,079	552,658	10,421	511,740
Operating Expenditures	112,300	112,300	55,831	56,469	50,080
	<u>675,379</u>	<u>675,379</u>	<u>608,489</u>	<u>66,890</u>	<u>561,820</u>
Emergency Management Office					
Personnel Expenditures	82,293	82,293	30,472	51,821	-
Operating Expenditures	103,800	103,800	59,275	44,525	-
	<u>186,093</u>	<u>186,093</u>	<u>89,747</u>	<u>96,346</u>	<u>-</u>
Weed and Rodent Control					
Operating Expenditures	43,000	43,000	35,687	7,313	21,822
Pmt to Component Unit - District Attorney	1,080,708	1,080,708	1,015,173	65,535	995,803
<b>Total Public Safety</b>	<b>9,723,931</b>	<b>10,067,784</b>	<b>10,169,806</b>	<b>(102,022)</b>	<b>8,829,609</b>
Auxiliary Services					
Extension Office					
Personnel Expenditures	40,500	40,500	36,375	4,125	38,700
Operating Expenditures	33,077	33,077	27,516	5,561	29,620
	<u>73,577</u>	<u>73,577</u>	<u>63,891</u>	<u>9,686</u>	<u>68,320</u>
Fairgrounds					
Personnel Expenditures	398,125	398,125	382,575	15,550	352,191
Operating Expenditures	166,500	179,500	213,623	(34,123)	230,089
	<u>564,625</u>	<u>577,625</u>	<u>596,198</u>	<u>(18,573)</u>	<u>582,280</u>
Weed Control					
Personnel Expenditures	77,523	77,523	74,145	3,378	64,443
Operating Expenditures	59,870	59,870	47,612	12,258	9,332
	<u>137,393</u>	<u>137,393</u>	<u>121,757</u>	<u>15,636</u>	<u>73,775</u>

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for Year Ended December 31, 2002)

	2003				
	Budget			Variance	2002
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Auxiliary Services (Continued)					
Riverbend Center for Youth					
Personnel Expenditures	\$ -	\$ -	\$ -		\$ 304,166
Operating Expenditures	-	-	-		22,306
	-	-	-		326,472
Veterans Services					
Personnel Expenditures	24,662	31,152	29,820	1,332	18,623
Operating Expenditures	1,900	4,650	4,839	(189)	3,430
	26,562	35,802	34,659	1,143	22,053
Senior Services					
Personnel Expenditures	195,586	195,586	204,896	(9,310)	171,787
Operating Expenditures	84,100	84,100	77,454	6,646	94,447
	279,686	279,686	282,350	(2,664)	266,234
Senior Services - non Joint Sales Tax Supported					
Personnel Expenditures	-	-	-		-
Operating Expenditures	54,945	72,545	79,630	(7,085)	39,594
	54,945	72,545	79,630	(7,085)	39,594
Senior Services Center					
Personnel Expenditures	91,869	91,869	85,813	6,056	86,058
Operating Expenditures	53,462	53,462	45,523	7,939	58,392
	145,331	145,331	131,336	13,995	144,450
Senior Services Activities					
Personnel Expenditures	12,294	22,094	17,526	4,568	17,736
Operating Expenditures	3,000	3,000	1,207	1,793	1,630
	15,294	25,094	18,733	6,361	19,366
Minority Over Representation Grant					
Personnel Expenditures	-	-	55,552	(55,552)	17,927
Operating Expenditures	-	-	3,636	(3,636)	6,392
	-	-	59,188	(59,188)	24,319
Planning Department					
Personnel Expenditures	604,043	643,043	616,747	26,296	555,989
Operating Expenditures	380,754	404,754	413,199	(8,445)	249,794
	984,797	1,047,797	1,029,946	17,851	805,783
<b>Total Auxiliary Services</b>	<b>2,282,210</b>	<b>2,394,850</b>	<b>2,417,688</b>	<b>(22,838)</b>	<b>2,372,646</b>
Public Works					
Convenience Center					
Operating Expenditures	58,500	71,550	51,279	20,271	39,852
<b>Total Public Works</b>	<b>58,500</b>	<b>71,550</b>	<b>51,279</b>	<b>20,271</b>	<b>39,852</b>
Health and Welfare					
San Juan Basin Health	336,474	336,474	336,474	-	226,928
<b>Total Health and Welfare</b>	<b>336,474</b>	<b>336,474</b>	<b>336,474</b>	<b>-</b>	<b>226,928</b>

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for Year Ended December 31, 2002)

	2003				
	Budget			Variance	2002
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Community Programs					
Public Service Agencies					
Durango Public Library	\$ 530,372	\$ 530,372	\$ 507,062	\$ 23,310	\$ 470,260
Lodger's tax to DACRA	179,000	179,000	158,741	20,259	140,097
Other Public Service Agencies	706,883	722,266	730,765	(8,499)	624,636
Total Public Service Agencies	1,416,255	1,431,638	1,396,568	35,070	1,234,993
Payments to Other Governments					
To City of Durango-joint recreation	100,000	100,000	100,000	-	-
To City of Durango-joint sales tax projects	737,863	737,863	612,562	125,301	602,865
Total payments to other governments	837,863	837,863	712,562	125,301	602,865
Pass through of grants received					
of CDBG funds	500,000	500,000	384,652	115,348	1,028,161
of JAIBG funds	1,500	1,500	1,038	462	12,892
of EMS funds	16,000	16,000	-	16,000	-
of CSBG funds	23,000	23,000	27,820	(4,820)	32,255
Total pass throughs	540,500	540,500	413,510	126,990	1,073,308
Total Community Programs	2,794,618	2,810,001	2,522,640	287,361	2,911,166
Total Expenditures	22,675,022	23,354,581	22,517,496	837,085	21,566,737
Excess of Revenues Over Expenditures	6,617,748	5,978,584	8,487,998	2,509,414	(924,196)
Other Financing Sources (Uses)					
Transfers in-sales tax fund	\$ -	\$ -	\$ -	\$ -	\$ 2,100,000
Transfers in-joint sales tax fund	1,475,727	1,475,727	1,414,095	(61,632)	1,350,859
Transfers in-tribal impact fund	192,676	192,676	248,202	55,526	117,312
Residual equity transfer in	-	692,027	488,486	(203,541)	359,763
Transfers out-Road and Bridge fund	(2,000,000)	(2,000,000)	(2,000,000)	-	-
Transfers out-joint sales tax	(1,470,113)	(1,470,113)	(1,484,068)	(13,955)	-
Transfers out-capital improvement	(6,300,000)	(6,300,000)	(6,300,000)	-	(1,500,000)
Transfers out-landfill closure	(50,000)	(50,000)	(50,000)	-	-
Total Other Financing Sources (Uses)	(8,151,710)	(7,459,683)	(7,683,285)	(223,602)	2,427,934
Net Change in Fund Balances	(1,533,962)	(1,481,099)	804,713	2,285,812	1,503,738
Fund Balance Beginning of Year	8,219,701	8,219,701	8,860,887	641,186	7,357,149
Fund Balance End of Year	\$ 6,685,739	\$ 6,738,602	\$ 9,665,600	\$ 2,926,998	\$ 8,860,887



La Plata County, Colorado  
*Road and Bridge Fund*  
*Comparative Balance Sheet*  
*December 31, 2003 and 2002*

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Cash	\$ 1,100	\$ 800
Equity in treasurer's cash and investments	5,757,436	6,041,842
Receivables:		
Accounts	5,341	18,900
Property taxes	1,757,124	2,771,835
Intergovernmental	1,313,144	1,566,372
Inventory	<u>301,877</u>	<u>444,355</u>
<b>Total Assets</b>	<u><u>\$ 9,136,022</u></u>	<u><u>\$ 10,844,104</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 474,881	\$ 468,927
Accrued salaries and wages	34,844	105,344
Contracts payable	47,873	51
Intergovernmental payable	17,364	26,758
Deferred revenues	<u>1,967,124</u>	<u>2,927,603</u>
<b>Total Liabilities</b>	<u>2,542,086</u>	<u>3,528,683</u>
<b>Fund Balances</b>		
Reserved for:		
Inventory	301,877	444,355
Road improvements	319,045	253,038
Unreserved, undesignated	<u>5,973,014</u>	<u>6,618,028</u>
<b>Total Fund Balances</b>	<u>6,593,936</u>	<u>7,315,421</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 9,136,022</u></u>	<u><u>\$ 10,844,104</u></u>

La Plata County, Colorado  
Road and Bridge Fund  
Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Years Ended December 31, 2003 and 2002

	2003				
	Budget As Adopted	Budget Final	Actual	Variance Favorable (Unfavorable)	2002 Actual
<b>Revenues</b>					
Property taxes	\$ 2,982,538	\$ 2,982,538	\$ 3,069,397	\$ 86,859	\$ 3,495,616
Intergovernmental	4,617,700	5,467,700	3,696,601	(1,771,099)	4,193,216
Licenses and permits	61,000	61,000	54,948	(6,052)	59,224
Charges for services	148,706	148,706	136,467	(12,239)	80,167
Miscellaneous	154,800	154,800	299,228	144,428	183,393
<b>Total Revenues</b>	<u>7,964,744</u>	<u>8,814,744</u>	<u>7,256,641</u>	<u>(1,558,103)</u>	<u>8,011,616</u>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Public Works</b>					
Engineering	721,277	721,277	662,460	58,817	559,261
General administration	734,618	734,618	707,426	27,192	779,026
Maintenance of condition/snow & ice removal	3,755,059	3,747,059	3,581,571	165,488	2,958,413
Vehicle garage	919,223	919,223	817,542	101,681	764,030
Flood mitigation/debris removal	874,800	874,800	214,909	659,891	719,053
Traffic	278,590	278,590	228,467	50,123	167,967
<b>Capital Outlay</b>	<u>7,292,999</u>	<u>8,480,000</u>	<u>3,821,787</u>	<u>4,658,213</u>	<u>3,600,576</u>
<b>Total Expenditures</b>	<u>14,576,566</u>	<u>15,755,567</u>	<u>10,034,162</u>	<u>5,721,405</u>	<u>9,548,326</u>
<b>(Deficiency of Revenues (Under) Expenditures</b>	<u>(6,611,822)</u>	<u>(6,940,823)</u>	<u>(2,777,521)</u>	<u>4,163,302</u>	<u>(1,536,710)</u>
<b>Other Financing Sources</b>					
Transfers in	<u>2,043,500</u>	<u>2,043,500</u>	<u>2,056,036</u>	<u>12,536</u>	<u>2,597,741</u>
<b>Net Change in Fund Balances</b>	<u>\$ (4,568,322)</u>	<u>\$ (4,897,323)</u>	<u>(721,485)</u>	<u>\$ 4,175,838</u>	<u>1,061,031</u>
<b>Fund Balances Beginning of Year</b>			<u>7,315,421</u>		<u>6,254,390</u>
<b>Fund Balances End of Year</b>			<u>\$ 6,593,936</u>		<u>\$ 7,315,421</u>

La Plata County, Colorado  
*Social Services Fund*  
*Comparative Balance Sheet*  
*December 31, 2003 and 2002*

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	1,592,526	1,238,026
Restricted cash	59,241	19,936
Receivables:		
Property taxes	716,260	880,840
Intergovernmental	208,072	276,766
Interfund	<u>17,807</u>	<u>-</u>
<b>Total Assets</b>	<u><u>\$ 2,594,306</u></u>	<u><u>\$ 2,415,968</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 243,509	\$ 257,565
Liabilities payable from restricted assets	59,241	19,936
Interfund payable	107,591	37,414
Deferred revenues	<u>1,316,260</u>	<u>1,480,840</u>
<b>Total Liabilities</b>	1,726,601	1,795,755
<b>Fund Balances</b>		
Unreserved, undesignated	<u>867,705</u>	<u>620,213</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 2,594,306</u></u>	<u><u>\$ 2,415,968</u></u>

**La Plata County, Colorado**  
**Social Service Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Revenues</b>		
Property taxes	\$ 976,303	\$ 677,443
Intergovernmental	3,184,453	3,341,786
Miscellaneous	<u>274,307</u>	<u>197,766</u>
<b>Total Revenues</b>	4,435,063	4,216,995
<b>Expenditures</b>		
<b>Current:</b>		
Health and welfare	<u>4,205,378</u>	<u>4,226,859</u>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over (Under) Expenditures</b>	229,685	(9,864)
<b>Other Financing Sources</b>		
Transfers in	<u>17,807</u>	<u>6,505</u>
<b>Net Change in Fund Balances</b>	247,492	(3,359)
<b>Fund Balances Beginning of Year</b>	<u>620,213</u>	<u>623,572</u>
<b>Fund Balances End of Year</b>	<u><u>\$ 867,705</u></u>	<u><u>\$ 620,213</u></u>

La Plata County, Colorado  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003

	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Tribal Impact Mitigation	Landfill Closure	Total Nonmajor Special Revenue Funds
<b>Assets</b>						
Equity in treasurer's cash and investments	\$ 41,011	\$ 1,120,000	\$ 50,806	\$ 147,329	\$ 561,414	\$ 1,920,560
Receivables:						
Property taxes	-	-	48,753	-	-	48,753
Interfund	110,941	-	-	-	-	110,941
<b>Total Assets</b>	<u>\$ 151,952</u>	<u>\$ 1,120,000</u>	<u>\$ 99,559</u>	<u>\$ 147,329</u>	<u>\$ 561,414</u>	<u>\$ 2,080,254</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 12,195	\$ -	\$ 2,750	\$ -	\$ 4,820	\$ 19,765
Intergovernmental payable	-	-	-	128,768	-	128,768
Interfund payable	-	-	-	17,807	-	17,807
Deferred revenues	-	-	48,753	-	-	48,753
<b>Total Liabilities</b>	<u>12,195</u>	<u>-</u>	<u>51,503</u>	<u>146,575</u>	<u>4,820</u>	<u>215,093</u>
<b>Fund Balances</b>						
Reserved for emergencies	-	1,120,000	-	-	-	1,120,000
Unreserved, undesignated	139,757	-	48,056	754	556,594	745,161
<b>Total Fund Balances</b>	<u>139,757</u>	<u>1,120,000</u>	<u>48,056</u>	<u>754</u>	<u>556,594</u>	<u>1,865,161</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 151,952</u>	<u>\$ 1,120,000</u>	<u>\$ 99,559</u>	<u>\$ 147,329</u>	<u>\$ 561,414</u>	<u>\$ 2,080,254</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, 2003**

	Sales Tax	Conservation Trust	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Tribal Impact Mitigation	Landfill Closure	Total Nonmajor Special Revenue Funds
<b>Revenues</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 49,331	\$ -	\$ -	\$ 49,331
Intergovernmental	-	-	-	-	-	298,134	-	298,134
Investment earnings	-	-	-	-	-	4,510	9,457	13,967
Miscellaneous	-	-	-	-	3,300	-	-	3,300
<b>Total Revenues</b>	-	-	-	-	52,631	302,644	9,457	364,732
<b>Expenditures</b>								
<b>Current:</b>								
General government	-	-	-	-	-	128,767	-	128,767
Public works	-	-	-	-	50,932	-	7,263	58,195
Capital Outlay	-	-	37,408	-	-	-	-	37,408
<b>Total Expenditures</b>	-	-	37,408	-	50,932	128,767	7,263	224,370
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(37,408)	-	1,699	173,877	2,194	140,362
<b>Other Financing Sources (Uses)</b>								
Transfers in	(66,372)	(403,903)	1,484,068	-	-	-	65,000	1,549,068
Transfers out	-	-	(1,429,095)	-	-	(322,045)	-	(2,221,415)
<b>Total Other Financing Sources (Uses)</b>	(66,372)	(403,903)	54,973	-	-	(322,045)	65,000	(672,347)
<b>Net Change in Fund Balances</b>	(66,372)	(403,903)	17,565	-	1,699	(148,168)	67,194	(531,985)
<b>Fund Balances Beginning of Year</b>	66,372	403,903	122,192	1,120,000	46,357	148,922	489,400	2,397,146
<b>Fund Balances End of Year</b>	\$ -	\$ -	\$ 139,757	\$ 1,120,000	\$ 48,056	\$ 754	\$ 556,594	\$ 1,865,161

**La Plata County, Colorado**  
**Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Intergovernmental receivables	<u>\$ -</u>	<u>\$ 749,649</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Cash overdraft	\$ -	\$ 572,516
Interfund payable	<u>-</u>	<u>110,761</u>
<b>Total Liabilities</b>	-	683,277
<b>Fund Balances</b>		
Unreserved, undesignated	<u>-</u>	<u>66,372</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 749,649</u>

**La Plata County, Colorado**  
**Sales Tax Fund**  
**Comparative Statement of Revenues and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Revenues</b>		
Sales taxes	\$ -	\$ 9,675,960
<b>Other Financing (Uses)</b>		
Transfers out	<u>(66,372)</u>	<u>(9,979,623)</u>
<b>Net Change in Fund Balances</b>	(66,372)	(303,663)
<b>Fund Balances Beginning of Year</b>	<u>66,372</u>	<u>370,035</u>
<b>Fund Balances End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ 66,372</u></u>



La Plata County, Colorado  
Conservative Trust Fund  
Comparative Balance Sheet  
December 31, 2003 and 2002

	2003	2002
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ -	\$ 344,271
Intergovernmental receivable	-	69,632
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 413,903</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 10,000
<b>Fund Balances</b>		
Unreserved, undesignated	-	403,903
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 413,903</u>

**La Plata County, Colorado**  
**Conservation Trust Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Revenues</b>		
Intergovernmental	\$ -	\$ 263,304
<b>Expenditures</b>		
<b>Current:</b>		
Community programs	<u>-</u>	<u>131,000</u>
<b>Excess of Revenues Over Expenditures</b>	-	132,304
<b>Other Financing (Uses)</b>		
Transfers out	<u>(403,903)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(403,903)	132,304
<b>Fund Balances Beginning of Year</b>	<u>403,903</u>	<u>271,599</u>
<b>Fund Balances End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ 403,903</u></u>

La Plata County, Colorado  
*Joint Sales Tax Fund*  
*Comparative Balance Sheet*  
*December 31, 2003 and 2002*

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 41,011	\$ 37,661
Interfund receivable	<u>110,941</u>	<u>110,761</u>
<b>Total Assets</b>	<u>\$ 151,952</u>	<u>\$ 148,422</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 12,195	\$ 26,230
<b>Fund Balances</b>		
Unreserved, undesignated	<u>139,757</u>	<u>122,192</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 151,952</u>	<u>\$ 148,422</u>

La Plata County, Colorado  
Joint Sales Tax Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for the Year Ended December 31, 2002)

	2003				2002
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Miscellaneous	\$ 500	\$ 500	\$ -	\$ (500)	\$ -
<b>Expenditures</b>					
<b>Current:</b>					
General government	-	-	-	-	40,000
<b>Capital Outlay:</b>	28,000	44,000	37,408	6,592	63,156
<b>Total Expenditures</b>	28,000	44,000	37,408	6,592	103,156
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(27,500)	(43,500)	(37,408)	6,092	(103,156)
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,470,113	1,470,113	1,484,068	13,955	1,484,703
Transfers out	(1,490,727)	(1,490,727)	(1,429,095)	61,632.0	(1,370,859)
<b>Total Other Financing Sources (Uses)</b>	(20,614)	(20,614)	54,973	75,587	113,844
<b>Net Change in Fund Balances</b>	<u>\$ (48,114)</u>	<u>\$ (64,114)</u>	17,565	<u>\$ 81,679</u>	10,688
<b>Fund Balances Beginning of Year</b>			122,192		111,504
<b>Fund Balances End of Year</b>			<u>\$ 139,757</u>		<u>\$ 122,192</u>

**La Plata County, Colorado**  
***Emergency Reserve Fund***  
***Comparative Balance Sheet***  
***December 31, 2003 and 2002***

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 1,120,000</u>	<u>\$ 1,120,000</u>
<b>Fund Balances</b>		
Reserved for emergencies	<u>\$ 1,120,000</u>	<u>\$ 1,120,000</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, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003				2002
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Excess of Revenues Over Expenditures	\$ -	\$ -	-	\$ -	-
Fund Balances Beginning of Year			1,120,000		1,120,000
Fund Balances End of Year			\$ 1,120,000		\$ 1,120,000

La Plata County, Colorado  
*Local Improvement District Fund*  
*Comparative Balance Sheet*  
*December 31, 2003 and 2002*

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 50,806	\$ 46,357
Property taxes receivable	<u>48,753</u>	<u>45,487</u>
<b>Total Assets</b>	<u>\$ 99,559</u>	<u>\$ 91,844</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,750	\$ -
Deferred revenues	<u>48,753</u>	<u>45,487</u>
<b>Total Liabilities</b>	51,503	45,487
<b>Fund Balances</b>		
Unreserved, undesignated	<u>48,056</u>	<u>46,357</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 99,559</u>	<u>\$ 91,844</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, 2003**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003				2002
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Property taxes	\$ 47,487	\$ 47,487	\$ 49,331	\$ 1,844	\$ 45,183
Miscellaneous	1,750	1,750	3,300	1,550	3,575
<b>Total Revenues</b>	49,237	49,237	52,631	3,394	48,758
<b>Expenditures</b>					
<b>Current:</b>					
Public works	63,669	63,669	50,932	12,737	52,834
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$ (14,432)	\$ (14,432)	1,699	\$ (9,343)	(4,076)
<b>Fund Balances Beginning of Year</b>			46,357		50,433
<b>Fund Balances End of Year</b>			<u>\$ 48,056</u>		<u>\$ 46,357</u>



**La Plata County, Colorado**  
**Tribal Impact Mitigation Fund**  
**Comparative Balance Sheet**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 147,329	\$ 1,728
Intergovernmental receivable	<u>-</u>	<u>147,194</u>
<b>Total Assets</b>	<u>\$ 147,329</u>	<u>\$ 148,922</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Intergovernmental payable	\$ 128,768	\$ -
Interfund payable	<u>17,807</u>	<u>-</u>
<b>Total Liabilities</b>	146,575	-
<b>Fund Balances</b>		
Unreserved, undesignated	<u>754</u>	<u>148,922</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 147,329</u>	<u>\$ 148,922</u>

La Plata County, Colorado  
Tribal Impact Mitigation Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for the Year Ended December 31, 2002)

	2003				2002
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Intergovernmental					
Payment from Southern Ute Indian tribe	\$ -	\$ 350,000	\$ 298,134	\$ (51,866)	\$ 147,194
Investment earnings	-	1,000	4,510	3,510	5,132
<b>Total Revenues</b>	-	351,000	302,644	(48,356)	152,326
<b>Expenditures</b>					
<b>Current:</b>					
General government	-	80,000	128,767	(48,767)	53,087
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	271,000	173,877	(97,123)	99,239
<b>Other Financing (Uses)</b>					
Transfers out	-	(250,000)	(322,045)	(72,045)	(157,528)
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ 21,000</u>	(148,168)	<u>\$ (169,168)</u>	(58,289)
<b>Fund Balances Beginning of Year</b>			148,922		207,211
<b>Fund Balances End of Year</b>			<u>\$ 754</u>		<u>\$ 148,922</u>

La Plata County, Colorado  
*Capital Improvement Fund*  
*Comparative Balance Sheet*  
*December 31, 2003 and 2002*

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 9,860,669	\$ 9,274,308
Receivables:		
Accounts	84,715	-
Intergovernmental	<u>1,298,302</u>	<u>181,744</u>
<b>Total Assets</b>	<u><u>\$ 11,243,686</u></u>	<u><u>\$ 9,456,052</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,468,125	\$ 193,799
Contracts payable	300,937	11,171
Deferred revenue	<u>-</u>	<u>60,000</u>
<b>Total Liabilities</b>	1,769,062	264,970
<b>Fund Balances</b>		
Reserved for capital improvements	<u>9,474,624</u>	<u>9,191,082</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 11,243,686</u></u>	<u><u>\$ 9,456,052</u></u>

La Plata County, CO  
Capital Improvement Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2003  
(With Comparative Actual Amounts for the Year Ended December 31, 2002)

	2003				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2002 Actual
<b>Revenues</b>					
Intergovernmental	\$ 1,230,000	\$ 1,496,558	\$ 1,496,558	\$ -	\$ 505,928
Miscellaneous revenue	48,000	18,000	67,276	49,276	23,514
<b>Total Revenues</b>	1,278,000	1,514,558	1,563,834	49,276	529,442
<b>Expenditures</b>					
Capital Outlay	14,548,550	14,478,872	7,015,385	7,463,487	2,870,462
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(13,270,550)</u>	<u>(12,964,314)</u>	<u>(5,451,551)</u>	<u>7,512,763</u>	<u>(2,341,020)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in					
From sales tax	-	-	-	-	4,000,000
From general fund	6,300,000	6,300,000	6,300,000	-	1,500,000
Transfers out					
To joint sales tax	-	-	-	-	(55,080)
To debt service	(640,000)	(640,000)	(640,000)	-	(541,000)
Sale of capital assets	-	30,000	75,093	45,093	52,478
<b>Total Other Financing Sources (Uses)</b>	<u>5,660,000</u>	<u>5,690,000</u>	<u>5,735,093</u>	<u>45,093</u>	<u>4,956,398</u>
<b>Net Change in Fund Balances</b>	<u>\$ (7,610,550)</u>	<u>\$ (7,274,314)</u>	283,542	<u>\$ 7,557,856</u>	2,615,378
<b>Fund Balances Beginning of Year</b>			<u>9,191,082</u>		<u>6,575,704</u>
<b>Fund Balances End of Year</b>			<u>\$ 9,474,624</u>		<u>\$ 9,191,082</u>

La Plata County, Colorado  
*Debt Service Fund*  
*Comparative Balance Sheet*  
*December 31, 2003 and 2002*

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 36,319</u>	<u>\$ 35,927</u>
<b>Fund Balances</b>		
Reserved for debt service	<u>\$ 36,319</u>	<u>\$ 35,927</u>

*Debt Service Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balances - Budget and Actual*  
*For the Year Ended December 31, 2003*  
*(With Comparative Actual Amounts for the Year Ended December 31, 2002)*

	2003				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2002 Actual
<b>Revenues</b>					
Investment earnings	\$ 2,000	\$ 2,000	\$ 3,317	\$ 1,317	\$ 4,748
<b>Expenditures</b>					
<b>Debt Service:</b>					
Principal retirement	535,000	535,000	535,000	-	510,000
Interest and fiscal charges	107,675	107,675	107,675	-	130,625
Agent fees	745	745	250	495	250
<b>Total Expenditures</b>	<u>643,420</u>	<u>643,420</u>	<u>642,925</u>	<u>495</u>	<u>640,875</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(641,420)	(641,420)	(639,608)	1,812	(636,127)
<b>Other Financing Sources</b>					
Transfers in	<u>640,000</u>	<u>640,000</u>	<u>640,000</u>	<u>-</u>	<u>541,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,420)</u>	<u>\$ (1,420)</u>	<u>392</u>	<u>\$ 1,812</u>	<u>(95,127)</u>
<b>Fund Balances Beginning of Year</b>			<u>35,927</u>		<u>131,054</u>
<b>Fund Balances End of Year</b>			<u>\$ 36,319</u>		<u>\$ 35,927</u>

**La Plata County, Colorado**  
**Prisoner Commissary Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ -	\$ 15,214
Accounts receivable	<u>-</u>	<u>5,186</u>
<b>Total Current Assets</b>	<u>-</u>	<u>20,400</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	<u>-</u>	<u>2,189</u>
<b>Net Assets</b>		
Unrestricted	<u>\$ -</u>	<u>\$ 18,211</u>

**La Plata County, Colorado**  
**Prisoner Commissary Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Operating Revenues</b>		
Commissary sales	\$ -	\$ 51,415
<b>Operating Expenses</b>		
Materials and supplies	<u>-</u>	<u>50,420</u>
<b>Operating Income</b>	-	995
<b>Transfers Out</b>	<u>(18,211)</u>	<u>-</u>
<b>Net Change in Net Assets</b>	(18,211)	995
<b>Net Assets Beginning of Year</b>	<u>18,211</u>	<u>17,216</u>
<b>Net Assets End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ 18,211</u></u>



**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 830,331	\$ 549,302
Accounts receivable	<u>1,258</u>	<u>80,237</u>
<b>Total Current Assets</b>	<u>831,589</u>	<u>629,539</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued incurred/unreported claims	<u>482,923</u>	<u>624,254</u>
<b>Net Assets</b>		
Unrestricted	<u>\$ 348,666</u>	<u>\$ 5,285</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, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>Operating Revenues</b>		
Insurance deposits	\$ 1,927,110	\$ 1,740,435
<b>Operating Expenses</b>		
Medical claims	<u>1,590,004</u>	<u>2,086,621</u>
<b>Operating Income (Loss)</b>	337,106	(346,186)
<b>Non-Operating Revenues</b>		
Investment earnings	<u>6,275</u>	<u>9,245</u>
<b>Change in Net Assets</b>	343,381	(336,941)
<b>Net Assets Beginning of Year</b>	<u>5,285</u>	<u>342,226</u>
<b>Net Assets End of Year</b>	<u><u>\$ 348,666</u></u>	<u><u>\$ 5,285</u></u>

La Plata County, Colorado  
Employee Medical Self Insurance Fund  
Schedule of Revenues, Expenses and  
Changes in Net Assets - Budget and Actual  
For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>				
Insurance deposits	\$ 2,239,884	\$ 2,239,884	\$ 1,927,110	\$ (312,774)
<b>Operating Expenses</b>				
Medical claims	2,242,820	2,242,820	1,590,004	652,816
<b>Operating Income</b>	<u>\$ (2,936)</u>	<u>\$ (2,936)</u>	337,106	<u>\$ 340,042</u>
<b>Net Assets Beginning of Year</b>			<u>6,275</u>	
<b>Net Assets End of Year</b>			<u>\$ 343,381</u>	

La Plata County, Colorado  
General Agency Fund  
Statement of Changes in Fiduciary Assets and Liabilities  
For The Year Ended December 31, 2003

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 1,516,128	\$ 115,470,521	\$ 115,314,284	\$ 1,672,365
<b>Liabilities</b>				
Accounts payable	\$ 124,258	\$ 57,891,966	\$ 57,941,056	\$ 75,168
Due to component unit	63,468	1,701,339	1,720,016	44,791
Deposits held for others	1,328,402	55,877,216	55,653,212	1,552,406
<b>Total Liabilities</b>	\$ 1,516,128	\$ 115,470,521	\$ 115,314,284	\$ 1,672,365

Sixth Judicial District Attorney  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2003*

	General	Victim's Assistance	Federal Victim's Compensation	State Victim's Compensation	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 38,241	\$ 19,678	\$ 1	\$ 86,469	\$ 144,389
Receivables:					
Accounts	51,397	-	-	-	51,397
Intergovernmental	85,701	-	-	-	85,701
<b>Total Assets</b>	<u>\$ 175,339</u>	<u>\$ 19,678</u>	<u>\$ 1</u>	<u>\$ 86,469</u>	<u>\$ 281,487</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 7,657	\$ -	\$ -	\$ -	\$ 7,657
Accrued salaries and benefits	12,188	-	-	-	12,188
Due to primary government	100,000	-	-	-	100,000
<b>Total Liabilities</b>	<u>119,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,845</u>
<b>Fund Balances</b>					
Reserved for emergencies	42,960	-	-	-	42,960
Unreserved, undesignated reported in:					
General fund	12,534	-	-	-	12,534
Special revenue funds	-	19,678	1	86,469	106,148
<b>Total Fund Balances</b>	<u>55,494</u>	<u>19,678</u>	<u>1</u>	<u>86,469</u>	<u>161,642</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 175,339</u>	<u>\$ 19,678</u>	<u>\$ 1</u>	<u>\$ 86,469</u>	<u>\$ 281,487</u>
Governmental Fund Balance					\$ 161,642
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					77,195
Compensated absences are not due and payable in the current period and therefore not reported in the funds					(38,961)
Net assets of governmental activities					<u>\$ 199,876</u>

Sixth Judicial District Attorney  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2003*

	General	Victim's Assistance	Federal Victim's Compensation	State Victim's Compensation	Total Governmental Funds
<b>Revenues</b>					
Intergovernmental	\$ 350,720	\$ 173,488	\$ 85,019	\$ 120,692	\$ 729,919
Intergovernmental - County	1,015,173	-	-	-	1,015,173
Miscellaneous	25,589	4,156	25,823	31,897	87,465
<b>Total Revenues</b>	<u>1,391,482</u>	<u>177,644</u>	<u>110,842</u>	<u>152,589</u>	<u>1,832,557</u>
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	1,408,565	158,978	116,881	188,442	1,872,866
Capital Outlay	20,093	-	-	-	20,093
<b>Total Expenditures</b>	<u>1,428,658</u>	<u>158,978</u>	<u>116,881</u>	<u>188,442</u>	<u>1,892,959</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(37,176)</u>	<u>18,666</u>	<u>(6,039)</u>	<u>(35,853)</u>	<u>(60,402)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	39,209	-	-	-	39,209
Transfers out	-	(26,141)	-	(13,068)	(39,209)
<b>Total Other Financing Sources (Uses)</b>	<u>39,209</u>	<u>(26,141)</u>	<u>-</u>	<u>(13,068)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>2,033</u>	<u>(7,475)</u>	<u>(6,039)</u>	<u>(48,921)</u>	<u>(60,402)</u>
<b>Fund Balances Beginning of Year</b>	<u>53,461</u>	<u>27,153</u>	<u>6,040</u>	<u>135,390</u>	<u>222,044</u>
<b>Fund Balances End of Year</b>	<u>\$ 55,494</u>	<u>\$ 19,678</u>	<u>\$ 1</u>	<u>\$ 86,469</u>	<u>\$ 161,642</u>
Net change in fund balances					(60,402)

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	\$ (8,898)	
Capital outlay	<u>20,093</u>	11,195

Governmental fund do not report compensated absences at the fund financial reporting level but they  
are reported at the government-wide financial reporting level.

Liability @ 12/31/03	\$ (38,961)	
Liability @ 12/31/02	<u>41,271</u>	2,310

Change in net assets at the government-wide financial reporting level		<u>\$ 13,505</u>
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**SPECIAL REPORTS**  
**SECTION**



## **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, 2003**

Program	County		Expenditures By County Warrant	Total	
	EBT Authorizations	Share of Authorizations		Authorizations & Expenditures By By County Warrant	Total Expenditures
Colorado Works	\$ 573,051	\$ 126,570	\$ 414,323	\$ 987,374	\$ 540,893
Child Care	567,736	33,347	109,072	676,808	142,419
Child Welfare	650,547	103,344	1,094,690	1,745,237	1,198,034
County Administration	-	-	569,513	569,513	569,513
Core Services	-	-	758,572	758,572	758,572
Child Support Administration	-	-	419,843	419,843	419,843
LEAP	299,297	-	23,516	322,813	23,516
AND	75,799	13,596	-	75,799	13,596
Old Age Pension	212,461	178	18,405	230,866	18,583
Food Assistance Fraud	-	-	26,203	26,203	26,203
Food Assistance	1,872,666	-	-	1,872,666	-
Food Assistance Job Search	-	-	14,773	14,773	14,773
Shared Family Care	-	-	102	102	102
Title XX	-	-	6,540	6,540	6,540
Quality Grants	-	-	15,689	15,689	15,689
Domestic Violence Mini Grant	-	-	5,000	5,000	5,000
Title IV-B	-	-	129,372	129,372	129,372
CHAFTEE	-	-	45,781	45,781	45,781
General Assistance	-	-	17,097	17,097	17,097
Totals	<u>\$ 4,251,557</u>	<u>\$ 277,035</u>	<u>\$ 3,668,491</u>	<u>\$ 7,920,048</u>	<u>\$ 3,945,526</u>



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON SUPPLEMENTARY INFORMATION

May 27, 2004

Honorable Board of County Commissioners  
La Plata County, Colorado

We have audited the basic financial statements of La Plata County, Colorado for the year ended December 31, 2003, and have issued our report thereon dated May 27, 2004. Our audit of such financial statements was made in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the financial statements. The information in the schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: <b>La Plata</b>	YEAR ENDING : December 2003
This Information From The Records Of County of La Plata:	Prepared By: Phone:	Karla Distel (970)382-6306

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

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

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

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	5,048,083
4. Miscellaneous local receipts (from page 2)	567,993
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	5,616,076
<b>B. Private Contributions</b>	
<b>C. Receipts from State government (from page 2)</b>	2,923,749
<b>D. Receipts from Federal Government (from page 2)</b>	772,852
<b>E. Total receipts (A.7 + B + C + D)</b>	9,312,677

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	4,484,247
2. Maintenance:	3,581,571
3. Road and street services:	
a. Traffic control operations	228,467
b. Snow and ice removal	0
c. Other	214,909
d. Total (a. through c.)	443,376
4. General administration & miscellaneous	1,524,968
5. Highway law enforcement and safety	
6. Total (1 through 5)	10,034,162
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
<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>	10,034,162

**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)		0	0	
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	7,315,421	9,312,677	10,034,162	6,593,936	0

Notes and Comments:

# LOCAL HIGHWAY FINANCE REPORT

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2003

## 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 Assesments	2,791,109	a. Interest on investments	
b. Other local imposts:		b. Tribal Impact Mitigation	72,514
1. Sales Taxes	2,000,000	c. Transfers	0
2. Traffic Fines		d. Capital Credits	0
3. Specific Ownership Tax	256,974	e. Sale of Assets	4,838
		f. Fees/Licenses/Permits	415,037
5. From Cities/Counties		g. Service Performed	75,604
6. Total (1. through 5.)	2,256,974	h. Refunds of Expenditures	0
c. Total (a. + b.)	5,048,083	i. Total (a. through h.)	567,993
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,302,415	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	104,886
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registration	152,062	d. Mineral Leasing	
d. Energy Impact Assistance	190,133	e. Pay Lieu of Tax	
e. Local Government Limited Gaming	279,139	f. Other Federal	667,966
f. Total (a. through e.)	621,334	g. Total (a. through f.)	772,852
4. Total (1. + 2. + 3.f)	2,923,749	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		0	0
b. Engineering Costs		662,460	662,460
c. Construction:			
(1). Capacity Improvements		508,666	508,666
(2). System Preservation		2,301,731	2,301,731
(3). Safety And Other		1,011,390	1,011,390
(4). Total Construction (1)+(2)+(3)	0	3,821,787	3,821,787
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	4,484,247	4,484,247
		(Carry forward to page 1)	

Notes and Comments:

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## **STATISTICAL SECTION**



**La Plata County, Colorado**  
**Government-wide Expenses, Program Revenues and**  
**Net (Expense)/Revenue by Function/Program**  
**For the Fiscal Year Ended December 31, 2003 <sup>2</sup>**  
**(accrual basis of accounting)**

Function/Program	Fiscal Year 2003		
	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>
<b>Governmental Activities</b>			
General government	\$ 7,754,452	\$ 5,194,888	\$ (2,559,564)
Public safety	10,227,758	1,402,288	(8,825,470)
Public works	7,998,659	4,187,964	(3,810,695)
Health and welfare	4,471,450	3,184,453	(1,286,997)
Auxiliary services	2,547,884	1,005,684	(1,542,200)
Community programs	2,522,640	412,482	(2,110,158)
Interest on long-term debt	103,912	-	(103,912)
<b>Subtotal Governmental Activities</b>	<b>35,626,755</b>	<b>15,387,759</b>	<b>(20,238,996)</b>
<b>Business-type Activities</b>			
	-	-	-
<b>Subtotal Business-type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 35,626,755</b>	<b>\$ 15,387,759</b>	<b>\$ (20,238,996)</b>

**Notes:**

<sup>1</sup> Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes a

<sup>2</sup>The County implemented GASB Statement No. 34 in fiscal year 2003, therefore, only one year of government-wide financial data is presented.

La Plata County, Colorado  
*Government-wide Program Revenues<sup>2</sup> by Category*  
*For the Fiscal Year Ended December 31, 2003<sup>1</sup>*  
*(accrual basis of accounting)*

	<u>Fiscal Year 2003</u>
<b>Governmental Activities</b>	
Charges for Services	\$ 4,187,847
Operating Grants and Contributions	8,335,012
Capital Grants and Contributions	<u>2,864,900</u>
<b>Subtotal Governmental Activities Program Revenues</b>	<u>15,387,759</u>
<b>Business-type Activities</b>	
Charges for Services	-
Operating Grants and Contributions	-
Capital Grants and Contributions	<u>-</u>
<b>Subtotal Business-type Activities Program Revenues</b>	<u>-</u>
<b>Primary Government</b>	
Charges for Services	4,187,847
Operating Grants and Contributions	8,335,012
Capital Grants and Contributions	<u>2,864,900</u>
<b>Total Primary Government Program Revenues</b>	<u><u>\$ 15,387,759</u></u>

**Notes:**

<sup>1</sup> The County implemented GASB Statement No. 34 in fiscal year 2003, therefore, only one year of government-wide financial data is presented.

<sup>2</sup> Program revenues are related to specific activities of the County. Their sources is either fees, fines, charges for services or grants restricted to a specific purpose.

**La Plata County, Colorado**  
**Government-wide General Revenues and Other Changes in Net Assets**  
**For the Fiscal Year Ended December 31, 2003<sup>1</sup>**  
**(accrual basis of accounting)**

	<u>Fiscal Year 2003</u>
<b>Net (Expense), Total Primary Government (See table S-1)</b>	
Governmental activities	\$ (20,238,996)
Business activities	<u>-</u>
<b>Total Primary Government</b>	<u>(20,238,996)</u>
<b>General revenues and other changes in net assets</b>	
<b>Governmental Activities:</b>	
Taxes	
Property taxes levied for general purposes	16,232,063
Sales taxes	10,044,453
Other taxes	1,515,530
Investment earnings	480,399
Miscellaneous	196,303
Gain on the disposition of capital assets	81,529
Transfer to business-type activities	<u>(610,704)</u>
<b>Subtotal Governmental Activities</b>	<u>27,939,573</u>
<b>Business-type Activities:</b>	
Insurance premium taxes	-
Investment earnings	-
Miscellaneous	-
Transfer from governmental activities	<u>-</u>
<b>Subtotal Business-type Activities</b>	<u>-</u>
<b>Changes in Net Assets</b>	
Governmental activities	2,157,606
Business-type activities	<u>793,123</u>
<b>Total Primary Government</b>	<u><u>\$ 2,950,729</u></u>

**Note:**

<sup>1</sup> The County implemented GASB Statement No. 34 in fiscal year 2003, therefore, only one year of government-wide financial data is presented.

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

Source	Fiscal Year									
	1994	1995	1996	1997	1998	1999	2000	2001	2002 <sup>1</sup>	2003
Taxes	\$ 11,665,701	\$ 12,969,240	\$ 14,263,971	\$ 14,433,494	\$ 16,690,503	\$ 19,404,136	\$ 20,681,820	\$ 21,291,071	\$ 26,218,122	\$ 27,792,046 <sup>1</sup>
Intergovernmental	6,708,986	6,482,395	8,643,648	6,684,882	6,111,189	7,554,758	9,705,122	9,027,409	11,910,774	10,900,996
Licenses and permits	626,979	625,097	573,140	566,788	765,392	774,898	653,986	746,136	761,470	743,950
Fines and forfeitures	-	-	-	-	-	-	4,292	3,963	2,792	8,605
Charges for services	1,851,022	1,572,147	1,838,188	1,877,690	2,037,867	2,219,409	2,368,210	2,515,871	2,647,593	2,998,528
Miscellaneous	1,267,332	1,393,593	1,524,714	1,640,913	1,504,221	1,916,326	3,162,912	2,797,167	2,070,870	2,260,049
Total revenues	\$ 22,120,020	\$ 23,042,472	\$ 26,843,661	\$ 25,203,767	\$ 27,109,172	\$ 31,869,527	\$ 36,576,342	\$ 36,381,617	\$ 43,611,621	\$ 44,704,174
% change from prior year	14.4%	4.2%	16.5%	-6.1%	7.6%	17.6%	14.8%	-0.5%	19.9%	2.5%

**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>Sales</b>	<b>Other</b>	<b>Total</b>
1994	\$ 4,433,511	\$ 6,555,775	\$ 676,415	\$ 11,665,701
1995	5,312,218	6,927,275	729,747	12,969,240
1996	6,308,292	7,155,122	800,557	14,263,971
1997	6,000,797	7,530,348	902,349	14,433,494
1998	7,780,253	7,930,753	979,497	16,690,503
1999	9,495,772	8,682,717	1,225,647	19,404,136
2000	9,963,904	9,403,815	1,314,101	20,681,820
2001	10,324,489	9,538,472	1,428,110	21,291,071
2002	14,884,093	9,675,960	1,658,069	26,218,122
2003	16,232,063	10,044,453	1,515,530	27,792,046
Percentage Change				
In Dollars Over				
10 Years	266.1%	53.2%	124.1%	138.2%

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

Function	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Current:</b>										
General government	\$ 3,024,712	\$ 3,293,679	\$ 3,488,343	\$ 3,541,086	\$ 4,007,996	\$ 4,136,509	\$ 4,825,909	\$ 5,334,617	\$ 7,279,623	\$ 7,148,375
Public safety	4,055,993	4,232,018	4,545,221	3,855,435	4,315,476	4,908,189	5,616,273	6,571,347	7,833,806	9,154,633
Public works	2,271,796	2,756,246	3,137,426	4,305,737	3,503,621	3,498,636	5,000,812	6,605,027	6,040,436	6,321,849
Health and welfare	3,207,997	3,166,854	4,529,718	3,187,688	3,177,692	3,793,161	4,153,871	4,124,878	4,453,787	4,541,852
Auxiliary services	825,290	1,150,525	1,197,165	1,101,294	1,111,849	1,436,387	1,583,143	2,062,207	2,372,646	2,417,688
Community Programs	1,726,963	1,609,239	1,892,060	1,709,186	1,672,675	2,040,064	2,100,038	2,238,100	3,049,666	2,522,640
<b>Total Current</b>	<b>15,112,751</b>	<b>16,208,561</b>	<b>18,789,933</b>	<b>17,700,426</b>	<b>17,789,309</b>	<b>19,812,946</b>	<b>23,280,046</b>	<b>26,936,176</b>	<b>31,029,964</b>	<b>32,107,037</b>
% Change From Prior Year	5.9%	7.3%	15.9%	-5.8%	0.5%	11.4%	17.5%	15.7%	15.2%	3.5%
<b>Capital Outlay</b>	<b>3,894,268</b>	<b>4,618,250</b>	<b>5,790,703</b>	<b>5,770,290</b>	<b>4,477,196</b>	<b>8,665,506</b>	<b>9,863,624</b>	<b>6,642,809</b>	<b>6,534,194</b>	<b>10,874,580</b>
% Change From Prior Year	18.6%	25.4%	-0.4%	-22.4%	93.5%	13.8%	-32.7%	-1.6%	66.4%	
<b>Debt Service</b>	<b>335,000</b>	<b>350,000</b>	<b>365,000</b>	<b>380,000</b>	<b>400,000</b>	<b>420,000</b>	<b>1,268,498</b>	<b>485,000</b>	<b>510,000</b>	<b>535,000</b>
Principal	361,713	348,313	333,262	316,655	298,415	278,415	128,498	159,226	130,625	107,675
Interest	1,688	123,698	198,044	211,008	200,842	306,428	745	250	250	250
<b>Total Debt Service</b>	<b>698,401</b>	<b>872,011</b>	<b>896,306</b>	<b>907,663</b>	<b>899,257</b>	<b>1,004,843</b>	<b>1,397,741</b>	<b>644,476</b>	<b>640,875</b>	<b>642,925</b>
% Change From Prior Year	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
<b>Total Expenditures</b>	<b>\$ 19,705,420</b>	<b>\$ 21,648,822</b>	<b>\$ 25,476,942</b>	<b>\$ 24,378,379</b>	<b>\$ 23,165,762</b>	<b>\$ 29,483,295</b>	<b>\$ 34,541,411</b>	<b>\$ 34,223,461</b>	<b>\$ 38,205,033</b>	<b>\$ 43,624,542</b>
% Change From Prior Year	9.9%	17.7%	-4.3%	-5.0%	27.3%	17.2%	-0.9%	11.6%	14.2%	
<b>Debt Service as a Percentage of Total Expenditures</b>	<b>1.7%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.4%</b>	<b>2.6%</b>	<b>2.5%</b>	<b>3.7%</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.2%</b>

La Plata County, Colorado  
*Government-wide Net Assets by Category*<sup>2</sup>  
*December 31, 2003*<sup>1</sup>  
*(accrual basis of accounting)*

	<u>December 31, 2003</u>
<b>Governmental Activities</b>	
Invested in capital assets, net of related debt	\$ 36,259,293
Restricted for:	
Capital projects	9,474,624
Emergencies	1,120,000
Debt Service	36,319
Specific projects and programs	7,369,315
Unrestricted	<u>9,408,886</u>
<b>Subtotal Governmental Activities Net Assets</b>	<u>63,668,437</u>
<b>Business-type Activities</b>	
Invested in capital assets, net of related debt	-
Restricted for revenue bond retirement	-
Unrestricted	<u>-</u>
<b>Subtotal Business-type Activities Net assets</b>	<u>-</u>

**Notes:**

<sup>1</sup> The County implemented GASB Statement No. 34 in fiscal year 2003, therefore, only one year of government-wide financial data is presented.

<sup>2</sup> 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**  
**Governmental Fund - Fund Balances**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>General Fund</b>										
Reserved	\$ 73,053	\$ 82,033	\$ 99,134	\$ 109,141	\$ 117,175	\$ 130,739	\$ 134,763	\$ 186,583	\$ 520,554	\$ 1,376,847
Unreserved	4,246,459	4,345,663	4,838,466	4,700,319	5,073,007	5,853,121	6,706,010	7,170,566	8,340,333	8,288,753
<b>Subtotal General Fund</b>	<b>4,319,512</b>	<b>4,427,696</b>	<b>4,937,600</b>	<b>4,809,460</b>	<b>5,190,182</b>	<b>5,983,860</b>	<b>6,840,773</b>	<b>7,357,149</b>	<b>8,860,887</b>	<b>9,665,600</b>
<b>General Fund Percentage Change</b>		2.5%	11.5%	-2.6%	7.9%	15.3%	14.3%	7.5%	20.4%	9.1%
<b>All Other Governmental Funds</b>										
Reserved	624,890	984,230	1,193,009	1,247,702	1,237,000	1,518,213	1,531,216	1,522,128	1,863,750	2,297,516
Unreserved	3,611,547	5,531,392	6,278,556	5,420,224	8,381,360	9,160,599	9,332,020	8,004,456	7,979,630	7,029,286
Special Revenue Funds	979,990	999,960	1,044,954	1,098,342	852,467	894,354	257,316	131,054	35,927	36,319
Debt Service Funds	2,341,689	2,558,290	2,375,914	3,247,450	3,445,802	3,313,443	4,302,231	6,575,704	9,191,082	9,474,624
<b>Subtotal All Other Governmental Funds</b>	<b>7,558,116</b>	<b>10,073,872</b>	<b>10,892,433</b>	<b>11,013,718</b>	<b>13,916,629</b>	<b>14,886,609</b>	<b>15,422,783</b>	<b>16,233,342</b>	<b>19,070,389</b>	<b>18,837,745</b>
<b>Total Governmental Funds</b>										
Reserved	697,943	1,066,263	1,292,143	1,356,843	1,354,175	1,648,952	1,665,979	1,708,711	2,384,304	3,674,363
Unreserved	11,179,685	13,435,305	14,537,890	14,466,335	17,752,636	19,221,517	20,597,577	21,881,780	25,546,972	24,828,982
<b>Total Governmental Funds</b>	<b>\$ 11,877,628</b>	<b>\$ 14,501,568</b>	<b>\$ 15,830,033</b>	<b>\$ 15,823,178</b>	<b>\$ 19,106,811</b>	<b>\$ 20,870,469</b>	<b>\$ 22,263,556</b>	<b>\$ 23,590,491</b>	<b>\$ 27,931,276</b>	<b>\$ 28,503,345</b>
<b>All Governmental Funds Percentage Change</b>		22.1%	9.2%	0.0%	20.8%	9.2%	6.7%	6.0%	18.4%	2.0%

Notes:



**La Plata County, Colorado**  
**Property Tax Levies and Collections**  
**1994-2003**

Fiscal Year	Year Collected	Total Tax Levy	Current Tax Collection	% of Levy Collected	Delinquent Tax Collections <sup>2</sup>	% of Total Tax Collection	
						Total Tax Collections	To Levy
1993	1994	4,393,077	4,375,430	99.60%	58,081	4,433,511	100.92%
1994	1995	5,310,835	5,284,292	99.50%	27,926	5,312,218	100.03%
1995	1996	6,422,960	6,180,661	96.22% <sup>3</sup>	127,631	6,308,292	98.21%
1996	1997	6,004,182	5,964,455	99.34%	36,342	6,000,797	99.94%
1997	1998	7,804,123	7,781,751	99.71%	(1,498) <sup>4</sup>	7,780,253	99.69%
1998	1999	9,567,946	9,508,662	99.38%	(12,890) <sup>4</sup>	9,495,772	99.25%
1999	2000	9,927,453	9,910,397	99.83%	53,507	9,963,904	100.37%
2000	2001	10,339,617	10,324,889	99.86%	(400) <sup>4</sup>	10,324,489	99.85%
2001	2002	14,871,466	14,851,806 <sup>5</sup>	99.87%	32,287	14,884,093	100.08%
2002	2003	15,976,500	16,130,518	100.96%	101,545	16,232,063	101.60%

(1) Includes General, Road and Bridge, and Social Services Funds, as well as

Home Rule Charter Commission and Local Improvement District funds.

(2) Delinquent taxes are reported in the year collected, not in the year levied.

(3) Major taxpayer in bankruptcy proceedings.

(4) Abatement of prior year's taxes.

(5) \$478 million increase in natural gas valuation resulting in \$4 million additional tax levy.

**La Plata County, Colorado**  
**Assessed and Estimated Actual Value of Taxable Property**  
**(in thousands of \$)**

Assessment Year	Fiscal Year	Real Property		Personal Property		Total		Ratio of Assessed Value to Total Est. Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	1994	393,208	1,837,731 <sup>1</sup>	123,625	290,779	516,833	2,128,510	24.3%
1994	1995	483,597	2,036,377 <sup>1</sup>	141,122	334,500	624,719	2,370,877	26.3%
1995	1996	600,135	2,906,329 <sup>2</sup>	151,928	329,941	752,063	3,236,270	23.2%
1996	1997	548,216	2,936,622 <sup>2</sup>	153,500	334,681	701,716	3,271,303	21.5%
1997	1998	846,622	3,559,084 <sup>3</sup>	74,330	259,280	920,952	3,818,364	24.1%
1998	1999	1,038,643	3,866,269 <sup>3</sup>	86,702	301,440	1,125,344	4,167,709	27.0%
1999	2000	1,069,453	3,828,947 <sup>3</sup>	93,689	335,433	1,163,142	4,164,380	27.9%
2000	2001	1,108,629	3,956,093 <sup>3</sup>	102,625	366,213	1,211,254	4,322,306	28.0%
2001	2002	1,643,281	5,060,577 <sup>4</sup>	101,034	311,140	1,744,315	5,371,717	32.5%
2002	2003	1,768,519	5,687,310 <sup>4</sup>	105,609	364,169	1,874,128	6,051,479	31.0%

Source: La Plata County Assessor's Abstract

- (1) Improved residential property is assessed at 14.34%, commercial property at 29.0%, and oil and gas at 87.5%
- (2) Improved residential property is assessed at 12.86%, commercial property at 29.0%, and oil and gas at 87.5%
- (3) Improved residential property is assessed at 10.36%, commercial property at 29.0%, and oil and gas at 87.5%
- (4) Improved residential property is assessed at 9.74%, commercial property at 29.0%, and oil and gas at 87.5%
- (5) Improved residential property is assessed at 9.15%, commercial property at 29.0%, and oil and gas at 87.5%

**La Plata County, Colorado**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**1994-2003**

Collection Year:	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
La Plata County	mill	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500
	tax \$	4,393,077	5,310,835	6,392,536	6,003,182	7,804,123	9,886,710	10,295,660	14,826,677	12,953,647
<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
	tax \$	274,297	284,603	365,448	379,404	437,191	516,184	587,480	651,163	746,788
Town of Bayfield	mill	8.060	8.060	7.137	6.920	6.600	5.964	5.964	5.950	5.950
	tax \$	43,275	47,589	54,765	62,394	67,972	72,114	72,778	77,784	108,161
Town of Ignacio	mill	5.531	5.531	5.531	5.290	4.321	3.370	3.370	3.370	3.370
	tax \$	12,309	12,660	14,434	13,729	14,441	15,399	15,707	16,066	15,900
<i>School Districts:</i>										
Durango 9R	mill	42.062	37.034	34.793	34.368	27.633	21.500	21.052	15.394	21.553
	tax \$	16,361,690	17,432,517	18,470,470	19,025,202	19,839,119	20,428,405	20,839,916	21,275,601	25,722,113
Bayfield 10R	mill	40.230	62.657	61.867	47.813	39.942	38.766	39.326	28.847	28.100
	tax \$	2,870,580	4,023,583	4,299,587	4,230,790	4,398,083	4,609,886	4,620,310	4,850,340	4,343,404
Ignacio 111T	mill	36.646	32.014	31.155	31.198	22.163	17.429	15.958	8.825	7.598
	tax \$	2,070,080	2,242,781	2,347,902	2,002,825	1,996,225	1,643,467	1,657,096	1,712,965	1,336,895
<i>Special Districts:</i>										
Animas Fire Protection-	mill	0.000	0.000	0.000	0.000	0.000	1.828	1.700	1.230	1.160
Bonded Indebtedness	tax \$	-	-	-	-	-	576,339	594,782	569,446	537,020
Animas Fire Protection	mill	3.060	3.060	8.611	8.325	7.131	4.344	4.539	4.112	5.069
	tax \$	397,022	433,707	1,497,312	1,509,898	1,657,991	1,291,488	1,395,101	1,701,189	2,072,739
Animas La Plata Water	mill	0.407	0.407	0.355	0.400	0.359	0.348	0.362	0.319	0.281
Conservancy	tax \$	87,310	92,852	100,924	118,494	125,937	139,193	148,507	144,336	141,825
Animas Mosquito Control	mill	0.409	0.409	0.409	0.409	0.550	0.550	0.550	0.550	0.990
	tax \$	68,208	71,228	91,207	94,740	151,827	177,660	181,716	200,845	403,036

Table S-11

Collection Year:		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Bayfield Sanitation District A	mill	2,346	0.874	0.679	0.559	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	12,596	5,160	5,151	5,147	-	-	-	-	-	-
Bayfield Sanitation District B	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	-	-	-	-
Bayfield Sanitation District C	mill	6.110	6.146	4.706	4.430	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	2,485	2,520	2,628	2,780	-	-	-	-	-	-
Durango Conference Center Business Improvement Center	mill	0.000	0.000	0.000	0.000	1.500	1.500	1.476	0.000	0.000	1.500
	tax \$	-	-	-	-	105,637	105,401	119,160	-	-	143,457
Durango West Metropolitan I	mill	61.200	61.200	61.200	61.200	61.200	74.450	71.820	71.280	55.140	48.100
	tax \$	63,849	79,654	85,093	89,970	104,871	136,880	141,973	142,982	135,672	137,935
Durango West Metropolitan II	mill	45.100	45.100	38.893	38.893	34.197	33.591	31.483	30.314	28.769	25.120
	tax \$	185,877	207,962	215,794	224,366	207,755	207,507	211,096	209,747	210,036	203,450
Durango Hills Local Improvement	mill	20.379	20.379	20.379	20.379	18.023	19.037	19.019	20.379	18.525	18.404
	tax \$	23,874	25,727	30,424	31,303	34,884	37,626	40,743	43,956	41,007	48,753
Edgemont Ranch Metropolitan	mill	9.756	9.756	7.234	11.034	6.541	6.541	5.874	5.874	5.874	5.874
	tax \$	14,747	13,433	14,791	24,258	16,944	17,731	19,358	20,135	21,339	29,934
El Rancho Florida Metropolitan	mill	16.900	15.068	15.068	14.100	13.900	14.015	12.156	8.672	0.000	0.000
	tax \$	25,104	23,959	26,411	26,157	27,142	27,798	26,611	19,009	-	-
Florida Mosquito Control	mill	0.440	0.420	0.390	0.430	0.370	0.570	0.700	0.700	0.700	0.700
	tax \$	34,431	36,072	38,373	40,760	45,678	84,649	116,542	130,470	195,340	174,119
Florida Water Conservancy	mill	0.366	0.361	0.348	0.345	0.300	0.280	0.280	0.270	0.201	0.185
	tax \$	26,608	29,210	31,568	30,018	33,003	35,755	37,788	40,410	43,421	38,829
Forest Lakes Metropolitan	mill	42.109	42.109	42.109	42.109	35.524	35.524	35.524	35.524	35.524	35.524
	tax \$	180,485	185,643	197,963	214,972	253,351	266,347	287,928	297,521	306,189	354,184
Fort Lewis Fire Protection	mill	5.607	5.607	5.515	5.565	5.565	5.565	5.526	4.768	5.900	5.900
	tax \$	88,391	92,608	98,716	99,704	108,086	107,543	113,312	119,636	156,715	163,299

Table S-11

## Collection Year:

Collection Year:		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Hermosa Cliffs Fire Protection	mill tax \$	10,750 227,850	10,336 244,838	10,491 257,377	10,745 258,870	8,412 249,243	10,745 318,198	10,897 351,009	10,863 346,130	10,650 375,538	9,979 412,564
Hermosa Sanitation	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -
Ignacio Community Library	mill tax \$	0.686 38,751	0.586 41,053	0.586 44,162	0.542 34,795	0.443 39,901	0.346 42,779	0.343 32,266	0.927 96,261	0.560 108,698	1.000 175,954
Ignacio-Oxford-Allison Cemetary	mill tax \$	0.268 9,924	0.260 10,621	0.244 10,618	0.244 9,312	0.244 12,398	0.118 8,029	0.244 14,987	0.244 16,329	0.244 28,850	0.244 26,852
La Plata Community Hospital	mill tax \$	1.206 623,300	Dissolved -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -
La Plata Water Conservancy	mill tax \$	0.332 5,014	0.300 4,717	0.300 4,797	0.320 5,119	0.310 5,345	0.300 5,118	0.285 5,472	0.295 6,509	0.295 6,623	0.295 6,856
Lightner Creek Sanitation	mill tax \$	7.698 18,153	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -
Loma Linda Sanitation	mill tax \$	10.000 13,997	10.000 14,847	10.000 19,824	10.000 20,176	10.000 23,178	10.000 26,450	0.000 -	0.000 -	0.000 -	0.000 -
Los Pinos Fire Protection	mill tax \$	2.784 178,038	2.291 185,368	2.253 197,920	2.210 164,948	1.689 183,186	3.014 456,541	3.378 475,447	3.036 504,365	3.721 1,235,110	3.520 1,028,022
Los Pinos Fire/Mt. Allison	mill tax\$									1.500 19,214	
Pine River Cemetary	mill tax \$	0.400 29,341	0.363 31,257	0.342 30,947	0.342 30,262	0.294 32,373	0.273 33,599	0.273 32,464	0.273 32,074	0.203 34,132	0.186 28,750
Pine River Library	mill tax \$	0.665 46,737	0.611 51,312	0.611 55,288	0.611 54,065	0.541 59,570	0.523 64,368	2.500 297,289	2.500 293,719	2.500 420,351	2.500 386,424
Purgatory Metropolitan	mill tax \$	27.313 176,065	27.313 167,908	27.313 170,354	27.313 170,449	27.313 184,134	27.313 181,758	26.572 207,263	27.313 225,579	27.313 234,196	27.313 271,678
Rafter J Fire Protection	mill tax \$	6.025 24,271	6.025 26,096	5.022 29,087	5.022 30,265	4.424 32,284	4.436 33,012	4.436 33,987	No Special District	No Special District	No Special District

Table S-11

Collection Year:		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
South Durango Sanitation	mill	2.442	2.173	1.574	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	9,980	10,045	10,499	-	-	-	-	-	-	-
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	0.838	0.838	0.838	0.857	0.822	0.822	0.777	0.777	0.777	0.777
	tax \$	13,574	14,244	14,823	15,168	15,483	15,545	15,601	17,867	18,260	18,738
SW Water Conservancy	mill	0.411	0.405	0.395	0.411	0.339	0.321	0.314	0.324	0.260	0.305
	tax \$	212,418	253,045	297,065	290,271	311,246	361,330	365,227	392,446	453,521	464,807
Upper Pine River Fire Protection	mill	2.837	2.640	2.642	2.637	2.307	4.758	4.950	4.950	4.950	4,950
	tax \$	220,794	238,883	258,998	253,164	274,510	631,252	642,375	638,510	931,564	858,753
<b>Total tax to be collected</b>		<b>\$ 29,084,502</b>	<b>\$ 31,948,537</b>	<b>\$ 35,783,256</b>	<b>\$ 35,566,957</b>	<b>\$ 38,853,111</b>	<b>\$ 41,789,266</b>	<b>\$ 42,944,743</b>	<b>\$ 44,002,708</b>	<b>\$ 50,982,974</b>	<b>\$ 53,374,100</b>

Source: La Plata County Assessor's Abstract

**La Plata County, Colorado**  
**Principal Property Taxpayers**  
**For Tax Collection Year 2003**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2002 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
1	BP America	Energy	\$ 358,735,380	23.54%
2	Red Willow Production Co.	Energy	62,656,420	4.11%
3	Chevron Texaco	Energy	58,702,280	3.85%
4	Conoco, Inc	Energy	54,808,460	3.60%
5	XTO Energy Company	Energy	25,283,820	1.66%
6	Burlington Resources	Energy	24,528,260	1.61%
7	Hart Canyon Ltd.	Energy	22,603,410	1.48%
8	44 Canyon LLC	Energy	21,736,120	1.43%
9	Williams Gas Processing	Energy	19,535,650	1.28%
10	S.G. Interests Ltd.	Energy	15,685,620	1.03%
Total Assessed Valuation for 10 largest taxpayers			<u>\$ 664,275,420</u>	<u>43.59%</u>
Total Assessed Valuation for all taxpayers			<u>\$ 1,523,958,500</u>	<u>100.00%</u>

Source: La Plata County Assessor's Office

**Principal Sales Tax Collectors**  
**For Fiscal Year 2003**

	<u>Taxpayer - Type of Business</u>	<u>2002 Sales Tax Collected</u>	<u>Percentage of Total Taxes Collected</u>
1	Retail-General Merchandise	\$ 1,163,702	11.59%
2	Electric Services	383,459	3.82%
3	Retail-Auto Dealer	322,825	3.21%
4	Retail-Building Supplies	281,829	2.81%
5	Communication Company	239,023	2.38%
6	Retail-Food Store	213,835	2.13%
7	Retail-Food Store	197,525	1.97%
8	Retail-Food Store	159,736	1.59%
9	Retail-Building Supplies	156,446	1.56%
10	Retail-Auto Dealer	137,015	1.36%
Total Sales Taxes Collected by 10 Largest Businesses		<u>\$ 3,255,395</u>	<u>32.41%</u>
Total Sales Taxes Collected by All Businesses		<u>\$ 10,044,453</u>	<u>100.00%</u>

Source: Colorado State Department of Revenue

**La Plata County, Colorado**  
**Computation of Legal Debt Margin**  
**As of December 31, 2003**

Assessed Value		<u>\$ 1,874,127,630</u>
Legal Debt Margin:		
Debt limitation - 1.5 percent of total assessed value	\$ 28,111,914	
Debt applicable to limitation:		
Total bonded debt	\$ 1,760,000	
Less: Sales tax revenue bonds	<u>1,760,000</u>	
Total debt applicable to debt limitation	<u>-</u>	
Legal debt margin	<u>\$ 28,111,914</u>	



**La Plata County, Colorado**  
**Ratio of Net General Obligation Bonded Debt**  
**to Assessed Value and Net General Obligation Debt per Capita**  
**1994-2003**

Fiscal Year	Population	Assessed Value <sup>1</sup>	Gross Bonded Debt	Debt Payable		Net Bonded Debt	Ratio of Net Bonded Debt		Net Bonded Debt per capita
				Less Debt Service Fund	from Enterprise Revenue		Bonded Debt to Assessed Value	Debt	
1994	37,056	\$ 516,833	\$ -	\$ -	\$ -	-	0.000%	\$ -	-
1995	38,950	624,140	-	-	-	-	0.000%	-	-
1996	39,933	752,063	-	-	-	-	0.000%	-	-
1997	41,065	706,257	-	-	-	-	0.000%	-	-
1998	42,187	918,132	-	-	-	-	0.000%	-	-
1999	43,344	1,125,641	-	-	-	-	0.000%	-	-
2000	43,941	1,163,142	-	-	-	-	0.000%	-	-
2001	45,384	1,211,254	-	-	-	-	0.000%	-	-
2002	46,579	1,744,315	-	-	-	-	0.000%	-	-
2003	46,793	1,874,128	-	-	-	-	0.000%	-	-

Source: Division of Local Government and U.S. Census Bureau

(1) In thousands.

**La Plata County, Colorado**  
**Ratio of Annual Debt Service Expenditures for General**  
**Obligation Bonded Debt to Total General Government Expenditures**  
**1994-2003**

Fiscal Year	Principal	Interest	Total Debt Service	Total General		Ratio of Debt Service to General Governmental Expenditures
				Governmental Expenditures	Service to General Governmental Expenditures	
1994	\$ -	\$ -	\$ -	\$ 18,616,116		0.00%
1995	-	-	-	21,648,822		0.00%
1996	-	-	-	25,476,942		0.00%
1997	-	-	-	24,378,379		0.00%
1998	-	-	-	23,165,762		0.00%
1999	-	-	-	29,483,295		0.00%
2000	-	-	-	34,241,411		0.00%
2001	-	-	-	34,223,461		0.00%
2002	-	-	-	38,205,033		0.00%
2003	-	-	-	43,624,542		0.00%

**La Plata County, Colorado**  
**Property Tax Rates**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds**  
**As of December 31, 2003**

Jurisdiction	General Obligation Debt	Applicable to La Plata County	
	Outstanding	Percentage	Amount
La Plata County	\$ -	0%	\$ -
<i>Municipalities:</i>			
City of Durango	-	0.00%	-
Town of Bayfield	-	0.00%	-
Town of Ignacio	-	0.00%	-
<i>School Districts:</i>			
Durango 9R	109,150,000	100.00%	109,150,000
Bayfield 10R	18,005,000	99.63%	17,938,382
Ignacio 11JT	-	0.00%	-
<i>Special Districts:</i>			
Animas Fire Protection	5,050,000	100.00%	5,050,000
Animas La Plata Water Conservancy	-	0.00%	-
Animas Mosquito Control	-	0.00%	-
Durango Hills Local Improvement	-	0.00%	-
Durango West Metropolitan I	355,000	100.00%	355,000
Durango West Metropolitan II	1,470,000	100.00%	1,470,000
Edgemont Ranch Metropolitan	-	0.00%	-
El Rancho Florida Metropolitan	-	0.00%	-
Florida Mosquito Control	-	0.00%	-
Florida Water Conservancy	639,000	100.00%	639,000
Forest Lakes Metropolitan	100,000	100.00%	100,000
Fort Lewis Fire Protection	-	0.00%	-
Hermosa Cliffs Fire Protection	1,310,000	100.00%	1,310,000
Hermosa Sanitation	-	0.00%	-
Ignacio Community Library	-	0.00%	-
Ignacio-Oxford-Allison Cemetery	-	0.00%	-
La Plata Water Conservancy	-	0.00%	-
Loma Linda Sanitation	-	0.00%	-
Los Pinos Fire Protection	-	0.00%	-
Pine River Cemetery	-	0.00%	-
Pine River Library	600,000	99.63%	597,780
Purgatory Metropolitan	-	0.00%	-
Rafter J Fire Protection	-	0.00%	-
South Durango Sanitation	-	0.00%	-
SW Colorado TV Translator	-	0.00%	-
SW Water Conservancy	-	0.00%	-
Upper Pine River Fire	1,097,748	100.00%	1,097,748
	<u>\$ 137,776,748</u>		<u>\$ 137,707,910</u>

This does not represent underlying debt obligations of La Plata County Government. It presents debt of all taxing authorities supported by the County's valuation within the County.

This does not denote La Plata County Government, but rather the geographical boundaries of the County.

Source: Individual taxing entities

**La Plata County, Colorado**  
**Sales Tax Revenue Bonds Coverage**  
**1994-2003**

Fiscal Year	Gross Sales Tax Revenue	Revenue Available for Debt Service <sup>1</sup>	Principal	Interest	Total	Coverage
1994	\$ 6,555,775	\$ 4,087,159	\$ 335,000	\$ 361,713	\$ 696,713	5.9
1995	6,927,275	4,403,770	350,000	348,313	698,313	6.3
1996	7,155,122	4,597,953	365,000	333,262	698,262	6.6
1997	7,530,348	4,917,739	380,000	316,655	696,655	7.1
1998	7,930,753	5,258,984	400,000	298,415	698,415	7.5
1999	8,682,717	5,899,846	420,000	278,415	698,415	8.4
2000	9,403,815	6,514,401	1,268,498 <sup>2</sup>	128,498	1,396,996	4.7
2001	9,538,472	6,629,163	485,000	159,226	644,226	10.3
2002	9,675,960	6,746,337	510,000	130,625	640,625	10.5
2003	10,044,453	7,060,385	535,000	107,675	642,675	11.0

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

(2) 1992 Sales Tax revenue bonds refinanced in 2000, with principal reduction.

**La Plata County, Colorado**  
**Demographic Data**  
**1994-2003**

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Population	37,056	38,950	39,933	41,065	42,187	43,344	43,941	45,384	46,579	46,793
Births	437	439	464	410	453	405	440	469	449	522
Deaths	220	234	263	224	257	262	247	301	255	274
Housing units	17,165	18,843	19,237	19,768	20,233	20,747	20,765	21,198	22,144	22,996
Households	13,767	14,599	14,979	15,324	15,716	15,976	17,342	18,140	18,417	18,632
Average household size	2.54	2.54	2.53	2.53	2.53	2.53	2.43	2.43	2.43	2.43
Registered voters	21,292	23,918	27,492	29,373	29,708	30,830	34,245	32,765	32,841	32,600
Employment	20,907	22,043	22,283	22,649	23,209	23,286	23,363	23,174	24,889	25,536
Unemployment	929	1,080	1,135	1,048	1,257	928	915	898	1,139	1,263
Unemployment rate	4.30%	4.70%	4.80%	4.40%	5.10%	3.80%	3.80%	3.70%	4.40%	4.70%
Per capita personal income	\$ 20,536	\$ 21,218	\$ 22,071	\$ 23,252	\$ 24,742	\$ 25,384	\$ 26,517	\$ 28,013	\$ 29,127	N/A

Source: Colorado Division of Local Government, Demographic Section, (1-303-866-4989) in cooperation with the U.S. Bureau of Census  
La Plata County Clerk, Colorado Department of Labor and Employment and Colorado Department of Health

**La Plata County, Colorado**  
**Property Value, Construction and Bank Deposits**  
**1994-2003**

Fiscal Year	New Construction				Total Property Value		Bank Deposits <sup>3</sup>
	Commercial	Residential	<sup>1</sup>		Commercial <sup>2</sup>	Residential	
	# of Permits	Value	# of Permits	Value			
1994	43	\$ 4,617,381	1244	\$ 63,367,917	\$ 604,822,035	\$ 1,304,667,029	\$ 407,404
1995	42	8,339,515	1364	64,267,109	712,815,800	1,714,544,806	444,814
1996	30	2,559,369	1275	59,492,963	1,149,760,132	2,086,509,845	499,551
1997	32	4,360,255	1453	60,674,840	1,056,200,157 <sup>4</sup>	2,265,029,051	526,547
1998	30	3,417,832	1316	54,830,102	1,571,914,415	2,246,450,411	508,206
1999	14	2,162,000	1421	94,387,116	1,785,276,473	2,382,432,238	527,939
2000	26	3,029,000	1175	74,539,345	1,613,353,404	2,708,952,566	535,311
2001	23	1,728,000	1162	84,799,918	2,230,238,968 <sup>5</sup>	3,141,477,670	589,439
2002	36	6,850,000	1154	98,460,042	2,409,420,742	3,642,058,253	669,738
2003	21	2,471,000	1101	100,849,302	2,004,785,029 <sup>6</sup>	4,490,684,768 <sup>6</sup>	687,698

Source: Information on new construction provided by County Building Department. Estimated total property value provided by County Assessor.  
Information on bank deposits provided by Office of Economic Analysis, Ft. Lewis College and Credit Union).

- (1) Includes mobile homes, garages, car ports, storage sheds, etc.
- (2) All property excluding residential
- (3) In thousands of dollars at 12/31/XX
- (4) \$61.8 million decline in oil and gas valuation due to price decline.
- (5) \$479.6 million increase in oil and gas valuation due to price increase
- (6) \$477.3 million decline in oil & gas valuation due to lower prices and production; \$735.2 million increase in residential valuation

**La Plata County, Colorado**  
**Retail Sales by Standard Industrial Classification**  
**1994-2003 (000)**

Type of Business	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Building material	\$ 55,101	\$ 57,923	\$ 58,186	\$ 60,686	\$ 62,967	\$ 61,353	56,489	60,211	51,396	75,589
General merchandise	16,438	27,476	28,045	29,842	63,533	92,120	100,563	100,885	-	109,501
Food stores	80,873	88,561	91,130	98,718	100,775	96,192	88,542	82,516	99,965	95,594
Automotive	78,742	85,421	87,133	94,148	101,223	116,334	143,149	154,134	106,379	117,569
Apparel & accessory	21,037	19,251	19,500	16,007	15,520	13,353	14,583	15,230	17,985	17,182
Furniture	21,790	25,053	25,811	24,486	27,104	32,922	39,338	34,929	14,803	14,965
Miscellaneous	65,800	70,497	80,441	80,863	88,720	83,210	89,109	104,886	152,972	153,393
<i>Total Retail Trade</i>	<i>339,781</i>	<i>374,182</i>	<i>390,246</i>	<i>404,750</i>	<i>459,842</i>	<i>495,484</i>	<i>531,773</i>	<i>552,791</i>	<i>443,500</i>	<i>583,793</i>
Finance, insurance & real estate	4,793	4,170	4,380	7,758	5,291	5,592	5,588	7,409	57,485	36,590
Hotels & lodging	46,525	48,136	47,099	49,549	50,785	49,903	45,977	46,138	6,216	40,700
Eating & drinking	47,794	50,994	52,651	55,556	57,899	57,630	60,374	61,449	40,264	64,841
Other services	63,972	69,099	94,786	89,795	87,532	97,141	117,976	142,379	217,759	159,745
<i>Total Services</i>	<i>163,084</i>	<i>172,399</i>	<i>198,916</i>	<i>202,658</i>	<i>201,507</i>	<i>210,266</i>	<i>229,915</i>	<i>257,375</i>	<i>321,724</i>	<i>301,876</i>
Wholesale trade	35,028	36,730	36,014	35,756	29,283	36,369	44,259	49,970	56,356	74,492
Agriculture	4,830	5,477	5,270	5,803	7,021	6,329	6,628	7,637	1,452	888
Mining	10,098	8,040	5,381	4,059	-	2,223	1,593	3,542	9,107	11,645
Construction	24,584	32,155	32,558	46,542	49,774	39,842	42,712	33,947	28,311	34,226
Manufacturing	12,371	21,792	22,444	16,654	27,078	36,291	45,786	34,757	36,919	32,115
Transp., comm & pub util	47,051	47,750	51,120	49,400	55,537	56,278	72,266	71,202	6,067	5,670
Government	2,084	5,094	2,329	2,312	-	-	-	111	2,674	-
Nonclassifiable	1,222	1,071	3,940	1,679	-	-	-	223	-	-
<i>Total Other Industries</i>	<i>137,268</i>	<i>158,109</i>	<i>159,056</i>	<i>162,205</i>	<i>168,693</i>	<i>177,332</i>	<i>213,244</i>	<i>201,389</i>	<i>140,886</i>	<i>159,036</i>
<b>All Industries</b>	<b>\$ 640,133</b>	<b>\$ 704,690</b>	<b>\$ 748,218</b>	<b>\$ 769,613</b>	<b>\$ 830,042</b>	<b>\$ 883,082</b>	<b>\$ 974,932</b>	<b>\$ 1,011,555</b>	<b>\$ 906,110</b>	<b>\$ 1,044,705</b>

Source: Colorado Department of Revenue, Colorado County and City retail sales by standard industrial classification

\* With the incorporation of the new North American Industrial Classification System (NAICS) categories in 2002, the Eating & Drinking Retail Trade is now included as Retail - Food & Beverage Stores (other classifications may also not be directly comparable)

(1) Decline resulted from national/state recession, drought and wild fires in La Plata County

**La Plata County, Colorado**  
**Tourism and Miscellaneous Data**  
**1994-2003**

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Enplanements/Deplanements <sup>1</sup>										
Durango-La Plata County Airport	193,481	196,073	206,042	206,781	211,454	219,989	182,826	195,625	203,966	175,961
Passengers-Durango & <sup>2</sup>										
Silverton Narrow Gauge RR	203,135	201,696	198,504	193,098	198,434	206,833	206,729	193,028	129,690	161,774
Skier Days- Durango Mtn Resort <sup>3</sup>	302,862	382,839	307,442	341,643	328,705	304,735	237,659	250,000	267,000	268,486
Visitors-Mesa Verde Ntl Park. <sup>4</sup>	699,644	680,833	633,628	648,596	623,510	656,023	471,084	530,540	411,399	460,066
Sales Tax Revenues (in \$) <sup>5</sup>	6,555,775	6,927,275	7,155,722	7,530,347	7,930,753	8,682,717	9,227,022	9,715,464	9,675,960	10,044,453
% change	11.8	5.67	3.3	5.24	5.32	9.48	6.27	5.29	-0.41	3.81
Lodgers' Tax (in \$) <sup>5</sup>	275,302	262,038	260,219	264,767	276,511	267,780	267,193	239,663	144,088	151,723
% change	14.6	-4.82	-0.69	1.75	4.44	-3.16	-0.22	-10.30	-39.88	5.30

Sources: 1) Durango-La Plata County Airport  
2) Durango & Silverton Narrow Gauge RR  
3) Durango Mountain Resort  
4) Mesa Verde National Park  
5) State of Colorado Department of Revenue



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**SINGLE AUDIT  
SECTION**

## **SINGLE AUDIT SECTION**



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

May 27, 2004

Honorable Board of County Commissioners  
La Plata County, Colorado

We have audited the basic financial statements of La Plata County, Colorado as of and for the year ended December 31, 2003, and have issued our report thereon dated May 27, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

La Plata County, Colorado  
May 27, 2004  
Page Two

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, Stankirchner, Davis & Co., P.C.*



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

May 27, 2004

Honorable 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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. 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 requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Honorable Board of County Commissioners  
La Plata County, Colorado  
Page Two

Internal Control Over Compliance

The management of La Plata County, Colorado is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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, Stankrechner, Davis & Co., P.C.*



INDEPENDENT AUDITOR'S REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

May 27, 2004

Honorable Board of County Commissioners  
La Plata County, Colorado

We have audited the basic financial statements of La Plata County, Colorado as of and for the year ended December 31, 2003, and have issued our report thereon dated May 27, 2004. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements of La Plata County, Colorado taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information in this schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

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



**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2003**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Agriculture			
Passed through the Area Agency on Aging			
Nutrition Program for the Elderly	10.570		\$ 18,587
Passed through the Colorado Department of Human Services			
Food Assistance EBT	10.551		1,872,666
Food Assistance Administration	10.561		144,036
TEFAP-Administration	10.568		10,860
TANF-Commodities Received	10.569		24,286
Total Department of Agriculture			<u>2,070,435</u>
Department of Health and Human Services			
Passed through the Area Agency on Aging			
Title III-Special Programs for Aging-Supportive Services	93.044		39,038
Title III-Special Programs for Aging-Nutrition Services	93.045		68,964
Passed through the Colorado Department of Human Services			
Family Preservation	93.556		129,372
TANF	93.558		803,150
Title IV-D, IV-D Administration	93.563		325,331
LEAP	93.568		274,938
CCDF Discretion	93.575		392,113
CCDF	93.596		166,697
Title IV-B, Child Welfare	93.645		18,771
Title IV-E, IV-E Foster Care	93.658		417,534
Adoption	93.659		102,511
Title XX, Block Grant	93.667		215,765
Title IV-E Independent Living	93.674		45,781
Title XIX, Medicaid	93.778		195,254
Passed through the Colorado Department of Local Affairs			
Passed through Housing Solutions for the Southwest			
Direct Senior Services Expenditures	93.031		5,801
Community Services Block Grant-passed through to other agencies	93.031		27,820
Total Department of Health and Human Services			<u>3,228,839</u>
Department of Interior, Bureau of Reclamation			
Utility Relocation (CR 211 Realignment)	15.BBD 02-FC-40-6250		121,932
Reconstruction (CR 211 Realignment)	15.BBD 03-FC-40-2127		478,222
Total Department of Interior			<u>600,154</u>

(Continued next page)

**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2003**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
Department of Agriculture, NRCS			
As a subrecipient of La Plata Conservation District			
Emergency Watershed Protection	10.904	69-8B05-2-79	<u>67,812</u>
Total Department of Agriculture			<u>67,812</u>
Department of Housing and Urban Development			
Passed through the Colorado Department of Local Affairs			
Community Development Block Grant-Region 9 Revolving Loan Fund	14.219	F8CDB98791	<u>384,652</u>
Total Department of Housing and Urban Development			<u>384,652</u>
Federal Emergency Management Agency			
Passed through the Colorado Department of Local Affairs			
FEMA Supplemental			5,770
Emergency Management Assistance	83.552	2EM73934	<u>29,450</u>
Total Federal Emergency Management Agency			<u>35,220</u>
Department of Justice			
Office of Justice Programs			
Grants to Encourage Arrest Policies	16.590	97-WE-VX-0018	19,700
Local Law Enforcement Block Grant	16.592	2002-LB-BX-0942	9,345
Bulletproof Vest Partnership Grant	16.607		5,996
Passed through the Colorado Department of Public Safety			
Sixth Judicial District-Victim's Compensation	16.576		85,019
Juvenile Justice and Delinquency Prevention, OJP, DOJ	16.540	22-JD-07-12	<u>56,735</u>
Total Department of Justice			<u>176,795</u>
Other Federal Assistance			
Office of National Drug Control Policy, Dept of Treasury, Dept of Justice			
HIDTA Funding	None	I2PRMP585	9,107
HIDTA Funding	None	I3PRMP585	174,955
Veterans Affairs	None		-
Disaster Emergency Assistance Funds	None		24,840
Forest Service Reserves	10.665		<u>104,886</u>
Total Other Federal Assistance			<u>313,788</u>
Total Federal Assistance			<u>\$ 6,877,695</u>

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**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2003**

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<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
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Notes to Schedule:

The Schedule of Expenditures of Federal Awards 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 cash basis of accounting.

La Plata County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2003

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I - Summary of Auditor Results

- An unqualified opinion was issued on the County's Basic Financial Statements as of and for the year ended December 31, 2003.
- The audit did not disclose any noncompliance, which is material to the basic financial statements of the County.
- An unqualified opinion was issued on the County's compliance for major programs.
- The audit did not disclose any audit findings, which the auditor is required to report under OMB Circular A-133 Section - .510(a).
- Major programs for the year ended December 31, 2003 were:
  - Food Stamps Cluster CFDA #10.551/10.561
  - Title IV-E, IV-E Foster Care CFDA #93.658
  - Utility Relocation CFDA #15.BBD
  - Community Development Block Grant CFDA #14.219
- A \$300,000 threshold was used to distinguish between Type A and Type B programs.
- The County qualified as a low-risk auditee under OMB Circular A-133 Section .530.

II - Findings under Generally Accepted Government Auditing Standards (GAGAS)

- There are no findings required to be reported in accordance with GAGAS.

III - Findings and questioned costs under OMB Circular A-133

- There are no findings or questioned costs for Federal awards as defined in OMB Circular A-133 Section .510(a).

La Plata County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2003

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There were no prior year audit findings or questioned costs.

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