

# La Plata County, Colorado

Comprehensive Annual Financial Report  
For the Year Ended December 31, 2004



# **LA PLATA COUNTY, COLORADO**

## **Comprehensive Annual Financial Report**

**for the Year Ended December 31, 2004**

Prepared by the La Plata County Finance Department

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# INTRODUCTORY SECTION

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## **INTRODUCTORY SECTION**

**La Plata County, Colorado**  
**Comprehensive Annual Financial Report**  
**For The Year Ended December 31, 2004**

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**(Unaudited)**

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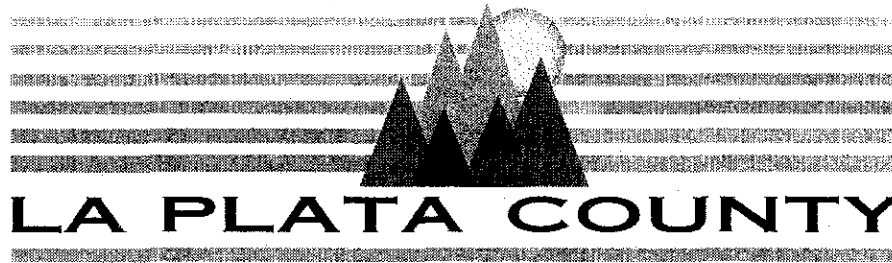
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June 13, 2005

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

State law requires that all general-purpose local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the County (the County) for the fiscal year ended December 31, 2004.

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, 2004 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, 2004 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the CAFR.

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

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

### **Profile of the Government**

The County, incorporated in 1874, is located in the southwestern part of Colorado, and has been experiencing considerable economic and population growth the past 14 years. The County has an area of 1,683 square miles and a population of 47,478 (2004 State Demographer's estimate), an increase of 15,194 (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. There are no term limits on the elected positions other than the Commissioners. 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. The La Plata County Finance Authority was created to provide financing options for office space acquisition and is therefore included as a blended component unit of the County. In contrast, the District Attorney of the Sixth Judicial District is reported as a discrete component unit of the primary government.

**Budgetary Controls.** 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 and the forest fires of 2002. Though County lodgers' tax decreased by 5%, it was still almost 8% above 2002. After the first decline in 14 years in 2002, County sales tax collections increased for the second year in a row, increasing by 10.5% in 2004, surpassing \$11.0 million for the first time. The County building inspection department experienced a 6% decline in number of permits issued in 2004; however, the value of those structures increased by \$10,509,684 million or 10.2% over 2003, 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 and 2004, compared to just over 700 lots in 2002, which was almost double that of previous years. 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 2004 are both ahead of 2003. Further substantiating the County's economic recovery claim is that energy prices, agriculture prices and real estate prices are all higher than in 2003. Accordingly, the general economic health of the County strengthened in 2004 versus 2003.

The **Colorado** economy also gained momentum in 2004, with employment, personal income, construction activity, and consumer spending registering increases. Employment was expected to accelerate because of rising demand and diminishing productivity growth. Wages and salaries are expected to increase because of the tightening labor market. These factors should fuel further gains in retail sales and non-residential construction activity. However, the State's economy remains susceptible to several risks, including rising mortgage rates and shrinking business confidence. In particular, an unexpected run-up in interest rates could constrain consumer spending and new housing construction, and declining business confidence could weaken future hiring plans. Since state employment bottomed out in 2003, 59,100 jobs were added in 2004. Additionally, every labor sector with the exception of information services showed at least moderate gains in the level of employment. However, even with the encouraging trend employment in 2004 remained 44,800 jobs below the peak level recorded in December 2000. Personal income and wages in 2004 increased 5.3% over 2003. Personal income is expected to continue rebounding in 2005. Business confidence actually declined in 2004 notwithstanding the very promising employment and personal income trends. Consumer spending increased by 6.4% in 2004 and is expected to continue this improvement in 2005 and 2006. Construction enjoyed robust growth in 2004 as builders took advantage of the low mortgage rates that proved to be fleeting. Residential construction registered a 15.4% gain in 2004 with gains in both single family and multi-family markets. The Denver-Boulder 2004 inflation rate at 0.1% was the lowest ever, although the consumer price index rose 0.9% in the last half of 2004. In summary, economic conditions in Colorado improved in 2004 with gains registered in employment, personal income, construction activity, and consumer spending. Employment picked up as productivity growth diminished and the tightening labor market is expected to cause wages and salaries to improve.

**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 by the voters 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 \$495,827 in 2004, which was \$133,329 less than in 2003 and about \$612,000 less than in 2002. This reflects the much lower interest rates that have prevailed during 2004 than 2002-2003 and a slight reduction in fund balances.

**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 self insurance 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 2004 the County's elected and appointed officials focused their efforts on the following programs and projects:

- The Board of County Commissioners had a very busy year in 2004 working on issues at the state and local level on matters important to County residents including transportation, human services, oil and gas development and intergovernmental relations.
- The Road and Bridge and Engineering Departments experienced another very productive year: The \$3.8 million CR 213 Animas River Bridge project was completed in November 2004, the first major bridge to be built in La Plata County in 20 years . The project was partially funded with a \$1,200,000 Energy Impact Assistance Fund grant from the Department of Local Affairs. Other achievements: spread 1 million gallons of dust palliative on 162 miles of gravel road, applied 7,000 tons of loose bituminous pavement to asphalt roads, crack sealed 20 miles of asphalt roads, applied 119,000 tons of crushed aggregate on gravel roads, applied chip and seal to 15.5 miles of asphalt roads, and completed 818 hours of departmental training.
- The Assessor completed 100% assessment of new complete buildings and 50% of minor changes on buildings, The assessor also completed the conversion to digital format 500 buildings, which completed the Durango, Bayfield, and Ignacio inventories. The Assessor prepared to make proposals on field collection units and laser measurement devices.
- The Sheriff's Office completed the training for performing polygraph examinations. Special Investigations, working with child protection services, saved 20 children from very risky drug related environments. Special Services served 2,200 civil processes and generated \$42,000 in revenue while preparing 1,364 reports. The School Resource deputy served 1,670 students. The Transport division transported 4,505 prisoners 209,000 miles. The Public Safety division introduced tasers to their inventory to save the lives of at-risk clients and public safety staff. The detentions staff completed and occupied the new 60-bed jail annex and completed the mold cleanup and renovation of the old jail. Alternatives to Incarceration (ATI) supervised 57 offenders and 46 offenders of the Pre-Trial services. ATI also completed an analysis of their programs and reported that there is a 6.1% recidivism rate in the program.
- The Clerk and Recorder conducted the 2004 primary and general elections and trained staff to execute the "Help America Vote Act." All of the official documents in the Clerk's vault going back to 1874 were scanned by a contractor in anticipation of installing 13 public access terminals. Began printing all vehicle titles locally.
- The District Attorney's Office opened 4600 cases in 2004, which was 10% more than the 4,152 in 2003.
- The Finance and Central Services Department generated \$1.95 million in energy impact grants for a courthouse renovation, Bayfield fleet facility and road projects on CRs 213 and 234. Three Local Government Limited Gaming Impact Grants in 2004 of \$613,396 offset road and bridge, sheriff's office and district attorney's capital and operating expenses. The Information Services (IS) division moved IS to the Old Main Post Office Building and completed the installation of TIMs for the Treasurer. IS also completed network connectivity to Bayfield and Ignacio. Facilities and grounds completed the

major mold clean up at the jail and cleaned 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 2004 budget and its 2003 CAFR. It facilitated the issuance of \$3.985 million in certificates of participation. 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, and the furnishing of the new fleet maintenance facility and the renovated offices in the north end of the courthouse basement. The Fleet division completed the task of establishing a capital equipment replacement fund (CERF) and development of the 2005 budget acquiring rolling stock assets through the CERF.

- The Human Services Department collected \$3,079,623 in child support payments in 2004. The department also investigated 350 cases of alleged welfare fraud and 261 cases of child abuse in 2004. Human services continued to expand and improve senior programs at the senior center.
- The Treasurer's office receipted \$53.4 million in collections in 2004 that was apportioned to 33 taxing entities. The treasurer generated \$495,000 in interest earnings on the County's cash assets during 2004, a 21% decrease from the prior year.
- The Community Development Department reviewed 330 Class I, Class II, and oil and gas projects in 2004, exceeding 200 projects for the 11<sup>th</sup> year in a row. The size and complexity of the development projects continues to increase.
- In 2004, the Building Inspection and Emergency Services Department issued 1,064 building permits, a modest 58-permit (5%) decrease from 2003. This entailed five building inspectors providing 5,620 on-site inspections of residential and commercial properties and traveling 102,292 miles to the sites. The additional property added to the tax rolls was \$113,829,986, an increase of \$10.5 million (10%) over 2003. 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. HR conducted a salary survey in 2004 and continued implementation of the pay for performance program. The Department is also leading an effort to review the County's retirement plan and explore other retirement plan options.
- The Fairgrounds staff continued their progress on the execution of the master plan, which included completion of the Fairgrounds south ballfield and design work for facility parking and internal access roads. They hosted the state Mickey Mantle baseball tournament and the Rocky Mountain Horse Expo for the first time. Provided interim space for the Fleet Maintenance function.

## **FUTURE YEARS**

In 2005 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 with major projects on CR 213 and 234. The road maintenance staff will continue its aggressive efforts to keep the County roads at the highest maintenance level possible.
- The Community Development Department will continue attempting to have the new land use code refined and adopted. It will also work with the oil and gas industry on the downspacing of gas wells, going from one well to two per 320 acres. Also, it will continue working on issues such as a Countywide trails system and major development projects like the location of the new hospital east of Durango near Grandview.
- 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 implementing well thought out new technology projects, to include expanding e-government initiatives. One of the major projects planned for 2005 is the implementation of a voice over internet protocol telephone system for most County offices and facilities. The Department will continue to seek and grow revenues outside the County's traditional tax resources like the \$15 million in Energy Impact Grants and the \$4.0 million in Gaming Impact grants that have been garnered in the last twelve years. 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 and on the tax rolls. This prodigious task is made more challenging with the ongoing growth and construction in the County. The Assessor will also work closely with IS, Community Development, 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 lots. The 2005 construction should be the last to complete the master plan.

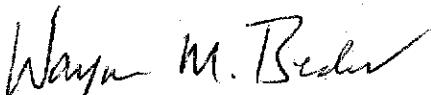
### **Awards and Acknowledgements**

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, 2003. The Certificate of Achievement is a prestigious international award recognizing conformance with the highest standards for preparation of state and local government financial reports.

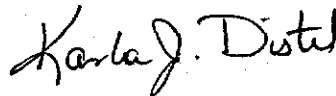
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal 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 fifteen (15) consecutive fiscal years (1989-2003) ended December 31st. We believe the 2004 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 12/31/2004. 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, 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 Division of the Finance and Central Services Department. Each member of the division 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, 2003

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.



*Nancy L. Ziehl*

President

*Jeffrey R. Enen*

Executive Director

## **LIST OF COUNTY OFFICIALS**

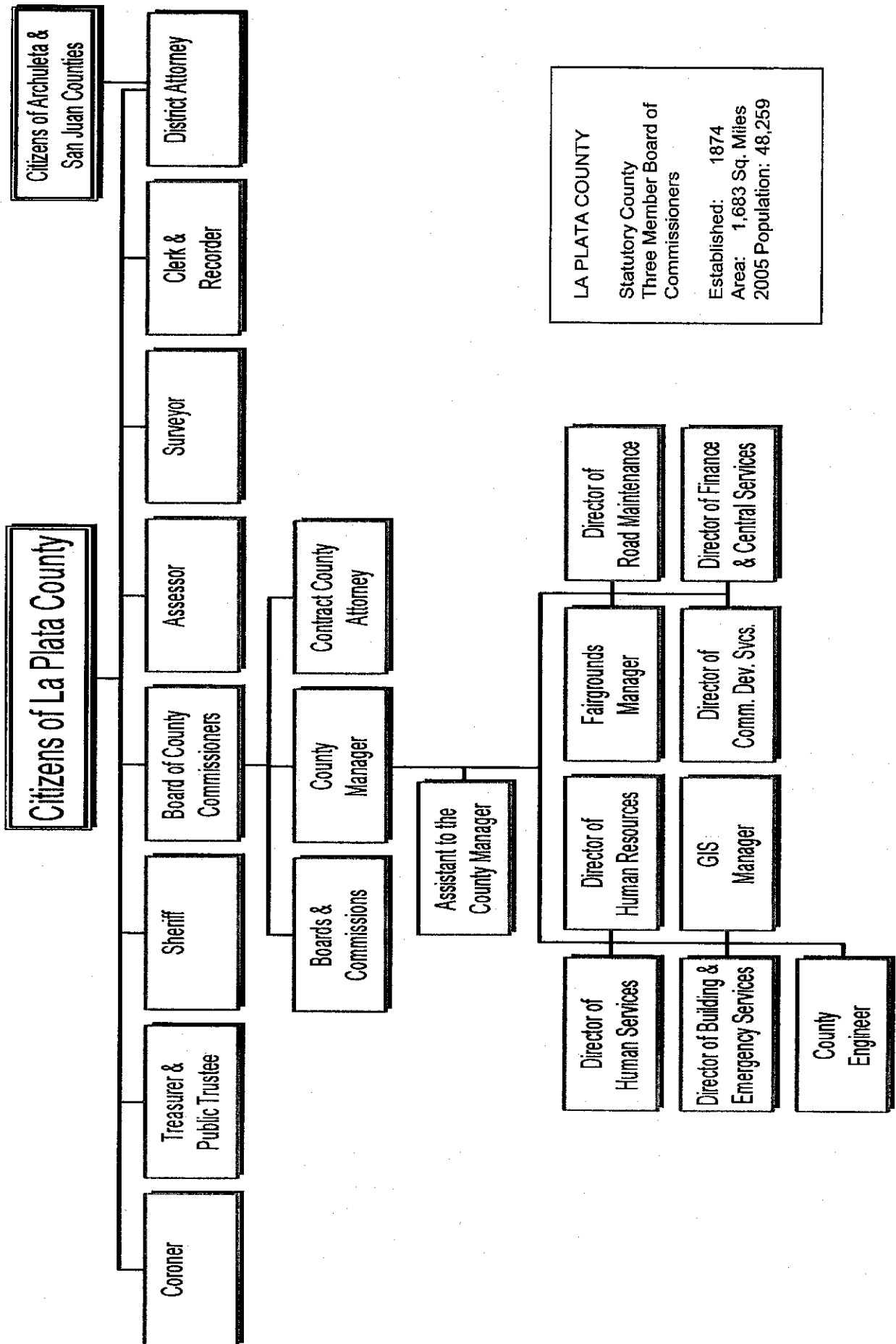
### **ELECTED OFFICIALS**

<u>Title</u>	<u>Name</u>
Commissioner	Sheryl Ayers
Commissioner	Robert A. Lieb
Commissioner	Wallace "Wally" White
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**

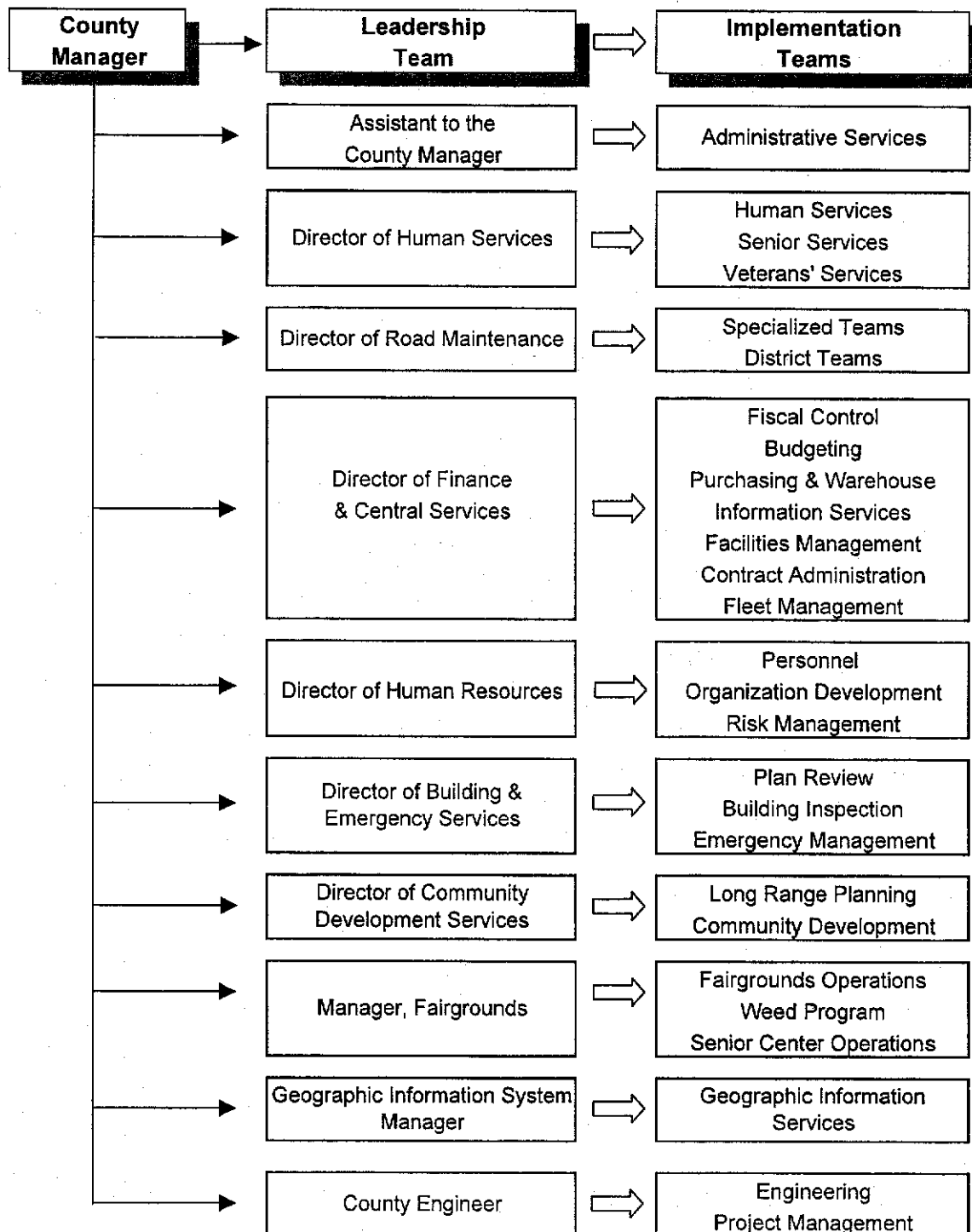
<u>Title</u>	<u>Name</u>
County Manager	Michael Scannell
Manager of Geographic Information Services	Alan Andrews
Manager of the Fairgrounds	Peter Barrington
Director of Finance & Central Services	Wayne Bedor
Director of Social Services	Pat Carlson
County Engineer	Jim Davis
Director of Building & Emergency Services	Butch Knowlton
Director of Community Development Services	Nancy Lauro
Director of Human Resources	Phylis Mattice
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  
 2005 Population: 48,259

## La Plata County Manager Organization Chart





## **FINANCIAL SECTION**



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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

May 25, 2005

Honorable Board of County Commissioners  
La Plata County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of La Plata County, Colorado, as of and for the year ended December 31, 2004, 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, each major fund, and the aggregate discretely presented component unit and remaining fund information of La Plata County, Colorado as of December 31, 2004, 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 25, 2005  
Page Two

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 La Plata County's basic financial statements. The introductory section, individual major fund financial statements presented as supplementary information, 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 individual major fund financial statements presented as supplementary information, 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 25, 2005 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, Steinkirchner, Davis & Co., P.C.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of La Plata County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended December 31, 2004. 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 \$72,305,126 (net assets) for the calendar year reported.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$36,815,975 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 \$18,482,270 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  - (3) Net assets of \$8,372,347 are unrestricted, but are invested in a joint venture.
  - (4) The balance of unrestricted net assets of \$8,634,534 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 \$26,702,598 this year. This compares to the prior year restated ending fund balance of \$29,031,481 showing a decrease of \$2,328,883 during the current year.
- At the end of the current calendar year, unreserved fund balance for the General Fund was \$5,990,174, or 26.7% 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.

### Government-wide Financial Statements

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

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

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

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

The government-wide financial statements are presented on pages 11 & 12 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 13 through 19 of this report.

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

*Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County 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 20-22 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 24 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 budget presentations. Budgetary comparison schedules for all governmental funds can

be found beginning on page 47, as well as combining schedules for non-major funds. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. The County has also chosen to present comparative balance sheets for each of the governmental funds.

#### Financial Analysis of the County as a Whole

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

The County's net assets at calendar year-end are \$72,305,126. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities 2004	Percentage of Total 2004	Governmental Activities 2003
Assets:			
Current assets	\$ 49,297,350	49%	\$ 47,132,143
Investment in joint venture	8,372,347	8%	8,963,342
Capital assets	42,907,848	43%	29,055,951
Total assets	100,577,545	100%	85,151,436
Liabilities:			
Current liabilities	22,380,298	79%	19,024,749
Long-term liabilities	5,892,121	21%	2,458,250
Total liabilities	28,272,419	100%	21,482,999
Net assets:			
Invested in capital assets, net of debt	36,815,975	51%	27,295,951
Restricted	18,482,270	26%	18,000,258
Unrestricted	17,006,881	24%	18,372,228
Total net assets	\$ 72,305,126	100%	\$ 63,668,437

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 2.2 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 2005 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 7.4 to 1, which demonstrates the liquid position of the County.

The County reported positive balances in net assets. Net assets increased \$8,636,689 for governmental activities, which results in a 13.6% increase.

Note that approximately 52% of the governmental activities' net assets are tied up in capital. The County uses these capital assets to provide services to its citizens.

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

Summary of Changes in Net Assets				
2004				
	Governmental Activities	Percentage of Total	2003	Difference
Revenues:				
Program:				
Charges for services	\$ 2,885,302	7%	\$ 4,187,847	\$ (1,302,545)
Operating grants	8,558,442	20%	8,335,012	(223,430)
Capital grants	3,533,185	8%	2,864,900	(668,285)
General:				
Taxes	25,671,890	60%	27,792,046	(2,120,156)
Increase (decrease) in joint venture	(590,995)	-1%	2,562,483	(3,153,478)
Other	2,478,478	6%	1,778,065	700,413
Total revenues	42,536,302	100%	47,520,353	(4,984,051)
Program Expenses:				
General government	6,973,916	20%	7,754,452	780,536
Public safety	10,363,443	30%	10,227,758	(135,685)
Auxiliary services	2,301,220	7%	2,547,884	246,664
Public works	7,692,460	22%	7,998,659	306,199
Health and welfare	4,295,664	12%	4,471,450	175,786
Community programs	2,680,824	8%	2,522,640	(158,184)
Interest	120,222	0%	103,912	(16,310)
Total expenses	34,427,749	100%	35,626,755	1,199,006
Excess (deficiency)	8,108,553		11,893,598	(3,785,045)
Transfers	-		18,211	(18,211)
Change in net assets	8,108,553		11,911,809	\$ (3,803,256)
Beginning net assets	64,196,573		52,284,764	
Ending net assets	\$ 72,305,126		\$ 64,196,573	

## GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes provided 31.2% of the County's total governmental revenues. Sales taxes are the second largest revenue source with over \$11 million of revenues or 26% of the total. Because of the County's healthy financial position, we have been able to earn \$495,827 in interest earnings to support governmental activities. Also, note that program revenues cover 35% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 65% of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

## GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety, general government and the public works functions make up approximately three-fourths 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				
2004				
	Total Cost of Services	Net Cost of Services	2003 Net Cost	Decrease (Increase)
General government	6,973,916	\$ 3,314,751	\$ 2,559,564	\$ (755,187)
Public safety	10,363,443	9,307,097	8,825,470	(481,627)
Auxiliary services	2,301,220	1,555,372	1,542,200	(13,172)
Public works	7,692,460	1,988,028	3,810,695	1,822,667
Health and welfare	4,295,664	964,366	1,286,997	322,631
Community programs	2,680,824	2,200,984	2,110,158	(90,826)
Interest	120,222	120,222	103,912	(16,310)
Total	<u>\$ 34,427,749</u>	<u>\$ 19,450,820</u>	<u>\$ 20,238,996</u>	<u>\$ 788,176</u>

After reducing gross expenses by program revenues, public safety totals 47.5% of the net cost of services and the general government function's net costs are 17.7% of the total net cost of services.

### Financial Analysis of the County's Funds

#### Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$26,702,598. Of this year-end total, \$14,964,326 is unreserved indicating availability for continuing County service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include: \$1,930,946 committed to fund program purposes, \$1,120,000 set aside for emergency purposes, \$433,756 reserved for debt service, and \$7,891,609 committed to capital projects.

The total ending fund balances of governmental funds show a small decrease of \$1,800,747 or 0.06% below 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 decreased by over \$2,236,000. By comparison, in calendar year 2003, the fund balance increased over \$800,000.

Property taxes decreased 20% over that of calendar 2003. This decrease relates to the County's assessed valuation decreasing from \$1,874,127,630 in 2003 to \$1,523,959,000 in 2004 (related to decreased valuation in the oil & gas industry). Sales taxes totaled over \$11 million. State and federal revenues were \$1.2 million above calendar 2003, primarily because the



County was the recipient of several large state and federal grants to improve infrastructure. Most other revenue streams were consistent with that of calendar 2003.

The General Fund's ending unreserved fund balance, although nearly \$2.3 million less than the prior year, is considered more than adequate, representing nearly 16% of 2005 budgeted general fund expenditures.

The road and bridge fund's fund balance increased \$807,696, after a \$4.5 million transfer of sales taxes from the general fund. This fund received over \$1,120,000 less in property taxes in 2004 than 2003, due to the declining assessed valuation, as discussed above. This fund spent nearly \$12 million building, improving and maintaining County roads and bridges. The social services fund spent nearly \$4.2 million in providing services to clients or approximately the same amounts as calendar 2003.

The capital improvement fund balance decreased by \$1,682,058, related to a planned drawdown of the fund balance. The primary source of funding for capital projects is sales taxes. Additionally, the La Plata County Finance Authority issued \$3.985 million in certificates of participation and used the proceeds to purchase office space in close proximity to the County Courthouse.

#### **Budgetary Highlights**

**The General Fund** – The revenue budget was increased \$189 thousand over the original budget. Actual property taxes sales, and other tax collections were over \$1.1 million above the final budget. This increase is primarily related to sales tax collections that were higher than budgeted. Intergovernmental revenues exceeded budget by \$479,199, due in large part to higher than anticipated payment in lieu of taxes and mineral severance allocations.

Charges for services were \$289,765 over the final budget. The largest component of the increased collections can be attributed to jail room & board charges. Investment earnings only met 59% of budget expectations. This reduction relates to a somewhat depressed investment market and some reductions in cash balances.

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 \$662,252 or 2.8%. The general government function was increased nearly \$400,000 from the original projection, the bulk of that increase being related to maintenance expenditures at the recently purchased Old Main Post Office site. The public safety budget was amended upward \$244,015, primarily due to the receipt of a Homeland Security Grant to purchase equipment. The County spent 92% of the final amended general fund budget.

**The Road and Bridge Fund** – The revenue budget for the fund was increased by \$1.1 million, related to the award of federal funds for the reconstruction of CR 211. Total revenue collections were 99% of the final budget. The expenditure budget was increased by nearly \$1 million, but actual expenditures were only 68% of budgeted, since several major road construction projects were deferred into 2005.

**The Capital Improvement Fund** – The actual capital expenditures out of the fund were only 51% of the budgeted amount. This resulted because several of the major capital projects, the fleet facility and the detention facility expansion came in under budget, and other improvements related to the fairgrounds master plan were postponed until 2005. Additionally, \$2.75 million was budgeted as a contingency for office space acquisition, but certificates of participation (COPs) were used instead.

**Capital Assets and Debt Administration**

**Capital Assets**

The County's investment in capital assets, net of accumulated depreciation for governmental activities as of December 31, 2004, was \$42,907,848. The total increase in this net investment was 47.7% 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>2004</b>	<b>2003</b>
Non-depreciable assets:		
Land	\$ 1,906,266	\$ 885,943
Construction in progress	62,300	4,398,432
Total non-depreciable	1,968,566	5,284,375
Depreciable assets:		
Buildings	24,726,380	14,015,108
Improvements	5,312,944	3,876,307
Machinery and equipment	11,294,429	10,704,587
Infrastructure	7,444,767	2,396,093
Total depreciable assets	48,778,520	30,992,095
Less accumulated depreciation	7,839,238	7,220,519
Book value - depreciable assets	40,939,282	23,771,576
Percentage depreciated	16%	23%
Book value - all assets	\$ 42,907,848	\$ 29,055,951

At December 31, 2004, the depreciable capital assets for governmental activities were 16% depreciated. This compares favorably to the December 31, 2003 percentage of 23%. The County completed several major facility acquisitions & constructions in 2004, a positive indicator. In addition, this percentage is considered very low which is also a positive factor.

The major changes to the construction in progress, land and buildings asset classes relates to the following projects:

- A Road and Bridge fleet facility completed in 2004 at a total cost of \$5,029,902, \$2,270,547 moved from construction in progress to buildings.
- An addition to the jail, completed in 2004 at a total cost of \$3,412,604, \$1,956,984 moved from construction in progress to buildings.
- The acquisition of the Old Main Post Office Professional Building with land valued at \$1,020,323 and buildings valued at \$2,244,804.

The County has capitalized our current year infrastructure costs (i.e., eight projects) of over \$5 million including the following major projects:

- Completion of CR 213 Animas River Bridge" 2004 project costs of \$2,865,874
- The reconstruction of CR 521 "Buck Highway" in the amount of \$1,268,116
- The reconstruction of a section of CR 211 to accommodate the federal government construction of the Animas – LaPlata water storage reservoir, at a cost of \$779,541.

### Long-term Debt

At the end of the calendar year, the County had sales tax revenue bonds outstanding of \$1,200,000. These bonds were issued to refinance prior outstanding bonded debt in order to reduce the interest rates and save the County money. The bonds will be paid off entirely in 2006. During the year, the County retired \$560,000 or 31.8% of the beginning outstanding sales tax revenue bonds. Additionally, the La Plata County Finance Authority was incorporated in 2004 solely for the purpose of issuing certificates of participation to purchase downtown real estate to provide office facilities for the County and its component unit, the District Attorney of the Sixth Judicial District.

	Outstanding Borrowings		% Change
	Governmental Activities		
	2004	2003	
Sales tax revenue bonds	\$ 1,200,000	\$ 1,760,000	-31.82%
Certificates of participation	3,985,000	-	
Landfill closure and postclosure care	906,873	575,514	57.58%
Compensated absences	940,330	853,420	10.18%
Total	<u>\$ 7,032,203</u>	<u>\$ 3,188,934</u>	120.52%

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-F.

### Economic Factors and Next Year's Budget

For budget year 2005, the County's assessed valuation increased \$260 million, which will result in \$2.2 million more in property tax collections. The County's 2005 budget has been prepared with consideration of this and other economic factors and community needs, and projects both increased revenues and expenditures for budget year 2005.

### 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, 2004

	Primary Government Governmental Activities	Component Unit
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 364,977	\$ 150,579
Equity in treasurer's cash and investments	24,830,967	-
Restricted cash and investments	117,073	-
Cash held by Trustee	704,285	-
Receivables:		
Accounts	281,258	7,848
Taxes	18,198,405	-
Loans	231,619	-
Intergovernmental	4,056,805	91,393
Due from component unit	150,000	-
Due from primary government	-	110,683
Inventory	361,961	-
Investment in joint venture	8,372,347	-
<b>Capital Assets</b>		
Nondepreciable capital assets	1,968,566	-
Depreciable capital assets, net	40,939,282	75,375
<b>Total Assets</b>	<u>100,577,545</u>	<u>435,878</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	1,355,423	6,346
Accrued expenses	270,836	25,873
Contracts payable	524,136	-
Intergovernmental payable	154,413	-
Accrued interest payable	9,500	-
Due to primary government	-	150,000
Unearned revenue	18,682,199	3,532
Liabilities payable from restricted assets	117,073	-
Claims payable	126,635	-
Compensated absences payable	235,083	13,478
Certificates of participation payable	345,000	-
Sales tax revenue bonds payable	560,000	-
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	705,248	40,433
Landfill closure and post-closure care costs payable	906,873	-
Certificates of participation payable (net of current portion)	3,640,000	-
Sales tax revenue bonds payable (net of current portion)	640,000	-
<b>Total Liabilities</b>	<u>28,272,419</u>	<u>239,662</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	36,815,975	75,375
Restricted for:		
Capital improvements	7,891,609	-
Debt service	433,756	-
Program purposes	9,036,905	-
Emergencies	1,120,000	50,000
Unrestricted	17,006,881	70,841
<b>Total Net Assets</b>	<u>\$ 72,305,126</u>	<u>\$ 196,216</u>

See accompanying notes to the basic financial statements

La Plata County, Colorado  
Statement of Activities  
For the Year Ended December 31, 2004

Function/Program	Net (Expense) Revenue and Changes in Net Assets				Component Unit
	Program Revenues			Capital Grants and Contributions	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest		
Primary Government					
Governmental Activities					
General government	\$ 6,973,916	\$ 1,926,114	\$ 1,733,051	\$ -	\$ (3,314,751)
Public safety	10,363,443	567,003	256,952	232,391	(9,307,097)
Auxiliary services	2,301,220	266,798	179,050	300,000	(1,555,372)
Public works	7,692,460	125,387	2,578,251	3,000,794	(1,988,028)
Health and welfare	4,295,664	-	3,331,298	-	(964,366)
Community programs	2,680,824	-	479,840	-	(2,200,984)
Interest and fiscal charges	120,222	-	-	-	(120,222)
Total Governmental Activities	34,427,749	2,885,302	8,558,442	3,533,185	(19,450,820)
Component Unit					(1,096,753)
Office of the District Attorney	\$ 1,891,889	\$ -	\$ 795,136	\$ -	
General Revenues					
Property taxes levied for general government purposes					14,421,821
Sales taxes					11,099,303
Lodgers taxes					150,766
County aid					-
Increase (decrease) in interest in joint venture					(590,995)
Investment earnings					495,828
Gain (loss) on disposition of assets					(152,835)
Miscellaneous					2,135,485
Total General Revenues					27,559,373
Transfers					-
Total General Revenues and Transfers					27,559,373
Change in Net Assets					8,108,553
Net Assets Beginning of Year -As restated					64,196,573
Net Assets End of Year					\$ 72,305,126
					\$ 196,216

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2004**

	<u>General</u>	<u>Road and Bridge</u>	<u>Social Services</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash	\$ 363,477	\$ 1,100	\$ 400	\$ -	\$ -	\$ 364,977
Equity in treasurer's cash and investments	5,766,931	6,115,894	1,719,886	7,801,791	1,935,793	23,340,295
Restricted cash and investments	51,943	-	65,130	-	-	117,073
Cash held by Trustee	-	-	-	-	704,285	704,285
Receivables:						
Accounts	204,553	17,412	-	59,293	-	281,258
Taxes	15,474,996	1,771,620	896,483	-	55,306	18,198,405
Loans	231,619	-	-	-	-	231,619
Intergovernmental	1,465,878	2,069,394	221,533	300,000	-	4,056,805
Component unit	150,000	-	-	-	-	150,000
Interfund	324,263	-	-	35,876	116,146	476,285
Inventory	60,959	301,002	-	-	-	361,961
<b>Total Assets</b>	<b>\$ 24,094,619</b>	<b>\$ 10,276,422</b>	<b>\$ 2,903,432</b>	<b>\$ 8,196,960</b>	<b>\$ 2,811,530</b>	<b>\$ 48,282,963</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 427,243	\$ 426,062	\$ 223,227	\$ 243,429	\$ 35,462	\$ 1,355,423
Accrued salaries and wages	222,952	47,884	-	-	-	270,836
Contracts payable	-	388,171	-	135,965	-	524,136
Intergovernmental payable	140,860	13,553	-	-	-	154,413
Interfund payable	116,146	-	174,611	-	185,528	476,285
Deferred revenues	15,706,290	1,999,120	896,483	25,000	55,306	18,682,199
Liabilities payable from restricted assets	51,943	-	65,130	-	-	117,073
<b>Total Liabilities</b>	<b>16,665,434</b>	<b>2,874,790</b>	<b>1,359,451</b>	<b>404,394</b>	<b>276,296</b>	<b>21,580,365</b>
<b>Fund Balances</b>						
Reserved for:						
Inventory	60,959	301,002	-	-	-	361,961
Emergencies	-	-	-	-	1,120,000	1,120,000
Program purposes	1,378,052	552,894	-	-	-	1,930,946
Capital improvements	-	-	-	7,792,566	99,043	7,891,609
Debt service	-	-	-	-	433,756	433,756
Unreserved:						
Undesignated, reported in:						
General fund	5,990,174	-	-	-	-	5,990,174
Special revenue funds	-	6,547,736	1,543,981	-	882,435	8,974,152
<b>Total Fund Balances</b>	<b>7,429,185</b>	<b>7,401,632</b>	<b>1,543,981</b>	<b>7,792,566</b>	<b>2,535,234</b>	<b>26,702,598</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 24,094,619</b>	<b>\$ 10,276,422</b>	<b>\$ 2,903,432</b>	<b>\$ 8,196,960</b>	<b>\$ 2,811,530</b>	<b>\$ 48,282,963</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, 2004**

<b>Total Governmental Fund Balances</b>		<b>\$ 26,702,598</b>
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the government-wide statement of net assets, the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	\$ 50,747,086	
Less accumulated depreciation	<u>(7,839,238)</u>	42,907,848
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	\$ (476,285)	
Interfund payables	<u>476,285</u>	-
The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net assets.		
		8,372,347
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.		
Equity in treasurer's cash and investments	\$ 1,490,672	
Claims payable	<u>(126,635)</u>	1,364,037
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.		
		(9,500)
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	\$ (1,200,000)	
Certificates of participation	(3,985,000)	
Landfill closure and post-closure care	(906,873)	
Compensated absences	<u>(940,331)</u>	(7,032,204)
<b>Net Assets Of Governmental Activities</b>		<b><u>\$ 72,305,126</u></b>

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, 2004**

	General	Road and Bridge	Social Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 22,865,141	\$ 1,948,743	\$ 804,106	\$ -	\$ 53,900	\$ 25,671,890
Intergovernmental	2,580,002	5,461,666	3,331,298	466,698	251,963	12,091,627
Licenses and permits	771,160	223,847	-	-	-	995,007
Charges for services	2,700,233	124,737	-	-	-	2,824,970
Fines and forfeitures	4,919	-	-	-	-	4,919
Investment earnings	468,136	-	-	-	12,223	480,359
Miscellaneous	409,421	507,889	167,247	47,152	3,850	1,135,559
<b>Total Revenues</b>	<b>29,799,012</b>	<b>8,266,882</b>	<b>4,302,651</b>	<b>513,850</b>	<b>321,936</b>	<b>43,204,331</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	6,761,975	-	-	-	117,855	6,879,830
Public safety	10,491,246	-	-	-	-	10,491,246
Auxiliary services	2,165,385	-	-	-	-	2,165,385
Public works	56,388	6,200,277	-	-	43,918	6,300,583
Health and welfare	274,188	-	4,162,037	-	-	4,436,225
Community programs	2,680,824	-	-	-	-	2,680,824
Capital Outlay	-	5,777,371	-	6,669,523	3,546,187	15,993,081
<b>Debt Service:</b>						
Principal retirement	-	-	-	-	560,000	560,000
Interest and fiscal charges	-	-	-	-	124,405	124,405
Agent fees	-	-	-	-	250	250
<b>Total Expenditures</b>	<b>22,430,006</b>	<b>11,977,648</b>	<b>4,162,037</b>	<b>6,669,523</b>	<b>4,392,615</b>	<b>49,631,829</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>7,369,006</b>	<b>(3,710,766)</b>	<b>140,614</b>	<b>(6,155,673)</b>	<b>(4,070,679)</b>	<b>(6,427,498)</b>
<b>Other Financing Sources (Uses)</b>						
Sale of capital assets	-	-	-	113,615	-	113,615
Transfers in	1,625,306	4,518,462	7,526	5,000,000	2,784,974	13,936,268
Proceeds of issuance of certificates of participation	-	-	-	-	3,985,000	3,985,000
Transfers out	(11,230,727)	-	-	(640,000)	(2,065,541)	(13,936,268)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,605,421)</b>	<b>4,518,462</b>	<b>7,526</b>	<b>4,473,615</b>	<b>4,704,433</b>	<b>4,098,615</b>
<b>Net Change in Fund Balances</b>	<b>(2,236,415)</b>	<b>807,696</b>	<b>148,140</b>	<b>(1,682,058)</b>	<b>633,754</b>	<b>(2,328,883)</b>
<b>Fund Balances Beginning of Year - As Restated (Note 2D)</b>	<b>9,665,600</b>	<b>6,593,936</b>	<b>1,395,841</b>	<b>9,474,624</b>	<b>1,901,480</b>	<b>29,031,481</b>
<b>Fund Balances End of Year</b>	<b>\$ 7,429,185</b>	<b>\$ 7,401,632</b>	<b>\$ 1,543,981</b>	<b>\$ 7,792,566</b>	<b>\$ 2,535,234</b>	<b>\$ 26,702,598</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, 2004*

Net Changes In Fund Balances - Total Governmental Funds		\$ (2,328,883)	
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	\$ (1,055,546)		
Capital outlay	<u>15,173,893</u>	14,118,347	
Governmental funds do not report the net cost of capital assets disposed of but the cost is reported on the statement of activities		(266,449)	
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities		(590,995)	
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities.			
Transfers in	\$ 13,936,268		
Transfers out	<u>(13,936,268)</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 @ 12/31/04	\$ (9,500)		
Liability @ 12/31/03	<u>13,933</u>	4,433	
The internal service fund used by management to charge 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.		999,902	
The internal service fund investment earnings are not duplicated, therefore, they are not eliminated and are reported in statement of activities		15,469	
The issuance of long-term debt (certificates of participation) provides current financial resources to governments, but has no effect on net assets		(3,985,000)	
The (increase) decrease in landfill closure and postclosure care costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Liability @ 12/31/04	\$ (906,873)		
Liability @ 12/31/03	<u>575,514</u>	(331,359)	
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		560,000	
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Liability @ 12/31/04	\$ (940,332)		
Liability @ 12/31/03	<u>853,420</u>	(86,912)	
Change In Net Assets of Governmental Activities		<u>\$ 8,108,553</u>	
See accompanying notes to the basic financial statements			

**La Plata County, Colorado**  
**General Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 21,751,357	\$ 21,751,357	\$ 22,865,141	\$ 1,113,784
Intergovernmental	1,911,503	2,100,803	2,580,002	479,199
Licenses and permits	658,000	658,000	771,160	113,160
Charges for services	2,410,468	2,410,468	2,700,233	289,765
Fines and forfeitures	3,000	3,000	4,919	1,919
Investment earnings	800,000	800,000	468,136	(331,864)
Miscellaneous	638,613	638,613	409,421	(229,192)
<b>Total Revenues</b>	<b>28,172,941</b>	<b>28,362,241</b>	<b>29,799,012</b>	<b>1,436,771</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	7,524,521	7,921,204	6,761,975	1,159,229
Public safety	10,455,747	10,699,762	10,491,246	208,516
Auxiliary services	2,494,579	2,497,133	2,165,385	331,748
Public works	59,325	78,325	56,388	21,937
Health and welfare	274,188	274,188	274,188	-
Community programs	2,946,469	2,946,469	2,680,824	265,645
<b>Total Expenditures</b>	<b>23,754,829</b>	<b>24,417,081</b>	<b>22,430,006</b>	<b>1,987,075</b>
<b>Excess of Revenues Over Expenditures</b>	<b>4,418,112</b>	<b>3,945,160</b>	<b>7,369,006</b>	<b>(550,304)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,752,124	1,752,124	1,625,306	(126,818)
Transfers out	(11,064,216)	(11,105,021)	(11,230,727)	(125,706)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,312,092)</b>	<b>(9,352,897)</b>	<b>(9,605,421)</b>	<b>(252,524)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (4,893,980)</b>	<b>\$ (5,407,737)</b>	<b>(2,236,415)</b>	<b>\$ (802,828)</b>
<b>Fund Balances Beginning of Year</b>			<b>9,665,600</b>	
<b>Fund Balances End of Year</b>			<b>\$ 7,429,185</b>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Road and Bridge Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes	\$ 1,930,782	\$ 1,930,782	\$ 1,948,743	\$ 17,961
Intergovernmental	4,796,400	5,896,400	5,461,666	(434,734)
Licenses and permits	196,000	196,000	223,847	27,847
Charges for services	71,412	71,412	124,737	53,325
Miscellaneous	229,500	229,500	507,889	278,389
<b>Total Revenues</b>	<b>7,224,094</b>	<b>8,324,094</b>	<b>8,266,882</b>	<b>(57,212)</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Public works</b>				
Maintenance of condition/snow & ice removal	3,829,348	3,784,849	3,379,512	405,337
Flood mitigation/debris removal	428,050	428,050	249,862	178,188
Engineering	723,956	744,461	709,460	35,001
Traffic	290,368	305,368	287,431	17,937
Vehicle garage	919,645	919,645	840,039	79,606
General administration	690,731	690,729	733,973	(43,244)
<b>Capital Outlay</b>	<b>9,862,000</b>	<b>10,813,500</b>	<b>5,777,371</b>	<b>5,036,129</b>
<b>Total Expenditures</b>	<b>16,744,098</b>	<b>17,686,602</b>	<b>11,977,648</b>	<b>5,708,954</b>
<b>(Deficiency) of Revenue (Under) Expenditures</b>	<b>(9,520,004)</b>	<b>(9,362,508)</b>	<b>(3,710,766)</b>	<b>5,651,742</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,533,912	4,533,912	4,518,462	(15,450)
<b>Net Change in Fund Balances</b>	<b>\$ (4,986,092)</b>	<b>\$ (4,828,596)</b>	<b>807,696</b>	<b>\$ 5,636,292</b>
<b>Fund Balances Beginning of Year</b>			<b>6,593,936</b>	
<b>Fund Balances End of Year</b>			<b>\$ 7,401,632</b>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Social Services Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Taxes	\$ 790,435	\$ 790,435	\$ 804,106	\$ 13,671
Intergovernmental	4,777,752	4,777,752	3,331,298	(1,446,454)
Miscellaneous	-	-	167,247	167,247
<b>Total Revenues</b>	<b>5,568,187</b>	<b>5,568,187</b>	<b>4,302,651</b>	<b>(1,265,536)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Health and welfare	5,852,203	5,852,203	4,162,037	1,690,166
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(284,016)</b>	<b>(284,016)</b>	<b>140,614</b>	<b>424,630</b>
<b>Other Financing Sources</b>				
Transfers in	13,824	13,824	7,526	(6,298)
<b>Net Change in Fund Balances</b>	<b>\$ (270,192)</b>	<b>\$ (270,192)</b>	<b>148,140</b>	<b>\$ 418,332</b>
<b>Fund Balances Beginning of Year</b>			<u>1,395,841</u>	
<b>Fund Balances End of Year</b>			<u>\$ 1,543,981</u>	

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Statement of Net Assets**  
**Internal Service Fund**  
**December 31, 2004**

	<u>Governmental Activities</u>
<b>Assets</b>	
<b>Current Assets:</b>	
Equity in pooled cash and investments	<u>\$ 1,490,672</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accrued incurred/unreported claims	<u>126,635</u>
<b>Net Assets</b>	
Unrestricted	<u>\$ 1,364,037</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, 2004**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating Revenues</b>	
Insurance deposits	\$ 2,071,945
<b>Operating Expenses</b>	
Medical claims	1,072,043
<b>Operating Income</b>	999,902
<b>Non-Operating Revenues</b>	
Investment earnings	15,469
<b>Change in Net Assets</b>	1,015,371
<b>Net Assets Beginning of Year</b>	348,666
<b>Net Assets End of Year</b>	<u>\$ 1,364,037</u>

See accompanying notes to the basic financial statements



**La Plata County, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2004**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 2,073,203
Cash payments for claims	<u>(1,428,331)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>644,872</u>
<b>Cash Flows from Investing Activities</b>	
Investment earnings	<u>15,469</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	660,341
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>830,331</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 1,490,672</u></u>
 <b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>	
<b>Operating Income</b>	\$ 999,902
<b>(Increase) Decrease in Assets:</b>	
Accounts receivable	1,258
<b>Increase (Decrease) in Liabilities:</b>	
Claims payable	<u>(356,288)</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 644,872</u></u>
 See accompanying notes to the basic financial statements	

**La Plata County, Colorado**  
**Comparative Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 1,732,257</u>	<u>\$ 1,672,365</u>
<b>Liabilities</b>		
Accounts payable	\$ 75,521	\$ 75,168
Due to component unit	110,953	44,791
Deposits held for others	<u>1,545,783</u>	<u>1,552,406</u>
<b>Total Liabilities</b>	<u>\$ 1,732,257</u>	<u>\$ 1,672,365</u>

See accompanying notes to the basic financial statements

**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

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**La Plata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

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 units follows:

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

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

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Authority was incorporated as a nonprofit corporation in the State of Colorado in 2004. The purpose of the Authority is to facilitate financing for the County (see Note 4-H). Although the Authority is a separate legal entity, for financial reporting purposes it is considered part of the County and is reported in the La Plata County Finance Authority Debt Service and Capital Projects Funds.

A brief description of the discretely presented component unit follows:

The *Office of the District Attorney of the Sixth Judicial District (the DA)*, a legally separate entity from the County, is governed by a separately elected District Attorney, however the DA'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 DA's activities, it is considered fiscally dependent upon the County. The DA does not issue separate financial statements.

***I-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

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financial statements are provided for governmental and proprietary funds.

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

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

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

**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 of the District Attorney maintains four governmental funds, all reported as major funds. The following are descriptions of these funds:

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

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***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.

***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

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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 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



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Statutes require that any public depository which accepts and holds public funds maintain, as security for public 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 \$65,130 and La Plata County jail inmate commissary funds of \$51,943.

***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 and 2004. The County has capitalized roads and infrastructure prospectively, beginning January 1, 2003. All other roads and infrastructure will be retroactively 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.

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

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

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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.

**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 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 funds reported in the governmental 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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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**

The restatement of the 12/31/2003 fund balance of the Social Services fund, a result of reclassifying a previously deferred revenue 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	Social Services Fund
Fund equity December 31, 2003, as originally reported	\$ 26,601,865	\$ 1,901,480	\$ 28,503,345	\$ 867,705
Adjustment in Social Services Fund Reclassify deferred revenue to equity	528,136	-	528,136	528,136
Fund equity December 31, 2003, as restated	<u>\$ 27,130,001</u>	<u>\$ 1,901,480</u>	<u>\$ 29,031,481</u>	<u>\$ 1,395,841</u>

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

**3-A. Budgetary Information** – Colorado State Statutes require the adoption of annual budgets for all funds, including enterprise funds.

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 2004.

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

Because the La Plata Finance Authority was incorporated mid-year, no budget and corresponding appropriation were adopted or are reported for the Finance Authority Capital Projects fund and Finance Authority Debt Service fund. However, all capital acquisition and debt service activities of the Authority were authorized by resolution of the Board of County Commissioners.

**La Plata County, Colorado**  
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**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 \$2,788,022 and the bank balance was \$3,706,324. Of the bank balance, \$406,401 was covered by federal depository insurance and \$3,299,923 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 \$149,579 and the bank balance was \$229,265. Of the bank balance, \$100,000 was covered by federal depository insurance and \$129,265 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	\$ -	\$ -	\$ 496,900	\$ 496,900
Other U.S. Governmental Agencies Securities	-	-	17,752,092	17,752,092
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,248,992</u>	<u>\$ 18,248,992</u>
Cash management account-held by Trustee				315,244
Investments in local government investment pools				
Colo-Trust				2,624,269
C-Safe				1,812,649
C-Safe Employee Health				1,497,842
Governmental Asset Pool				329
Colorado Diversified Trust				<u>319,408</u>
Total				<u>\$ 24,818,733</u>

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**Note 4-A. Deposits and Investments (Continued)**

**Cash & Investment Reconciliation:**

	Cash and Cash Equivalents	Description	Carrying Amounts
Fund Reporting Level:			
Governmental Funds - Balance Sheet			
Cash	\$ 364,977	Deposits	\$ 2,788,022
Equity in treasurer's cash and investments	23,340,295	Investments	<u>24,818,733</u>
Cash held by Trustee	704,285		
Restricted cash and investments	117,073		
Proprietary Fund Type Statement of Net Assets	1,490,672	Total	<u>\$ 27,606,755</u>
Statement of Fiduciary Assets and Liabilities	1,732,257		
Less cash on hand and petty cash	(126,475)		
Less interest receivable	<u>(16,329)</u>		
Total	<u>\$ 27,606,755</u>		

**4-B. Receivables**

Receivables at December 31, 2004, 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.

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**4-D. Capital Assets**

Capital asset activity for the year ended December 31, 2004, was as follows:

	Adjusted Balance 01/1/2004	Additions	Deductions	Balance 12/31/2004
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 885,943	\$ 1,020,323	\$ -	\$ 1,906,266
Construction in progress	4,398,432	62,300	4,398,432	62,300
Total capital assets not being depreciated	5,284,375	1,082,623	4,398,432	1,968,566
Depreciable capital assets:				
Buildings	14,015,108	10,711,272	-	24,726,380
Improvements	3,876,307	1,436,637	-	5,312,944
Machinery and equipment	10,704,587	1,293,119	703,277	11,294,429
Infrastructure	2,396,093	5,048,674	-	7,444,767
Total depreciable capital assets	30,992,095	18,489,702	703,277	48,778,520
Total capital assets	36,276,470	19,572,325	5,101,709	50,747,086
Accumulated depreciation:				
Buildings	3,767,158	301,253	-	4,068,411
Improvements	159,677	125,310	-	284,987
Machinery and equipment	3,253,749	504,904	436,827	3,321,826
Infrastructure	39,935	124,079	-	164,014
Total accumulated depreciation	7,220,519	1,055,546	436,827	7,839,238
Governmental activities capital assets, net	\$ 29,055,951	\$ 18,516,779	\$ 4,664,882	\$ 42,907,848
Governmental activities depreciation expense				
General government		\$ 204,573		
Public safety		203,256		
Auxiliary services		189,921		
Public works		453,066		
Health and welfare		4,730		
Total governmental activities depreciation expense		\$ 1,055,546		

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**Note 4-D. Capital Assets (Continued)**

	Balance 01/1/2004	Additions	Deductions	Balance 12/31/2004
Discretely presented component unit:				
Depreciable capital assets:				
Machinery and equipment	\$ 108,566	\$ 20,850	\$ 20,241	\$ 109,175
Less accumulated depreciation	31,371	8,867	6,438	33,800
Component units capital assets, net	<u>\$ 77,195</u>	<u>\$ 11,983</u>	<u>\$ 13,803</u>	<u>\$ 75,375</u>

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

Interfund balances at December 31, 2004, 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	\$ -	\$ 174,611	\$ 149,652	\$ 324,263
Social services fund	-		-	-
Capital projects fund	-		35,876	35,876
Non-major governmental funds	116,146	-	-	116,146
Total	<u>\$ 116,146</u>	<u>\$ 174,611</u>	<u>\$ 185,528</u>	<u>\$ 476,285</u>

Interfund transfers for the year ended December 31, 2004, consisted of the following:



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**Note 4-E. Interfund Balances and Transfers (Continued)**

Transfer to	Transfers From:			Total
	General fund	Capital projects funds	Non-major governmental fund	
General fund	\$ -	\$ -	\$ 1,625,306	\$ 1,625,306
Road and bridge fund	4,500,000	-	18,462	4,518,462
Social services fund	-	-	7,526	7,526
Capital projects fund	5,000,000	-	-	5,000,000
Non-major governmental funds	1,730,727	640,000	414,247	2,784,974
Totals	<u>\$ 11,230,727</u>	<u>\$ 640,000</u>	<u>\$ 2,065,541</u>	<u>\$ 13,936,268</u>

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

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

**Note 4-F - 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 \$906,873 as of December 31, 2004, which is based on the following assumptions:

Landfill Sites	Estimated Closure and Postclosure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$38,486	100%	\$38,486
Marvel	38,122	100%	38,122
Van-Dal	337,424	100%	337,424
Bayfield	492,841	100%	492,841
Totals	<u>\$906,873</u>		<u>\$906,873</u>

The estimated total current cost of the landfill closure and postclosure care of \$906,873 is based on the amount that

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would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2004. 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.

**4-G. 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.

**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, 2004 follow:

Year	Principal	Interest	Total
2005	\$ 585,000	\$ 57,000	\$ 642,000
2006	615,000	29,213	644,213
Total	<u>\$ 1,200,000</u>	<u>\$ 86,213</u>	<u>\$ 1,286,213</u>

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

Interest rates on the Certificates of Participation (COPs) range from 2.00% to 3.750%. Funding to be provided for by base rentals paid by the County to the Authority. Annual debt service requirements to amortize all obligations as of December 31, 2004 follow:

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**4-H. Long-Term Debt (Continued)**

Year	Principal	Interest	Total
2005	\$ 345,000	\$ 116,959	\$ 461,959
2006	355,000	109,959	464,959
2007	360,000	102,089	462,089
2008	375,000	92,613	467,613
2009	385,000	81,681	466,681
2010-2014	2,165,000	201,833	2,366,833
	<u>\$ 3,985,000</u>	<u>\$ 705,134</u>	<u>\$ 4,690,134</u>

**Changes in Long-term Debt** - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2004:

	Outstanding			Outstanding	Amounts Due
	1/1/2004	Additions	Reductions	12/31/2004	in One Year
Governmental Activities					
2000 sales tax revenue bonds	\$ 1,760,000	\$ -	\$ 560,000	\$ 1,200,000	\$ 585,000
Compensated absences	853,419	1,476,684	1,389,773	940,330	235,083
Certificates of Participation	-	3,985,000	-	3,985,000	345,000
Landfill closure and postclosure care costs	575,514	331,359	-	906,873	52,500
Total Governmental Activities	<u>\$ 3,188,933</u>	<u>\$ 5,793,043</u>	<u>\$ 1,949,773</u>	<u>\$ 7,032,203</u>	<u>\$ 1,217,583</u>
Component Unit:					
Compensated absences	<u>\$ 38,961</u>	<u>\$ 14,950</u>	<u>\$ -</u>	<u>\$ 53,911</u>	<u>\$ 13,478</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 certificates of participation will be paid in the form of annual base rentals paid by the County's governmental funds. The compensated absences liability will be paid from the fund from which the employees' salaries are paid.

**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, 2004, the amount of defeased debt outstanding totaled \$2,440,000 for the 1992 Sales Tax Revenue Refunding Bonds and \$1,855,000 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.,

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pursuant to a loan agreement. The agreement requires the Project to repay the loan in monthly installments in amounts corresponding to the principal and interest payments as the same become due on the bonds. 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, 2004 is \$11,845,000.

**4-I. Capital Leases**

The County entered into a Lease Purchase agreement with the La Plata County Finance Authority on July 1, 2004. The La Plata County Finance Authority was incorporated in July, 2004 as a Colorado nonprofit corporation to facilitate the financing of County facilities. Pursuant to an annually terminable lease purchase agreement, the Authority issued \$3,985,000 certificates of participation, dated July 29, 2004. Proceeds from the issue are reserved for debt service and principal and interest payments are accounted for in the La Plata County Finance Authority Debt Service Fund.

The County has agreed to pay base rentals from annually appropriated funds. The County is responsible for the maintenance and management of the purchased facility during the course of the lease. The lease agreements are in accordance with Colorado law as to being subject to annual appropriation by the County. The County intends to annually appropriate for the lease payments. A \$398,500 reserve is held by a trustee, as required by the agreement. Interest rates range from 2% to 3.75% payable semiannually on June 1 and December 1.

The assets acquired through the capital lease are as follows:

	Governmental Activities
Asset:	
Land, not depreciated	\$ 1,020,323
Building	2,150,351
	<u>3,170,674</u>
Less accumulated depreciation	0
Total	<u><u>\$ 3,170,674</u></u>

A schedule, by years, of future minimum lease payments under the lease agreement, together with the present value of the net minimum lease payments as of December 31, 2004 follows:

Year	Facility Lease
2005	\$ 461,959
2006	464,959
2007	462,089
2008	467,613
2009	466,681
2010-2014	2,366,833
Total minimum lease payments	<u>4,690,134</u>
Less amounts representing interest	(705,134)
Present value of minimum lease payments	<u><u>\$ 3,985,000</u></u>

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

**4-J. 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 calendar 2004 was \$14,532,958. The County's contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$13,322,121. Both the County and the covered employees made the required contributions, amounting to \$666,107 (5%) from the County and \$666,107 (5%) from employees, or \$1,332,214 total.

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

**Net Assets** - Net assets on the government-wide statement of net assets as of December 31, 2004 are as follows:

	Governmental Activities	Discretely Presented Component Unit
Investments in capital assets, net of related debt:		
Cost of capital assets	\$ 50,747,086	\$ 109,175
Less accumulated depreciation	7,839,238	33,800
Book value	42,907,848	75,375
Less capital related debt	6,091,873	-
Investments in capital assets, net of related debt	<u>\$ 36,815,975</u>	<u>\$ 75,375</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

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amendment to the State Constitution known as the Taxpayer's Bill of Rights (TABOR). The amendment is a tax limitation, revenue and spending limitation and a debt limitation. This amendment requires that the County reserve a certain percentage of its fiscal year spending, as defined in the amendment, for declared emergencies. Emergency, as defined in the amendment, excludes economic conditions, revenue shortfalls or salary or fringe benefits increases. For 2004, 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 \$126,635 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, 2004 and the amount of the loss can be reasonably estimated.

Changes in the funds claims liability amount in calendar 2004 and 2003 were:

	<u>2004</u>	<u>2003</u>
Liability at January 1	\$ 482,923	\$ 624,254
Current year claims & changes in estimates	715,755	1,448,673
Claim Payments	<u>1,072,043</u>	<u>1,590,004</u>
Balance at December 31	<u>\$ 126,635</u>	<u>\$ 482,923</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.

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**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 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, 2004. 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 2004, funding by the County for both responsibilities totaled \$177,893.

**LaPlata County, Colorado**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2004**

*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.

*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 #4384	11/29/2002-12/31/2005	\$362,000	\$600,000	Assistance with post-fire mudslides
EIAF #4559	04/06/2004-11/30/2005	1,869,030	300,000	Reconstruction of a section of CR 234
EIAF #4645	04/22/2004-11/30/2005	1,000,000	600,000	Repaving of a section of CR 213
EIAF #4734	10/06/2004-12/31/2005	490,000	500,000	Repaving of a section of CR 234
EIAF #4819	12/17/2004-01/31/2006	918,088	600,000	Reconstruction of a section of CR 213
EIAF #4820	12/17/2004-01/31/2006	250,000	250,000	Renovation of a portion of the County Courthouse
LGGF #04-375	12/08/2004-12/31/2005	73,807	295,223	Sheriff Public Safety
LGGF #04-377	12/09/2004-12/31/2005	0	35,329	District attorney
LGGF #04-376	12/08/2004-12/31/2005	548,000	275,000	Road Improvements
Totals		<u>\$5,510,925</u>	<u>\$3,455,552</u>	

**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 Durango-LaPlata County Airport was \$8,372,347 at December 31, 2004. 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, 2004.

**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.



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**For the Year Ended December 31, 2004**

**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 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:

<b>CFDA &amp; Program</b>	<b>Subgrantee</b>	<b>Amount Awarded</b>
93.031--Community Services Block Grant	San Juan Basin Health	\$10,572
93.031--Community Services Block Grant	Volunteers of America	945
14.219--Community Development Block Grant	Region 9 Economic Development District	468,323
85.564--Community Emergency Response Teams	Town of Ignacio CERT	1,343
		<u>\$481,183</u>

**La Plata County, Colorado**  
**Combining Balance Sheet - by Fund Type**  
**Nonmajor Governmental Funds**  
**December 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in treasurer's cash and investments	1,901,284	-	34,509	1,935,793
Cash held by Trustee	-	305,038	399,247	704,285
Receivables:				
Property taxes	55,306	-	-	55,306
Interfund	116,146	-	-	116,146
<b>Total Assets</b>	<b>\$ 2,072,736</b>	<b>\$ 305,038</b>	<b>\$ 433,756</b>	<b>\$ 2,811,530</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 14,995	\$ 20,467	\$ -	\$ 35,462
Interfund payable	-	185,528	-	185,528
Deferred revenues	55,306	-	-	55,306
<b>Total Liabilities</b>	<b>70,301</b>	<b>205,995</b>	<b>-</b>	<b>276,296</b>
<b>Fund Balances</b>				
Reserved for:				
Emergencies	1,120,000	-	-	1,120,000
Debt service	-	-	433,756	433,756
Capital projects	-	99,043	-	99,043
Unreserved, undesignated	882,435	-	-	882,435
<b>Total Fund Balances</b>	<b>2,002,435</b>	<b>99,043</b>	<b>433,756</b>	<b>2,535,234</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,072,736</b>	<b>\$ 305,038</b>	<b>\$ 433,756</b>	<b>\$ 2,811,530</b>

La Plata County, Colorado  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - by Fund Type  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 53,900	\$ -	\$ -	\$ 53,900
Intergovernmental	251,963	-	-	251,963
Investment earnings	8,405	1,778	2,040	12,223
Miscellaneous	3,850	-	-	3,850
<b>Total Revenues</b>	<b>318,118</b>	<b>1,778</b>	<b>2,040</b>	<b>321,936</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	117,855	-	-	117,855
Public works	43,918	-	-	43,918
<b>Capital Outlay</b>	<b>57,699</b>	<b>3,488,488</b>	<b>-</b>	<b>3,546,187</b>
<b>Debt Service:</b>				
Principal retirement	-	-	560,000	560,000
Interest and fiscal charges	-	-	124,405	124,405
Agent fees	-	-	250	250
<b>Total Expenditures</b>	<b>219,472</b>	<b>3,488,488</b>	<b>684,655</b>	<b>4,392,615</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>98,646</b>	<b>(3,486,710)</b>	<b>(682,615)</b>	<b>(4,070,679)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,704,922	-	1,080,052	2,784,974
Proceeds of certificates of participation	-	3,985,000	-	3,985,000
Transfers out	(1,666,294)	(399,247)	-	(2,065,541)
<b>Total Other Financing Sources (Uses)</b>	<b>38,628</b>	<b>3,585,753</b>	<b>1,080,052</b>	<b>4,704,433</b>
<b>Net Change in Fund Balances</b>	<b>137,274</b>	<b>99,043</b>	<b>397,437</b>	<b>633,754</b>
<b>Fund Balances Beginning of Year</b>	<b>1,865,161</b>	<b>-</b>	<b>36,319</b>	<b>1,901,480</b>
<b>Fund Balances End of Year</b>	<b>\$ 2,002,435</b>	<b>\$ 99,043</b>	<b>\$ 433,756</b>	<b>\$ 2,535,234</b>

**La Plata County, Colorado**  
**General Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash and cash deposits	\$ 363,477	\$ 390,856
Equity in treasurer's cash and investments	5,766,931	8,783,281
Restricted cash and investments	51,943	33,095
Receivables:		
Accounts	204,553	224,655
Property taxes	15,474,996	10,480,263
Loans	231,619	118,288
Intergovernmental	1,465,878	1,146,168
Component unit	150,000	100,000
Interfund	324,263	107,591
Inventory	60,959	62,109
<b>Total Assets</b>	<u><u>\$ 24,094,619</u></u>	<u><u>\$ 21,446,306</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 427,243	\$ 555,045
Accrued salaries and benefits	222,952	125,690
Intergovernmental payable	140,860	206,660
Interfund payable	116,146	110,941
Deferred revenue	15,706,290	10,749,275
Liabilities payable from restricted assets	51,943	33,095
<b>Total Liabilities</b>	<u>16,665,434</u>	<u>11,780,706</u>
<b>Fund Balances</b>		
Reserved for:		
Inventory	60,959	62,109
Public trustee	24,311	24,121
Prisoner commissary	18,416	18,210
Law enforcement	364,512	383,261
Revolving loan activities	379,331	404,639
Conservation trust	591,482	484,507
Unreserved, undesignated	5,990,174	8,288,753
<b>Total Fund Balances</b>	<u>7,429,185</u>	<u>9,665,600</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 24,094,619</u></u>	<u><u>\$ 21,446,306</u></u>

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2004  
(With Comparative Actual Amounts for Year Ended December 31, 2003)

	2004				
	Budget		Actual	Variance Favorable (Unfavorable)	2003 Actual
	As Adopted	Final			
<b>Revenues:</b>					
<b>Taxes</b>					
General property & delinquent taxes	\$ 10,285,657	\$ 10,285,657	\$ 10,509,590	\$ 223,933	\$ 12,355,592
Specific ownership	1,057,200	1,057,200	1,105,482	48,282	1,138,229
Sales tax	10,248,500	10,248,500	11,099,303	850,803	10,044,453
Lodger's tax	160,000	160,000	150,766	(9,234)	158,741
<b>Total Taxes</b>	<b>21,751,357</b>	<b>21,751,357</b>	<b>22,865,141</b>	<b>1,113,784</b>	<b>23,697,015</b>
<b>Intergovernmental Revenue</b>					
Federal Revenue:					
Payment In Lieu of Taxes	382,500	382,500	536,066	153,566	510,549
Local Law Enforcement Block Grant	9,000	9,000	-	(9,000)	9,345
Senior Services-Older American Act	103,002	103,002	144,963	41,961	174,878
Senior Services-USDA	13,000	13,000	20,305	7,305	13,965
HIDTA grant	203,701	203,701	186,437	(17,264)	184,062
Bulletproof vest grant	4,000	4,000	3,421	(579)	5,996
Homeland Security	-	189,300	183,071	(6,229)	-
State Revenues:					
Office of Emergency Management	8,000	8,000	33,662	25,662	35,220
Minority Over Representation Grant	-	-	-	-	56,735
Lottery Funds	175,000	175,000	242,694	67,694	250,704
Community Services Block Grant-passed thru	23,000	23,000	11,517	(11,483)	27,820
Community Services Block Grant-for Sr. Svcs	5,000	5,000	12	(4,988)	5,801
Community Development Block Grant	500,000	500,000	468,323	(31,677)	384,662
Emergency Medical Services Grant	16,000	16,000	-	(16,000)	-
Juvenile Accountability Incentive Block	9,800	9,800	-	(9,800)	-
VALE Grant	2,500	2,500	5,000	2,500	1,250
Cigarette taxes	26,500	26,500	29,150	2,650	29,263
Search and rescue monies	5,000	5,000	18,432	13,432	650
Search and rescue tier III	12,000	12,000	-	(12,000)	6,520
Mineral severance tax	60,000	60,000	216,949	156,949	60,837
DOW Impact assistance	2,500	2,500	4,197	1,697	3,251
Local Government Limited Gaming grants	288,000	288,000	288,484	484	196,412
Great Outdoors Colorado grants	-	-	50,000	50,000	-
Beanpole (MNT) grant	-	-	49,740	49,740	179,328
CERT Grant	-	-	1,343	1,343	-
Veteran's Services	-	-	600	600	-
Senior Services state funds	6,000	6,000	8,170	2,170	9,791
Miscellaneous state grants	-	-	10,000	10,000	-
Local Government Revenue:					
Dissolution of hospital district	-	-	-	-	3,039
Southern Ute Payment in Lieu of Taxes	22,000	22,000	62,466	40,466	72,986
Council on Aging	3,000	3,000	-	(3,000)	-
Planning Department Grants	30,000	30,000	5,000	(25,000)	-
Predator Control Reimbursement	2,000	2,000	-	(2,000)	2,186
<b>Total Intergovernmental Revenue</b>	<b>1,911,503</b>	<b>2,100,803</b>	<b>2,580,002</b>	<b>479,199</b>	<b>2,225,250</b>

(Continued)

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2004  
(With Comparative Actual Amounts for Year Ended December 31, 2003)

	2004				
	Budget		Actual	Variance Favorable (Unfavorable)	2003 Actual
	As Adopted	Final			
<b>Licenses and Permits</b>					
Liquor licenses	\$ 8,000	\$ 8,000	\$ 6,097	\$ (1,903)	\$ 7,668
Building permits	650,000	650,000	765,063	115,063	681,334
<b>Total Licenses and Permits</b>	<b>658,000</b>	<b>658,000</b>	<b>771,160</b>	<b>113,160</b>	<b>689,002</b>
<b>Charges for Services</b>					
Treasurer's fees	388,000	388,000	435,235	47,235	452,507
Clerk and recorder's fees	1,100,000	1,100,000	1,093,131	(6,869)	1,221,770
Public trustee's fees	50,000	50,000	107,394	57,394	127,778
Planning fees	95,000	95,000	131,559	36,559	111,937
Oil and gas fees	35,000	35,000	41,300	6,300	35,155
Assessor's fees	7,000	7,000	12,725	5,725	13,120
Sheriff's fees	53,400	53,400	70,679	17,279	72,355
Airport security reimbursement	10,000	10,000	-	(10,000)	-
Other security services	3,500	3,500	17,589	14,089	53,331
Jail room & board	120,000	120,000	236,109	116,109	210,202
Other Jail charges	12,000	12,000	26,229	14,229	55,660
Prisoner transportation	13,000	13,000	9,486	(3,514)	9,609
Useful public service program	38,000	38,000	51,920	13,920	50,518
Work release/Community service	60,000	60,000	35,285	(24,715)	-
Alternatives to incarceration	88,100	88,100	58,585	(29,515)	54,415
Senior meal donations	75,000	75,000	66,898	(8,102)	74,437
Senior home chore/other revenue	31,780	31,780	49,166	17,386	19,804
Senior center activities	21,988	21,988	12,160	(9,828)	12,949
Senior center rentals	3,800	3,800	2,115	(1,685)	1,226
Surveyor's fees	2,500	2,500	10,432	7,932	7,405
Youth Home reimbursements	-	-	-	-	6,600
Indirect cost allocation reimbursement	93,000	93,000	108,889	15,889	57,497
GIS Services reimbursements	13,000	13,000	16,791	3,791	112,429
Election Reimbursements	40,000	40,000	38,241	(1,759)	43,218
Inmate medical/phone reimbursements	38,400	38,400	61,121	22,721	57,107
Tipping fees	1,000	1,000	650	(350)	1,032
Maps/code book sales & sign fees	2,000	2,000	5,846	3,846	1,515
Employee equipment reimbursements	15,000	15,000	698	(14,302)	-
<b>Total Charges for Services</b>	<b>2,410,468</b>	<b>2,410,468</b>	<b>2,700,233</b>	<b>289,765</b>	<b>2,863,576</b>
<b>Fines and Forfeitures</b>					
Parking/Traffic fines	-	-	-	-	1,125
Animal control fines	3,000	3,000	4,919	1,919	7,480
<b>Total Fines and Forfeitures</b>	<b>3,000</b>	<b>3,000</b>	<b>4,919</b>	<b>1,919</b>	<b>8,605</b>

(Continued)

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2004  
(With Comparative Actual Amounts for Year Ended December 31, 2003)

	2004					
	Budget			Variance	2003	
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual	
Miscellaneous Revenue						
Building rentals	\$ 29,613	\$ 29,613	\$ 66,962	\$ 37,349	\$ 29,613	
Fairgrounds rentals	85,500	85,500	71,106	(14,394)	61,687	
Forfeitures	22,000	22,000	3,909	(18,091)	413,167	
Investment earnings	800,000	800,000	468,136	(331,864)	605,597	
Refunds	-	-	-	-	60,987	
Senior services-home chore donations	-	-	-	-	3,316	
Vehicle inspection fees	42,000	42,000	42,145	145	37,620	
Prisoner commissary collections	45,000	45,000	53,273	8,273	39,278	
Photocopies	500	500	2,537	2,037	1,129	
Telephone/postage refunds	1,500	1,500	5,051	3,551	5,112	
Expenditure reimbursements	500	500	43,011	42,511	61,686	
Sales of assets	-	-	-	-	9,514	
Insurance refunds	202,000	202,000	63,740	(138,260)	-	
Other refunds	10,000	10,000	20,838	10,838	-	
Other miscellaneous revenues	200,000	200,000	36,849	(163,151)	193,340	
Total Miscellaneous Revenue	1,438,613	1,438,613	877,557	(561,056)	1,522,046	
Total Revenue	28,172,941	28,362,241	29,799,012	1,436,771	31,005,494	
Expenditures:						
Current						
General Government						
Board of County Commissioners						
Personnel Expenditures	245,038	245,038	223,848	21,190	236,584	
Operating Expenditures	114,700	177,700	156,727	20,973	130,616	
	359,738	422,738	380,575	42,163	367,200	
County Attorney's Office						
Personnel Expenditures	-	-	-	-	-	
Operating Expenditures	140,975	140,975	99,181	41,794	182,322	
	140,975	140,975	99,181	41,794	182,322	
Administrative Offices						
Personnel Expenditures	336,701	343,860	342,159	1,701	329,991	
Operating Expenditures	113,550	140,895	90,993	49,902	189,106	
	450,251	484,755	433,152	51,603	519,097	
County Clerk and Recorder-Operations						
Personnel Expenditures	617,200	579,834	592,564	(12,730)	645,667	
Operating Expenditures	375,050	355,050	169,895	185,155	173,406	
	992,250	934,884	762,459	172,425	819,073	
County Clerk and Recorder-Elections						
Personnel Expenditures	162,333	162,333	138,888	23,445	10,265	
Operating Expenditures	92,500	92,500	66,185	26,315	55,770	
	254,833	254,833	205,073	49,760	66,035	
County Treasurer						
Personnel Expenditures	257,314	257,314	239,152	18,162	247,360	
Operating Expenditures	202,939	187,476	145,945	41,531	153,279	
	460,253	444,790	385,097	59,693	400,639	
Public Trustee's Office						
Personnel Expenditures	15,191	15,191	15,234	(43)	15,546	
Operating Expenditures	8,930	8,930	2,528	6,402	3,526	
	24,121	24,121	17,762	6,359	19,072	

(Continued)

**La Plata County, Colorado**  
**General Fund**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance*  
*For the Year Ended December 31, 2004*  
*(With Comparative Actual Amounts for Year Ended December 31, 2003)*

	2004					
	Budget			Variance	2003	
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual	
General Government (Continued)						
County Assessor						
Personnel Expenditures	\$ 849,606	\$ 849,606	\$ 836,860	\$ 12,746	\$ 808,633	
Operating Expenditures	114,191	134,191	109,922	24,269	93,131	
	963,797	983,797	946,782	37,015	901,764	
Building Maintenance						
Personnel Expenditures	331,968	331,968	314,845	17,123	295,468	
Operating Expenditures	210,700	210,700	183,766	26,934	170,888	
	542,668	542,668	498,611	44,057	466,356	
Building Maintenance-OMPO						
Personnel Expenditures	-	-	-	-	-	
Operating Expenditures	-	212,300	12,481	199,819	-	
	-	212,300	12,481	199,819	-	
Finance						
Personnel Expenditures	335,758	335,758	340,890	(5,132)	335,589	
Operating Expenditures	116,400	116,400	75,126	41,274	57,469	
	452,158	452,158	416,016	36,142	393,058	
Information Services						
Personnel Expenditures	502,196	502,196	498,207	3,989	481,109	
Operating Expenditures	531,301	531,301	347,783	183,518	535,905	
	1,033,497	1,033,497	845,990	187,507	1,017,014	
Geographic Information Services						
Personnel Expenditures	385,406	385,406	368,327	17,079	370,942	
Operating Expenditures	44,000	109,365	98,611	10,754	256,786	
	429,406	494,771	466,938	27,833	627,728	
Human Resources						
Personnel Expenditures	185,664	290,500	277,662	12,838	195,833	
Operating Expenditures	189,816	77,323	87,643	(10,320)	133,422	
	375,480	367,823	365,305	2,518	329,255	
Risk Management						
Personnel Expenditures	310,738	319,738	237,969	81,769	262,970	
Operating Expenditures	354,610	345,610	333,202	12,408	284,324	
	665,348	665,348	571,171	94,177	547,294	
Central Services						
Personnel Expenditures	-	-	(4,421)	4,421	10,481	
Operating Expenditures	130,500	212,500	127,518	84,982	120,433	
	130,500	212,500	123,097	89,403	130,914	
Procurement/Warehousing						
Personnel Expenditures	211,546	211,546	201,776	9,770	192,394	
Operating Expenditures	37,700	37,700	30,509	7,191	40,394	
	249,246	249,246	232,285	16,961	232,788	
Total General Government	7,524,521	7,921,204	6,761,975	1,159,229	7,019,609	

(Continued)



La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2004  
(With Comparative Actual Amounts for Year Ended December 31, 2003)

	2004				
	Budget			Variance	2003
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual
Public Safety					
Sheriff-Public Safety					
Personnel Expenditures	\$ 1,711,359	\$ 1,760,159	\$ 1,802,012	\$ (41,853)	\$ 1,727,900
Operating Expenditures	621,124	606,624	527,371	79,253	615,533
	<u>2,332,483</u>	<u>2,366,783</u>	<u>2,329,383</u>	<u>37,400</u>	<u>2,343,433</u>
Fire Control Expenses	-	24,424	24,424	-	1,022
NRCS Assistance	-	-	-	-	13,913
Sheriff-Special Investigations					
Personnel Expenditures	327,908	329,597	314,769	14,828	279,562
Operating Expenditures	230,655	228,966	163,623	65,343	245,987
	<u>558,563</u>	<u>558,563</u>	<u>478,392</u>	<u>80,171</u>	<u>525,549</u>
Sheriff-Criminal Investigations					
Personnel Expenditures	443,309	444,761	467,485	(22,724)	461,459
Operating Expenditures	63,684	62,229	54,260	7,969	47,957
	<u>506,993</u>	<u>506,990</u>	<u>521,745</u>	<u>(14,755)</u>	<u>509,416</u>
Sheriff-Detentions					
Personnel Expenditures	2,068,462	2,068,455	2,131,568	(63,113)	2,033,217
Operating Expenditures	1,181,500	1,181,500	1,178,514	2,986	1,205,467
	<u>3,249,962</u>	<u>3,249,955</u>	<u>3,310,082</u>	<u>(60,127)</u>	<u>3,238,684</u>
Alternatives to Incarceration					
Personnel Expenditures	235,165	235,165	243,475	(8,310)	234,968
Operating Expenditures	139,256	139,256	150,689	(11,433)	130,885
	<u>374,421</u>	<u>374,421</u>	<u>394,164</u>	<u>(19,743)</u>	<u>365,853</u>
Sheriff-Special Services					
Personnel Expenditures	1,112,704	1,117,506	1,199,117	(81,611)	1,127,441
Operating Expenditures	199,300	383,800	421,670	(37,870)	187,021
	<u>1,312,004</u>	<u>1,501,306</u>	<u>1,620,787</u>	<u>(119,481)</u>	<u>1,314,462</u>
County Coroner					
Personnel Expenditures	46,043	46,043	46,207	(164)	44,296
Operating Expenditures	86,679	86,679	59,944	26,735	64,082
	<u>132,722</u>	<u>132,722</u>	<u>106,151</u>	<u>26,571</u>	<u>108,378</u>
Building Inspection Department					
Personnel Expenditures	566,101	566,101	534,646	31,455	552,658
Operating Expenditures	111,201	109,200	42,964	66,236	55,831
	<u>677,302</u>	<u>675,301</u>	<u>577,610</u>	<u>97,691</u>	<u>608,489</u>
Emergency Management Office					
Personnel Expenditures	86,208	86,208	84,366	1,842	30,472
Operating Expenditures	92,900	90,900	16,902	73,998	59,275
	<u>179,108</u>	<u>177,108</u>	<u>101,268</u>	<u>75,840</u>	<u>89,747</u>
Weed and Rodent Control					
Operating Expenditures	43,000	43,000	38,927	4,073	35,687
Pmt to Component Unit - District Attorney	1,089,189	1,089,189	988,313	100,876	1,015,173
Total Public Safety	10,455,747	10,699,762	10,491,246	208,516	10,169,806

(Continued)

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2004  
(With Comparative Actual Amounts for Year Ended December 31, 2003)

	2004					
	Budget			Variance	2003	
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual	
Auxiliary Services						
Extension Office						
Personnel Expenditures	\$ 40,417	\$ 40,417	\$ 41,602	\$ (1,185)	\$ 36,375	
Operating Expenditures	33,377	33,377	27,036	6,341	27,516	
	73,794	73,794	68,638	5,156	63,891	
Fairgrounds						
Personnel Expenditures	417,058	417,058	405,178	11,880	382,575	
Operating Expenditures	204,500	204,500	243,339	(38,839)	213,623	
	621,558	621,558	648,517	(26,959)	596,198	
Weed Control						
Personnel Expenditures	75,876	77,676	75,847	1,829	74,145	
Operating Expenditures	61,670	59,870	52,656	7,214	47,612	
	137,546	137,546	128,503	9,043	121,757	
Veterans Services						
Personnel Expenditures	30,953	30,953	36,624	(5,671)	29,820	
Operating Expenditures	6,400	6,400	6,106	294	4,839	
	37,353	37,353	42,730	(5,377)	34,659	
Senior Services						
Personnel Expenditures	214,959	214,959	227,151	(12,192)	204,896	
Operating Expenditures	92,900	92,900	95,357	(2,457)	77,454	
	307,859	307,859	322,508	(14,649)	282,350	
Senior Services - non Joint Sales Tax Supported						
Personnel Expenditures	3,132	3,132	-	3,132	-	
Operating Expenditures	69,945	69,945	61,194	8,751	79,630	
	73,077	73,077	61,194	11,883	79,630	
Senior Services Center						
Personnel Expenditures	38,675	38,675	37,496	1,179	85,813	
Operating Expenditures	35,330	35,330	42,508	(7,178)	45,523	
	74,005	74,005	80,004	(5,999)	131,336	
Senior Services Activities						
Personnel Expenditures	70,652	70,652	67,180	3,472	17,526	
Operating Expenditures	11,550	11,550	8,079	3,471	1,207	
	82,202	82,202	75,259	6,943	18,733	
Minority Over Representation Grant	-	-	-	-	59,188	
Community Development Department						
Personnel Expenditures	594,831	630,885	588,543	42,342	616,747	
Operating Expenditures	492,354	458,854	149,489	309,365	413,199	
	1,087,185	1,089,739	738,032	351,707	1,029,946	
Total Auxiliary Services	2,494,579	2,497,133	2,165,385	331,748	2,417,688	
Public Works						
Convenience Center						
Operating Expenditures	59,325	78,325	56,388	21,937	51,279	
Total Public Works	59,325	78,325	56,388	21,937	51,279	
Health and Welfare						
San Juan Basin Health	274,188	274,188	274,188	-	336,474	
Total Health and Welfare	274,188	274,188	274,188	-	336,474	

(Continued)

La Plata County, Colorado  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2004  
(With Comparative Actual Amounts for Year Ended December 31, 2003)

	2004					
	Budget			Variance	2003	
	As Adopted	Final	Actual	Favorable (Unfavorable)	Actual	
Community Programs						
Public Service Agencies						
Durango Public Library	\$ 530,637	\$ 530,637	\$ 519,035	\$ 11,602	\$ 507,062	
Lodger's tax to DACRA	160,000	160,000	150,826	9,174	158,741	
Other Public Service Agencies	975,802	975,802	795,341	180,461	730,765	
Total Public Service Agencies	1,666,439	1,666,439	1,465,202	201,237	1,396,568	
Payments to Other Governments						
To City of Durango-joint recreation	100,000	100,000	100,000	-	100,000	
To City of Durango-joint sales tax projects	646,030	646,030	634,428	11,602	612,562	
Total payments to other governments	746,030	746,030	734,428	11,602	712,562	
Pass through of grants received						
of CDBG funds	500,000	500,000	468,334	31,666	384,652	
of JAIBG funds	11,000	11,000	-	11,000	1,038	
of CERT funds	-	-	1,343	(1,343)	-	
of CSBG funds	23,000	23,000	11,517	11,483	27,820	
Total pass throughs	534,000	534,000	481,194	52,806	413,510	
Total Community Programs	2,946,469	2,946,469	2,680,824	265,645	2,522,640	
Total Expenditures	23,754,829	24,417,081	22,430,006	1,987,075	22,517,496	
Excess of Revenues Over Expenditures	4,418,112	3,945,160	7,369,006	3,423,846	8,487,998	
Other Financing Sources (Uses)						
Transfers in-joint sales tax fund	\$ 1,549,859	\$ 1,549,859	\$ 1,515,192	\$ (34,667)	1,414,095	
Transfers in-tribal impact fund	202,265	202,265	110,114	(92,151)	248,202	
Residual equity transfer in	-	-	-	-	488,486	
Transfers out-Road and Bridge fund	(4,500,000)	(4,500,000)	(4,500,000)	-	(2,000,000)	
Transfers out-joint sales tax	(1,514,216)	(1,514,216)	(1,639,922)	(125,706)	(1,484,068)	
Transfers out-debt service fund	-	(40,805)	-	40,805	-	
Transfers out-finance authority debt service fund	-	-	(40,805)	(40,805)	-	
Transfers out-capital improvement	(5,000,000)	(5,000,000)	(5,000,000)	-	(6,300,000)	
Transfers out-landfill closure	(50,000)	(50,000)	(50,000)	-	(50,000)	
Total Other Financing Sources (Uses)	(9,312,092)	(9,352,897)	(9,605,421)	(252,524)	(7,683,285)	
Net Change in Fund Balances	\$ (4,893,980)	\$ (5,407,737)	(2,236,415)	\$ 3,171,321.74	804,713	
Fund Balance Beginning of Year			9,665,600		8,860,887	
Fund Balance End of Year			\$ 7,429,185		\$ 9,665,600	

**La Plata County, Colorado**  
**Road and Bridge Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash	\$ 1,100	\$ 1,100
Equity in treasurer's cash and investments	6,115,894	5,757,436
Receivables:		
Accounts	17,412	5,341
Property taxes	1,771,620	1,757,124
Intergovernmental	2,069,394	1,313,144
Inventory	<u>301,002</u>	<u>301,877</u>
<b>Total Assets</b>	<u><u>\$ 10,276,422</u></u>	<u><u>\$ 9,136,022</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 426,062	\$ 474,881
Accrued salaries and wages	47,884	34,844
Contracts payable	388,171	47,873
Intergovernmental payable	13,553	17,364
Deferred revenues	<u>1,999,120</u>	<u>1,967,124</u>
<b>Total Liabilities</b>	<u>2,874,790</u>	<u>2,542,086</u>
<b>Fund Balances</b>		
Reserved for:		
Inventory	301,002	301,877
Road improvements	552,894	319,045
Unreserved, undesignated	<u>6,547,736</u>	<u>5,973,014</u>
<b>Total Fund Balances</b>	<u>7,401,632</u>	<u>6,593,936</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 10,276,422</u></u>	<u><u>\$ 9,136,022</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, 2004 and 2003**

	2004				2003
	Budget As Adopted	Budget Final	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Property taxes	\$ 1,930,782	\$ 1,930,782	\$ 1,948,743	\$ 17,961	\$3,069,397
Intergovernmental	4,796,400	5,896,400	5,461,666	(434,734)	3,696,601
Licenses and permits	196,000	196,000	223,847	27,847	54,948
Charges for services	71,412	71,412	124,737	53,325	136,467
Miscellaneous	229,500	229,500	507,889	278,389	299,228
<b>Total Revenues</b>	<b>7,224,094</b>	<b>8,324,094</b>	<b>8,266,882</b>	<b>(57,212)</b>	<b>7,256,641</b>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Public Works</b>					
Maintenance of condition/snow & ice removal	3,829,348	3,784,849	3,379,512	405,337	3,581,571
Flood mitigation/debris removal	428,050	428,050	249,862	178,188	214,909
Engineering	723,956	744,461	709,460	35,001	662,460
Traffic	290,368	305,368	287,431	17,937	228,467
Vehicle garage	919,645	919,645	840,039	79,606	817,542
General administration	690,731	690,729	733,973	(43,244)	707,426
<b>Capital Outlay</b>	<b>9,862,000</b>	<b>10,813,500</b>	<b>5,777,371</b>	<b>5,036,129</b>	<b>3,821,787</b>
<b>Total Expenditures</b>	<b>16,744,098</b>	<b>17,686,602</b>	<b>11,977,648</b>	<b>5,708,954</b>	<b>10,034,162</b>
<b>(Deficiency of Revenues (Under) Expenditures</b>	<b>(9,520,004)</b>	<b>(9,362,508)</b>	<b>(3,710,766)</b>	<b>5,651,742</b>	<b>(2,777,521)</b>
<b>Other Financing Sources</b>					
Transfers in	4,533,912	4,533,912	4,518,462	(15,450)	2,056,036
<b>Net Change in Fund Balances</b>	<b>\$ (4,986,092)</b>	<b>\$ (4,828,596)</b>	<b>807,696</b>	<b>\$ 5,636,292</b>	<b>(721,485)</b>
<b>Fund Balances Beginning of Year</b>			<b>6,593,936</b>		<b>7,315,421</b>
<b>Fund Balances End of Year</b>			<b>\$ 7,401,632</b>		<b>\$6,593,936</b>

**La Plata County, Colorado**  
**Social Services Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003 (As Restated)</u>
<b>Assets</b>		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	1,719,886	1,592,526
Restricted cash	65,130	59,241
Receivables:		
Property taxes	896,483	716,260
Intergovernmental	221,533	208,072
Interfund	-	17,807
<b>Total Assets</b>	<u>\$ 2,903,432</u>	<u>\$ 2,594,306</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 223,227	\$ 315,373
Liabilities payable from restricted assets	65,130	59,241
Interfund payable	174,611	107,591
Deferred revenues	896,483	716,260
<b>Total Liabilities</b>	1,359,451	1,198,465
<b>Fund Balances</b>		
Unreserved, undesignated	1,543,981	1,395,841
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,903,432</u>	<u>\$ 2,594,306</u>

**La Plata County, Colorado**  
**Social Service Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended December 31, 2004 and 2003**

	2004				
	<u>Budget As Adopted</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2003 (As Restated)</u>
<b>Revenues</b>					
Property taxes	\$ 790,435	\$ 790,435	\$ 804,106	\$ 13,671	\$ 976,303
Intergovernmental	4,777,752	4,777,752	3,331,298	(1,446,454)	3,184,453
Miscellaneous	-	-	167,247	167,247	274,307
<b>Total Revenues</b>	<u>5,568,187</u>	<u>5,568,187</u>	<u>4,302,651</u>	<u>(1,265,536)</u>	<u>4,435,063</u>
<b>Expenditures</b>					
<b>Current:</b>					
Health and welfare	<u>5,852,203</u>	<u>5,852,203</u>	<u>4,162,037</u>	<u>1,690,166</u>	<u>4,205,378</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(284,016)</u>	<u>(284,016)</u>	<u>140,614</u>	<u>424,630</u>	<u>229,685</u>
<b>Other Financing Sources</b>					
Transfers in	<u>13,824</u>	<u>13,824</u>	<u>7,526</u>	<u>(6,298)</u>	<u>17,807</u>
<b>Net Change in Fund Balances</b>	<u>\$ (270,192)</u>	<u>\$ (270,192)</u>	<u>148,140</u>	<u>\$ 418,332</u>	<u>247,492</u>
<b>Fund Balances Beginning of Year (As restated)</b>			<u>1,395,841</u>		<u>1,148,349</u>
<b>Fund Balances End of Year</b>			<u>\$ 1,543,981</u>		<u>\$ 1,395,841</u>

La Plata County, Colorado  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2004

	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	\$ 87,373	\$ 1,120,000	\$ 68,420	\$ -	\$ 625,491	\$ 1,901,284
Receivables:						
Property taxes	-	-	55,306	-	-	55,306
Interfund	116,146	-	-	-	-	116,146
<b>Total Assets</b>	<b>\$ 203,519</b>	<b>\$ 1,120,000</b>	<b>\$ 123,726</b>	<b>\$ -</b>	<b>\$ 625,491</b>	<b>\$ 2,072,736</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 11,268	\$ -	\$ 3,450	\$ -	\$ 277	\$ 14,995
Deferred revenues	-	-	55,306	-	-	55,306
<b>Total Liabilities</b>	<b>11,268</b>	<b>-</b>	<b>58,756</b>	<b>-</b>	<b>277</b>	<b>70,301</b>
<b>Fund Balances</b>						
Reserved for emergencies	-	1,120,000	-	-	-	1,120,000
Unreserved, undesignated	192,251	-	64,970	-	625,214	882,435
<b>Total Fund Balances</b>	<b>192,251</b>	<b>1,120,000</b>	<b>64,970</b>	<b>-</b>	<b>625,214</b>	<b>2,002,435</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 203,519</b>	<b>\$ 1,120,000</b>	<b>\$ 123,726</b>	<b>\$ -</b>	<b>\$ 625,491</b>	<b>\$ 2,072,736</b>



**La Plata County, Colorado**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2004**

	Joint Sales Tax	Emergency Reserve	Local Improvement Districts	Tribal Impact Mitigation	Landfill Closure	Total Nonmajor Special Revenue Funds
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ 53,900	\$ -	\$ -	\$ 53,900
Intergovernmental	-	-	-	251,963	-	251,963
Investment earnings	463	-	-	1,240	6,702	8,405
Miscellaneous	-	-	3,850	-	-	3,850
<b>Total Revenues</b>	<b>463</b>	<b>-</b>	<b>57,750</b>	<b>253,203</b>	<b>6,702</b>	<b>318,118</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government	-	-	-	117,855	-	117,855
Public works	-	-	40,836	-	3,082	43,918
<b>Capital Outlay</b>	<b>57,699</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,699</b>
<b>Total Expenditures</b>	<b>57,699</b>	<b>-</b>	<b>40,836</b>	<b>117,855</b>	<b>3,082</b>	<b>219,472</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(57,236)</b>	<b>-</b>	<b>16,914</b>	<b>135,348</b>	<b>3,620</b>	<b>98,646</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,639,922	-	-	-	65,000	1,704,922
Transfers out	(1,530,192)	-	-	(136,102)	-	(1,666,294)
<b>Total Other Financing Sources (Uses)</b>	<b>109,730</b>	<b>-</b>	<b>-</b>	<b>(136,102)</b>	<b>65,000</b>	<b>38,628</b>
<b>Net Change in Fund Balances</b>	<b>52,494</b>	<b>-</b>	<b>16,914</b>	<b>(754)</b>	<b>68,620</b>	<b>137,274</b>
<b>Fund Balances Beginning of Year</b>	<b>139,757</b>	<b>1,120,000</b>	<b>48,056</b>	<b>754</b>	<b>556,594</b>	<b>1,865,161</b>
<b>Fund Balances End of Year</b>	<b>\$ 192,251</b>	<b>\$ 1,120,000</b>	<b>\$ 64,970</b>	<b>\$ -</b>	<b>\$ 625,214</b>	<b>\$ 2,002,435</b>

**La Plata County, Colorado**  
**Joint Sales Tax Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 87,373	\$ 41,011
Interfund receivable	<u>116,146</u>	<u>110,941</u>
<b>Total Assets</b>	<u>\$ 203,519</u>	<u>\$ 151,952</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 11,268	\$ 12,195
<b>Fund Balances</b>		
Unreserved, undesignated	<u>192,251</u>	<u>139,757</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 203,519</u>	<u>\$ 151,952</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, 2004**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2003)*

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Investment income	\$ -	\$ -	\$ 463	\$ 463	\$ -
Expenditures					
Capital Outlay:	56,000	56,000	57,699	(1,699)	37,408
Total Expenditures	56,000	56,000	57,699	(1,699)	37,408
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,000)	(56,000)	(57,236)	(1,236)	(37,408)
Other Financing Sources (Uses)					
Transfers in	1,514,216	1,514,216	1,639,922	125,706	1,484,068
Transfers out	(1,564,859)	(1,564,859)	(1,530,192)	34,667	(1,429,095)
Total Other Financing Sources (Uses)	(50,643)	(50,643)	109,730	160,373	54,973
Net Change in Fund Balances	<u>\$ (106,643)</u>	<u>\$ (106,643)</u>	52,494	<u>\$ 159,137</u>	17,565
Fund Balances Beginning of Year			139,757		122,192
Fund Balances End of Year			<u>\$ 192,251</u>		<u>\$ 139,757</u>

**La Plata County, Colorado**  
***Emergency Reserve Fund***  
***Comparative Balance Sheet***  
***December 31, 2004 and 2003***

	<u>2004</u>	<u>2003</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, 2004**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2003)*

	2004			2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
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, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 68,420	\$ 50,806
Property taxes receivable	<u>55,306</u>	<u>48,753</u>
<b>Total Assets</b>	<u>\$ 123,726</u>	<u>\$ 99,559</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,450	\$ 2,750
Deferred revenues	<u>55,306</u>	<u>48,753</u>
<b>Total Liabilities</b>	58,756	51,503
<b>Fund Balances</b>		
Unreserved, undesignated	<u>64,970</u>	<u>48,056</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 123,726</u>	<u>\$ 99,559</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, 2004**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2003)*

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>					
Property taxes	\$ 49,978	\$ 49,978	\$ 53,900	\$ 3,922	\$ 49,331
Miscellaneous	1,750	1,750	3,850	2,100	3,300
<b>Total Revenues</b>	51,728	51,728	57,750	6,022	52,631
<b>Expenditures</b>					
<b>Current:</b>					
Public works	63,500	63,500	40,836	22,664	50,932
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (11,772)</u>	<u>\$ (11,772)</u>	16,914	<u>\$ 28,686</u>	1,699
<b>Fund Balances Beginning of Year</b>			48,056		46,357
<b>Fund Balances End of Year</b>			<u>\$ 64,970</u>		<u>\$ 48,056</u>

**La Plata County, Colorado**  
**Tribal Impact Mitigation Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ -</u>	<u>\$ 147,329</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Intergovernmental payable	\$ -	\$ 128,768
Interfund payable	<u>-</u>	<u>17,807</u>
<b>Total Liabilities</b>	-	146,575
<b>Fund Balances</b>		
Unreserved, undesignated	<u>-</u>	<u>754</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ -</u>	<u>\$ 147,329</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, 2004**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2003)*

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Intergovernmental					
Payment from Southern Ute Indian tribe	\$ 300,000	\$ 300,000	\$ 251,963	\$ (48,037)	\$ 298,134
Investment earnings	900	900	1,240	340	4,510
Total Revenues	300,900	300,900	253,203	(47,697)	302,644
Expenditures					
Current:					
General government	80,000	80,000	117,855	(37,855)	128,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	220,900	220,900	135,348	(85,552)	173,877
Other Financing (Uses)					
Transfers out	(250,000)	(250,000)	(136,102)	113,898	(322,045)
Net Change in Fund Balances	<u>\$ (29,100)</u>	<u>\$ (29,100)</u>	(754)	<u>\$ 28,346</u>	(148,168)
Fund Balances Beginning of Year			754		148,922
Fund Balances End of Year			<u>\$ -</u>		<u>\$ 754</u>

**La Plata County, Colorado**  
**Landfill Closure Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 625,491	\$ 561,414
<b>Total Assets</b>	<u>\$ 625,491</u>	<u>\$ 561,414</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 277	\$ 4,820
<b>Fund Balances</b>		
Unreserved, undesignated	<u>625,214</u>	<u>556,594</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 625,491</u>	<u>\$ 561,414</u>

**La Plata County, Colorado**  
**Landfill Closure Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2004**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2003)*

	2004				2003
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Investment income	\$ 7,000	\$ 7,000	\$ 6,702	\$ (298)	\$ 9,457
Expenditures					
Current:					
Public works	58,000	58,000	3,082	54,918	7,263
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,000)	(51,000)	3,620	54,620	2,194
Other Financing Sources (Uses)					
Transfers in	65,000	65,000	65,000	-	65,000
Net Change in Fund Balances	\$ 14,000	\$ 14,000	68,620	\$ 54,620	67,194
Fund Balances Beginning of Year			556,594		489,400
Fund Balances End of Year			\$ 625,214		\$ 556,594

**La Plata County, Colorado**  
**Capital Improvement Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	\$ 7,801,791	\$ 9,860,669
Receivables:		
Accounts	59,293	84,715
Intergovernmental	300,000	1,298,302
Interfund receivable	35,876	-
<b>Total Assets</b>	<u>\$ 8,196,960</u>	<u>\$ 11,243,686</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 243,429	\$ 1,468,125
Contracts payable	135,965	300,937
Deferred revenue	25,000	-
<b>Total Liabilities</b>	404,394	1,769,062
<b>Fund Balances</b>		
Reserved for capital improvements	7,792,566	9,474,624
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,196,960</u>	<u>\$ 11,243,686</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, 2004**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2003)*

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Actual
<b>Revenues</b>					
Intergovernmental	\$ 300,000	\$ 300,000	\$ 466,698	\$ 166,698	\$ 1,496,558
Miscellaneous revenue	18,000	18,000	47,152	29,152	67,276
<b>Total Revenues</b>	318,000	318,000	513,850	195,850	1,563,834
<b>Expenditures</b>					
Capital Outlay	10,146,790	13,019,068	6,669,523	6,349,545	7,015,385
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(9,828,790)	(12,701,068)	(6,155,673)	6,545,395	(5,451,551)
<b>Other Financing Sources (Uses)</b>					
Transfers in					
From general fund	5,000,000	5,000,000	5,000,000	-	6,300,000
Transfers out					
To debt service	(640,000)	(640,000)	(640,000)	-	(640,000)
Sale of capital assets	50,000	50,000	113,615	63,615	75,093
<b>Total Other Financing Sources (Uses)</b>	4,410,000	4,410,000	4,473,615	63,615	5,735,093
<b>Net Change in Fund Balances</b>	<u>\$ (5,418,790)</u>	<u>\$ (8,291,068)</u>	(1,682,058)	<u>\$ 6,609,010</u>	283,542
<b>Fund Balances Beginning of Year</b>			9,474,624		9,191,082
<b>Fund Balances End of Year</b>			<u>\$ 7,792,566</u>		<u>\$ 9,474,624</u>

**La Plata County, Colorado**  
**Finance Authority Capital Project Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash held by Trustee	<u>\$ 305,038</u>	<u>\$ -</u>
 <b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 20,467	\$ -
Due to other funds	<u>185,528</u>	<u>-</u>
<b>Total Liabilities</b>	205,995	-
<b>Fund Balances</b>		
Reserved for capital improvements	<u>99,043</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 305,038</u>	<u>\$ -</u>

La Plata County, CO  
*Finance Authority Capital Project Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balances - Budget and Actual*  
*For the Year Ended December 31, 2004*

	2004			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ 1,778	\$ 1,778
<b>Expenditures</b>				
Capital Outlay	-	-	3,488,488	(3,488,488)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(3,486,710)	(3,486,710)
<b>Other Financing Sources (Uses)</b>				
Transfers out				
To finance authority debt service	-	-	(399,247)	(399,247)
Proceeds of Certificates of Participation	-	-	3,985,000	3,985,000
<b>Total Other Financing Sources (Uses)</b>	-	-	3,585,753	3,585,753
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	99,043	<u>\$ 99,043</u>
<b>Fund Balances Beginning of Year</b>			-	
<b>Fund Balances End of Year</b>			<u>\$ 99,043</u>	

La Plata County, Colorado  
*Nonmajor Debt Service Funds*  
*Combining Balance Sheet*  
*December 31, 2004*

	<u>County</u> <u>Debt Service</u>	<u>Finance</u> <u>Authority</u> <u>Debt Service</u>	<u>Total</u>
<b>Assets</b>			
Equity in treasurer's cash and investments	\$ 34,509	\$ -	\$ 34,509
Cash held by Trustee	-	399,247	399,247
<b>Total Assets</b>	<u>\$ 34,509</u>	<u>\$ 399,247</u>	<u>\$ 433,756</u>
 <b>Fund Balances</b>			
Reserved for debt service	<u>\$ 34,509</u>	<u>\$ 399,247</u>	<u>\$ 433,756</u>



*Nonmajor Debt Service Funds  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended December 31, 2004*

	County Debt Service	Finance Authority Debt Service	Total
<b>Revenues</b>			
Investment earnings	\$ 2,040	\$ -	\$ 2,040
<b>Expenditures</b>			
<b>Debt Service:</b>			
Principal retirement	560,000	-	560,000
Interest and fiscal charges	83,600	40,805	124,405
Agent fees	250	-	250
<b>Total Expenditures</b>	643,850	40,805	684,655
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(641,810)	(40,805)	(682,615)
<b>Other Financing Sources</b>			
Transfers in	640,000	440,052	1,080,052
<b>Net Change in Fund Balances</b>	\$ (1,810)	\$ 399,247	397,437
<b>Fund Balances Beginning of Year</b>	36,319	-	36,319
<b>Fund Balances End of Year</b>	\$ 34,509	\$ 399,247	\$ 433,756

**La Plata County, Colorado**  
**Debt Service Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in treasurer's cash and investments	<u>\$ 34,509</u>	<u>\$ 36,319</u>
<b>Fund Balances</b>		
Reserved for debt service	<u>\$ 34,509</u>	<u>\$ 36,319</u>

**Debt Service Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2004**  
*(With Comparative Actual Amounts for the Year Ended December 31, 2003)*

	2004				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2003 Actual
<b>Revenues</b>					
Investment earnings	\$ 1,000	\$ 1,000	\$ 2,040	\$ 1,040	\$ 3,317
<b>Expenditures</b>					
<b>Debt Service:</b>					
Principal retirement	560,000	560,000	560,000	-	535,000
Interest and fiscal charges	83,600	124,405	83,600	40,805	107,675
Agent fees	745	745	250	495	250
<b>Total Expenditures</b>	<u>644,345</u>	<u>685,150</u>	<u>643,850</u>	<u>41,300</u>	<u>642,925</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(643,345)	(684,150)	(641,810)	42,340	(639,608)
<b>Other Financing Sources</b>					
Transfers in	<u>640,000</u>	<u>680,805</u>	<u>640,000</u>	<u>(40,805)</u>	<u>640,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (3,345)</u>	<u>\$ (3,345)</u>	<u>(1,810)</u>	<u>\$ 1,535</u>	<u>392</u>
<b>Fund Balances Beginning of Year</b>			<u>36,319</u>		<u>35,927</u>
<b>Fund Balances End of Year</b>			<u>\$ 34,509</u>		<u>\$ 36,319</u>

**La Plata County, Colorado**  
**Finance Authority Debt Service Fund**  
**Comparative Balance Sheet**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash held by Trustee	<u>\$ 399,247</u>	<u>\$ -</u>
<b>Fund Balances</b>		
Reserved for debt service	<u>\$ 399,247</u>	<u>\$ -</u>

*Finance Authority Debt Service Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2004*

	2004			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
<b>Debt Service:</b>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	40,805	(40,805)
Agent fees	-	-	-	-
<b>Total Expenditures</b>	-	-	40,805	(40,805)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	(40,805)	(40,805)
<b>Other Financing Sources</b>				
Transfers in-Finance Authority Capital Projects			399,247	399,247
Transfers in-County General	-	-	40,805	40,805
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	399,247	<u>\$ 399,247</u>
<b>Fund Balances Beginning of Year</b>			-	
<b>Fund Balances End of Year</b>			<u>\$ 399,247</u>	

**La Plata County, Colorado**  
**Employee Medical Self Insurance Fund**  
**Comparative Statement of Net Assets**  
**December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Equity in treasurer's cash and investments	\$ 1,490,672	\$ 830,331
Accounts receivable	-	1,258
<b>Total Current Assets</b>	<u>1,490,672</u>	<u>831,589</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accrued incurred/unreported claims	<u>126,635</u>	<u>482,923</u>
<b>Net Assets</b>		
Unrestricted	<u>\$ 1,364,037</u>	<u>\$ 348,666</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, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Operating Revenues</b>		
Insurance deposits	\$ 2,071,945	\$ 1,927,110
<b>Operating Expenses</b>		
Medical claims	<u>1,072,043</u>	<u>1,590,004</u>
<b>Operating Income (Loss)</b>	999,902	337,106
<b>Non-Operating Revenues</b>		
Investment earnings	<u>15,469</u>	<u>6,275</u>
<b>Change in Net Assets</b>	1,015,371	343,381
<b>Net Assets Beginning of Year</b>	<u>348,666</u>	<u>5,285</u>
<b>Net Assets End of Year</b>	<u><u>\$ 1,364,037</u></u>	<u><u>\$ 348,666</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, 2004**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Operating Revenues</b>				
Insurance deposits	\$ 1,989,470	\$ 1,989,470	\$ 2,071,945	\$ 82,475
<b>Operating Expenses</b>				
Medical claims	2,100,000	2,100,000	1,072,043	1,027,957
<b>Non-Operating Revenues</b>				
Investment earnings	15,000	15,000	15,469	469
<b>Operating Income</b>	<u>\$ (95,530)</u>	<u>\$ (95,530)</u>	1,015,371	<u>\$ 1,110,901</u>
<b>Net Assets Beginning of Year</b>			<u>348,666</u>	
<b>Net Assets End of Year</b>			<u>\$ 1,364,037</u>	



La Plata County, Colorado  
General Agency Fund  
Statement of Changes in Fiduciary Assets and Liabilities  
For The Year Ended December 31, 2004

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
<b>Assets</b>				
Equity in treasurer's cash and investments	\$ 1,672,365	\$ 31,340,783	\$ 31,280,891	\$ 1,732,257
<b>Liabilities</b>				
Accounts payable	\$ 75,168	\$ 18,260,651	\$ 18,260,298	\$ 75,521
Due to component unit	44,791	1,481,418	1,415,256	110,953
Deposits held for others	1,552,406	11,598,714	11,605,337	1,545,783
<b>Total Liabilities</b>	\$ 1,672,365	\$ 31,340,783	\$ 31,280,891	\$ 1,732,257

**Sixth Judicial District Attorney**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2004**

	<u>General</u>	<u>Victim's Assistance</u>	<u>Federal Victim's Compensation</u>	<u>State Victim's Compensation</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash	\$ 39,408	\$ 7,436	\$ 3	\$ 103,732	\$ 150,579
Due from primary government	110,683	-	-	-	110,683
Receivables:					
Accounts	7,848	-	-	-	7,848
Intergovernmental	91,393	-	-	-	91,393
<b>Total Assets</b>	<u>\$ 249,332</u>	<u>\$ 7,436</u>	<u>\$ 3</u>	<u>\$ 103,732</u>	<u>\$ 360,503</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 6,346	\$ -	\$ -	\$ -	\$ 6,346
Deferred revenue	3,532	-	-	-	3,532
Accrued salaries and benefits	25,873	-	-	-	25,873
Due to primary government	150,000	-	-	-	150,000
<b>Total Liabilities</b>	<u>185,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,751</u>
<b>Fund Balances</b>					
Reserved for emergencies	50,000	-	-	-	50,000
Unreserved, undesignated reported in:					
General fund	13,581	-	-	-	13,581
Special revenue funds	-	7,436	3	103,732	111,171
<b>Total Fund Balances</b>	<u>63,581</u>	<u>7,436</u>	<u>3</u>	<u>103,732</u>	<u>174,752</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 249,332</u>	<u>\$ 7,436</u>	<u>\$ 3</u>	<u>\$ 103,732</u>	<u>\$ 360,503</u>
Governmental Fund Balance					\$ 174,752
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					75,375
Compensated absences are not due and payable in the current period and therefore not reported in the funds					(53,911)
Net assets of governmental activities					<u>\$ 196,216</u>

**Sixth Judicial District Attorney**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2004**

	General	Victim's Assistance	Federal Victim's Compensation	State Victim's Compensation	Total Governmental Funds
<b>Revenues</b>					
Intergovernmental	\$ 343,720	\$ 189,279	\$ 151,119	\$ 111,018	\$ 795,136
Intergovernmental - County	988,313	-	-	-	988,313
Miscellaneous	31,740	10,484	42,958	19,529	104,711
<b>Total Revenues</b>	<b>1,363,773</b>	<b>199,763</b>	<b>194,077</b>	<b>130,547</b>	<b>1,888,160</b>
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	1,395,339	181,589	194,075	97,069	1,868,072
<b>Capital Outlay</b>	<b>20,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,850</b>
<b>Total Expenditures</b>	<b>1,416,189</b>	<b>181,589</b>	<b>194,075</b>	<b>97,069</b>	<b>1,888,922</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(52,416)</b>	<b>18,174</b>	<b>2</b>	<b>33,478</b>	<b>(762)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	46,631	-	-	-	46,631
Sales of assets	13,872	-	-	-	13,872
Transfers out	-	(30,416)	-	(16,215)	(46,631)
<b>Total Other Financing Sources (Uses)</b>	<b>60,503</b>	<b>(30,416)</b>	<b>-</b>	<b>(16,215)</b>	<b>13,872</b>
<b>Net Change in Fund Balances</b>	<b>8,087</b>	<b>(12,242)</b>	<b>2</b>	<b>17,263</b>	<b>13,110</b>
<b>Fund Balances Beginning of Year</b>	<b>55,494</b>	<b>19,678</b>	<b>1</b>	<b>86,469</b>	<b>161,642</b>
<b>Fund Balances End of Year</b>	<b>\$ 63,581</b>	<b>\$ 7,436</b>	<b>\$ 3</b>	<b>\$ 103,732</b>	<b>\$ 174,752</b>
Net change in fund balances					13,110
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				\$ (8,867)	
Capital outlay				20,850	11,983
Capital assets disposed, net of accumulated depreciation					(13,803)
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 @ 12/31/04				\$ (53,911)	
Liability @ 12/31/03				38,961	(14,950)
Change in net assets at the government-wide financial reporting level					<u>\$ (3,660)</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, 2004**

Program	County		Expenditures By County Warrant	Total Authorizations & Expenditures By		Total Expenditures
	EBT Authorizations	Share of Authorizations		By County Warrant	Warrant	
Colorado Works	\$ 617,489	\$ 97,049	\$ 447,361	\$ 1,064,850	\$ 544,410	
Child Care	633,146	58,245	98,159	731,305	156,404	
Child Welfare	571,781	89,977	1,050,515	1,622,296	1,140,492	
County Administration	-	-	609,824	609,824	609,824	
Core Services	328,154	30,129	610,706	938,860	640,835	
Child Support Administration	-	-	424,901	424,901	424,901	
LEAP	361,880	-	30,103	391,983	30,103	
AND	127,140	21,288	-	127,140	21,288	
Old Age Pension	237,694	122	19,055	256,749	19,177	
Food Assistance Fraud	-	-	34,023	34,023	34,023	
Food Assistance	2,270,953	-	-	2,270,953	-	
Food Assistance Job Search	-	-	15,264	15,264	15,264	
CBMS Conversion Costs	-	-	46,198	46,198	46,198	
Title XX	-	-	11,815	11,815	11,815	
Quality Grants	-	-	58,980	58,980	58,980	
Foster Care/Adoption Recruitment	-	-	10,000	10,000	10,000	
Shared Family Care	-	-	470	470	470	
CHAFFEE	-	-	56,015	56,015	56,015	
General Assistance	-	-	55,555	55,555	55,555	
HB 1414 IV-E Eligibility	-	-	4,217	4,217	4,217	
PSSF	-	-	155,479	155,479	155,479	
Totals	<u>\$ 5,148,237</u>	<u>\$ 296,810</u>	<u>\$ 3,738,640</u>	<u>\$ 8,886,877</u>	<u>\$ 4,035,450</u>	



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON SUPPLEMENTARY INFORMATION**

May 25, 2005

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, 2004, and have issued our report thereon dated May 25, 2005. 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.*



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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:	La Plata
		YEAR ENDING :	December 2004
This Information From The Records Of :	La Plata County	Prepared By:	Karla Distel, Controller
		Phone:	(970)382-6306

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

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

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

ITEM	AMOUNT
<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	4,500,000
3. Other local imposts (from page 2)	2,238,543
4. Miscellaneous local receipts (from page 2)	408,718
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)	7,147,261
<b>B. Private Contributions</b>	28,935
<b>C. Receipts from State government (from page 2)</b>	4,789,825
<b>D. Receipts from Federal Government (from page 2)</b>	819,323
<b>E. Total receipts (A.7 + B + C + D)</b>	12,785,344

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	6,647,536
2. Maintenance:	3,411,822
3. Road and street services:	
a. Traffic control operations	287,431
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	287,431
4. General administration & miscellaneous	1,574,012
5. Highway law enforcement and safety	56,846
6. Total (1 through 5)	11,977,647
<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>	11,977,647

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	6,593,936	12,785,344	11,977,647	7,401,633	

Notes and Comments:

# LOCAL HIGHWAY FINANCE REPORT

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2004

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1,948,743	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	289,800	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Other		g. Other Misc. Receipts	408,718
6. Total (1. through 5.)	289,800	h. Other	
c. Total (a. + b.)	2,238,543	i. Total (a. through h.)	408,718
(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	2,448,457	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	106,249
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle	157,956	d. Federal Transit Admin	
d. Other EIAF	1,955,745	e. U.S. Corps of Engineers	
e. Other LGGF	227,667	f. Other Federal	713,074
f. Total (a. through e.)	2,341,368	g. Total (a. through f.)	819,323
4. Total (1. + 2. + 3.f)	4,789,825	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		184	184
b. Engineering Costs		709,460	709,460
c. Construction:			
(1). New Facilities		3,663,741	3,663,741
(2). Capacity Improvements		1,268,116	1,268,116
(3). System Preservation		1,006,035	1,006,035
(4). System Enhancement & Operation		0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	5,937,892	5,937,892
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	6,647,536	6,647,536
		(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 Years Ended December 31, 2003 & 2004 <sup>2</sup>  
 (accrual basis of accounting)

Function/Program	Fiscal Year 2003			Fiscal Year 2004		
	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>
<b>Governmental Activities</b>						
General government	\$ 7,754,452	\$ 5,194,888	\$ (2,559,564)	\$ 6,973,916	\$ 3,659,165	\$ (3,314,751)
Public safety	10,227,758	1,402,288	(8,825,470)	10,363,443	1,056,346	(9,307,097)
Public works	7,998,659	4,187,964	(3,810,695)	2,301,220	745,848	(1,555,372)
Health and welfare	4,471,450	3,184,453	(1,286,997)	7,692,460	5,704,432	(1,988,028)
Auxiliary services	2,547,884	1,005,684	(1,542,200)	4,295,664	3,331,298	(964,366)
Community programs	2,522,640	412,482	(2,110,158)	2,680,824	479,840	(2,200,984)
Interest on long-term debt	103,912	-	(103,912)	120,222	-	(120,222)
<b>Subtotal Governmental Activities</b>	<b>35,626,755</b>	<b>15,387,759</b>	<b>(20,238,996)</b>	<b>34,427,749</b>	<b>14,976,929</b>	<b>(19,450,820)</b>
<b>Business-type Activities</b>						
<b>Subtotal Business-type Activities</b>						
<b>Total Primary Government</b>	<b>\$ 35,626,755</b>	<b>\$ 15,387,759</b>	<b>\$ (20,238,996)</b>	<b>\$ 34,427,749</b>	<b>\$ 14,976,929</b>	<b>\$ (19,450,820)</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 two years of government-wide financial data are presented.

**La Plata County, Colorado**  
**Government-wide Program Revenues<sup>2</sup> by Category**  
**For the Fiscal Years Ended December 31, 2003 and 2004<sup>1</sup>**  
**(accrual basis of accounting)**

	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2004</u>
<b>Governmental Activities</b>		
Charges for Services	\$ 4,187,847	\$ 2,885,302
Operating Grants and Contributions	8,335,012	8,558,442
Capital Grants and Contributions	<u>2,864,900</u>	<u>3,533,185</u>
<b>Subtotal Governmental Activities Program Revenues</b>	<u>15,387,759</u>	<u>14,976,929</u>
<b>Business-type Activities</b>		
Charges for Services	-	-
Operating Grants and Contributions	-	-
Capital Grants and Contributions	<u>-</u>	<u>-</u>
<b>Subtotal Business-type Activities Program Revenues</b>	<u>-</u>	<u>-</u>
<b>Primary Government</b>		
Charges for Services	4,187,847	2,885,302
Operating Grants and Contributions	8,335,012	8,558,442
Capital Grants and Contributions	<u>2,864,900</u>	<u>3,533,185</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 15,387,759</u>	<u>\$ 14,976,929</u>

**Notes:**

<sup>1</sup> The County implemented GASB Statement No. 34 in fiscal year 2003, therefore, only two years of government-wide financial data are 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 Years Ended December 31, 2003 & 2004 <sup>1</sup>**  
**(accrual basis of accounting)**

	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2004</u>
<b>Net (Expense), Total Primary Government (See table S-1)</b>		
Governmental activities	\$ (20,238,996)	\$ (19,450,820)
Business activities	-	-
<b>Total Primary Government</b>	<u>(20,238,996)</u>	<u>(19,450,820)</u>
<b>General revenues and other changes in net assets</b>		
<b>Governmental Activities:</b>		
Taxes		
Property taxes levied for general purposes	16,450,626	14,421,821
Sales taxes	10,044,453	11,099,303
Other taxes	1,296,970	150,766
Gain/(loss) on investement in joint venture	2,562,483	(590,995)
Investment earnings	629,156	495,828
Gain (loss) on disposition of capital assets	-	(152,835)
Miscellaneous	1,148,909	2,135,485
Transfer from (to) business-type activities	18,211	-
<b>Subtotal Governmental Activities</b>	<u>32,150,808</u>	<u>27,559,373</u>
<b>Business-type Activities:</b>		
Insurance premium taxes	-	-
Investment earnings	-	-
Miscellaneous	-	-
Transfer from governmental activities	-	-
<b>Subtotal Business-type Activities</b>	<u>-</u>	<u>-</u>
<b>Changes in Net Assets</b>		
Governmental activities	11,911,809	8,108,553
Business-type activities	(18,211)	-
<b>Total Primary Government</b>	<u>\$ 11,893,598</u>	<u>\$ 8,108,553</u>

**Note:**

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



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

Source	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Taxes	\$ 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	\$ 25,671,890
Intergovernmental	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	12,091,627
Licenses and permits	625,097	573,140	566,788	765,392	774,898	653,986	746,136	761,470	743,950	995,007
Fines and forfeitures	-	-	-	-	-	4,292	3,963	2,792	8,605	4,919
Charges for services	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	2,824,970
Miscellaneous	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	1,615,918
Total revenues	\$ 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	\$ 43,204,331
% change from prior year	4.2%	16.5%	-6.1%	7.6%	17.6%	14.8%	-0.5%	19.9%	2.5%	-3.4%

**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>
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
2004	14,421,821	11,099,303	150,766	25,671,890
Percentage Change In Dollars Over 10 Years	171.5%	60.2%	-79.3%	97.9%

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

Function	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Current:</b>										
General government	\$ 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	\$ 6,879,830
Public safety	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	10,491,246
Public works	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	6,300,583
Health and welfare	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	4,436,225
Auxiliary services	1,150,525	1,197,165	1,101,294	1,111,849	1,436,387	1,583,143	2,062,207	2,372,646	2,417,888	2,165,385
Community Programs	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	2,680,824
<b>Total Current</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>	<b>32,954,093</b>
<b>% Change From Prior Year</b>	<b>7.3%</b>	<b>15.9%</b>	<b>-5.8%</b>	<b>0.5%</b>	<b>11.4%</b>	<b>17.5%</b>	<b>15.7%</b>	<b>15.2%</b>	<b>3.5%</b>	<b>2.6%</b>
<b>Capital Outlay</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>	<b>15,993,081</b>
<b>% Change From Prior Year</b>	<b>18.6%</b>	<b>25.4%</b>	<b>-0.4%</b>	<b>-22.4%</b>	<b>93.5%</b>	<b>13.8%</b>	<b>-32.7%</b>	<b>-1.6%</b>	<b>66.4%</b>	<b>47.1%</b>
<b>Debt Service</b>										
Principal	350,000	365,000	380,000	400,000	420,000	1,268,498	485,000	510,000	535,000	560,000
Interest	348,313	333,262	316,655	298,415	278,415	128,498	159,226	130,625	107,675	124,405
Agent fees	123,698	198,044	211,008	200,842	306,428	745	250	250	250	250
<b>Total Debt Service</b>	<b>822,011</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>	<b>684,655</b>
<b>% Change From Prior Year</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>
<b>Total Expenditures</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>	<b>\$ 49,631,829</b>
<b>% Change From Prior Year</b>	<b>9.9%</b>	<b>17.7%</b>	<b>-4.3%</b>	<b>-5.0%</b>	<b>27.3%</b>	<b>17.2%</b>	<b>-0.9%</b>	<b>11.6%</b>	<b>14.2%</b>	<b>13.8%</b>
<b>Debt Service as a Percentage of Total Expenditures</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>	<b>1.1%</b>

**La Plata County, Colorado**  
**Government-wide Net Assets by Category<sup>2</sup>**  
**December 31, 2003 and 2004<sup>1</sup>**  
*(accrual basis of accounting)*

	December 31, 2003	December 31, 2004
<b>Governmental Activities</b>		
Invested in capital assets, net of related debt	\$ 27,295,951	\$ 36,815,975
Restricted for:		
Capital projects	9,474,624	7,891,609
Emergencies	1,120,000	1,120,000
Debt Service	36,319	433,756
Specific projects and programs	7,369,315	9,036,905
Unrestricted	18,372,228	17,006,881
<b>Subtotal Governmental Activities Net Assets</b>	<b>63,668,437</b>	<b>72,305,126</b>
<b>Business-type Activities</b>		
Invested in capital assets, net of related debt	-	-
Restricted for revenue bond retirement	-	-
Unrestricted	-	-
<b>Subtotal Business-type Activities Net assets</b>	<b>-</b>	<b>-</b>

**Notes:**

<sup>1</sup> The County implemented GASB Statement No. 34 in fiscal year 2003, therefore, only two years of government-wide financial data are 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									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>General Fund</b>										
Reserved	\$ 82,033	\$ 99,134	\$ 109,141	\$ 117,175	\$ 130,739	\$ 134,763	\$ 186,583	\$ 520,554	\$ 1,376,847	\$ 1,439,011
Unreserved	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	5,990,174
<b>Subtotal General Fund</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>7,429,185</b>
<b>General Fund Percentage Change</b>	<b>2.5%</b>	<b>11.5%</b>	<b>-2.6%</b>	<b>7.9%</b>	<b>15.3%</b>	<b>14.3%</b>	<b>7.5%</b>	<b>20.4%</b>	<b>9.1%</b>	<b>-23.1%</b>
<b>All Other Governmental Funds</b>										
Reserved	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	10,299,261
Unreserved	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	8,974,152
Debt Service Funds	999,960	1,044,954	1,098,342	852,467	894,354	257,316	131,054	35,927	36,319	-
Capital Projects Fund	2,538,290	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>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>19,273,413</b>
<b>Total Governmental Funds</b>										
Reserved	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	11,738,272
Unreserved	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	14,964,326
<b>Total Governmental Funds</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>\$ 26,702,598</b>
<b>All Governmental Funds Percentage Change</b>	<b>22.1%</b>	<b>9.2%</b>	<b>0.0%</b>	<b>20.8%</b>	<b>9.2%</b>	<b>6.7%</b>	<b>6.0%</b>	<b>18.4%</b>	<b>2.0%</b>	<b>-6.3%</b>

**La Plata County, Colorado**  
**Property Tax Levies and Collections**  
**1995-2005**

Fiscal Year	Year Collected	Total Tax Levy <sup>1</sup>	Current Tax Collection	% of Levy Collected	Delinquent Tax Collections <sup>2</sup>	% of Total Tax Collection	
						Total Tax Collections	To Levy
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%
2003	2004	13,002,400 <sup>6</sup>	12,959,129	99.67%	86,036	13,045,165	100.33%

(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.

(6) \$350 million decrease in natural gas valuation resulting in \$3.5 million decrease in 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	
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%
2003	2004	1,415,339	6,031,242 <sup>5</sup>	108,620	462,867	1,523,959	6,494,109	23.5%

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**  
**1995-2004**

Collection Year:	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
La Plata County	mill 8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500	8.500
	tax \$ 5,310,835	6,392,536	6,003,182	7,804,123	9,567,946	9,886,710	10,295,660	14,826,677	12,953,647	18,140,996
Municipalities:										
City of Durango	mill 2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507	2.507
	tax \$ 284,603	365,448	379,404	437,191	454,006	516,184	587,480	651,163	746,788	774,172
Town of Bayfield	mill 8.060	7.137	6.920	6.600	6.600	5.964	5.964	5.950	5.950	5.950
	tax \$ 47,589	54,765	62,394	67,972	68,883	72,114	72,778	77,784	108,161	131,330
Town of Ignacio	mill 5.531	5.531	5.290	4.321	4.321	3.370	3.370	3.370	3.370	3.370
	tax \$ 12,660	14,434	13,729	14,441	14,906	15,399	15,707	16,066	15,900	16,342
School Districts:										
Durango 9R	mill 37.034	34.793	34.368	27.633	22.378	21.500	21.052	15.394	21.553	16.617
	tax \$ 17,432,517	18,470,470	19,025,202	19,839,119	19,668,621	20,428,405	20,839,916	21,275,601	25,722,113	26,337,033
Bayfield 10R	mill 62.657	61.867	47.813	39.942	37.582	38.766	39.326	28.847	28.100	22.764
	tax \$ 4,023,583	4,299,587	4,230,790	4,398,083	4,625,394	4,609,886	4,620,310	4,850,340	4,343,404	5,541,416
Ignacio 11JT	mill 32.014	31.155	31.198	22.163	17.429	17.429	15.958	8.825	7.598	4.183
	tax \$ 2,242,781	2,347,902	2,002,825	1,996,225	2,154,910	1,643,467	1,657,096	1,712,965	1,336,895	1,279,416
Special Districts:										
Animas Fire Protection-Bonded Indebtedness	mill 0.000	0.000	0.000	0.000	2.123	1.828	1.700	1.230	1.160	0.692
	tax \$ -	-	-	-	578,773	576,339	594,782	569,446	537,020	439,630
Animas Fire Protection	mill 3.060	8.611	8.325	7.131	4.468	4.344	4.539	4.112	5.069	5.069
	tax \$ 433,707	1,497,312	1,509,898	1,657,991	1,158,692	1,291,488	1,395,101	1,701,189	2,072,739	2,941,314
Animas La Plata Water Conservancy	mill 0.407	0.355	0.400	0.359	0.372	0.348	0.362	0.319	0.281	0.286
	tax \$ 92,852	100,924	118,494	125,937	133,847	139,193	148,507	144,336	141,825	152,234
Animas Mosquito Control	mill 0.409	0.409	0.409	0.550	0.550	0.550	0.550	0.550	0.990	0.990
	tax \$ 71,228	91,207	94,740	151,827	158,072	177,660	181,716	200,845	403,036	419,328



Table S-11

Collection Year:		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Aspen Trails Metro	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	18,650
	tax \$	-	-	-	-	-	-	-	-	-	21,623
Bayfield Sanitation District A	mill	0.874	0.679	0.559	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	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	6.146	4.706	4.430	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	2,520	2,628	2,780	-	-	-	-	-	-	-
Durango Conference Center Business Improvement Center	mill	0.000	0.000	0.000	1.500	1.500	1.476	0.000	0.000	1.500	1.500
	tax \$	-	-	-	105,637	105,401	119,160	-	-	143,457	141,636
Durango West Metropolitan I	mill	61.200	61.200	61.200	61.200	74.450	71.820	71.280	55.140	48.100	47,200
	tax \$	79,654	85,093	89,970	104,871	136,880	141,973	142,982	135,672	137,935	140,033
Durango West Metropolitan II	mill	45.100	38.893	38.893	34.197	33.591	31.483	30.314	28.769	25.120	25,410
	tax \$	207,962	215,794	224,366	207,755	207,507	211,096	209,747	210,036	203,450	208,378
Durango Hills Local Improvement	mill	20.379	20.379	20.379	18.023	19.037	19.019	20.379	18.525	18.404	18,573
	tax \$	25,727	30,424	31,303	34,884	37,626	40,743	43,956	41,007	48,753	50,405
Edgemont Ranch Metropolitan	mill	9.756	7.234	11.034	6.541	6.541	5.874	5.874	5.874	5.874	5,874
	tax \$	13,433	14,791	24,258	16,944	17,731	19,358	20,135	21,339	29,934	33,666
El Rancho Florida Metropolitan	mill	15.068	15.068	14.100	13.900	14.015	12.156	8.672	0.000	0.000	0.000
	tax \$	23,959	26,411	26,157	27,142	27,798	26,611	19,009	-	-	-
Florida Mosquito Control	mill	0.420	0.390	0.430	0.370	0.570	0.700	0.700	0.700	0.700	0.700
	tax \$	36,072	38,373	40,760	45,678	84,649	116,542	130,470	195,340	174,119	282,197
Florida Water Conservancy	mill	0.361	0.348	0.345	0.300	0.280	0.280	0.270	0.201	0.185	0.119
	tax \$	29,210	31,568	30,018	33,003	35,755	37,788	40,410	43,421	38,829	40,609
Forest Lakes Metropolitan	mill	42.109	42.109	42.109	35.524	35.524	35.524	35.524	35.524	35.524	35,524
	tax \$	185,643	197,963	214,972	253,351	266,347	287,928	297,521	306,189	354,184	378,762
Fort Lewis Fire Protection	mill	5.607	5.515	5.565	5.565	5.565	5.526	4.768	5.900	5.900	5,900
	tax \$	92,608	98,716	99,704	108,086	107,543	113,312	119,636	156,715	163,299	166,150

Table S-11

Collection Year:		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Hermosa Cliffs Fire Protection	mill	10.336	10.491	10.745	8.412	10.745	10.897	10.863	10.650	9.979	9.524
	tax \$	244,838	257,377	258,870	249,243	318,198	351,009	346,130	375,538	412,564	449,080
Ignacio Community Library	mill	0.586	0.586	0.542	0.443	0.346	0.343	0.927	0.560	1.000	1.000
	tax \$	41,053	44,162	34,795	39,901	42,779	32,266	96,261	108,698	175,954	305,861
Ignacio-Oxford-Allison Cemetery	mill	0.260	0.244	0.244	0.244	0.118	0.244	0.244	0.244	0.244	0.244
	tax \$	10,621	10,618	9,312	12,398	8,029	14,987	16,329	28,850	26,852	50,474
La Plata Water Conservancy	mill	0.300	0.300	0.320	0.310	0.300	0.285	0.295	0.295	0.295	0.295
	tax \$	4,717	4,797	5,119	5,345	5,118	5,472	6,509	6,623	6,856	7,148
Loma Linda Sanitation	mill	10.000	10.000	10.000	10.000	10.000	0.000	0.000	0.000	0.000	0.000
	tax \$	14,847	19,824	20,176	23,178	26,450	-	-	-	-	-
Los Pinos Fire Protection	mill	2.291	2.253	2.210	1.689	3.014	3.378	3.036	3.721	3.520	3.520
	tax \$	185,368	197,920	164,948	183,186	456,541	475,447	504,365	1,235,110	1,028,022	1,693,744
Los Pinos Fire/Mt. Allison	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.500	1.500
	tax \$	-	-	-	-	-	-	-	-	19,214	31,512
Pine River Cemetery	mill	0.363	0.342	0.342	0.294	0.273	0.273	0.273	0.203	0.186	0.123
	tax \$	31,257	30,947	30,262	32,373	33,599	32,464	32,074	34,132	28,750	29,942
Pine River Library	mill	0.611	0.611	0.611	0.541	0.523	2.500	2.500	2.500	2.500	2.500
	tax \$	51,312	55,288	54,065	59,570	64,368	297,289	293,719	420,351	386,424	608,572
Purgatory Metropolitan	mill	27.313	27.313	27.313	27.313	27.313	26.572	27.313	27.313	27.313	27.313
	tax \$	167,908	170,354	170,449	184,134	181,758	207,263	225,579	234,196	271,678	330,853
Rafter J Fire Protection	mill	6.025	5.022	5.022	4.424	4.436	4.436	No Special District	No Special District	No Special District	No Special District
	tax \$	26,096	29,087	30,265	32,284	33,012	33,987	-	-	-	-
South Durango Sanitation	mill	2.173	1.574	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	tax \$	10,045	10,499	-	-	-	-	-	-	-	-
SW Colorado TV Translator	mill	0.838	0.838	0.857	0.822	0.822	0.777	0.777	0.777	0.777	0.777
	tax \$	14,244	14,823	15,168	15,483	15,545	15,601	17,867	18,260	18,738	19,483
SW Water Conservancy	mill	0.405	0.395	0.411	0.339	0.321	0.314	0.324	0.260	0.305	0.254
	tax \$	253,045	297,065	290,271	311,246	361,330	365,227	392,446	453,521	464,807	542,096

Table S-11

Collection Year:	mill tax \$	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40,000 205,006
Tamarron Metro											
Upper Pine River Fire Protection	mill tax \$	2.640 238,883	2.642 258,998	2.637 253,164	2.307 274,510	4.758 631,252	4.950 642,375	4.950 638,510	4.950 931,564	4.950 858,753	6.739 1,835,561
<b>Total tax to be collected</b>		<b>\$ 31,695,492</b>	<b>\$ 35,486,191</b>	<b>\$ 35,276,686</b>	<b>\$ 38,541,865</b>	<b>\$ 41,789,266</b>	<b>\$ 42,579,516</b>	<b>\$ 43,610,262</b>	<b>\$ 50,529,453</b>	<b>\$ 52,909,293</b>	<b>\$ 63,746,002</b>

Source: La Plata County Assessor's Abstract

**La Plata County, Colorado  
Principal Property Taxpayers  
For Tax Collection Year 2004**

	Taxpayer	Type of Business	2003 Assessed Valuation	Percentage of Total Assessed Valuation
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 2004**

	Taxpayer - Type of Business	2004 Sales Tax Collected	Percentage of Total Taxes Collected
1	Retail-General Merchandise	\$ 1,700,015	11.75%
2	Electric Services	519,495	3.59%
3	Retail-Building Supplies	516,999	3.57%
4	Retail-Auto Dealer	414,771	2.87%
5	Retail-Building Supplies	282,247	1.95%
6	Retail-Food Store	276,075	1.91%
7	Retail-Food Store	223,500	1.55%
8	Retail-Auto Dealer	209,221	1.45%
9	Retail-Building Supplies	188,502	1.30%
10	Retail-Food Store	187,927	1.30%
Total Sales Taxes Collected by 10 Largest Businesses		<u>\$ 4,518,752</u>	<u>31.24%</u>
Total Sales Taxes Collected by All Businesses		<u>\$ 14,463,541</u>	<u>100.00%</u>

Source: Colorado State Department of Revenue

**La Plata County, Colorado**  
**Computation of Legal Debt Margin**  
**As of December 31, 2004**

Assessed Value		<u>\$ 1,523,958,500</u>
Legal Debt Margin:		
Debt limitation - 1.5 percent of total assessed value	\$ 22,859,378	
Debt applicable to limitation:		
Total bonded debt	\$ 1,200,000	
Less: Sales tax revenue bonds	<u>1,200,000</u>	
Total debt applicable to debt limitation	<u>                    -</u>	
Legal debt margin	<u>\$ 22,859,378</u>	

**La Plata County, Colorado**  
**Ratio of Net General Obligation Bonded Debt**  
**to Assessed Value and Net General Obligation Debt per Capita**  
**1995-2004**

Fiscal Year	Population	Assessed Value <sup>1</sup>	Gross Bonded Debt	Debt Payable		Net Bonded Debt	Ratio of Net Bonded Debt		Net Bonded Debt
				Less Debt Service Fund	from Enterprise Revenue		to Assessed Value	per capita	
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%	-	-
2004	47,494	1,523,959	-	-	-	-	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**  
**1995-2004**

Fiscal Year	Principal	Interest	Total		Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
			Debt Service			
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%
2004	-	-	-	-	49,631,829	0.00%

**La Plata County, Colorado**  
**Property Tax Rates**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds**  
**As of December 31, 2004**

Jurisdiction	General Obligation Debt Outstanding	Applicable to La Plata County	
		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	107,775,000	100.00%	107,775,000
Bayfield 10R	18,005,000	99.63%	17,938,382
Ignacio 11JT	-	0.00%	-
<i>Special Districts:</i>			
Animas Fire Protection	5,120,000	100.00%	5,120,000
Animas La Plata Water Conservancy	-	0.00%	-
Animas Mosquito Control	-	0.00%	-
Durango Hills Local Improvement	-	0.00%	-
Durango West Metropolitan I	245,000	100.00%	245,000
Durango West Metropolitan II	1,360,000	100.00%	1,360,000
Edgemont Ranch Metropolitan	-	0.00%	-
El Rancho Florida Metropolitan	-	0.00%	-
Florida Mosquito Control	-	0.00%	-
Florida Water Conservancy	-	100.00%	-
Forest Lakes Metropolitan	-	100.00%	-
Fort Lewis Fire Protection	-	0.00%	-
Hermosa Cliffs Fire Protection	1,240,000	100.00%	1,240,000
Hermosa Sanitation	-	0.00%	-
Ignacio Community Library	-	0.00%	-
Ignacio-Oxford-Allison Cemetary	-	0.00%	-
La Plata Water Conservancy	-	0.00%	-
Loma Linda Sanitation	-	0.00%	-
Los Pinos Fire Protection	-	0.00%	-
Pine River Cemetary	-	0.00%	-
Pine River Library	-	0.00%	-
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	5,200,000	100.00%	5,200,000
	<u>\$ 138,945,000</u>		<u>\$ 138,878,382</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**  
**1995-2004**

Fiscal Year	Gross Sales Tax Revenue	Revenue Available for Debt Service <sup>1</sup>	Principal	Interest	Total	Coverage
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
2004	11,099,304	7,959,382	560,000	83,600	643,600	12.4

(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 (2004 data not available)**

	<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**  
**1995-2004**

Fiscal Year	New Construction				Total Property Value			Bank Deposits <sup>3</sup>
	Commercial		Residential		Commercial	Residential		
	# of Permits	Value	# of Permits	Value				
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	
2004	13	2,268,000	1051	111,561,986	2,690,289,692	4,688,245,868	638,557	

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**  
**1995-2004 (000)**

Type of Business	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Building material</b>	\$ 57,923	\$ 58,186	\$ 60,686	\$ 62,967	\$ 61,353	56,489	60,211	51,396	75,589	41,691
<b>General merchandise</b>	27,476	28,045	29,842	63,533	92,120	100,563	100,885	-	109,501	122,582
<b>Food stores</b>	88,561	91,130	98,718	100,775	96,192	88,542	82,516	99,965	95,594	107,162
<b>Automotive</b>	85,421	87,133	94,148	101,223	116,334	143,149	154,134	106,379	117,569	139,635
<b>Apparel &amp; accessory</b>	19,251	19,500	16,007	15,520	13,353	14,583	15,230	17,985	17,182	17,538
<b>Furniture</b>	25,053	25,811	24,486	27,104	32,922	39,338	34,929	14,803	14,965	15,863
<b>Miscellaneous</b>	70,497	80,441	80,863	88,720	83,210	89,109	104,886	152,972	153,393	167,413
<b>Total Retail Trade</b>	<u>374,182</u>	<u>390,246</u>	<u>404,750</u>	<u>459,842</u>	<u>495,484</u>	<u>531,773</u>	<u>552,791</u>	<u>443,500</u>	<u>583,793</u>	<u>611,884</u>
<b>Finance, insurance &amp; real estate</b>	4,170	4,380	7,758	5,291	5,592	5,588	7,409	57,485	36,590	54,788
<b>Hotels &amp; lodging</b>	48,136	47,099	49,549	50,785	49,903	45,977	46,138	6,216	40,700	61,259
<b>Eating &amp; drinking</b>	50,994	52,651	55,556	57,899	57,630	60,374	61,449	40,264	64,841	75,435
<b>Other services</b>	69,099	94,786	89,795	87,532	97,141	117,976	142,379	217,759	159,745	231,332
<b>Total Services</b>	<u>172,399</u>	<u>198,916</u>	<u>202,658</u>	<u>201,507</u>	<u>210,266</u>	<u>229,915</u>	<u>257,375</u>	<u>321,724</u>	<u>301,876</u>	<u>423,014</u>
<b>Wholesale trade</b>	36,730	36,014	35,756	29,283	36,369	44,259	49,970	56,356	74,492	89,401
<b>Agriculture</b>	5,477	5,270	5,803	7,021	6,329	6,628	7,637	1,452	888	1,984
<b>Mining</b>	8,040	5,381	4,059	-	2,223	1,593	3,542	9,107	11,645	9,917
<b>Construction</b>	32,155	32,558	46,542	49,774	39,842	42,712	33,947	28,311	34,226	41,024
<b>Manufacturing</b>	21,792	22,444	16,654	27,078	36,291	45,786	34,757	36,919	32,115	66,033
<b>Transp., comm &amp; pub util</b>	47,750	51,120	49,400	55,537	56,278	72,266	71,202	6,067	5,670	22,316
<b>Government</b>	5,094	2,329	2,312	-	-	-	111	-	-	212
<b>Nonclassifiable</b>	1,071	3,940	1,679	-	-	-	223	2,674	-	-
<b>Total Other Industries</b>	<u>158,109</u>	<u>159,056</u>	<u>162,205</u>	<u>168,693</u>	<u>177,332</u>	<u>213,244</u>	<u>201,389</u>	<u>140,886</u>	<u>159,036</u>	<u>230,887</u>
<b>All Industries</b>	<u>\$ 704,690</u>	<u>\$ 748,218</u>	<u>\$ 769,613</u>	<u>\$ 830,042</u>	<u>\$ 883,082</u>	<u>\$ 974,932</u>	<u>\$ 1,011,555</u>	<u>\$ 906,110</u>	<u>\$ 1,044,705</u>	<u>\$ 1,265,785</u>

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>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>	<u>2004</u>
<sup>1</sup> Enplanements/Deplanements										
Durango-La Plata County Airport	196,073	206,042	206,781	211,454	219,989	182,826	195,625	203,966	175,961 <sup>7</sup>	191,267
<sup>2</sup> Passengers-Durango & Silverton Narrow Gauge RR	201,696	198,504	193,098	198,434	206,833	206,729	193,028	129,690 <sup>6</sup>	161,774	167,096
<sup>3</sup> Skier Days- Durango Mtn Resort	382,839	307,442	341,643	328,705	304,735	237,659	250,000	267,000	268,486	268,486
<sup>4</sup> Visitors-Mesa Verde Ntl Park.	680,833	633,628	648,596	623,510	656,023	471,084	530,540	411,399 <sup>6</sup>	460,066	469,704
<sup>5</sup> Sales Tax Revenues (in \$)	6,927,275	7,155,722	7,530,347	7,930,753	8,682,717	9,227,022	9,715,464	9,675,960 <sup>6</sup>	10,044,453	11,099,304
% change	5.67	3.3	5.24	5.32	9.48	6.27	5.29	-0.41	3.81	10.50
<sup>5</sup> Lodgers' Tax (in \$)	262,038	260,219	264,767	276,511	267,780	267,193	239,663	144,088 <sup>6</sup>	151,723	168,988
% change	-4.82	-0.69	1.75	4.44	-3.16	-0.22	-10.30	-39.88	5.30	10.96

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

6) Decline resulted from national/state economic recession and the drought and wild fires in La Plata County

7) Fewer flights flying into and out of Durango-La Plata County Airport

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## **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 25, 2005

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, 2004, and have issued our report thereon dated May 25, 2005. 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 25, 2005  
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, Steinkirchner, 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 25, 2005

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, 2004. 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, 2004.



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

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

May 25, 2005

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, 2004, and have issued our report thereon dated May 25, 2005. 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, 2004**

<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>
<b>Department of Agriculture</b>			
Passed through the Area Agency on Aging			
Nutrition Program for the Elderly	10.570		\$ 20,305
Passed through the Colorado Department of Human Services			
Food Assistance EBT	10.551		2,257,315
Food Assistance Administration	10.561		163,584
TEFAP-Administration	10.568		13,794
TANF-Commodities Received	10.569		34,938
<b>Total Department of Agriculture</b>			<u>2,489,936</u>
<b>Department of Health and Human Services</b>			
Passed through the Area Agency on Aging			
Title III-Special Programs for Aging-Supportive Services (B)	93.044		39,208
Title III-Special Programs for Aging-Nutrition Services	93.045		73,517
Passed through the Colorado Department of Human Services			
Family Preservation	93.556		159,094
TANF	93.558		893,259
Title IV-D, IV-D Administration	93.563		316,255
LEAP	93.568		335,421
CCDF Discretion	93.575		344,647
CCDF	93.596		234,275
Title IV-B, Child Welfare	93.645		7,727
Title IV-E, IV-E Foster Care	93.658		352,450
Adoption	93.659		109,746
Title XX, Block Grant	93.667		218,421
Title IV-E Independent Living	93.674		56,015
Title XIX, Medicaid	93.778		253,278
Passed through the Colorado Department of Local Affairs			
Passed through Housing Solutions for the Southwest			
Community Services Block Grant-passed through to other agencies	93.031		11,517
<b>Total Department of Health and Human Services</b>			<u>3,404,830</u>
<b>Department of Interior, Bureau of Reclamation</b>			
Utility Relocation (CR 211 Realignment)	15.BBD 02-FC-40-6250		78,226
Reconstruction (CR 211 Realignment)	15.BBD 03-FC-40-2127		621,777
<b>Total Department of Interior</b>			<u>700,003</u>

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**La Plata County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2004**

<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 Homeland Security			
Federal Emergency Management Agency			
Passed through the Area Agency on Aging			
FEMA Meals on Wheels	97.024		2,170
Passed through the Colorado Department of Local Affairs			
Community Emergency Response Teams	83.564	4EM72434	1,343
FEMA Supplemental	None		8,000
Emergency Management Assistance	83.552	2EM73934	25,662
			<u>35,005</u>
Total Federal Emergency Management Agency			<u>37,175</u>
As a subrecipient of State of Colorado, Homeland Security			
Passed through Durango Fire and Rescue Authority			
2003 Homeland Security - Part II	16.007		182,877
Total Department of Homeland Security			<u>220,052</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	468,323
Total Department of Housing and Urban Development			<u>468,323</u>
Department of Justice			
Office of Justice Programs			
Bulletproof Vest Partnership Grant	16.607		3,421
Passed through the Colorado Department of Public Safety			
Sixth Judicial District-Victim's Compensation	16.576		151,119
Total Department of Justice			<u>154,540</u>
Other Federal Assistance			
Office of National Drug Control Policy, Dept of Treasury, Dept of Justice			
HIDTA Funding	None	I4PRMP585	186,437
Forest Service Reserves	10.665		106,249
Total Other Federal Assistance			<u>292,686</u>
Total Federal Assistance			<u>\$ 7,730,370</u>

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, 2004

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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, 2004.
- 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, 2004 were:
  - Food Assistance Cluster CFDA #10.551/10.561
  - Title IV-D, IV-D Administration CFDA #93.563
  - LEAP CFDA #93.568
  - 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, 2004

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There were no prior year audit findings or questioned costs.

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